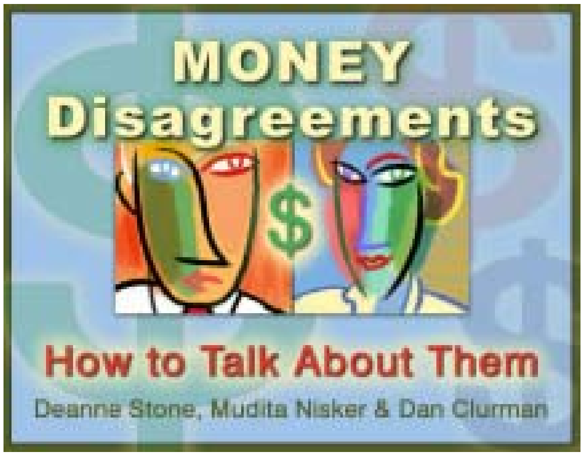

Money Disagreements: How to Talk About Them

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INTRODUCTION

Money! It permeates every aspect of our lives and, to a large degree, determines how we live, what friends we make, and the opportunities that come our way. When we are not working to earn money, we are figuring out how to spend it, invest it or save it. Yet, for all our preoccupation with money, when we need to talk about it most of us are remarkable clumsy. Quarrels over money break up marriages, strain friendships, destroy businesses, entangle people in prolonged court battles and, sometimes, lead to violence. Why is it so hard to work out differences over money?

If money were just a means of exchange for goods and services, we could talk about it dispassionately. But it is fraught with symbolic meanings. Money can represent love, power, security, success, and freedom. Or it can signify dependence, loss, deprivation, and failure.

How we view money depends on the families we grew up in, the neighborhoods in which we were raised, and our social circles then and now. It also depends how well loved and respected we felt as children—and feel now as adults—our confidence in our ability to support ourselves, and whether we ever experienced serious financial losses or significant windfalls. Add to that mix the social taboos that encourage secrecy and duplicity, and it is understandable why we have so much trouble communicating about money.

Because money disagreements can be so difficult to unravel, we need all the skills and sensitivity we can muster to deal with them. Unfortunately, few of us are educated to communicate clearly about most things, let alone to work out differences over a subject as emotionally loaded as money. We don't listen well to others—especially when their views are different from our own—or to ourselves, and we often blunder in expressing our feelings.

The purpose of this booklet is to show how learned skills can help us think and talk more clearly about disagreements over money and, as a consequence, improve our chances of resolving them. In our view, thinking and communicating are inextricably linked. Before we can tell someone else how we feel about an issue, we first have to figure out what we think about it. That is why we stress the importance of identifying the values and assumptions that underlie our beliefs and feelings.

Throughout the booklet, we use real-life examples to illustrate how communication skills such as listening, staying in present time, and advocating one's position can be useful in working through disagreements about money. We also alert readers to common roadblocks to communication, like jumping to conclusions and labeling or characterizing others. In several examples, we highlight the issue of fairness—one of the most common traps people fall into when attempting to settle differences over money—and we suggest other, more productive, approaches they might try.

Finally, it would be naïve to assume that all people approach discussions of financial disagreements with good will. When people are propelled by feelings of anger, revenge, or fears for their survival, they tend to react irrationally to disputes over money. They may intentionally try to hurt or punish others or go to extreme lengths to prove them wrong. In those cases, even the most skillful communicators may not be able to resolve the conflict. They may, however, be quicker to recognize the limitations in a particular situation and realistically assess the options available to them.

ASSUMPTIONS

Where they come from?

Assumptions are beliefs that we take for granted—and when it comes to money we have a lot of them. The main source of these assumptions is our family. Whether money is spoken about directly or indirectly, early on we learn what is acceptable or unacceptable to talk about, when, where, and with whom. In some families the subject is strictly verboten: no discussions, no questions asked—even with family members. Others converse more freely among themselves but warn against revealing personal information to outsiders. Most of us accept our family's rules without question and carry them with us to adulthood.

Our social circle also sets boundaries for what is permissible. Some friends think nothing of asking one another how much they earn or what they paid for their houses. But in other circles, especially among the wealthy, a person would be considered rude if he asked such questions and, if he persisted, he would likely be ostracized.

