

A First Look at What Most Prevents Money Tensions

(An Explanation of the Points of Tension Analysis in Chapter 2)

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Let's discuss the underlying feelings that people have when we discuss, well, almost anything. No one question is sufficient to capture the depth of emotion that people have on different topics. Sometimes we aren't even sure what the feelings are unless we poke at them from a number of different viewpoints. Therefore, we use multiple questions to investigate that lump in our gut or that flame in our heart. To simplify, we will call these *factors*—a factor is a range of scores encapsulating these viewpoints.

An example might help. We *know* how much you enjoy mathematics—who doesn't? When you were in school, you might have taken standardized tests that were designed to measure what you know about math. Those tests did not have a single question—they had dozens of questions. Your answers to those dozens of questions were summarized as a score. A high number meant you were a math maven; a low number meant you were not entranced by mathematical machinations. And there were sub-scores: a score for arithmetic, a score for geometry, a score for mathematical reasoning. Some people are good at arithmetic and algebra, some are good at geometry, and some people are good at both. If I only ask you “What is 2+2?” I don't have an in-depth understanding of your mathematical prowess. If I ask you dozens of questions, your answers to all the questions combined give me an idea of where you fall on that magical range:



The same concept applies to these surveys. In particular, we looked at a series of questions about how people feel about money issues and how people interact with their spouse or partner in dealing with money issues. Table 1 shows how three different sets of questions were identified and then defined as factors. For each survey respondent, we obtain a score on each factor that tells us where they fall on the range of values.

Table 1: Four Factors Describing Interactions Between Couples Involving Money and Feelings about Money

Question:	Factor
Disappointment / discontent Frustration / irritation / annoyance Actual fighting / significant arguing / raised voices Blaming the other person OR feeling shame yourself Checking out / ignorance about the situation Martyrdom Misalignment / lack of clarity on goals Mismatch of impulsive tendency vs. planning tendency Not on the same page Pride Resentment / anger Superiority / derision OR feeling judged	Factor 1: Aggressive interaction with spouse; anger; acting out
Entrenchment Feeling defensive / offended Hiding receipts or purchases Resignation Retaliatory spending Unpaid bills Doing money separately / excluding one party	Factor 2: Defensive interaction with spouse; feelings of resignation and withdrawal
Anxiety / stress / weight / worry Exhaustion Fear about losing control Not feeling cared for Not talking about money / avoidance	Factor 3: Fear
Silent treatment / withdrawal Ignoring agreements / decisions	Factor 4: Childishness

Table 2: Summary of Four Factors

Factor 1: Aggressive interaction with spouse; anger; acting out
Factor 2: Defensive interaction with spouse; feelings of resignation and withdrawal
Factor 3: Fear
Factor 4: Childishness

We ignore Factor 4 in what follows—it is formed by only two questions and doesn't have a well-defined range of scores across all couples. The first three factors, however, tell us different ways couples deal with money. Note that for each of these factors, there are some couples at the negative end of the range who engage in negative behaviors such as anger and acting out. There are other couples at the positive end of this range with positive scores on these questions who do not operate out of anger or act out against each other.

Thus, Factor 1 can be summarized as:

Lots of Anger Lots of Acting Out	Factor 1: Aggressive Interaction with Spouse	No Anger Does Not Act Out
-3.0 -2.0 -1.0 0.0 1.0 2.0 3.0		

Similarly, Factor 2 is described as:

Lots of Resignation Lots of Withdrawal	Factor 2: Defensive Interaction with Spouse	No Resignation Direct Discussion
-3.0 -2.0 -1.0 0.0 1.0 2.0 3.0		

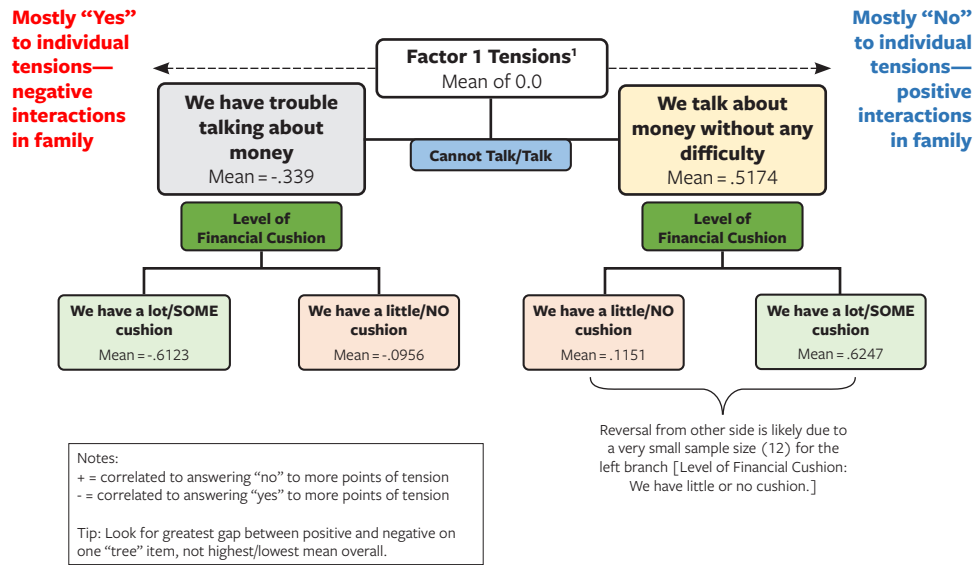
Finally, Factor 3 is:

Lots of Fear Exhaustion when discussing issues	Factor 3: Fearful Interaction with Spouse	Positive Reinforcement Energy when addressing Issues
-3.0 -2.0 -1.0 0.0 1.0 2.0 3.0		

Now that we've defined three dimensions of the ways couples feel and interact regarding money, we can also try to determine whether there are reasons that are correlated with these feelings. To do this, we try to determine what groupings there are of couples on each of these dimensions. The groupings might explain why a couple is aggressive in their interactions, avoids conflict, or feels fearful about discussing financial issues.

Chart 1 shows what considerations are important in explaining aggressive interactions.

Chart 1: Factors Related to Aggressive Interactions

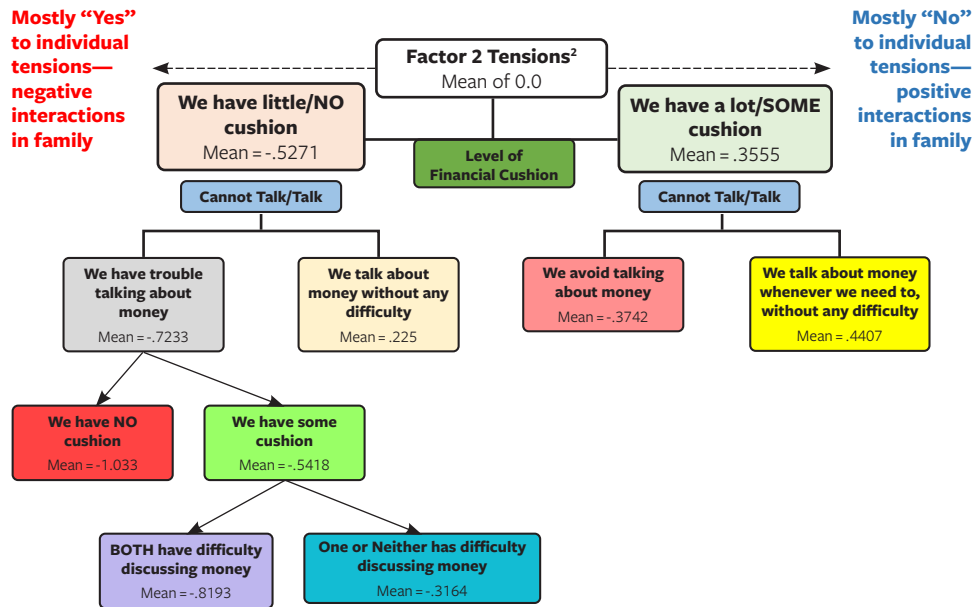


1. See Points of Tension Analysis Categorization Key at the end of this Appendix for further information on how factor predictors/details were determined.

The first key factor that explains aggressive interactions is having trouble talking about money. The more trouble discussing money, the more likely it is that aggressive feelings and anger will exist and dominate. The second key factor is having a cushion, meaning that finances are sufficient (or not) to deal with emergencies. At the bottom of the boxes on Chart 1 there are mean values. Factor 1 averages to zero on the scores for all respondents. If the scores are negative, as under the left-hand boxes, these are the people who have aggressive interactions. If the scores are positive on the chart—the averages in the boxes—those are the people who do not have aggression in their discussions. The more negative, the more aggressive the couples would be; the more positive, the more calm and supportive the couples would be.

Chart 2 shows a similar analysis, but for defensive scores—people who go into defensive mode when dealing with finances.

