



By: James J Messina, Ph.D., CCMHC, NCC, DCMHS

Chapter 10 Financial Aerobics

MWO 10 Roster

- 10-1 An Inventory of the State of our Economy
- 10-2 What are Our Attitudes about Money?
- 10-3 A Couple's Scavenger Hunt
- 10-4 What's Blocking My Financial Aerobic Routines?
- 10-5 Budgeting – Tightening the Belt
- 10-6 Follow-up Work-Plans for Financial Responsibility

Prologue

••• Lois was a credit card addict. When she was depressed or blue she would travel out to the mall and buy something with one of her fourteen credit cards to pep her up. Lois also took care of the family finances and checkbook and hid her impulse purchases from Josh. Joshua was caught up in having the symbols of his financial status. He arrived home last month with a "surprise" sports car. The Durites lived in a "McMansion" which was furnished lavishly. They were caught up in the credit trap •••

The stress of finances on a marriage can take its toll. A couple able to develop a budget and stick to it has a better chance of their marriage working out. The exercises in this chapter are directed to assist you both to increase your money consciousness and to develop a well-balanced marital financial plan.

Caution Advisory

The Budget exercises in this chapter are very complex and may take a long time to complete. You two might choose to do this exercise at the same time you are working on others in this workbook. Since this task takes a lot of research and time to complete you can also be covering other work-out issues before this one is completed.

10-1 Inventory of the State of Our Economy

Do this exercise on your own. It is intended to determine your spouse's perception of how you react to financial concerns. Put a numerical rating for each of the following items. Use the following rating scale:

1 = Never 2 = Rarely 3 = Sometimes 4 = Almost Always 5 = Always

Rating	
	[1] I worry about our debts and being able to meet our financial obligations.
	[2] I make no effort to ensure that we have a nest egg set aside for possible future emergencies.
	[3] I hate income tax time
	[4] I wonder where we will get the money to cover our bills at the end of the month.
	[5] I am not confident that the income my spouse and/or earn is sufficient for our needs.
	[6] I am always looking for a job which will bring in more money.
	[7] I feel like there is not enough income for us to spend time in enjoyable activities such as hobbies, entertainment, sports, etc.
	[8] I am not comfortable with the decision we have made as to who is [or are] the primary wage earner(s) in this relationship.
	[9] I have concerns about how my partner handles money.
	[10] If a wife's income is not a necessity for the family's economy, I do not feel she should pursue a professional career if she desires to.
	[11] I want to have a different standard of living than that which I was used to, in my family of origin
	[12] I am concerned that we are living way beyond our means.
	[13] I am bothered by how stingy and tight my partner is with money.
	[14] Having children has (or will) really put a strain on our financial resources.
	[15] I believe that we do not have enough life and/or health insurance to cover the both of us.
	[16] It is important to me to acquire a lot of wealth.
	[17] I find that I am spending more time in my work in order to increase our income.
	[18] I believe that it is best when spouses have separate checking accounts.
	[19] My spouse and I are not in agreement about what is the "good life."
	[20] I believe that money "buys happiness."
	[21] I strongly believe in the notion that money brings security.
	[22] I find that possessions and things have a way of preoccupying or possessing me.
	[23] I do not like the way we have budgeted our money and have made future

	financial plans.
	[24] I worry that "money concerns" will someday be the ruination of our marriage.
	[25] I believe that financial concerns are the biggest problem in our marriage.

My Score: _____

My Spouse's Self-Score _____

Our Average Couple Score _____

To score this inventory, add up the numerical ratings for each of the 25 items. To get the couple score use both of your rating scores add them, then divide by two and round off to the next whole number. Record these scores in the appropriate blanks above. Then compare each items ratings with your partner. Openly discuss each area where you have different ratings or perceptions. The following is the interpretation of the scores.

