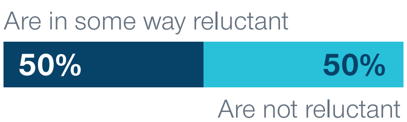
TALKING TO YOUR FAMILY ABOUT MONEY

Family dynamics can influence the conversations you have with your children about money. Gaining a better understanding of those dynamics can help everyone have more positive and productive discussions about the future.

MANY PARENTS WANT TO AVOID THE CONVERSATION

50%[1] of parents are in some way reluctant to discuss financial matters with their kids.



Not talking about money can have negative consequences for families.

> ***"When [my mother] passed, we found so many accounts in so many places. There was no open communication—I never want to live through that again."***

> ***"Dad's investments were in his head. Nobody knew where any of it was—and my mom is still cleaning this up."***

UNDERSTANDING YOUR FAMILY DYNAMICS

This chart can provide a snapshot of your family's unique dynamic. You'll be able to better understand each member's individual money habits, values, and communication style, as well as see where your family can find common ground during discussions about finances and the future.

Family Members

Identify each member of your immediate family, including your spouse and children ages 16 and up, with an initial (for example, "B" for "Bob").

Have each family member plot their answers to the four questions below by writing their assigned initial along each scale of 1 to 10.

Money Habits

Are you a *spender*, a *saver*, or somewhere in the middle?

Saver ← 1 2 3 4 5 6 7 8 9 10 → Spender

Values

Do you value financial *security*, meaning you're more concerned with preserving the original value of your investments than maximizing growth? Or do you value *opportunity* and feel comfortable with the possibility of substantial declines in pursuit of higher levels of growth?

Security ← 1 2 3 4 5 6 7 8 9 10 → Opportunity

Communication Style

Do you value privacy when it comes to discussing financial matters? Or are you more *open* to talking about money?

Private ← 1 2 3 4 5 6 7 8 9 10 → Open

Financial Markets

Are you *fascinated* by the financial markets, or do you feel discussing financial markets is a necessary obligation?

Fascinated ← 1 2 3 4 5 6 7 8 9 10 → Obligated

[1] *"Parents, Kids & Money Survey," T. Rowe Price, March 2019.*

THREE STEPS TO HAVING POSITIVE AND PRODUCTIVE CONVERSATIONS

1 Start With Your Family Dynamics

Now that you and your family have a clear picture of your unique dynamic, you can begin a discussion about where you have common connections and attitudes about money.

- There will likely be some differences as well, so talk about how those differences may have impacted past conversations.
- Consider working with your financial professional, who can help facilitate communication and give everyone a voice for their individual needs.

2 Have The "Essential" Conversation

This foundational discussion provides your family with a road map for the future—without revealing account balances or investment details.

- Make sure all adult family members know where to find essential documents and accounts, including passwords for digital accounts and records.
- Essential documents should include personal, financial, medical, and emergency contact information.

3 Keep Talking

The "money talk" isn't just one discussion, it's an ongoing dialogue with your family.

- After you've had the essential conversation, you can bring financial matters up more organically. Understanding the different dynamics of your family can help you become more aware and intentional with your family communications about money.

YOUR FINANCIAL PROFESSIONAL CAN HELP.

For some families, these conversations may still be difficult. Your financial professional can play a key role in helping to resolve potential conflicts and making discussions more productive.

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