

Let's Talk About Money! Or Maybe Not...

Managing Your Money

LYNN MacNEIL



I mean it, let's really talk about money! According to a recent study by FP Canada, about 25% of Canadians believe talking about money is taboo, right up there with sex, religion, and politics. But why do we feel it's so taboo? Why is it so hard to celebrate financial successes or share financial failures with those close to us? Consider this, might sharing those successes and failures actually help others?

An article in Forbes magazine titled *We Can't Talk About Money Without Talking About Culture*, refers to your 'money story' as being the narrative you tell yourself about your finances. To make empowered

financial decisions, you have to understand your 'money story'. To do that, you have to know how different cultural influences have impacted your view of money, and how you use it in your everyday life. Starting with your personal history, or the influences your parents and other adults had on you as a child, will define part of your 'money story'. Did you watch adults worry about money? Were your parents secretive about money? Are you taking the same approach? Your current community of friends will also impact your 'money story'. Are your friends open about their financial decisions? Do they overspend? So, think about it, what *IS* your 'money story'?



The Business Insider did some research on how different cultures feel about discussing money. The idea about it being "taboo" seems to apply across the board from a cultural perspective. However, in Asia, there seems to be a little more openness around the subject of salaries. Once again, upbringing was mentioned as the biggest influence. Can you think of the ways your upbringing and culture influences how you talk about money?

I'm of Scottish descent. The Scotts have traditionally been known as "frugal" (I take offence to the word "cheap"). Whether my frugality was passed down through a distant blood line, or directly from my parents and upbringing, I'm proud of my frugality and the history and culture that defines that part of my 'money story'.

Some people do feel comfortable talking about money! In my practice, most of my clients come from referrals. When clients refer their friends or family to me, they are referring because they are sharing a positive overall experience, not because I promise the best returns or because I have yummy candies on my desk. I wonder how many of my clients don't talk about their positive experience, and therefore are holding back, and not providing the same opportunity to their friends. The research shows that most people who aren't comfortable talking about money don't want to seem like they're bragging, or don't want to be judged.

When it comes to avoiding the "taboo" subject of talking about money with friends, are we actually doing damage? I remember hearing an old statistic that if someone has a good restaurant experience, they will only tell a couple people, but if someone has a bad restaurant experience, they will tell an average of 10-15 people. This communication will help friends enjoy a positive experience and avoid a negative one. But if friends don't share their experiences about money, then if someone goes to a good financial advisor, they won't boast about it for fear of being taboo, and likewise if someone goes to a bad financial advisor, they won't tell their friends, maybe out of fear of embarrassment. Why are friends helping each other when it comes to food, but not protecting and helping each other when it comes to something as important as money?

42% of people in the FP Canada survey don't even talk to their partners about money! As a financial planner, that makes me feel uneasy. It makes me think of the time a woman came to see me 3 years after her

husband had passed away. She had maintained a very comfortable, almost lavish lifestyle after his passing, completely unaware of how much she really had and how quickly her assets were depleting at the rate she was going. Her late husband had never discussed money with her. Never discussed the fact that he was advised to slow down on spending. Never shared a dismal financial plan which was prepared for them. She was shocked at the precarious position she now unknowingly, found herself in.

And then I have the couples who come into my office who avoid talking to each other about money because their money values are on opposite ends of the spectrum, and conversations about money always end in arguments. In these cases, I often act as a financial mediator, ensuring both parties are having their financial needs met.

In a recent Ipsos poll commissioned by TD Bank Group, 10% of respondents said they'd rather get a root canal than meet with a financial advisor! Let me assure you, we're not that scary! I even keep Werthers Originals and Lindt Truffles in my office to enjoy with clients. How can having a meeting with sweets ever be worse than a root canal!



*Forbes article: <https://www.forbes.com/sites/riankadorsainvil/2019/06/28/why-we-cant-talk-about-money-without-talking-about-culture/?sh=28b6fbf15e8d>

*Business Insider article: [Discussing Salary Around the World \(businessinsider.com\)](https://www.businessinsider.com/discussing-salary-around-the-world)

Lynn MacNeil, FPL., CIM®, is an Associate Investment Advisor and Financial Planner with Richardson Wealth Limited in Montreal, with over 25 years of experience working with retirees and pre-retirees. For a second opinion, private financial consultation, or more information on this topic or on any other investment or financial matter, please contact Lynn MacNeil at 514.981.5795 or Lynn.MacNeil@RichardsonWealth.com. Or visit our website at www.EphimiosMacNeil.com.


The information provided in this publication is intended for informational purposes only and is not intended to constitute investment, financial, legal or tax advice. This material does not take into account your particular situation and is not intended as a recommendation. It is for general purposes only and you should seek advice regarding your particular circumstance from your personal tax and/or legal advisors. This material is based upon information considered to be reliable, but neither Richardson Wealth Limited nor its affiliates warrant its completeness or accuracy, and it should not be relied upon as such. June 2021

Richardson Wealth Limited is a member of Canadian Investor Protection Fund. Richardson Wealth is a trademark of James Richardson & Sons, Limited used under license.





FP CANADA'S DISCOMFORT INDEX


One-in-four Canadians feel money is a taboo topic




Women are more likely to avoid the topic of money than men



18%




27%




Canadians rank money among other forbidden subjects

Politics	Sex	Money	Religion	Health
26%	24%	23%	23%	12%

One-in-10 Canadians don't talk to **anyone** about money



58% of Canadians will open up to their partner about money



Those with a higher income are more likely to speak to their partner about money

<\$40K	\$80K+
39%	72%

Four-in-10 Canadians work with one or more professionals for financial advice. **Three-in-five** aren't reaching out for help

18%

Investment advisor


16%

Certified Financial Planner®


5%

Insurance agent

Two-in-five would reach out to a financial planner about money issues



Only 4% of the country would share financial information with a robo-advisor



CFP®, CERTIFIED FINANCIAL PLANNER® and the logo are trademarks owned by Financial Planning Standards Board Ltd. (FPSB) and used under license. All other trademarks are those of FP Canada™. Copyright © 2020 FP Canada™. All rights reserved. February 2020

Image Source: FP Canada