

WISE MONEY MOVES PODCAST
Episode 12: How to talk about Money ?



Kamal Basra: Hello, I'm Kamal Basra.

Tracy Theemes: And I'm Tracy Theemes.

Kamal Basra: And welcome back to episode 12 of the podcast Wise Money Moves. Today we're going to talk about "talking about money".

Tracy Theemes: Uh oh. I hate talking about money.

Kamal Basra: I think we've been doing it for a while.

Tracy Theemes: Nothing like bossing people around.

Kamal Basra: I think it's too late, Tracy. We've done it for 11 episodes.

Tracy Theemes: Oh shoot.

Kamal Basra: In all seriousness, one of the things that we find is it's actually kind of hard to talk about money. And you know, we're going to delve into a little bit about why is it hard. I know growing up, for me, money wasn't talked about. It was just something that was done and used and managed. But I don't remember any conversations about this is how much we should save and this is how much we're investing and this is how much the mortgage is, none of that was there.

Tracy Theemes: Well, I don't recall discussions, but I recall lots of fights.

Kamal Basra: Yes.

Tracy Theemes: And I know that we had like a 30 day grocery schedule and that we had fried SPAM by day 27. And I remember my mom hiding clothes under my bed in boxes. And when she would bring the new clothes out and my father would say, "Bonnie, is that a new skirt?" She would reply, "No, Roger, I've had that for months." Like we all have those stories, right? Money is not something that there's any type of tradition of honest, open communication. It just, it's rare.

Kamal Basra: It's very difficult.

Tracy Theemes: Yeah.

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Kamal Basra: And one of the reasons I think it's difficult is when we try to have those conversations, it often ends up in anger or frustration or a lot of emotions and defensiveness.

Tracy Theemes: Right.

Kamal Basra: And yeah.

Tracy Theemes: And it's also, we were brought up that it was rude. It's still, it's still, people consider it rude. When I'm sitting beside somebody on an airplane and I say, "Well, how much money do you make?" They do tend to look at me funny. They also answer, but that's just because I'm used to asking people how much they make. I must say it with a certain amount of certainty or something. They actually said when I was put under, what is that called, anesthetic, that as soon as I was awakened from the anesthetic, that I looked at one of the nurses and I said, "I'm really worried about your retirement. I think we need to talk about it." That was my first words. And everybody, well, they're laughing, but I was like ...

Of course it's not. Why wouldn't we? Let's talk about it. If I've had this single, I'm half unconscious. But talking about it is considered private. It's rude. If you ever ask somebody how much they make or even how much something costs, there is so much social taboo about it. So of course it would stand to reason that we get into our primary relationships and we don't have experience. We don't know how to do it. Everybody's just trying to figure it out and also trying not to have a fight about it.

Kamal Basra: And with money comes guilt, comes shame, comes feelings of lack of control, sometimes.

Tracy Theemes: Judgment.

Kamal Basra: Judgment. So it's just ingrained with it's danger. It's a subject, as you said, what we remember is a lot of arguments about money, but not a lot of positive conversations.

Tracy Theemes: So I think you and I both grew up in like working class situations where it wasn't discussed unless there was a problem and then we would hear that. But I also think that the way the value that money has come to take in our society is problematic. Now my belief is that we attribute more positive qualities to people who are wealthy than used to be. When I grew up, calling somebody a hard worker was the greatest compliment that you could say. Or that's a good woman, she does this and she does that. Now it's like if you have a lot of money, everybody's like, "Oh, she's rich," or "Oh, he's rich." And decisions in our society, now, we even put people into political leadership because they're rich and we think that people that are rich must know more than the rest of us.

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Kamal Basra: Well, the other story I remember was if somebody was rich, then there was this connotation that they must have lied or cheated or done something wrong to get to that state because we were just working class. And so there was this great divide between us and them and how do we, as we get older, how do we bridge that?

