



Unit 1

Making Decisions and Communicating About Money

Curriculum

Activities

- » **Money Bingo** [1-A]
- » **How Do I Decide?** [1-B]
- » **Marc's Car** [1-C]
- » **Let's Talk About Money** [1-D]
- » **What Did You Hear?** [1-E]

Handouts

- » **Making Good Decisions** [1-F]
- » **Making Good Decisions — Your Steps to Success Cards** [1-G]
- » **Tips for Good Communication** [1-H]
- » **Roadblocks to Communication** [1-I]
- » **Options for Managing Money** [1-J]
- » **Children and Allowances** [1-K]

Teaching Guide (Available on CD)

PowerPoint Slide Handouts (Available on CD)



Making Money Count

Unit 1: Making Decisions and Communicating About Money

Money is something you use nearly every day, yet using it effectively can be a challenge. Have you ever thought about how you learned to use money? You probably watched your parents or others around you, and you learned from your own experience. Maybe you have even taken a financial class. There may be times, however, when you still feel overwhelmed or frustrated about money. If so, you're not alone.

Making Money Count will share a wide range of financial information that can help you sharpen your money management skills. These skills are important to achieving your financial goals. This unit begins exploring money by discussing the meanings people often attach to money, sharing ideas for making good decisions and providing some tips for communicating about money within the family.

Meanings of money

Money means different things to different people. Let's take a look at five meanings commonly attached to money.

1. **Self-esteem.** Some people use money to build their self-esteem. They believe being a success in life is connected to how much money they earn and what they can buy with it.
2. **Sense of security.** Sometimes money is seen as protection against unknown future events. People who attach this meaning to money place a high priority on savings and having an emergency fund. They may not like to borrow money or use credit cards because they are uncomfortable owing money to others.
3. **Source of power.** Money may be used by some people as a way to control or manipulate others. It may be used to punish or seek revenge, or to clear away obstacles that stand in the way of gaining power.
4. **Freedom.** Money may be a means to achieve independence. This particular meaning is so strong for most people that both financial counselors and marriage counselors recommend that each member of the family have at least some money to call his or her own. This "personal allowance" can be spent without having to justify or explain its use to anyone else.

Learning objectives:

- Describe the components of an effective decision-making process.
- Use the decision-making process when making major decisions.
- Use communication skills and techniques to make better financial decisions.
- Practice effective communication skills and techniques.
- Reduce obstacles to communication within the household.

Use the **Money Bingo** [1-A] activity as an icebreaker or as a teaching tool.





5. **Love.** Money is sometimes used to buy affection or friendship, or as a substitute for time not spent with family. When you love someone, you may use money to express that love by buying gifts that you think will make him or her happy.

You may find that you attach more than one meaning to money. These meanings attached to money are not likely to create problems unless they are extreme or are in direct conflict with those of other household members. Communicating your feelings about money and giving others the same opportunity can go a long way in overcoming money conflicts.

Decision making

You make dozens of decisions every day — what to wear, what to eat, where to shop, etc. Many of the decisions you make are so routine that you may not even be aware that you are making them. Other larger decisions, though, may require an investment of time, money, etc. For these decisions, you need to give careful thought to both the possibilities and the consequences of the choice you make.

Decision making is a skill that can be learned and improved, with benefits that can last a lifetime. While going through the process may take some time, being able to make good decisions can save you money and other resources. Learning and practicing the steps in a decision-making process until they become a habit is the best way to improve your ability to make good decisions. At times, you may be able to combine or skip some of the steps. But the more important the decision, the more time and attention you will want to give to each step.

Six steps to good decisions

1. **Identify the issues and decision(s) to be made.**

When making a decision, be sure you have identified the underlying issues that could affect that decision. Do you really need to make this decision? If so, when does it have to be made? Why is it important and who is affected? How will the decision affect you and others? What would happen if you did nothing?

Example: If your car breaks down, you could have problems getting to work, taking your children to school, running errands, etc., besides the expense of getting the car repaired or replaced. Your first decision might be how to meet your current transportation needs. Then you can focus on the decision of whether to fix your car or replace it.