The rich aren't the only ones who don't want to talk about their financial affairs. Even people with modest means can be guarded. If they have more money than their friends and neighbors, they, too, fear the consequences of envy and harsh judgments. Conversely, if they have less than their friends and neighbors, they worry that disclosing the facts of their financial situation may lead others to regard them as losers, lazy, or people who don't have what it takes to succeed. Then there are the mixed cultural messages. We are encouraged to pursue wealth, but once we have it we're supposed to feign indifference to it. We're equally conflicted in how we feel about the rich. We can admire the superrich—old families, corporate moguls, celebrities—people whose lives are far removed from ours. It's a different story with wealthy friends who often become objects of our resentment or scorn.

The combined influence of family, friends, and culture—to say nothing of the symbolic meanings we attach to wealth—conspire against open discussion of money. Whether from implicit or explicit messages, most of us accept that it is wrong, rude, or crass to talk about financial matters. Rarely do we ask why it is unacceptable. Instead, we become part of the conspiracy, passing on the taboo from generation to generation.

Ignoring the subject doesn't make it go away. In a society as fixated on wealth as ours, money issues crop up almost daily. How we decide to divide a restaurant bill among friends, work out a budget with a spouse or partner, or respond to personal questions about our financial affairs depends on our world view—assumptions we make about what is appropriate and inappropriate or fair and unfair. The problem is that most of us are unaware of our assumptions. And because we are rarely challenged to examine them, we have little knowledge of the origins of our beliefs about money, the role it plays in our relationships, or how we use money and it uses us. Consequently, when it is important to talk honestly about it, we lack the self-understanding to do so.

Recognizing assumptions

Everybody acts on assumptions. Without them, our lives would be unbearably tedious. Before we could make a move, we would have to stop and figure out what we thought about each and every situation we encountered. Luckily, most of our assumptions are pretty reliable guides. But sometimes—when we have to make an important decision, work through troublesome feelings, or resolve a disagreement--acting on assumptions can get us into trouble.

The problem is that assumptions are not always easy to identify, even when we set out to look for them. Typically, they are so much a part of who we are that they go unnoticed. Take Jim, for example, a successful businessman in his mid-forties who has been divorced twice. He believes that no matter how much women protest about wanting careers, what they really want is to have men take care of them. That was true of his two wives, he says, and of all the women he's known. His friends agree: women are out for a free ride. Surrounded by men who share his opinions, Jim is unlikely to recognize his view of women as an assumption or to question its validity. For him, the truth of his beliefs is self-evident.

Yet, even when we recognize our assumptions, we still may be reluctant to probe too deeply. Questioning beliefs that have guided our lives—and often those of our family members—can be threatening to our sense of who we are. Rather than go through the painful process of jettisoning cherished beliefs, most of us prefer to cling to what is familiar, even when it no longer serves our best interests.

Another reason we avoid questioning assumptions is that in doing so we risk uncovering uncomfortable truths about ourselves—and then having to decide what to do with that new information. That happened to Steve. Whenever anyone asked him for money, he repeated his policy of never making loans to friends, "Friendships are too valuable to risk losing over money," he'd say. But when challenged to examine his argument more closely, Steve discovered that he held a less noble assumption. He believed that people who ask friends for loans don't know how to manage their money and, therefore, are poor risks. Uncovering that judgment jarred Steve; it didn't fit his image of himself as a generous man.

Steve either can ignore the new information and carry on as he always has, or he can test the validity of his assumption. For example, he may lend money to a friend and set clear terms for repayment. If his friend pays him back on schedule and the friendship is unaffected by the loan, then Steve may revise his assumption about making loans to friends.

Recognizing assumptions—our own as well as others—is the bedrock of good communication and decision-making. Probably nothing complicates our lives more than acting on outdated or inaccurate assumptions. When we are unaware of what drives us, we tend to repeat the same behaviors again and again, without noticing what we are doing or when we are acting against our best interests.