Tracy Theemes: So whether it's that the judgment is that being rich is good or being rich is bad, money has come to be something that there's just a lot of social rules about not talking about. So there's our first issue when we're trying to address structures for talking about money. I think the second that gets trickier is around gender. You and I are always sensitive to trying not to pigeonhole people because of their gender or their lack of identifying with a gender. So just to let you know that our hearts are very open and inclusive about this. However, Deborah Tannen, who's probably the leading psycho-linguist, has certainly identified that people of our generation for sure, that men and women do have different linguistic structures. We do speak differently and it translates into how we talk about money. So something as simple as men use declarative sentences and women use inquisitive sentences that end on a high note. So do you think we should do this? Or as opposed to we should do this, a more declarative sentence. So at any given time in an interaction, the masculine, what we have identified as a masculine structure would convey a sense of certainty. So how we speak and also the amount of questions that women ask is greater. And the research is pretty definite that traditionally, men have overestimated their financial knowledge and women have traditionally underestimated.

And this can really come into play in a financial advisor's office. Because if the man is being very declarative and the woman is asking questions or being uncertain because she thinks it's polite, it may come across that one has more power than the other.

Kamal Basra: Or one has more understanding.

Tracy Theemes: Or more understanding, knowledge-

Kamal Basra: It has nothing to do with that, what you've just talked about. It's a different way of expressing the same questions.

Tracy Theemes: So like when I'm talking to a couple, I'll often, whoever's doing the most talking, I'll say, "Do you mind if I just ask your partner the same question for right now so that we can start to get a more evenness of conversation?" And it is interesting just this plays out even in the classes that we have here at Sophia Financial. Several times a year, I have female only classes. And I'm hoping there'll be a day when I don't have to, but for right now it's because if I even have two men in the audience and I have 30 women, the men will typically dominate the conversation.

Kamal Basra: And that changes, changes the whole room. It changes the, it changes-

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- Tracy Theemes: And the women become more, they become more uncertain, more polite. They move inside of themselves. They don't want to rock the boat.
- Kamal Basra: A little bit more wary about asking the questions that live within them. Again, that's just our experience. It's not generalizing, it's just that's what we have seen today.
- Tracy Theemes: So how are we going to get around this? And I think that there are actual steps that we can take. If you're in a personal level, just sort of holding space for the idea that there may be differences in style, knowledge, there's always an imbalance. Whether you're partnering, same gender, different gender, nobody, unless they're 21 years old, is ever coming into a relationship with the same amount of money or the same capacity to earn it. And certainly the older you get when you're partnering or when you're having to have these financial negotiations that the differences are even more obvious.
- Kamal Basra: And we get set in our ways. So then even to have that communication becomes more difficult.
- Tracy Theemes: Yes. So the first step that I think is important, if we're going to have a financial discussion, is to ask permission. Would you be willing to have a conversation about how we're handling our cash flow? Would you be willing? So I think that's the first step. Instead of just like one person like getting ready and then they do the pounce as soon as you're in a car together and the other person's not ready. Taking into account that we are conditioned to believe that these discussions are stressful. So let's create a situation where the stress can be minimized. And one way to minimize stress is to let somebody anticipate that a difficult conversation is going to happen. So would you be willing to have a conversation with me about our cash flow?
- Kamal Basra: When?
- Tracy Theemes: And then you say yes or no. Hopefully. See, she's already ready to go. I'm stressed out now.
- Kamal Basra: Actually, I was going to ask, Tracy, what if the other person says no?
- Tracy Theemes: Then the next question is, would you be willing to talk to me about why not?
- Kamal Basra: Okay.
- Tracy Theemes: So at some point, and if the answer's no, you need a divorce or a counselor or a mediator because to block conversation twice. And of the thousands of people I've taught this question to, it has only happened twice. And I made referrals for both because now we're talking about something very different than money. This isn't a financial discussion. But let's say the answer's yes. Then my next

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question is when or how would be the best for you? You're like, "Well sure as heck not today. Like, I'm stressed."

Kamal Basra: I've got six million things to do. And I just, I can't think straight.

Tracy Theemes: So when would be a good time?

Kamal Basra: How about on Saturday?

Tracy Theemes: Okay. What time works for you best?

Kamal Basra: Maybe after brunch.

Tracy Theemes: Okay. You like to have a full stomach?

Kamal Basra: I do. I don't like talking on an empty stomach.

Tracy Theemes: Where's best? Where do you think is best?