2. **Generate alternatives.**

Rather than jumping into action, you need to start by considering several possible alternatives and options you have for addressing the issue. If you are facing a particularly difficult decision, spending extra time coming up with a variety of solutions or alternatives can be very helpful.

Example: If your car quits working, you have many options beyond simply fixing it or buying a new or used one. In addition to ideas you generate on your own, look to your family and friends for other ways to deal with the issues. Depending on your financial situation, you may want to consider alternative sources of transportation, at least temporarily. These could include carpooling, public transportation, borrowing a car, etc., which

Refer to the handouts,

- **Making Good Decisions** [1-F]
- **Making Good Decisions — Your Steps to Success Cards** [1-G]
- **Making Good Decisions — expanded version** [Web]



would give you time to save money to pay for repairs or time to shop around for a different car. You may also consider taking a day off work to give yourself time to look into alternatives.

3. ***Gather information.***

What alternatives are realistic? Which fit best with what you are trying to accomplish? What resources are available to help you? Identify what can be used to help solve the problem, such as money on hand, employee assistance programs or community organizations. Remember that resources include more than just money. Other resources could include friends, family, time, energy, information, skills and knowledge. Consider all reasonable options before making your decision.

Search for specific information about each option. How much will it cost, when is it available, how long will it take, and what's the best deal? Besides talking to family and friends, consider other resources such as a library, the Internet, newspapers, community agencies and organizations, professionals, etc. Read what you can find on the topic, especially from unbiased sources, such as *Consumer Reports* magazine. The real trick is to figure out what information you need that relates to your situation, and what is the best source (or sources) for finding that information.

As you gather information, don't forget about your goals. What do you want to accomplish? What information do you need to help you make a well-informed decision that will make it possible for you to reach those goals? Which goals have the highest priority for you? What resources are available to carry out a decision that will help you reach your goals?

Example: If your car breaks down, your goal is to have some way to get to work, get your children to school, run errands, etc. Realistic alternatives would include getting your car repaired or perhaps buying a new or used car. But you may also want to gather information about public transportation and whether there is an opportunity to carpool to work or to get your children to school. To figure out your best option, it's helpful to know the cost of repairs and the prices of new and used cars available in your area.

4. ***Weigh the alternatives***

Sort through the alternatives and consider their possible outcomes. Give yourself as many options as possible so you have several to consider when making your final choice. What alternatives are most likely to work? What is the value of each alternative, and how does it relate to your values? What might work best for you in your situation?

As you consider your alternatives, don't forget to consider the possible outcomes of each choice. How will the decision affect you several months from now? Is it affordable? How will it impact your other goals and priorities? Is it legal? Is it ethical (ethics refers to the rightness or wrongness of the things you do)? Is the potential outcome acceptable? If you have more than one acceptable option, consider which will produce the most good for the most people for the longest period of time.

Example: Do the needed repairs cost less than what the car is worth if you tried to sell it? If buying a car, have you considered the total cost? If you borrow money, your monthly payment would include the principal, plus interest. The interest rate may be high if you have a poor credit record, so you might want to consider some other short-term alternatives while you work to improve your credit score. In addition to the cost of buying the car, you need to consider the costs of owning and operating the car, such as insurance, gas, maintenance, license, taxes, etc. Check to see if these would remain close to what they were on your old car.

5. ***Make a decision and follow through.***

After coming up with your alternatives and considering their potential outcomes, make your decision based on what would work best for you in your situation. What option makes you feel most comfortable? Don't forget to consider your values, goals and priorities as you make a decision. If you choose not to make a decision right now because you do not think any of your present choices are good enough, that is not the same as not making a decision at all or doing nothing.

As you are making your decision, here are a few additional tips to remember:

- ***Take time to make your decision.*** Don't rush into something you'll regret later. Remember, most situations are not an emergency unless they are life-threatening. Sometimes you can consider options that will give you time to think about a final decision.
- ***Try to avoid making excuses about or rationalizing your decision.*** Be as objective as possible as you consider the facts of the situation.
- ***Try to avoid making decisions when you're tired or stressed.***
- ***Realize some decisions cannot be changed.*** However, there are many decisions that can be adjusted. The easier it is to adjust a decision in the future, the less pressure you feel to get it exactly right the first time.

Make a plan to put your decision into action and then do it! Be ready to accept responsibility for and the consequences of the decision.