Score	Ratings	Interpretation
25-40	Outstanding Economy	You have an outstanding economy. Perhaps you would like to assist the President and Congress next.
51-65	Good Economy	You have the mind of an accountant. Perhaps H.R. Block could use you. But don't be too over confident. Your state of the economy is good at this time.
66-80	Stable Economy	You might be getting into trouble if you don't take some preventative action now. Look at the areas where you need to put some effort and work at it, The state of your economy is stable, but it could flounder in the near future.
81-95	Bleak Economy	You might be getting yourself into some marital or financial problems. You might need to seek the assistance of either an accountant or a marriage counselor or both. The state of your marital economy is bleak.
96-125	Troubled Economy	Not only is your economy in trouble, but your marriage may be bankrupt. Get help now from professionals who can assist you to get your books and selves in order.

In your Journal Record Your Personal Notes on this Exercise

10-2 What are our Attitudes about Money?

One of the stickiest problems between married couples is money. The more you are able to explore this area the better chance you have of avoiding painful arguments.

Poor money management is said to be a major factor in divorce. The difficulties lie not in the amount of money available nor in the husband's or wife's individual ability to manage money, but rather in the incompatible ways of handling money. In such cases, each partner generally tries to impose her or his method onto the other. When these arguments arise, one of several things can happen:

- One of you can insist on your method and leave your partner feeling put down, inadequate, foolish or resentful.
- One of you can back out of money management altogether and leave it all to the other.
- Each of you can listen to the feelings of the other and to the other's proposed method of money management. You can then arrive at a compatible plan, one that is understood and agreed upon by both of you.

The following questions should be filled out individually to assist you both deal with differences in handling money. Once you answer these questions discuss your answers with your spouse.

Read the following questions and write your answers in your journal, as completely and honestly as you can.

1. How much is my income? \$_____ a year.
2. How much does my partner make? \$_____ a year.
3. Do I want to keep our incomes separate for any reason? Yes No If yes, why?
4. Do I believe money is to be spent and enjoyed and not hoarded? Yes No
5. Do I believe extra money should be saved for a rainy day? Yes No
6. Do I want to set up a special account for some special purpose? Yes No If yes, for what purpose?
7. Do I plan a budget? Yes No If no, why?
8. Do I stick by a budget if planned? Yes No If no, why?
9. Am I inclined to charge things? Yes No If yes, what are some recent items I have charged?

10. Do I spend money to help myself get out of a low mood? Yes No If yes, what are some recent purchases I have made to help me get out of a low mood?

11. How do I behave when a salesperson is really high-pressuring me?

12. Which one of us should keep the books and pay the bills? Me Partner Why?

13. How do I feel when I talk about money with my spouse?

14. How does my family background differ from my partner's in attitudes towards money, spending and saving habits?

Once you have completed this task, share your results with your partner.

Suggested Discussion Questions

1. How much do we differ from one another in our attitudes towards money?

2. How satisfied are we in our current level of income?

3. How comfortable is it for us to pool our monies?

4. What steps can we take to ensure that we feel comfortable with the way we each handle money?

5. How comfortable are we with our financial long term plans? How realistic are they? How could we change these plans to be more mutually satisfying?

6. Why are we so hesitant to talk to each other about money?

7. What obstacles exist to our free and open discussion of financial matters?

8. What are our attitudes about budgeting? Why do we feel this way?

9. How emotionally strong are we when it comes to money expenditures? How impulsive are we in making purchases?

10. What impact do our individual family backgrounds have on the state of our marital economy? What steps can we take to alter this pattern? Why do our backgrounds affect our present attitudes about money so?

In your Journal Record Your Personal Notes on this Exercise

10-3 A Couples' Scavenger Hunt

Sometimes you may lack enough information before you can make sound financial decisions or develop budgets. This exercise will give you both a chance to have some fun and hopefully learn a few helpful hints. Pretend you two are on a scavenger hunt. You are supposed to track down a price for each of the items listed below. You then record what is the source of information for your estimate of cost. You each should do this exercise on your own first. Once you both have completed the task, sit down and compare your lists.