Kamal Basra: Maybe at a restaurant. Because then it's just in a nicer environment and we're in a more public ... I'm worried that maybe one of us might get angry and so I'm a little bit concerned because sometimes when we talk about this before it doesn't end well. So I'm a little bit nervous.

Tracy Theemes: Great. So we've gotten permission. The other person now is in an equal power position. Because typically the person who initiates the dialogue or discussion about money is the one holding the power because they have an agenda. This now has allowed that agenda to move over in an equal way to the other person. And we've also created the lack of surprise attack so people can prepare themselves for that. So that's the first major is setting the stage for a productive conversation.

The second thing to me is the person who has initiated the discussion outlines the discussion. So your job is just to listen. And I say, "I'm very concerned. We have several million dollars we're not putting to use, and I feel like we're not investing our money." Or it could be, "I'm concerned. We've been in the red for three months." Whatever it is, they get the chance to totally say what's going on. And then the next step is that the other person just simply discusses what they've heard. That's it. I've heard you say you're worried that we aren't investing our millions. I've heard you say that our cash flow is, is that correct? Yes. Then it becomes that person's time to talk.

Kamal Basra: So I don't get to say that's wrong. So I'm just repeating back to you what I've heard.

Tracy Theemes: At that stage. Correct. You can ask some questions. Only clarifying, not leading. It can be, "Did you say we have three million that is under the bed or three and a half million that's under the bed?" You can ask a clarifying. Then you get to say

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your perspective and I repeat it back. Then the next stage is what we call sort of blue skying. What is the ideal? The two of us now move into brainstorm. What is the ideal scenario that we can agree on? And usually at this point, I mean, we are together, so most likely our values are similar. What is the blue sky? What is the ideal for us going to achieve that? And then we're breaking down the brainstorming of how that might happen.

Then followed by next steps. How would we concretize? How do we actually lay out what we're going to do there?

Kamal Basra: Yeah. How do we move forward? How do we create the change that you're looking for, that is why this whole conversation started? So we're not repeating the behaviors over and over again.

Tracy Theemes: Yes. So for me, in the personal, it is having the structure and agreeing on the structure is probably 50% to 60% of the success of how that discussion will unfold. So I also think that it needs to happen to some degree like this in a professional advisory because people are so reticent. They are so inexperienced at asking the hard questions. And like you say, if it's a couple that's coming in, there has to be some way, at least the setting has been established. Right? But the blue skying and hearing from each person, that's sort of the rule, I think, of the advisor is to set up what we would call rules of engagement.

Kamal Basra: Yeah. And when you're in a situation as a client where that isn't happening, where you're going in to any professional, whether it be health care, investment, legal, whatever the situation is, if only one person's views are being spoken and that professional is only listening to that one viewpoint, it's really important for you, as the silent or the quiet one, to devise a strategy where your ideas and thoughts or concerns are going to be heard. And it might be going through that strategy of having a pre-conversation before you get into the office. So you know, "These are some of my concerns." And having that conversation with your partner and so that even the partner is aware and so both of your concerns get addressed.

Unfortunately, what I've seen over a quarter of a century in this business is often one partner will be the more dominant who's more comfortable with the lingo, the jargon, expressing themselves, the more definitive, this is what we need, you know, sort of the definitive style. And the other person will tend to be a little bit more submissive, not submissive, but quieter. And then the mistake that gets made from the advisor is that the advisor doesn't take the time to listen and to say, "I'd like to hear," as you pointed out, "I'd like to hear what John's saying, let's give him an opportunity to speak." And that clarity, that conversation, that communication with your professional is just as key as that personal conversation that happens in the home.

Tracy Theemes: The other thing is people talk about, I like the phrase rules of engagement. We often hear stories of women telling us just, I don't know if this has happened to you or not, that when they're in an advisor's office and they're not

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understanding and they're asking a question, the advisor simply raises her voice. I've heard it no less than 500 times. So a rule of engagement would be to your advisor. If I don't understand what you're saying, I would like you to express it in a different way with an even voice. That's what's important to me. And sometimes I've actually written prescriptions for people to go back to their banker or their loan officer or whoever it is that they're dealing with, their accountant, and set, "Would you be willing to have a conversation about how we talk? I find that I get intimidated when you start raising your voice and when you start pointing to too many charts and graphs, charts and graphs mean nothing to me. I listen from stories and what's been going on is that I can't follow the conversation."

