



The Place of Money in Counseling

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Who do you think has done the most to benefit humankind, Mother Teresa or Bill Gates? What is your reasoning for your choice? Remember your answer and your reasoning: we will explore them later.

Continued on page 28

A survey by the American Psychological Association (APA) (2004) revealed that 73% of Americans name money as the No.1 source of stress in their lives, above issues such as children, work, and physical health. Financial problems have been linked to symptoms of anxiety, depression, low self-esteem, and health problems. Financial difficulties also have a negative impact on relationships. Money is the No.1 source of marital disagreement in the early years of marriage (Oggins 2003) and a common area of conflict for couples in general (Dortch 1994). In a survey of 1,001 adults, more than half considered money to be a sensitive topic in their households and 40% admitted to having lied to their spouses about the cost of a purchase (Medintz 2004). Financial stress also affects one's job performance. Personal finance is the No.1 source of stress reported by employees, and it has been estimated that half of workers with financial problems perform poorly in their jobs as a result (Grensing-Pophal 2002).

While we are the wealthiest country in the world, one does not have to look hard to see why so many people have so much financial stress. Credit card debt now averages over \$9,000 per household, loan defaults are at all-time highs, and Americans saved a negative 0.5% of their income last year, a savings rate so low it hasn't been seen since the Great Depression. One of the consequences of dysfunctional financial behaviors is filing for bankruptcy, which is also at all-time highs. In the past few years, more women filed for bankruptcy than graduated from college, and more children saw their parents file for bankruptcy than divorce (Warren and Tyagi 2004).

Defining responsible financial behavior is no great mystery. In fact, most adults know they should save for the future and not spend more than they make. But many people suffer from chronic self-defeating patterns of financial behaviors, which we call "money disorders" (Klontz et al. 2006). Money disorders consist of maladaptive patterns of financial behaviors that lead to clinically-significant distress, impairment in social or occupational functioning, undue financial strain, or an inability to appropriately enjoy one's financial resources. Symptoms include anxiety, worry or despair about one's financial situation, a lack of savings, excessive debt, bankruptcy, conflict with family or others about money, compulsive overspending or hoarding, financial dependency, or excessive financial risk-taking. Like other emotional and behavioral disorders, these maladaptive patterns of financial beliefs and behaviors persist despite their emotional, relational, and financial consequences.

The average person tends to believe that having more money is the key to overcoming financial distress and perhaps even achieving increased happiness. But here's

the catch: disordered money behaviors are not caused by a lack of money. Research consistently shows that there is no significant relationship between happiness and money (Csikszentmihalyi 1999), and attitudes about money have been found to be independent of a person's income (Yamauchi and Templer 1982). Moreover, research has shown that the significant economic gains experienced by Americans in the past few decades have not been accompanied by a rise in life satisfaction and are actually correlated with increases in distrust and depression (Diener and Seligman 2004).

So if more money isn't the answer to our financial problems, what is? It all comes down to a person's relationship with his/her money. Often this relationship is painful. Though it is very common to have a painful, self-defeating, self-destructive relationship like this, it is rare that mental health professionals ever address the subject with their clients.

In our work with clients over the years, we have identified some common dysfunctional behaviors about money:

- Some people are hypervigilant about money matters, while others pretend that it is a necessary evil that doesn't warrant their attention.
- Some engage in workaholic behaviors, while for others, under-working is a problem. Some spend too little while others spend too much.
- Some people are hoarders; others call it collecting things.
- There are those who are self-indulgent, while others indulge themselves only when giving to others. When pressed by a loved one to identify what they would like for their birthday or other holiday, some have what we call a dissociative whiteout. They literally cannot think of one thing that they want or need.
- Some, at the risk of their own financial stability, continue to support and or rescue their adult children financially, effectively keeping these adult children dependent. In other families children are expected to take responsibility for the care of their parent's unmanageable money issues.
- We work with people who take excessive risks with their money, while others cripple their future by failing to take any risks at all.
- Many couples, at the risk of damaging trust in their most intimate relationships, keep secrets or outright lie about financial matters.
- Some struggle with a kind of financial egotism, not being able to admit, even to themselves, how much money they have, while others behave as if they have more than they really do.

- There are those whose behaviors cause trouble because of their sense of entitlement, while others feel significant guilt and shame about how much they have.
- Finally, we see the same anorexic-binge cycles that occur with other addictive behaviors.

All of these behaviors lead to significant long-term pain and financial distress, if not disaster. Knowing about and learning to manage our own financial relationships are 21st century-skills: skills that the previous generations were not required to possess. But our increased life expectancy, the scattering of extended families, legislation limiting and the collapse of private company pension plans have combined to make it more essential than ever that these issues be addressed.

While there are, without a doubt, external financial factors that no one person can change, as much as 50% of an individual's experience with money is within his or her ability to influence. Our mostly unconscious thoughts, beliefs, and attitudes about money, "money scripts," and the behaviors they produce are at the heart of what drives these self-defeating/self-destructive financial behaviors. All money behaviors, even the most self-defeating and self-destructive ones, make perfect sense when one can understand the money scripts that drive the behaviors.

For example, consider your answer to the question at the beginning of this article, and its rationale. Whether you chose Bill Gates or Mother Teresa, your choice was based on your beliefs about money, its importance, how it works, what is right and wrong, and may point to one or more of your money scripts. The truth is that either side of that question could be well argued. However, the thinking beneath your answer to that simple question may be directly related to the current state of your financial life. For example, a counselor answered, "Mother Teresa because she gave her life, not just her money." With an answer like that, it should come as no surprise that he lives a very meager existence, since one of his money scripts says that "the greatest good is done by those who sacrifice their lives for the good of others."

To change money behaviors, these unconscious scripts must be brought to light. The most distorted or limiting of these scripts must be changed. Being aware of a money script and where it came from is the first step to modifying it. After identifying the script, we suggest clients get feedback by simply seeking out and incorporating new, more accurate

information into one's understandings about money. For example, consider a 50-year-old client, who had the very common money script that "the rich got that way by taking advantage of poor people." As a result of this belief, throughout his adult life, any time he was about to achieve some financial success, he would unconsciously do something that would result in his having to start all over again — quite often by involving himself in a risky business venture, speculating on property, or following a hot stock tip. A simple statement from someone he trusted changed that script and his life. The statement came from a trusted mentor who said: "While it is true that some have become wealthy by taking advantage of the less fortunate, others have done so by having an idea they wouldn't give up on, a desire in their heart that they refused to let go of; they took a risk when others wouldn't." The changing of that script allowed him to feel comfortable accumulating money for his savings and retirement for the first time in his life. He went from

Continued on page 31



