
The Four Money Perspectives

(30 minutes)

Overview:

This is an icebreaker exercise to help participants become more aware of different money management styles.

Objectives:

- Demonstrate four different ways people approach money management
- Create an opportunity to witness diversity in money management perspectives
- Expand awareness
- Create an open atmosphere for discussing money management

Activity:

Invite all the participants to pick one of the four boxes on the handout that best represents their perspective on money management TODAY.

Example of introductory statement:

I know it's hard to put ourselves into a box, but it is easy for us to put others into boxes. Today I am asking you to put yourself into a box for just a few minutes. Pick the box that best represents your perspective on money management in your life TODAY.

1. Hold up the perspective, "**I know how to budget.**" Ask one person to volunteer to hold the picture – someone who identifies with this perspective – and move to a corner of the room. Then ask everyone in the group who feels this box best fits them to join the volunteer.

Remind the group that everyone is going to have to pick one box. If some people are having trouble fitting themselves into a box, reiterate how hard it is to put ourselves into a box but how easy it is to put others into a box.

2. Hold up the perspective, "**I try to budget but it just doesn't work.**" Again, ask for a volunteer to hold the picture – someone who identifies with this perspective – and move to another corner of the room. Then ask everyone in the group who feels this box best fits them to join the volunteer.
3. Hold up the perspective, "**I pay the bills, and if there is anything left I buy everything else.**" Ask another volunteer who identifies with this perspective to hold the picture and move to a different corner of the room. Invite everyone in the group who feels this box best fits them to join the volunteer.
4. Hold up the fourth perspective, "**I don't like paying the bills and I put it off as long as possible.**" Finally, ask for a volunteer who can relate to this perspective to hold the picture and move to a corner of the room. Then ask everyone in the group who feels this box best fits them to join the volunteer.

You will have four groups now in the room with some side discussions going on. Ask those having side conversations to share with the larger group. Their observations are very helpful and make this exercise a richer experience. Go around to each group and make some observations or ask some questions – this will help define the groups a little more for the larger group.

Suggestions for Leading Discussion about the Four Groups:

Each of these perspectives has strengths, but they each also have their challenges:

1. “I know how to budget.”

This group feels proud of their ability to manage their money. Within this group you may have some people who feel they are the experts on the topic.

Strengths: This group usually feels confident that they can budget their money successfully.

Possible statements: “That’s great that you know how to budget your money. It is such a valuable skill to have in today’s world.”

Challenge: Knowing something really well can make our world smaller. It can make it more difficult to see other ways of accomplishing the same task.

Possible statement: “Sometimes knowing how to do something really well can limit our perspective.”

Challenge: There may be a tendency to impose their expertise onto others and be judgmental about those who don’t budget their money the way they perceive it should be done.

Possible Questions: “How successful have you been in getting others to become successful money managers by telling them the great techniques that work for you?”

Ask people in the group “I don’t like to budget”, “What is it like to talk to someone from this perspective about budgeting?”

People who came to a financial counseling session with this perspective are usually there to learn how to change someone else’s behavior. The challenge as a financial counselor is to help them see there are different ways to approach money management and that their way may not fit for someone else.

2. “I try to budget but it just doesn’t work”

This group is highly motivated to find a way to become successful in their attempts to manage their money.

Strength: They are the most motivated group to learn. They are already trying to budget and feeling frustrated. They will be glad to get some information to help them be successful.

Possible statement: “Good job for trying and for persevering even when you feel you’re not successful.”

Challenge: They are not being successful at budgeting at this time.

Possible Question: “What things get in the way of your being successful with your budget?”

Invite members of this group to share some of the barriers they have run into when trying to budget their money. Let them know that the training/counseling session will give them some new ideas to help them with their budgets.

3. “I pay the bills and if there is anything left I buy everything else.”

This group is convinced that there just isn't enough money and they do the best they can. Usually they are very defensive if you suggest there is another way to manage their money. They feel proud that they try to pay their bills and are doing the best they can with what they have to work with.

Strength: Prioritize paying their bills

Possible Statement: *“Congratulation for prioritizing your bills. This is a great attribute especially if you feel there is not enough money.”*

Challenge: This way of managing money rarely allows for savings.

Possible question: *“How many of you are able to save money each month?” or “Do you have any savings?”*

This question will generate statements like, “Who can save money. I barely have enough for food.” Allow them to vent and be heard.

Possible question:

“Would you be interested in learning some new ways to manage your money so that you would have more money at the end of the month?”

Gently invite them to listen for some tips that might help them have more money to work with.

As a counselor, there are different ways to work with the money that could give people with this perspective more control over their finances. Also know that this group is usually not motivated to change their behavior because they believe how they budget now works well for them. They believe that people who are able to do it differently have more money.

4. “I don't like to pay my bills and I put it off as long as possible.”

This group usually has low motivation for change. They are very clear they do not like budgeting or money management. If they are coming to you or to training they are probably there because they are in crisis. Long-term changes will only happen in small steps.

Strength: They have found a way to manage money that works for them.

Possible Question: *“Tell me why you are here today?” or “What would you like to learn today?”*

Challenge: Often bills are not paid in a timely manner. There may be additional expenses incurred due to poor money management.