Uncovering Assumptions

To illustrate the consequences of acting on unexamined assumptions, let's take the case of Sandra, a chemist, who at age 35 received a modest inheritance when her father died. Sandra knew nothing about investing; she had never even had a savings account. She did know the name of her father's stockbroker, though. When she asked him what to do with the money, he offered to manage her investments. When the brokerage statements arrived in the mail, Sandra tossed them unopened in a drawer. It wasn't until her tax preparer questioned her about her losses that Sandra realized what had happened. But by then, the value of her portfolio had decreased by 40 percent. Despite this revelation and evidence that the broker had churned her account, Sandra, to the dismay of the tax preparer, kept her account with the broker.

What would lead Sandra, an intelligent woman, to ignore her investments? One method for uncovering her assumption is to first identify the conclusions she had reached and then work backwards, asking what she had to take for granted to accept that line of reasoning.

SANDRA'S FIRST CONCLUSION:
Her father had used this broker for years, and he had made a good return on his money. Therefore, she had every reason to believe the broker would do the same for her.

What she took for granted: the broker would do his best for her out of loyalty to her father; he would conscientiously manage her portfolio, regardless of how little contact she has with him or how little she understands the stock market; she doesn't have to monitor his activities.

Consequence: By turning over authority to the broker to trade in her name, Sandra created opportunities for him to churn her account and to lose her money.

SANDRA'S SECOND CONCLUSION:
There's no point in questioning the broker because she doesn't understand the stock market, has no motivation to learn about it, and doesn't want to be responsible for making investment decisions.

What she took for granted: She cannot and never will understand the workings of the stock market.

Consequence: Sandra overlooked other, more beneficial options: With a little effort, she could have educated herself about the stock market; looked or another broker willing to explain stock investments in a language she understands; researched other types of investments more in line with her interests.

Sandra's example demonstrates why it is crucial that we recognize the chain of thoughts that links assumptions to consequences. When we begin with a faulty premise, we are likely to make poor choices. Learning to identify and critically question assumptions can save us a lot of aggravation down the line.

TALKING OUT DIFFERENCES OVER MONEY

Most of us enter into relationships knowing little or nothing about friends' or partners' attitudes and beliefs about money. As long as things go smoothly, we can safely ignore that aspect of the relationship. But when disagreements arise, we need to know what the other person is thinking and feeling. Relying on our assumptions usually creates more problems. Sometimes we may get lucky and guess accurately, but more often our interpretations are off the mark. When that happens, the other person hears our remarks as negations of their beliefs and feelings and they react defensively. Before we know it, we can get bogged down in a new set of arguments.

In this section, we give examples of common obstacles to talking out differences over money: not listening, pigeonholing or labeling one another, neglecting to clarify needs, and attempting to resolve issues on the basis of fairness. Underlying all these examples is the matter of assumptions. The biggest stumbling block people encounter in working out problems is failing to recognize assumptions—their own and others. We can't emphasize this point enough: unless people identify their assumptions and put them on the table early on, they may never figure out what their differences are really about.

Who's Listening?

Many conflicts could be avoided if people simply stopped to listen to one another. Listening is always a good first step toward clarifying how others think and feel about issues. Yet, when disagreements arise, it is the step most commonly ignored. Whether out of habit or insecurity, most people automatically launch into a defense of their own positions or an attack on the other person. In heated situations, they are even less likely to listen. They may interrupt one another with accusations and denials or inflame angry feelings with criticisms and judgments. When engaging someone swept up in emotions, nothing, but nothing, is more important than stopping to find out what that person is upset about.

Listening attentively is always helpful, but it is usually not enough to calm a person who is upset. People want some acknowledgment that they have been understood. The communication technique called reflective listening helps the listener track what the other person is saying. By periodically paraphrasing and summarizing the other's words, the speaker feels reassured that the listener is following what she is saying and the listener demonstrates that he fully understands the speaker.

DISAGREEMENT: TRUST VS. PRAGMATISM

Like many married couples, Judy and Robert talk more than they listen to each other. Recently, the couple, who have been married two years, bought a home using money from Judy's trust fund as a down payment. Although both Judy and Robert have jobs, they could not have afforded to buy the house from their earnings alone. Judy would have happily settled for a smaller house, but Robert persuaded her that a bigger house in a good neighborhood was a better investment. Before buying the house, the couple rarely argued about money. Now that they are decorating it, they have begun to quarrel over the cost of the furnishings. Robert wants to buy top-of-the-line furniture, while Judy thinks they should limit themselves to more modest choices. Why should they have to live on their earnings, asks Robert, when Judy has income from a trust fund?