Chart 2: Factors Related to Defensive Interactions

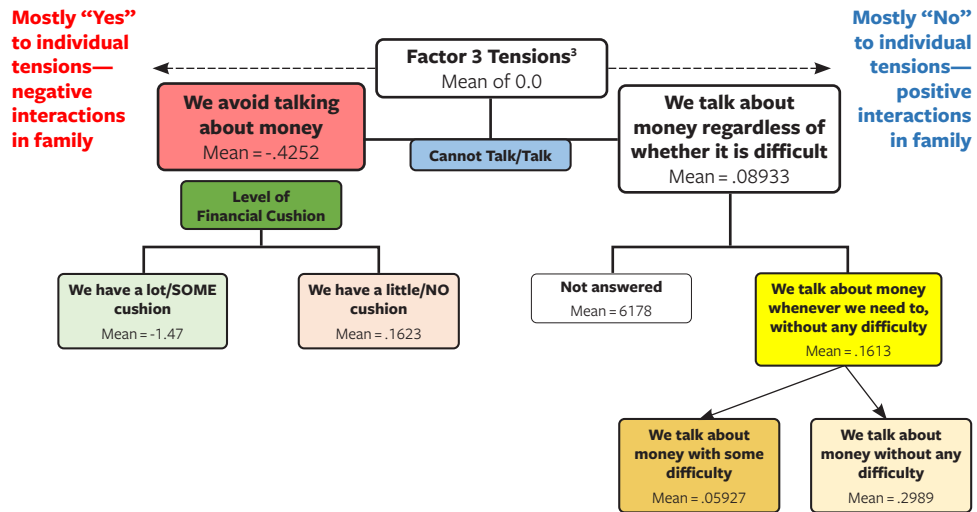


2. See Points of Tension Analysis Categorization Key at the end of this Appendix for further information on how factor predictors/details were determined.

Again, the two key variables to explain defensive feelings and interactions between family members are whether the couple has a cushion and whether they have trouble talking about money. The only difference in explanatory power is that having cushion (or not) is most important in explaining defensive interactions in couples. This divides people into two groups (defensive and not defensive), and then these groups are further divided by whether the couple is able to talk about money. No cushion combined with no discussion leads to highly defensive behavior, whereas having a cushion and the ability to talk about money leads to positive, nondefensive behavior.

The last factor, Factor 3, becoming fearful, is presented in Chart 3. The analysis again shows that, out of all the predictors considered, being able to talk about money and having cushion are two most important determinants of whether a couple is fearful. Again, the most important factor is the ability to talk about money; not being able to talk about money and having cushion exacerbates the fear in couples (the most negative scores), whereas being able to discuss money dispels fears.

Chart 3: Factors Related to Fearful Interactions



3. See Points of Tension Analysis Categorization Key at the end of this Appendix for further information on how factor predictors/details were determined.

In summary, the three key ways people deal with money are by aggressive behavior, defensive behavior, or fear. Each of these types of behavior is explained, to greater or lesser degrees, by whether a couple can talk about money and whether the couple has some cushion to deal with emergencies. However, these two variables have interesting interactions as to how they impact the level of fear, defensiveness, and aggressiveness. These complicated interactions need more research to understand how to improve couple interactions and the ways that couples deal with money. The short story is: Talk to one another, and save.

Points of Tension Analysis Categorization Key

Cannot Talk/Talk was determined based on the following question/response:

Every couple is different in how and whether they communicate about money. Which sentence most closely describes you?

- (1) We talk about money whenever we need to, without any difficulty.
- (2) We talk about money whenever we need to, but it can be awkward, difficult, or stir up negative emotions.
- (3) We probably avoid talking about it at times (don't talk about money as often as we need to), because it can be awkward, difficult, or stir up negative emotions.
- (4) We don't talk about money as often as we need to, but for completely different reasons.

Response #	Categorized as:
(0)	Not answered.
(1)	We talk about money without any difficulty.
(2)	We talk about money with some difficulty.
(0), (1), or (2)	We talk about money regardless of whether it is difficult.
(1) or (2)	We talk about money without any difficulty or some.
(2), (3), or (4)	We have trouble talking about money.
(3) or (4)	We avoid talking about money.

Identifying Who Cannot Talk/Talk was determined based on the following question/response:

The previous question discussed that, as a couple, some people find talking about money awkward, difficult, or as having the potential to raise emotions. I just want to clarify whether you feel that way, your partner feels that way, both of you feel that way, or neither of you feels that way?

- (1) Both of us feel that way.
- (2) I feel that way, but my partner is totally okay with talking about money.
- (3) My partner feels that way, but I'm totally okay with talking about money.
- (4) Neither of us feels that way. (We are both totally okay with talking about money.)

Response #	Categorized as:
(1)	BOTH have difficulty discussing money.
(2), (3), or (4)	One or Neither has difficulty discussing money.

**Level of
Financial Cushion**

was determined based on the following question/response:

Discretionary spending is your spending on items that are not absolutely necessary. When it comes to day-to-day discretionary spending, some people are very tight on resources to draw from, while others have more cushion. What is your situation?

- (1) We have quite a bit of cushion.
- (2) We have some cushion.
- (3) It depends; sometimes we have plenty, sometimes none.
- (4) We consistently have very little or no cushion; we cover our crucial monthly expenses but there is little or nothing left over.
- (5) We are underwater; we can't even pay all our crucial monthly bills.

Response #	Categorized as:
(1), (2)	We have a lot/SOME cushion.
(2)	We have some cushion.
(3), (4), (5)	We have little/NO cushion.
(4), (5)	We have NO cushion.