Cost	Source	Scavenger Hunt Item
		1. a ten pound standing rib roast
		2. four (4) new radial top of the line tires
		3. a pair of sewing shears
		4. an electric drill with bits
		5. a microwave oven
		6. a jock strap
		7. a size 34C bra
		8. an average haircut and tip
		9. a permanent wave and tip
		10. a \$250,000 term life insurance policy's annual premium
		11. lifetime cost of raising one child
		12. Average cost of a new home with: 3 bedrooms, 2 baths and a 2 car garage.
		13. a quart of motor oil (high grade)
		14. a tube of red lipstick
		15. a pair of women's walking shoes
		16. a pair of men's boat shoes
		17. cost of a solar water heating unit including installation
		18. cost for two tickets, front row center section, for the local Performing Arts Theater's Production of a touring Broadway Show
		19. average cost of a dinner for two on a Saturday evening (don't forget all costs involved: babysitting, gas, transportation, clothing, flowers, etc.
		20. a three-piece man's business suit
		21. a woman's business silk dress
		22. average cost of tuition, room and board for a four year college education at a private college out of town.
		23. a bowling ball

		24. two knitting needles and three skeins of yarn
		25. average medical and hospital expenses for a full term pregnancy, and normal delivery of a healthy baby
		26. monthly charge for one child in a full day preschool day care program
		29. average costs to have a CPA prepare a joint tax return for a married couple
		30. average legal fees per couple for a non-contested or collaborative divorce in your community
		31. an Apple Watch
		32. a cross county bicycle
		33. average monthly lease on a SUV
		34. cost of a 24 foot in-board motor boat
		35. cost of flooring for a 1,200 square foot home

Now compare your costs and sources for your information with your spouse. After you have reviewed all 30 items and the accuracy of your information consider the following questions.

Suggested Discussion Questions

1. What surprised us on the scavenger hunt about the costs we found?
2. What short cuts, if any, did we use to get our information?
3. What would be the savings we could realize by more productive mutual financial planning?
4. How realistic are our dreams for the future based on our current financial resources?
5. Will we be satisfied in five years if our current earning capacity remains the same or only increases less than 5% each year?
6. What can we do to improve the way we handle our finances?
7. What role can an accountant play in our marital happiness?
8. How open are we to altering our current behaviors when it comes to handling money?
9. When an item was more prone to be usually purchased by only one of us, how accurate was the other partner in arriving at the cost of the item?
10. How successful would we have been if we had worked jointly on the project from the start? What does this tell us about our current method of handling our money matters?

In your Journal Record Your Personal Notes on this Exercise

10-4 What's Blocking My Financial Aerobics Routine?

Do this activity on your own before comparing your results with your partner. Read each of the following attitudes about money and finances and check as TRUE only those belief which you currently hold:

True for Me at this time	Attitude about Finances
	1. Both of us having jobs will lead to wealth for us
	2. Our best investment for the future is saving money in the bank;
	3. I conscientiously avoid any kind of debt since debt is bad.
	4. Security is good and must be conscientiously striven for.
	5. Any type of failure is bad.
	6 I measure my partner's and my wealth in terms of material possessions.
	7. The government, my employer (and/or my partner's employer) or someone else is ultimately responsible for my partner's and my financial well-being.
	8. In order to acquire wealth one must play dirty and take advantage of others.
	9. I believe that it takes money to make money.
	10. My partner and I have not set down any specific written financial goals for ourselves.
	11. I cannot visualize where my partner and I will be financially in fifteen years.
	12. I have no confidence in my partner or myself when it comes to believing in our ability to be financially independent in the future.
	13. I believe that it takes a great deal of luck, being at the right place at the right time and knowing the right people to become financially independent.
	14. I like to dream and talk about where I would like us to be financially, but I don't seem to take the action or steps necessary to achieve these goals.
	15. We look with dread to the day when we will retire and be strapped to a fixed income.