Try to stick to your decision until you can be sure what changes or improvements may be needed.

6. ***Evaluate the decision.***

An excellent way to improve your future decision making is to take a careful look at how past decisions turned out. Were you happy with the outcomes? If the decision was a good one, figure out what helped you make that decision and repeat those steps in the future. If you were not happy with the results of your decision, try to determine if there was something you could have done differently. Did you have enough information? Did the decision go against your values, or did you allow someone else's values to influence your decision? This insight can help you improve future decisions. Get in the habit of routinely evaluating your major decisions after you have made them and have lived with the results. What you learn from evaluating decisions as you move through life will likely have a positive impact on your future decisions.

Use the activities,
How Do I Decide?
[1-B] and
Marc's Car [1-C]



Communication about money

Poor communication about money is often the root of family financial problems. When family members have different values and attitudes about spending and saving money, or when families set unrealistic or incompatible goals, there may be conflicts. Even when feelings about money are similar, problems can arise if there isn't good communication. For example, one spouse may unintentionally spend more than the couple can afford simply because he or she was clueless about their overall financial situation.

Since people often have difficulty talking openly about money, it is worth the effort to work on improving communication skills. You may not even be aware of the strong feelings or beliefs you have about money until they come into conflict with someone else's feelings or beliefs. By opening the lines of communication about money, family members can work together to understand and accommodate differences while building a strong financial foundation and reaching family goals.

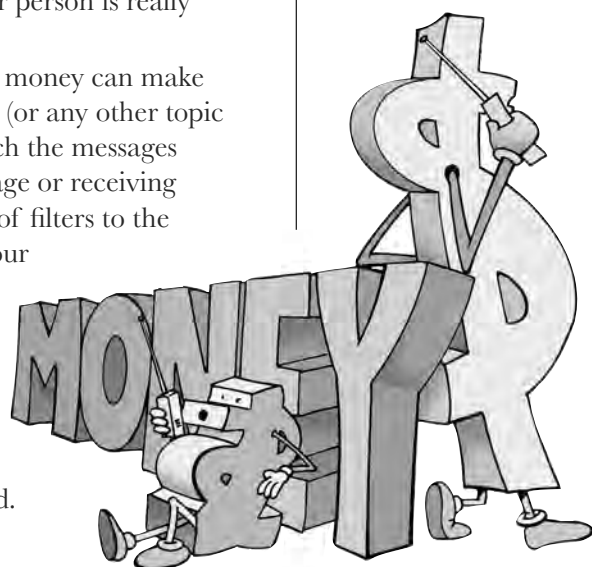


Research shows that marital satisfaction is influenced by financial factors — the more conflict over money, the less satisfied couples are in their marriages (Kerkmann et al. 2000).

Being able to put your ideas and feelings into words and sharing them with others is an important part of learning to communicate more effectively. The general rules of good communication apply whether talking about money or other family issues. If you cannot say how you feel and what you think, how can you expect others to understand your feelings or point of view?

Communication also includes listening to others. Being able to talk about money is just half of the communication process. It is important to be open to what others have to say about the issue. In many ways, the listening side of communication is more important than the talking side. It takes more than just hearing the words. Listening includes encouraging others to talk about what is important to them and trying to understand what the other person is really saying.

Understanding how other members of the household view money can make communication easier. When we communicate about money (or any other topic for that matter) we have a personal set of filters through which the messages must pass. They are in place whether we are sending a message or receiving one. It's important to realize that we each bring our own set of filters to the communication process because the experiences that shape our personal filters are likely different from those that shaped the filters of the person with whom we are communicating. These filters may include our attitudes and values, the experiences we have had and ideas we have about the sender of the message. When communicating, remember that there is no "right" or "wrong" set of filters, and each person's filters can impact how a message is sent and received.



Use the activities, **Let's Talk About Money** [1-D] and **Talking About Our Money Habits** [Web]





Unit 1: Making Decisions and Communicating About Money

ACTIVITY

Marc's Car

Decision situation:

Marc is a widowed father of two children, Jason who is 12 and Sara who is 8. He lives with the children in a large city. The children are busy with sports and music lessons. Marc juggles his job, taking care of the house and keeping up with Jason and Sara. While driving home from work last night, Marc's six-year-old car stopped running — the second time this month. What should he do?