Kamal Basra: And another idea is when you have questions at home that come to mind is jot them down. Because oftentimes when people are in front of a professional or in their offices and the other person starts speaking, I often forget what some of my concerns were. And so if I've got this little cheat sheet or nowadays it's on our phones, a little note, we can just go through and say, "Oh yeah, I wanted to talk to you about this."

Tracy Theemes: Then the keeping on track, that could be part of your personal policy statement. It could be a couple's policy statement that we saved these discussions. We each have a way of reporting it and we save it to that last Saturday of the month that we've decided we're going to have our hard financial discussions.

Kamal Basra: Absolutely. And the two aspects that are key in the process is respect and understanding and listening. And so it's not just about whoever speaks the loudest wins the argument and then that discussion never happens again. It's that ability to be able to speak and also to be able to listen, your true feelings.

Tracy Theemes: And there may be other rules of engagement. It may be we don't raise our voices, we don't swear, all statements. And these are some that I have in my own. So when my husband and I were just newly married, but we're old and we also both think we're the smartest about money.

Kamal Basra: Uh oh.

Tracy Theemes: Well, you know, somebody does. It's kind of good. It has its advantages. But we definitely had to roll out rules of engagement.

Kamal Basra: And those would be some interesting conversations, I bet.

Tracy Theemes: They can be. I mean, like everybody else, they're uncomfortable a lot of the time. So we backed a lot of things out. We did not skip steps. We went backwards. And our rules of engagement, personally, are we use "I" statements, not "you" statements. So I can only own myself. I'm not allowed ... I am feeling uncomfortable about something.

Kamal Basra: You mean you can't say, "You always do that."

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Tracy Theemes: Well, you know, it sure comes to the tip of my tongue. But it's not particular... Yeah. And that's the great, where I've learned a lot from watching people do this poorly as well as do it well. We never talk about money after 8:00 PM. We have a two glass of wine limit. And I'm actually at the point now where we don't even do that. If it's a complex thing about an investment strategy or what our policy is about what we're doing for real estate, we can't, no, that's not what's going to happen.

Kamal Basra: The one I really like is a timeout of, "You know what? I just, I can't talk about this anymore right now." And just to be able to have a timeout and then reengage.

Tracy Theemes: So what we've done, because we're both prone to going underground and staying there, is you can call a timeout, but you have to say when you'll come back. Which is, "I need a week to cool." Or, "I'll get back to you on Wednesday about when to reengage." What you're not allowed to do is stonewall. And that is actually something we see commonly is that somebody runs off and it's the end of the conversation and the other person has no recourse now. Now their partner is gone out either to the pub or to play hockey or has just gone silent. So in our rules of engagement, you can do timeout but you must, you are responsible as an adult to say when you'll come back and reengage. And you may then have to renegotiate new rules of engagement because somethings been violated or a different time and way about talking. Or you may actually need a third party. And if it's not an advisor, there's nothing wrong with getting a mediator or a counselor to act as a third party to hear things differently if you're getting stuck in a communication lock down and you can't seem to make it further. Having a fresh set of eyes and ears of people that are detached can be hugely beneficial.

Kamal Basra: Yeah. Talking about when he can be tough, but there are definite steps that can be taken. And you'll get better at it as more practice, the better you'll get. So thank you for joining us today on podcast 12, Talking About Money.

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Data driven, fact checking, translator of complex economic info into understandable plans, champion for diversity and fairness ...“Numbers matter. People matter.”

Tracy Theemes, MA, CFP

Co- Founder, Sophia Financial, Financial Advisor

Motivator, truth seeker, wisdom sharer, protector of those who are vulnerable and champion for those who try...“It’s not about the numbers but the stories we tell ourselves about those numbers.”

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From our first day in business at [Sophia Financial Group](#), we made two promises: to deliver honest, effective financial advice with portfolio management services; and to be a source of financial education and empowerment for women.

We give one day a week of pro bono financial advice to anyone, regardless of their economic circumstances and we host free financial workshops in our offices and in the community.

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