My score: _____

My Partner's score: _____

Our Couple score: _____

To score this inventory, add up the number of "True for me at this time". Put your partner's and your score in the appropriate blank. To get the couple score, add up the total the True's checked by each partner, counting only once those items both of you marked as True for you at this time. The following is the interpretation of the scores:

Score	Rating	Interpretation
1-2	Excellent	You and your partner are on your way to becoming financially self-reliant.

3-4	Fair	You and your partner are experiencing hurdles to becoming financially self--reliant. You need to read more about the truths of financial aerobics to help you jump these hurdles.
5 or more	Poor	You financial aerobics are not getting you anywhere. You work hard, sweat a lot, but do not see the long term, down the road rewards for your labors. You need to read the following truths about financial aerobics to help you plan your future course of financial exertion.

The Fifteen Realities of Financial Aerobics

Myth	Reality
1. Having a job leads to wealth.	Having a good job, working hard and moving up the ladder to more responsibility will not necessarily take you and your partner to golden years of retirement, wealth and happiness. The fact is that jobs support our needs and habits (like eating) but it rarely leads to wealth. The answer is not to work harder but to work smarter to become financially self-reliant.
2. Saving money is good.	The discipline of saving money as investment is important, but you cannot expect your savings to carry you to financial independence. Assuming minimal inflation and taxes, any dollar earning less than about 15% per year is a losing venture and at best is the slow liquidation of wealth.
3. Debt is bad and should be avoided.	Yes, any debt which is incurred in the acquisition of material possessions which give you the appearance of wealth should be avoided. However, going into some form of investment debt is essential in order to become, eventually financially self-reliant or independent.
4. Security is good.	Security is often an illusion consider the present state of the Federal Social Security System. The more you love security, the more likely you will avoid risk. If you avoid risk, you also avoid opportunity, because risk is the price you pay for opportunity. Risk is an essential part of progress on the road to financial self-reliance.
5. Failure is bad.	Failure is a part of success. One must develop a positive mindset about failure. One can learn

	from it and develop ingenuity, flexibility and an ability to create new ways of achieving goals. In turning failures into success, failure can be the best thing that ever happened to you.
6. Wealth is measured in terms of material possessions.	Wealth is not money. Money and things are just the appearance of wealth. Wealth is a state of mind - an attitude. Using your accumulated experience and knowledge and a positive attitude about your abilities is the road to true wealth and financial independence.
7. The Government, my employer, or someone else is responsible for my financial well-being.	We alone are responsible for our ultimate financial welfare.
8. Acquiring wealth is a dirty win/lose game.	You can take advantage of infinite sources of wealth which can be tapped into without reducing others' chances of becoming wealthy.
9. It takes money to make money	It does take money to make money, .but it does not have to be your own money .Borrowing and investing are means to create personal wealth,
10. Writing down future financial goals is a pipe dream.	A realistic goal that is not written down is a wish or daydream. When you are serious enough to commit your goals to paper and read them regularly, you energize your commitment and creativity.
11. It is silly to visualize a goal or dream.	By using mental imagery for the visualization of your financial goals just before drifting off to sleep or just after waking up in the morning you can influence your subconscious mind. Success in attainment of visualized goals has been proven successful in athletics and dramatically documented by the number of athletes who use mental imagery to win in their respective sports.
12. It is corny to affirm yourself as you pursue your goal of financial self-reliance.	It takes a lot of self-esteem to accomplish great things. To build self-confidence one must practice self-affirmation of one's qualities, abilities and positive attitudes. If you believe in yourself you will project this, and it will build confidence, not only in you, but in your partner's confidence in you to achieve your financial goals.
13. It takes luck to become financially independent.	Rather than luck, it takes a high probability of success to achieve one's financial goals. You must work to increase your probability of

	success by learning the skills needed and trying harder to use them.
14. Becoming financially self- reliant sounds good in theory, but it will never work in reality,	By failing to act you will fail to succeed. You need to leap from theory to practice. It is worse to fail to try than to try and fail. You must get yourself organized, confidence bolstered, and ready to take the risk in order to take action - so do it now!
15 Retirement should be a dreaded event.	By taking steps to become financially self-reliant and by working hard at visualizing and affirming your success, you can achieve the goals which make future retirement a desired goal rather than a dreaded event.

