



General Board

## Pension and Health Benefits

*Caring For Those Who Serve*

### Understand Your Relationship with Money

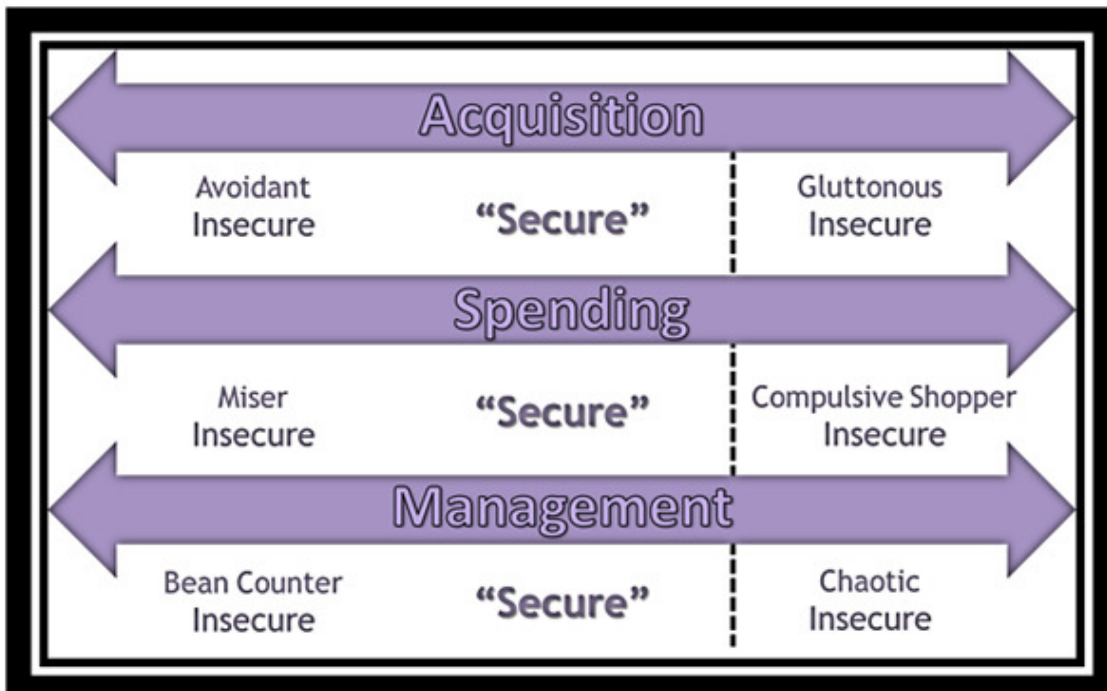
Everyone has a complex relationship when it comes to money. How you acquire, spend and manage money is largely due to two factors: the nurturing you received during childhood about money and values, and the way you organized this information in your mind. For example, if you value religion, you might tithe to the church. Or, if you value education, you may prioritize college savings.

This relationship with money lies on a spectrum. On either end of the spectrum is financial insecurity. On one end, you may be extremely frugal and concerned with the relative scarcity of your means; on the other, you may be very irresponsible. The way each of us processes and organizes money messages—as well as the ways in which we model money behaviors—is unique.



### Developing a Financial Style

We are bombarded with messages about money from toddlerhood to adulthood. Even individuals who are raised in the same household do not necessarily have the same view about money or relationship with money. And, although you may develop your financial style early, it can change over time or due to circumstance. It's not uncommon for someone who's undergone a significant life change to adopt a very different relationship with money. For instance, if you have a near-death experience, you may abandon the "saver" mentality and instead spend on experiences to make the most of your life. Similarly, the birth of a child may inspire you to save for the future.



Following is a discussion of the three dimensions of money. Typically, the dimensions are unequal in importance—you may place a higher value on acquisition than management. When evaluating these dimensions, think about where you fall on the spectrum. How can you improve your relationship with money?

## Dimension of Acquisition

The dimension of acquisition deals not with how you acquire your wealth, but how much money is necessary for you to feel secure. Some people believe that money is the “root of all evil;” others believe that you can never have enough. Still, there are some individuals who find the acquisition of money to be an irrelevant pursuit. When it comes to acquiring money, you may be avoidant, insatiable or somewhere in between. Where do you stand?

In the extreme, an individual may bend rules, or even break the law, to acquire more money. Even people of considerable means can fall prey to the idea that “you can never have enough.”

## Dimension of Spending

Once you have acquired money, there’s the question of “what do you do with it?” Most of us have heard stories about individuals who “penny-pinch” their whole lives and die with a considerable sum in the bank. Or, you hear of star athletes who make millions over the years, only to end up with nothing.

On one end is the miser; on the other end is the compulsive spender. Most of us are reasonable, careful and intentional with how we spend money; however, sometimes, we experience episodes where our spending is “out of control.”

## Dimension of Management

The compulsive spender is often a poor money manager. But like your acquisition and spending habits, the way you manage your money is highly individualistic.

Money management covers everything from how you pay your bills to how you manage your investments. The micro-manager must account for every nickel and dime, while the person who is completely disorganized with money may procrastinate when paying bills and be unaware of the true condition of his or her finances.

## Knowing is Half the Battle

Money relationships at either end of the spectrum are generally detrimental—you must find a healthy balance. A “normal” or “secure” relationship with money means that your acquisition, spending and management styles will not cause financial difficulties, and that you are reasonably content with the relationship. If you have an “insecure” relationship in one of the money dimensions, then that relationship has already gotten you into money trouble or it may yet do so.

After you determine where you fall on the spectrum, you can focus on changing unhealthy money habits or reinforcing healthy ones. The Center for Health offers resources to help you find, or keep you in, financial balance on the [Financial](#) page on the Center for Health website.

*Source: **Understanding Our Relationship with Money**; Eileen F. Gallo, Ph.D.; Journal of Financial Planning; May 2001; The three dimensions of money were derived from the article.*