Possible Question: *“What would you like to see different if you could pick one area of your money management to change.”*

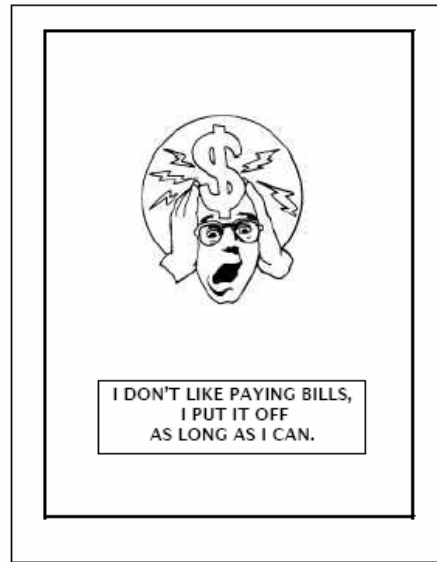
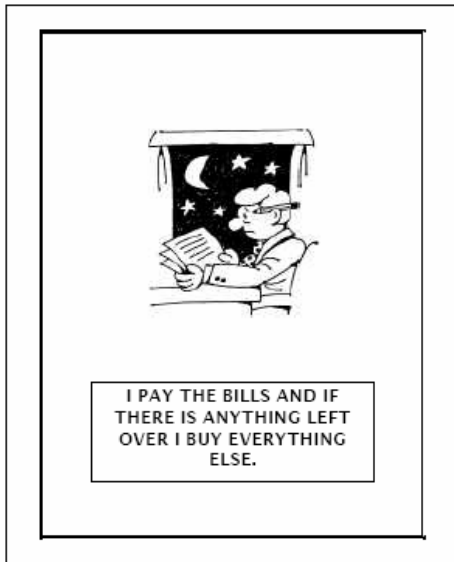
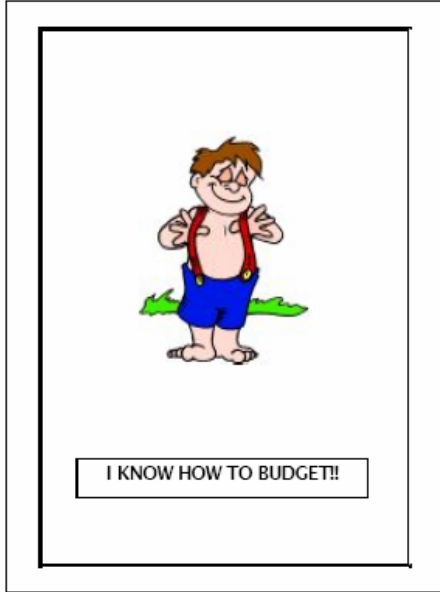


The best way to motivate a person with this perspective is to give them a small step that they can successfully achieve and see that it made a difference. They need hope that it can change and that what it will take to make this change will be manageable for them.

Often once a person feels confident that they can do a money management task successfully and see that it made a difference, they are motivated to try something else. Sometimes it is just lack of choices or thinking there is just one way to do money management that is creating the resistance. Providing more information is always helpful.



How I Manage Money



The Four Money Perspectives

There are many different perspectives on how to manage money. Each of these perspectives has strengths, but they each also have their challenges. From the pictures and statements, choose the one that best represents their views.

1. “I know how to budget.”

People in this group feel proud of their ability to manage their money. Often within this group there are people who feel they are the experts on the topic.

Strengths: This group usually feels confident that they can budget their money successfully.

Challenge: Knowing something really well can make your world smaller. It can be more difficult to see other points of view or other ways of accomplishing the same task.

Challenge: There may be a tendency to impose their expertise onto others and be judgmental about those who don't budget their money the way they perceive it should be done.

2. “I try to budget but it doesn't work”

This group is highly motivated to find ways to become successful in their attempts to manage their money.

Strength: They are the most motivated group to learn. They are already trying to budget and feeling frustrated. They will be glad to get some information to help them be successful.

Challenge: They are not being successful at budgeting at this time.

This group has experienced some of the barriers when trying to budget their money. The training will give them some new ideas to help them be successful with their budgets.

3. “I pay the bills and if there is anything left I buy everything else.”

This group is convinced that there just isn't enough money and they do the best they can. Usually they are very defensive if you suggest there is another way to manage their money. They feel proud that they try to pay their bills and are doing the best they can with what they have to work with.

Strength: Prioritize paying their bills.

Challenge: This way of managing money rarely allows for savings.

As a counselor, there are different ways to work with money that could give people with this perspective more control over their finances. Also know that this group is usually not motivated to change their behavior because they believe how they budget now works for them. They believe that people who are able to do it differently have more money.



4. “I don’t like to pay my bills and I put it off as long as possible.”

This group usually has low motivation for change. They are very clear they do not like budgeting or money management. If they are coming to you or to training they are probably there because they are in crisis. Long-term changes will only happen in small steps.

Strength: They have found a way to manage money that works for them.

Challenge: Often bills are not paid in a timely manner. There may be additional expenses incurred due to poor money management.

The best way to motivate a person with this perspective is to give them a small step that they can successfully achieve and see that it made a difference. They need hope that it can change and that what it will take to make this change will be manageable for them.

Often once a person feels confident that they can do a money management task successfully and see that it made a difference, they are motivated to try something else. Sometimes it is just lack of choices or thinking there is just one way to do money management that is creating the resistance. Providing more information is always helpful.