Now you two should take the steps necessary to succeed by setting up your long range financial aerobics plan for financial self-reliance.

Our Long Range Financial Plan

1. Our financial goals to be achieved in the next fifteen years are:

- 1.
- 2.
- 3.
- 4.
- 5.

2. The visual image we will visualize mentally for this goal is:

My Image

My Spouse's Image

3. The affirmations we will make daily to keep these goals active are:

My Affirmations

My Spouse's Affirmations

- | | |
|----|----|
| 1. | 1. |
| 2. | 2. |
| 3. | 3. |
| 4. | 4. |
| 5. | 5. |

4. Our plan of action to achieve these goals is:

Steps to be taken

By whom

By when

- 1.
- 2.
- 3.
- 4.

- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

5. We will be able to evaluate how successfully we have reached our 15 year financial goal by reviewing the following behaviors, accomplishments and achievements which we expect to experience in the next 15 years.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

We agree to the above plan.

My signature

My partner's signature

Date

Date

In your Journal Record Your Personal Notes on this Exercise

10-5 Budgeting-Tightening the Belt

This exercise is to be done together. You and your partner will be developing a budget and developing a plan of financial management. Before you begin this process, here are a few simple rules you should follow in terms of money management.

Rules for Married Couple's Money Management

1. Make a yearly budget with priorities, including a savings and investment plan which is to be followed and reviewed on a monthly basis and adjusted at least every three months.
2. Always pay yourselves first. Set aside as the first bill to pay your deposit in your savings account as a hedge against budget missed projections and as possible investment capital.
3. Set aside a place in your home (a room if possible) where you can keep all records of financial dealings neatly stored for easy reference.
4. Limit your expenses in order to generate a surplus - a savings to cover contingencies or to use for future investments.
5. Discontinue all credit purchasing for non-investment oriented goods until you have become "debt free" and formulated a plan for wise use of credit in the future.
6. Discuss all credit purchases beforehand so as to eliminate impulsive credit buying of incidentals.
7. Keep cost of credit (% of interest rate) foremost in your minds and always shop for the lowest possible annual percent- age rate of interest.
8. When using credit for non-investment items, use the shortest possible period rather than the longest allowed to pay the balance due.
9. Record all credit purchases as soon as you make them and review monthly.
10. To assist you make a budget, keep a precise, daily account of any and all outgoing money and review these accounts monthly.
11. Conduct a monthly budget meeting (including all family members) at the same time each month to discuss your budgeting and finances.

12. Seek ways to increase your income by working smarter rather than by working harder.
13. Learn and master the principles of investing your surplus capital in order to gain more income in "smarter" ways which require less direct work and effort from you.
14. Constantly review and create cost cutting ideas which you can put into practice.
15. Whenever you can afford it, use professionals to help you review your budget plans and to prepare your tax returns.

. The Marriage Work-Out Six Step Annual Budget Making Process

Here is an outline which addresses the key elements to sound couple budgeting. To accomplish this task will be time consuming. Spend as much time as you can now, so that your financial lives in the future will be smoother. Doing this process will be easier on an annual basis after this first attempt. Use separate sheets, using the outlines provided in each step.

Step 1: What we owe?

Calculate your debt today by reviewing your credit card and installment loan records.

Creditor	Portion of payment which is interest	Minimum monthly payment currently due (including interest)	Outstanding Balance
Auto Loan			
Personal Loan			
Consumer goods loans			
Home Improvement loan			
School Loans			
Department store loans			
Major credit/debit cards			
Gas cards			
Doctors			
Dentist			
Other			

Step 2: How do we use credit?