As the tension between them escalates, Robert and Judy fall into a familiar pattern—the more argumentative he becomes, the more she withdraws. When Judy insists on a moratorium on buying furniture, Robert accuses her of playing power games. That is the last straw for Judy, who now stops talking to Robert. What has brought this couple to a standstill?

From the start, Robert assumed the money from Judy's trust fund would be used to increase their standard of living. When Judy objected, he dismissed her position out of hand. Judy, in turn, had never revealed her proprietary feelings about her trust fund nor her fears that Robert would use her trust fund to support his increasingly extravagant tastes.

INTERVENTION: SKILLFUL LISTENING

Let’s assume that Robert and Judy change course. Instead of quarreling, they try to get to the root of their conflict. Judy might explain that having grown up in a wealthy family, she is wary of people befriending her because of her money. When she met Robert, what most attracted her to him were his solid values. But since they bought the house, she says, a new side of Robert has emerged. Now she wonders whether, despite her caution, she still may have married a man after her money.

After listening to Judy, Robert would have his turn to explain his position. He might point out that, in fact, his approach to buying has not changed since they married. Raised in a hard working, middle-class family, he was taught to think about purchases as long-term investments. He defends his choices as prudent and hardly extravagant given their total income. Furthermore, he might remind her that when he bought less expensive items, Judy rarely paid attention to what he spent. It is only now that they have started making big purchases that she has objected to his buying philosophy.

As Judy and Robert reveal more about themselves, they would understand that their conflict stems not only from different assumptions about how much to spend on furniture but also on what money means to them. To Robert, making a purchase is a purely practical matter. If they have the money, why not use it to buy the best quality furniture? But for Judy, money is tied up with a lifetime of insecurities about whether others love her for herself or for her money.

Where Robert and Judy go from here depends on their abilities to make use of the new information they learn about each other. If Robert can accept that Judy’s insecurities have more to do with her childhood experiences than with his behavior, he may be more accepting of her need to contain their spending. Similarly, if Judy can separate Robert’s philosophy of spending from her own fear of people using her for her money, her anxieties may subside to the point where they can begin to negotiate a policy about buying furniture that satisfies both of them.

Whose value is it?

Most of us have specific beliefs about how people should think, act, and feel about money. These assumptions about right and wrong are an expression of our values—qualities we favor, such as honesty, loyalty, and generosity. Like assumptions, our values are shaped by a combination of family and cultural influences, religious or philosophical beliefs, and individual experiences. But whereas assumptions can be challenged by logic, facts, or scientific replication, values are harder to argue. One person may choose to use his money to advance his education, another to start a new business, and a third to travel around the world. All three uses of money have merit. Who is to say which value has the most merit?

It's one thing if the discussion of merit is purely academic. It's quite another when we are personally affected. Then the matter of whose values prevail has significant consequences, and the discussions can turn into heated debates. When all the reasons are stripped away from our arguments, however, they usually boil down to nothing more than preferences; we simply prefer one thing to another. Arguing over preferences or values is a losing battle. The odds against changing another person's mind are enormous, yet that is exactly what most people try to do. Clashes over values are at the heart of most disagreements over money.

DISAGREEMENT: SECURITY VS. RISK-TAKING

Joe and Lucy, both in their early thirties, are the parents of two children. When their daughters were born, Lucy intended to stay home and take care of them. But when a friend invited her to become a partner in a promising new business, Lucy jumped at the chance.

Convinced that she and her friend were on to an idea that couldn't miss, Lucy presented her case to Joe. He agreed that the business sounded promising—but only if the partners had sufficient capital. Joe reminded her that their only savings was a small account they had set aside for emergencies. Lucy countered that that simply wasn't true. After five years of owning their own home, they had accumulated enough equity to take out a second mortgage. This was an easy, fast, and practical way to borrow money. Joe refused to discuss Lucy's proposal. Their home was their only asset. What if the business failed or ran into trouble? Then they would lose everything. Joe dug in his heels. Borrowing against their home was an unnecessary risk he refused to take. Lucy accused Joe of being stodgy and shortsighted. After all, the loan would only be temporary. Everyone she had talked to agreed that their product idea was timely and had broad appeal. This wasn't a wild-eyed idea, but a carefully researched plan. An opportunity like this might never come up again. Besides, if all went as planned, they could pay back the second mortgage within a year.