1. *What issues or problems are associated with not having the use of his car?*

2. *What options could Marc consider to provide transportation for his family?*

Six steps to good decisions

1. Identify the issues and decisions to be made.
2. Generate alternatives.
3. Gather information.
4. Weigh the alternatives.
5. Make a decision and follow through.
6. Evaluate the decision.





Unit 1: Making Decisions and Communicating About Money

DIRECTIONS

Marc's Car

Use this as a group discussion activity. Read the situation to the entire group. If you are working with a small group (less than 20), work through this activity together. For a large group, divide them into smaller discussion groups. Have the smaller groups report back to the larger group.

Possible answers:

Identify the decision(s) to be made

1. What issues or problems are associated with not having the use of his car?

Not being able to:

- get to work
- get the children to school or after school activities
- go to the grocery store
- go to medical appointments
- run errands

Costs associated with getting the car repaired

Cost of getting a new or used car

Generate alternatives

2. What options could Marc consider to provide transportation for his family?

- Bus
- Rail
- Bike
- Walk
- Cab
- Rent a car
- Borrow a car
- Barter
- Vo-tech fix
- Sell the car
- Trade the car
- Carpool to work
- Employer transport
- Carpool children to school
- Self-help repair class
- Garage sale to raise money
- Sell things on eBay/Craigslist
- Have a friend or relative fix
- Use tax refund to fix
- Go to grocery store with a friend or neighbor
- Use *Consumer Reports* magazine to compare used cars
- Change to a job closer to home
- Change schools to closer proximity
- Use vacation/sick days to shop for another car

Notes:

- Discuss the possibilities of using more than one option to give Marc time to make a good decision. For example, there may be special rates to rent a car on certain days of the week. This could be used to give him transportation to get to work, run errands, buy groceries, etc. In addition, if he could ride a bus to work and use a carpool for getting his children to school, he could have some time to explore alternatives, comparison shop and make a decision to fix the car or buy another one.
- Ask the participants how many of them would have come up with all of the alternatives on their own? This helps make the point of the importance of talking with others when gathering information and exploring alternatives.

(continued on next page)

Marc's Car (continued)

As an additional activity, have the group take Marc through the rest of the decision-making process.

They have already discussed:

- *Identify the issues and decision(s) to be made*
- *Generate alternatives*

What else does he need to consider or do at each step in the rest of the process to arrive at a good decision?

Gather information:

- Which options are realistic?
- What information does Marc need to make a good decision?
- Where can Marc get the needed information?
- What resources will be involved in making and carrying out this decision?

Weigh the alternatives:

- Which alternatives are most likely to work?
- What are the possible outcomes of each alternative?

Make a decision and follow through:

- Once Marc makes his decision, what does he need to do to carry it out?

Evaluate the decision:

- What kinds of questions does Marc need to ask himself to determine if he made a good decision or not?



Making Good Decisions

Going through a good decision-making process can save you money and resources, even though it may take some time. Learning the steps and then practicing them until they become a habit is how you improve your ability to make good decisions. Here is a six-step decision-making process you can use:

- *Identify the issues and decision(s) to be made.*
- *Generate alternatives.*
- *Gather information.*
- *Weigh the alternatives.*
- *Make a decision and follow through.*
- *Evaluate the decision.*



1. **Identify the issues and decision(s) to be made.**

When making a decision, be sure you have identified the underlying issues that could affect that decision. Do you really need to make this decision? If so, when does it have to be made? Why is it important and who is affected? How will the decision affect you and others? What would happen if you did nothing?

2. **Generate alternatives.**

Consider several possible alternatives and options you have for addressing the issue. If you are facing a particularly difficult decision, spending extra time coming up with a variety of solutions or alternatives can be very helpful. For example, if your car breaks down, you could have problems getting to work, taking children to school or running errands, besides the expense of getting the car repaired or replaced. Depending on your financial situation, you may want to consider alternative sources of transportation, at least temporarily, such as carpooling, public transportation, borrowing a car, etc.