Use the last twelve (12) months' credit card statements and/or invoices, loan statements and bank records to do this task. A savings withdrawal is borrowing from yourself. This step helps you to look at your patterns of using credit and borrowing money. It will be used in Step 4 as well.

Last 12 Months	#1	#2	#3	#4	#5	#6	#7	#8	#9	#10	#11	#12
Category:												
Food eaten at home												
Food eaten out												
Automobiles												
Gasoline/oil												
Auto repairs												
Tires												
Sundries*												
Toiletries												
Haircuts												
Clothing**												
Drugs & Medications												
Tobacco product												
Liquor/beer												
Furniture												
Appliances												
Linens and such												
Home related repair or improvement												
Gifts												
Books (Kindle, Nook, paperback etc.)												
Movies, Concerts or Sports event other such events												
Hobbies												
Vacations												
Savings account withdrawal												
Other (including borrowed but unaccounted for)												
Monthly Totals:												

Annual Total of Credit Purchases: \$ _____

Nook, paperback etc.)													
Magazines													
Movie, Concerts or Sports event other such events													
Hobbies													
Vacations													
Alimony/child support													
Personal Allowences													
Savings account withdrawal													
Contributions/ Church/Charity													
Dues													
Undeducted Income Tax													
Undeducted Social Security Taxes													
Office Supplies/ Stamps, paper, etc.													
Savings deposits													
Credit card payments													
Installment loan payments													
Other (including borrowed but unaccounted for)													
Monthly Totals:													

Annual Total of Cash Purchases: \$ _____

Step 5: What are Out Financial Priorities?

Before you decide priorities, you both must look at the results of Steps 1 - 4 and answer the two questions:

1. Are we spending more than we are earning Monthly, Quarterly and Annually?
Compare monthly and annual totals found in Steps 3 and 4.

2. Do we have large sums of "unaccountable" spending in our credit (Step 2) and cash expenditures (Step 4) findings? If yes, begin to record daily, every penny you and your partner spend in small notebooks which each of you should carry. This should help in determining priorities.

Our Financial Priorities for the Next Year

Beginning _____ Ending _____

A. Highest Priorities for us both (our family):

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

B. Medium Priorities for us both (our family):

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

C. Low Priorities for us both (our family):

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.

Social Security Taxes												
Office Supplies/ Stamps, paper, etc.												
Savings deposits												
Credit card payments												
Installment loan payments												
Projected Monthly Totals:												

Annual Budget Total: \$ _____

Some Issues to Consider

Once you have completed your budget for the next year, here are some issues you might want to consider to assist your thinking in the future.

1. How can we improve the ways we cut costs?
2. What are some ways we can increase our income by legally paying less taxes?
3. What more information do we need to make wise financial investments?
4. How sound is our current savings and investment programs?
5. How willing are we to spend time with a professional financial advisor going over our financial plans?

In your Journal Record Your Personal Notes on this Exercise

10-7 Follow-up Work-Out Plans for Getting Our Values on Track

As a result of our exercises, discussions, and efforts in this chapter of our Marriage Work-Out on our Finances, we have come up with this action plan to continue and follow up the health enhancing what we have just completed.

I. Our Financial Needs

The following are needs which we still have to address to fully achieve full health in the financial aspect of our marital relationship:

- 1.
- 2.
- 3.
- 4.
- 5.

II. Strategic Steps towards Growth in Financial Planning

The following are specific steps we will take to address our needs to improve handling our handling of our finances:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

III. Personal Responsibility Taking

The following are the things I will specifically do to ensure that we as a couple continue to grow in dealing with our financial handling:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

IV. Evaluation of Action Plan for Financial Responsibility Taking

We will know we have achieved our goal to grow in the financial area of our relationship by the following measurable behavioral changes:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10

We agree to the above Marriage Work-Out plan for financial responsibility taking.

My signature

My partner's signature

Date

Date