Joe and Lucy quickly reached an impasse. As long as they focused on the second mortgage as the starting point, they had nowhere to go. They couldn't attack each other's line of reasoning because each argument had its own logic. What was most important to Joe was security; taking out a second mortgage on their home was anathema to him. Lucy, on the other had, valued risk-taking, and she was willing to accept the consequences if the plan failed.

If Joe and Lucy were friends, they might decide that their values were too different to bother working out an agreement. But because they are conscientious parents who value their family, they have too much at stake to walk away.

INTERVENTION: FINDING SHARED VALUES

Joe and Lucy have another avenue open to them: they can look for common ground—a value they both share. Both Joe and Lucy place a high value on educating their daughters. Both parents are committed to giving their children every opportunity to develop their musical talents; they also are keenly aware of their current budgetary constraints. If Lucy's business succeeded, they could assure their daughters received excellent musical educations.

Joe agreed that Lucy's business opportunity had the potential of ending their financial constraints. But he did not want the additional money badly enough to risk losing their home. Lucy acknowledged that she blundered when she tried to pressure Joe into borrowing against their mortgage. Her suggestion only increased Joe's anxieties. When Joe and Lucy argued about conflicting values—security vs. risk—they went round and round in the same circle. But once they shifted their focus to a shared value, providing the best education for their daughters, they could begin to think creatively about other ways to raise the start-up capital. That way, Joe's need for security and Lucy's for risk are both taken into account.

What's fair?

Attempting to settle a disagreement over money based on "fairness" seldom works. People rarely have the same definition of fairness. If they did, they wouldn't have had the dispute in the first place. Disputes arise precisely because their assumptions about money—what it represents, how it should be used, and what are fair and equitable standards for distributing it—don't match. Moreover, when individuals believe that their self-interest is at stake, which is almost always the case when money is involved, each person invariably thinks that his sense of what is fair is the "correct" one.

Because people carry with them their baggage from the past, discussions about money can easily get off course. Those who believe they have been wronged—and there are many—tend to develop rigid ideas of fairness. In their minds, fairness means absolute equality, but according to their rules only. Money must be divided evenly down to the penny or they shout "foul play."

Deciding money disputes on the basis of fairness had another drawback: it can quickly deteriorate into moralistic arguments that push people farther apart. In fact, arguments about fairness can become so intense that they can supplant the original dispute. It's not unusual for people to get so caught up in the fairness trap that they lose sight of what precipitated the argument in the first place.

DISAGREEMENTS: LIVING STANDARDS VS. RESOURCES

Bill and Ted have lived together for four years. From the start, they pooled their money and shared their living expenses equally. The arrangement worked well as long as Bill and Ted earned approximately the same amount of money. Last year, however, Bill accepted a new position in a high-growth company. Between bonuses and salary increases, his income more than doubled. Feeling flush, he began buying more expensive clothes and talked of their moving to a larger apartment. Ted balked. As a social worker, he could not afford such extravagances. Moreover, as long as he worked for a nonprofit organization, his income was not going to increase substantially.

Given the growing discrepancy in their financial situations, Bill and Ted had several choices. They could keep their present arrangement and live at the same standard, they could stop pooling their money, or they could work out a new arrangement. Both men agreed that pooling money held important symbolic value for them. But sharing that value wasn't enough. They had to find a way to translate it into a concrete plan.

Bill and Ted discovered how tricky it can be to use fairness as a basis for working out an equitable formula for sharing expenses. Because Bill now earns twice as much as Ted—a discrepancy that will grow wider over the next few years—Ted suggested that Bill put in twice as much money into the pool. Bill protested; he had just bought a new car and has to spend more money on his wardrobe than Ted does. Ted reminded Bill that he was still paying off student loans from graduate school. Bill countered that he would like to help his brother come up with a down payment on a house. As the men listed their needs and wants, they recognized that income alone was too narrow a criterion for working out a new arrangement; to be fair, they would have to factor into the equation other variables as well.