3. **Gather information.**

What alternatives are realistic? Which ones fit best with what you are trying to accomplish? What resources are available to help you with the issue? Remember that resources include more than just money, such as friends, family, time, energy, information, skills, knowledge and attitude. Consider all reasonable options before making your decision.

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Making Good Decisions (continued)

Search for specific information about your options. For example, how much will it cost, when is it available, how long will it take and what's the best deal? Throughout this step, the real trick is to figure out what information you need that relates to your situation and what is the best source (or sources) for finding that information.

As you gather information, don't forget about your goals. What do you want to accomplish? What information do you need to help you make a well-informed decision that will make it possible for you to reach those goals? Which goals have the highest priority for you?

4. *Weigh the alternatives.*

Sort through the alternatives and consider their possible outcomes. Give yourself as many options as possible so you have several to consider when making your choice. What alternatives are most likely to work? What is the value of each alternative, and how does it relate to your values? What might work best for you in your situation?

As you consider your alternatives, don't forget to consider the possible outcomes of each choice. How will the decision affect you several months from now? How will it impact your other goals and priorities? Is the potential outcome acceptable? If you have more than one acceptable option, consider which will produce the most good for the most people for the longest period of time.

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Make a plan to put your decision into action and then do it! Be ready to accept responsibility for, and the consequences of, the decision. Try to stick to your decision until you can be sure what changes or improvements may be needed.

6. *Evaluate the decision.*

An excellent way to improve your decision making is to take a careful look at how past decisions turned out. Were you happy with the outcomes? If the decision was a good one, figure out what helped you make that decision and repeat those steps in the future. If you were not happy with the results of your decision, try to determine if there was something you could have done differently. Did you have enough information? Did the decision go against your values, or did you allow someone else's values to influence your decision? This insight can help you improve future decisions.



Making Money Count

Unit 1: Making Decisions and Communicating About Money

TEACHING GUIDE

Presentation time: 1 hour

Activity

(One copy of each activity for each participant)

- » **Marc's Car** [1-C]
— A copy of the directions for each facilitator.

Handouts

(One copy of each handout for each participant)

- » **Making Good Decisions** [1-F]
- » **Making Good Decisions — Your Steps to Success Cards** [1-G]
— See instructions for preparing cards.
- » **Tips for Good Communication** [1-H]
- » **Roadblocks to Communication** [1-I]
- » **Children and Allowances** [1-K]
- » **GH6123, Communicating Effectively with Children**
— <http://extension.missouri.edu/p/gh6123>

Evaluation form

(To be completed and returned at the end of the session)

Please refer to the PowerPoint Presentation notes on the next page.

Learning objectives:

Participants will be able to

- Describe the components of an effective decision-making process.
- Use the decision-making process when making major decisions.
- Use communication skills and techniques to make better financial decisions.
- Practice effective communication skills and techniques.
- Reduce obstacles to communication within the household.

Teaching materials:

- Pencils

PowerPoint Presentation

Time	Key teaching points	References
5 min.	Introduction (Opening activity)	Slide 2 (p. 1-1 unit text)
2 min.	Meanings of Money	Slide 3 (pp. 1-1 — 1-2 unit text)
12 min.	Making Decisions	Slides 4 – 11 (pp. 1-2 — 1-4 unit text)
15 min.	Activity: Marc's Car [1-C] Handout: Making Good Decisions [1-F]	
5 min.	Communicating About Money	Slides 12 – 15 (pp. 1-4 — 1-6 unit text)
2 min.	Listening Skills	Slide 16 (p. 1-6 unit text)
3 min.	Tips for Good Communication Handout: Tips for Good Communication [1-H]	Slide 17 (p. 1-7 unit text)
3 min.	Roadblocks to Communication Handout: Roadblocks to Communication [1-I]	Slides 18 – 19 (p. 1-7 unit text)
5 min.	Talking with Children About Money Handouts: Children and Allowances [1-K] GH6123, Communicating Effectively with Children	Slides 20 – 21 (pp. 1-7 — 1-8 unit text)
3 min.	What Will You Do? (Discussion activity)	Slide 22
5 min.	Wrap-up/Evaluation Handouts: Making Good Decisions — Your Steps to Success Cards [1-G] Evaluation Form	Slide 23



Making Money Count Programming Evaluation Introduction

The **objectives** for programming evaluation are:

1. To communicate short-term outcomes and longer-term impacts of this programming to stakeholders
2. To generate data for current and potential funders
3. To meet organizational requirements for reporting
4. Collect data appropriate for basic tests of statistical significance
5. Seek IRB approval so that the evaluation process has integrity
6. Quality data for reporting/publishing
7. Improve programming for future use
8. Keep the evaluation process time efficient

Evaluation measurements will take place at the end of programming to:

- Encourage goal setting with an emphasis on action items
- Measure knowledge change
- Collect formative programming data (how to make the programming better)
- Gather descriptive data about participants

A second evaluation instrument will be available to be used three months following the conclusion of programming to measure impact. How are participants better as a result of attending the programming?

- Participant behavior change/Action items incorporated

Finally, programmers will be encouraged to incorporate public value statements into their reporting. How is the community, the county and the state better as a result of this programming? Approved Family Financial Education public value statements are available at:

http://extension.missouri.edu/staff/documents/publicvalue/FFE_PV_listing_format_Final.pdf

Notes:

Programmers can choose what action items and questions to include in the end-of-class and long-term evaluations. Choose from the information and questions provided. Do not edit the questions and action items – or we will be unable to “add up” this data across the state. You may not add questions and action items – they will not have gone through the IRB approval process. The “Lone Ranger” paradigm of programming and evaluation is obsolete.

An article in the February 2011 issue of the *Journal of Extension* provides interesting background for the measurements strategies used for Making Money Count. The article is titled “A Retrospective Pretest-Posttest Evaluation of a Personal Finance Training.” **<http://www.joe.org/joe/2011february/a4.php>**



Making Decisions and Communicating About Money

As We Conclude Today

Action Items *There are many positive things that you can do to make your money count. Here are several ideas associated with today's workshop. Check the items you plan to accomplish within the next three months. We suggest that at this time you select no more than five.*

- | | |
|---|--|
| <input type="checkbox"/> Reflect on different meanings and emotions I attach to money and how they affect my decisions | <input type="checkbox"/> Choose appropriate times to communicate about money |
| <input type="checkbox"/> Reflect on the meanings and emotions my friends and family associate with money and how they are similar to or different from mine | <input type="checkbox"/> Help my child(ren) develop good skills for handling money |
| <input type="checkbox"/> Deliberately generate a list of several options before making an important decision | <input type="checkbox"/> Include my children in quality family communications about money |
| <input type="checkbox"/> Take time to gather quality information before making an important decision | <input type="checkbox"/> Be patient when my children make money mistakes because they can learn from them |
| <input type="checkbox"/> Evaluate decision outcomes to help me improve my future decision making | <input type="checkbox"/> Say no to myself more often because I can't have everything that I want |
| <input type="checkbox"/> Routinely use University of Missouri Extension as a source of unbiased, quality information about financial management | <input type="checkbox"/> Say no to my children sometimes because it is not good for them to get everything they want |
| <input type="checkbox"/> Have regular family conversations about money | <input type="checkbox"/> Read and study class materials |
| <input type="checkbox"/> Practice listening to others – it is hard work! | <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Other _____ |

	Before I participated in Making Money Count				After participating in Making Money Count			
	Circle one number for each statement.				Circle one number for each statement.			
	No	Sometimes	Usually	Yes	No	Sometimes	Usually	Yes
I can describe the steps of an effective decision making process.	1	2	3	4	1	2	3	4
I can put the decision making process into action to make even better decisions.	1	2	3	4	1	2	3	4
I stop and think about the likely outcomes of different decision options before I make an important decision.	1	2	3	4	1	2	3	4

I gather information from quality sources before making an important decision.	1	2	3	4	1	2	3	4
I stop and evaluate why important decisions worked or didn't work out well so that I can learn from them.	1	2	3	4	1	2	3	4
I am working to improve communication about money within my household.	1	2	3	4	1	2	3	4
I am able to control my emotions while talking openly about money with others.	1	2	3	4	1	2	3	4

Please check one response below and finish the sentence:

___ I would recommend this workshop to others because _____.

___ I would not recommend this workshop to others because _____.

What were three highlights of the workshop?

How could the workshop be improved?

Additional comments: