

## **Financial Capability**

Financial literacy is certainly about the acquisition of skills, (for example numeracy) and financial knowledge (buy now, pay later) to make informed thoughtful decisions - in short, to become financially capable.

Yet financial capability requires *more*.

And that *more* is at the intersection of social science, self-awareness, and the skills of constructive conversation, indeed principled negotiation.

That *more* becomes especially important when couples are in a committed relationship, *even one of considerable years*.

We all recognize marriage is rich with shared hope and a commitment to the future; however, the realization of that future depends on understanding each other and using that understanding to work together.

Yet, by some estimates, forty per cent of marriages end in divorce. Money often lies at the root of these breakdowns. Why? Many enter marriage without fully understanding their financial position, or their attitudes about money, let alone those of their intended partner. As time passes, this void goes not necessarily unrecognized, but unaddressed – unaddressed because people don't know “how”. As a result, the development of a sound financial plan becomes difficult at best and in many instances, unlikely.

Our attitudes, beliefs, and values have been influenced by everything we learned, or didn't learn from our parents, how we see ourselves, and how we see ourselves in relation to others.

These influences are very *real*; but operate below the surface and therefore often go *unrecognized*.

Love and Money will help readers:

- Discover and explore *their* own attitudes, beliefs, and values about money.
- Understand *their partner's* attitudes, beliefs, and values about money.
- Develop productive ways of talking about those attitudes, beliefs and values.
- Use these skills and insights to construct better financial plans and solutions, through thoughtful choice and compromise, in effect a “principled negotiation”,

The mention of negotiation is often misunderstood as it conjures up images of the “elbows-out” brokers and lawyers so vividly depicted in movies or ambassadors like Madeleine Albright, or Colin Powell astride the world stage.

In this context principled negotiation is a *reconciler of needs* and a *facilitator of our relationship* with our partner.

There are hurdles:

- Sometimes, we quietly acquiesce and tacitly accept what is stated as a need, rather than use that moment as

a point of departure for dialogue - exploring issues, interests and alternatives.

- Sometimes, we are reluctant to ask for something we legitimately need. To ask may, depending upon the context, seem self-centric and self-absorbed and therefore incompatible with our high-felt need to be sensitive to the needs of our partner.

If we do find our voice, we retreat at the first signal of the other's discomfort or displeasure. We want to keep the peace but miss its price.

Many of us frequently find that negotiations are difficult and stressful, because of a dearth of tools to help with – not the substantive issues but - the process issues.