INTERVENTION: FOCUSING ON NEEDS

Ted acknowledged that Bill had more expenses, and he respected his choice to help his brother. Bill, in turn, knew that Ted was having a hard time paying off his student loans on his limited salary. At the same time, Bill worked hard for his money; now that he had more of it he wanted to be able to enjoy it.

Once Bill and Ted stopped debating the issue of fairness and concentrated on figuring out a mutually satisfying plan, they were able to settle on a new budget reflecting their higher combined income. Bill agreed to pay the difference between the old budget and the new, but he would deposit the remainder in a separate account for himself to use at his own discretion. The men further agreed that this would be a trial arrangement for six months. Whether or not this particular plan succeeds is less important than Bill's and Ted's willingness to keep talking about it. By accepting that the decision is not carved in stone, they give themselves the leeway to keep revising and refining their arrangement.

What's in a label?

Attitudes about money are intertwined with both our self-image and our beliefs. It is not surprising, then, that when disagreements over money arise we interpret them not as understandable differences of opinions but as personal attacks. If we believe that only our beliefs are right then, logically, the other person's beliefs have to be wrong. In that either/or mindset, it is easy to apply unflattering labels to those holding different points of view from our own.

Consider the judgments implied in these familiar labels: tightwad, cheat, spendthrift, gold digger, skinflint, miser, money grubber, penny pincher, greedy, cheap, stingy, selfish and fortune hunter. No one is completely one way; how we act varies according to conditions and circumstances and the people we are with. The danger in labeling others is that once we characterize someone as being a certain way, we notice only behavior that conforms to our picture and we ignore behavior that contradicts it.

Pigeonholing is similar to labeling. Both put people in little boxes and keep them there. People well acquainted with one another are particularly prone to pigeonholing. Convinced they "know" another person, they don't hesitate to tell her, for example, what she thinks and feels. They can be equally quick to tune her out. Presumably because they can anticipate what she is going to say.

Pigeonholing and labeling are common practices in families. Early on, family members get labeled: "He's the comedian," "She's selfish," "He's always been unreliable." Once the family member is labeled—and the label is reinforced through family stories—it can be difficult to shake. Family members often fail to notice the others change over time, learn from experiences, and behave differently in different contexts. Instead, they continue to see one another through the same narrow lens.

OBSTACLES: CHARACTERIZATION AND ABSOLUTE LANGUAGE

Peter and Stephanie, a brother and sister in their early thirties, illustrate the pitfalls of holding fixed ideas about another person. Peter is an accountant working in a large corporation. A diligent investor in the stock market, he has built a sizable portfolio over the years. Stephanie has not done so well. Five years age, she invested in a business venture with friends that went belly up. Now Stephanie has an opportunity to become a partner in a new venture—that is, if she can raise $15,000. She called her brother to talk about a loan. She was greeted by his tirade.

"You'll NEVER learn," said Peter. "You've already had one business failure, and now you're headed for another. Your problem is that you're too impulsive. You're ALWAYS jumping from one thing to another without looking where you're going."

Notice Peter's language. He tells Stephanie that she will NEVER learn, that she has ALWAYS been impulsive. By using absolute terms, Peter implies that Stephanie has an irreversible character flaw—an accusation begging for a defensive reaction. Stephanie will probably reply, "What do you mean ALWAYS? Give me one example of when I ever did that." Once that line of argument is set in motion, Peter and Stephanie will end up quibbling over words instead of discussing the loan.

Absolute terminology is not bad in and of itself. When people are getting along well, they often playfully say such things as, "You're so wonderful. You NEVER forget to ask how I'm doing," or "What I love about you is that you're ALWAYS so good-natured." When there is underlying friction between two people, however, and they use absolute terms to exaggerate each other's weaknesses, as Peter did with Stephanie, the tension is bound to escalate.

INTERVENTION: GIVING THE BENEFIT OF THE DOUBT

Peter may have just cause to worry about his sister's new venture, but his responses to Stephanie sound more punitive than helpful. To hear Peter talk, he knows for sure that she is a hopelessly inept businesswoman and that the venture is doomed. Peter's accusatory approach effectively cuts off communication. Why would Stephanie want to listen to a litany of criticism?

If Peter really wanted to steer Stephanie away from another bad investment, he would try to engage her in looking at the situation from different perspectives. A more effective way to get someone to listen is to use qualifying phrases such as "It seems to me," or "I wonder if." These qualifiers serve as cues to others that we have doubts about the situation and that we need more information before we can make up our minds. By admitting to uncertainty, we invite a dialogue with the other person.

Let's imagine a different conversation. Peter tells Stephanie, "It sounds like you and your partners have a good idea. But before I can consider lending you $15,000, I need more information than what you've given me. Would you and your partners consider calling in a business consultant to run some numbers for you? If you're short of cash now, I'd be willing to lend you the money to cover his fee."

When Peter lectured his sister about her past mistakes, he cut off possibilities for conversation. When he showed a willingness to consider her business idea, he held her attention. Then Peter went a step further: he made a specific and practical suggestion, in this case to hire a business consultant. In doing so, Peter accomplished three objectives in one: he showed his support for his sister by offering to help her pay for the consultant's fee; he put the evaluation of the business into the hands of a neutral professional, and if the report were good, he might decide to invest in the business himself. By viewing his sister through a wider lens, Peter also created the possibility of new opportunities for himself.

Whose problem is it?

Because conflicts over money stir deep-seated emotions, we often have difficulty sorting out feelings from facts. Old memories, personal experiences, and the symbolic meaning of money affect our judgments about the magnitude of a problem and our reactions to it. A situation that appears clear-cut and easily resolvable to one person, for example, may present a paralyzing dilemma to a second person, or trigger off explosive anger in a third person. Unless we know something about others' assumptions about money or their personal histories, we are often at a loss to understand their feelings or to explain their behavior.

DISAGREEMENT: PRINCIPLES VS. SELF-IMAGE

For the past ten years, Pam, an office manager, has worked for a computer company that cultivates a family feeling among its employees. On birthdays and other special occasions, employees pass the hat to buy presents for one another. Because Pam lives near a large mall and enjoys shopping, she volunteered to be the designated buyer for the group. Typically, Pam buys the gifts with her own money, and the others pay her back promptly—that is, everyone but Marilyn.

Last Christmas, Pam bought an expensive present for their boss. At the time, Marilyn was short of cash and promised to pay later. In the excitement over the holidays, Pam forgot to collect Marilyn's money. Several weeks later she asked Marilyn to pay her share. Marilyn insisted she repaid Pam before Christmas. Pam held her ground, and Marilyn agreed to pay her the next day even though she was sure she had already done so. When Marilyn failed to follow through on her promise, Pam decided to drop the matter. Why cause tension in the office and ruin a working relationship, she told herself, over a measly $15.00? Yet, the incident left Pam with bad feelings. She recalled other occasions when Marilyn had not paid her share. Although Pam tried to forget about the latest incident, it gnawed at her.

Pam felt trapped. If she quibbled with Marilyn over a small amount of money, she would ruin her image in the office as a generous person. At the same time, she resented Marilyn for taking advantage of her. Even more, she blamed Marilyn for making her feel like a petty person.

INTERVENTION: DEFINING THE PROBLEM

How we define a problem determines how we respond to it. Like Pam, most of us limit ourselves to one definition and, therefore, to one response. In Pam's mind, the problem is that Marilyn threatens to destroy her image in the office as a generous person. Therefore, her response is to feel victimized by Marilyn. Let's see how Pam's responses might change if she defined the problem differently.

One, she could view the problem as a practical matter and tell Marilyn straightforwardly that she wanted to be paid back. Two, she could define it as Marilyn's problem. If Marilyn wanted to be included in office gifts in the future, then she would have to pay her share upfront. Three, Pam might decide the problem had as much to do with her personal issues as with Marilyn's behavior. In that case, she would have to look within herself to discover what made it so hard for her to ask others to repay her and whether her fears were grounded in reality.

What do you need?

Our attitudes toward money are intertwined with deep-seated longings for love, status, power, and security. Therefore, when disagreements arise, they carry high stakes. Not only do we stand to lose financially, we also risk suffering emotionally. Nowhere is this more true than in families. Siblings, in particular, are quick to make comparisons about who gets what, when, and how much. Money is interpreted as a measure of the giver's love, and when it is not distributed equally rivalries and jealousies between siblings are intensified. This became apparent to Evelyn after she rewrote her will.

DISAGREEMENT: EQUALITY VS. NEED

Fifteen years ago, Evelyn retired from her position as a university professor. Now, in her early eighties and in declining health, she has advised her two children, a son and daughter in their forties, that she has changed her will. Instead of dividing her estate evenly between her son and daughter as she had originally intended, she has come up with a plan she believes is more equitable: her new will divides her estate equally among her daughter, her son, and her son's two children.

Evelyn's daughter Caroline, who is single and has no children, strongly objected to the changes. Evelyn was stunned by Caroline's reaction. She never imagined that her daughter, who has a good job and who adores her two nephews, would resent the new distribution.

To Evelyn, the matter seemed simple. Her daughter earned a good salary, owned her own home, and lived comfortably on her earnings. Her son, on the other hand, recently took a cut in salary just as he was taking on the financial burden of putting the two children through college. Evelyn wanted to ensure that her grandsons, both promising students, attended the private universities of their choice.

Caroline saw the situation differently. Educating the grandchildren was the responsibility of her brother and sister-in-law, not of her mother. Furthermore, why should she be penalized for not having children? Under the new will, her brother's family will receive three-quarters of Evelyn's estate. Caroline tearfully accused her mother of favoring her brother.

Upset by Caroline's reaction, Evelyn wondered what she could do to appease her daughter. While Evelyn believed she had the right to distribute her money as she chose, she acknowledged she was wrong to assume that Caroline would not object to having her share of the estate cut. Under the best of circumstances, it takes skillful communication to explain to one's child why her share of the estate has been reduced. It takes even greater skills to persuade her to accept the decision gracefully. In this case, Caroline's objections were understandable. By excluding her daughter from the decision-making process, Evelyn denied Caroline the chance to advocate her position.

INTERVENTION: ADVOCATING ONE'S POSITION

Advocating one's position is different from being defensive. When we advocate for ourselves, we attempt to persuade the other person that we have legitimate needs. By contrast, when we defend our positions, we set out to prove ourselves right and the other person wrong. In advocating her position, Caroline might point out that although she has a comfortable life, her expenses are high and she has limited savings. She worries if she were to get sick or have an accident. She would not have enough money to live on. By contrast, her brother and sister-in-law have each other to lean on.

By shifting the focus to Caroline's needs, she and her mother have more flexibility to work out their disagreements. For example, if Evelyn is persuaded by her daughter's arguments, she may rewrite her will to increase Caroline's inheritance. Or, for the remainder of her life, Evelyn may make annual gifts to Caroline to compensate for the reduction in her share of the estate. A third option is that Evelyn could set up small trust fund for her grandsons' education.

It is also possible that mother and daughter may never have a meeting of minds. When two people are far apart in their thinking, sometimes agreeing to disagree is the best they can do. Yes, even in those instances, they need not be adversaries. Too often, people think they have two options only: if they agree, they can be friends; if they disagree, they have to part company. By focusing on either/or options alone, they overlook a third option: accepting differences of opinions. Each of us has his or her own set of beliefs, values, and experiences. Sometimes, we make similar assumptions and arrive at the same conclusions. More often, we see things differently. The willingness to explore and understand these differences is one of the biggest challenges we confront in sustaining relationships.

SUMMARY

Skillful communication rests on the assumption of reciprocity, that is, that each person will have a turn to talk and listen. Reciprocity is not a revolutionary idea, only a relative rarity in practice. Typically, when we are caught up in disagreements—especially about emotionally loaded subjects like money—we don't trust the other person to hear us out or to respect what we have to say. Instead, we rush to defend ourselves or to attack the other person.

Listening is the foundation of communication. Without it, there is no exchange of information, only parallel monologues. When we invite others to explain themselves first and we make an effort to understand their points of view, we set the tone for a respectful and productive discussion. Developing the restraint to put our thoughts and feelings on hold while we listen to others is the mark of confident communicators.

When we listen well to other people, we begin to understand better how they think and what they feel. Good communication skills cannot guarantee that people will behave the way we want them to, but they significantly increase our chances of arriving at mutually satisfying agreements.

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For information about communication training, call ***Communication*** **Options** at (510) 547-2380.