

by Melinda Blau

When Money Is Tight

DARLENE AND BILL HALL*, both 38, are still reeling from the financial and emotional impact of starting a family. Three years ago, Darlene, an advertising executive, landed “the job of a lifetime.” She was making \$45,000 a year, and although Bill, an equipment salesman, earned less, their combined income painted a rosy picture. “A week after I started, I discovered I was pregnant.”

So the Halls bought a new home in a New Jersey suburb, which meant a longer commute to New York City, where they both worked. “I assumed that I’d go back to work after my maternity leave, but I was laid off,” Darlene recalls. “I went on unemployment for a few months, and that was the first blow to our income. Luckily, I was then hired back.

“I went back to work when Seth was 7 months old. With the cost of childcare, the additional cost of commuting the extra miles, and the pain of leaving him, it was hell.” While the company agreed to a four-day work week—reducing her income to \$35,000—the stress was still great. “I worked for a year and then decided there had to be a better way.”

Darlene reasoned that caring for other people’s children would make up the income, but life quickly went from bad to much worse. “Our home was dirty all the time. Money was unbearably tight—I was making an unstable \$20,000—and I was miserable. I gained about 30 pounds. I wasn’t even getting to spend time with my own child because I felt obligated to be with the other children.”

Sadly, the Halls’ story is an increas-

ingly familiar scenario, given the economy. Like many couples, they wondered how they would provide their child’s basic needs and a safe, secure future. Many family therapists and psychologists are seeing an increase in money-related “symptoms”: depression, marital problems, conflicts over spending and values. “I see this across all social classes,” says Don-David Lusterman, Ph.D., a psychologist in Baldwin, New York. “At the high

Every family is financially vulnerable to tough times. How you handle challenges sends messages to your child about responsibility, self-worth, and security.

end, you see people fearing that they’re going to lose their income, or they have problems—real or imagined—about what money is doing to their lifestyle. At the low end, you see people hardest hit by changes in the economy.”

No matter where you are on the economic spectrum, money is a family affair. Your values and, more important, how you respond to financial crises determine how your children will be affected by the stress now and how well they learn to cope with money problems in the future.

Stress Signals

THREE-YEAR-OLD SETH HALL MIGHT NOT understand the belt-tightening in his family since Mom’s work picture changed, but whenever his parents argue about money, hesitate before they spend it, or have a sharp tone in their voice if he asks for a new toy, he feels the pinch. Money problems can threaten even young children’s sense of well-being. And by the time they’re 10, kids can understand financial realities and the relationship of money to lifestyle. Some kids become fearful of not having their day-to-day needs met; others, who become over-protective of their parents, may even deny their own needs. A child, for instance, may be unwilling to go to a birthday party because he doesn’t think his single mom can afford a present.

Even if your family is not facing financial difficulties, the tenor of the times may affect your child. “It’s in the newspaper, it’s on the evening news, and kids hear about it at school or in their neighborhoods,” says James W. Gottfurcht, Ph.D., a clinical and financial psychologist in Los Angeles. “When kids start to feel worried, their fears need to be acknowledged in a calm, reassuring way.”

But it can be hard for adults to be reassuring if they feel impotent and insecure. Preoccupied with money concerns and perhaps having to work a second job, they often have less time and energy for

parenting or worry that they’re not “good providers” because they can’t give their kids as much as the Joneses next door.

Money Messages

WHEN MONEY IS TIGHT, MANY PARENTS worry about their children feeling “deprived.” But your child’s reaction is linked to your own feelings about the situation. You can’t send constructive messages to your child about money unless your perspective is healthy and positive.

“You may have to go back and look at

* Parents’ and children’s names and certain identifying details have been changed.

your relationship with your parents, your grandparents, or an important mentor," suggests Kenneth Doyle, Ph.D., a financial psychologist at the University of Minnesota in Minneapolis, "because often you're still trying to please someone who was important in your past."

You also may be a victim of your culture. "Many parents are conned into believing that what's important is what they have," Dr. Lusterman says. "Then they wonder why their kids think that *things* are going to make them happy."

How Open Should You Be?

HOW MUCH SHOULD YOU share with your children about shaky finances? *Balance* is key. "I recommend against denial or hiding it completely, because kids will read the nervousness in your voice," Dr. Gottfurcht says. "But I'm also against using kids as a sounding board." He adds that trying to keep secrets from kids during obviously bad times or acting hypocritical—for instance, by saying that money is tight but then buying something on impulse—is even more damaging to kids in the long run because it makes them doubt their own perceptions.

Philadelphia child psychiatrist H. Charles Fishman, M.D., also notes that "kids automatically blow financial problems out of proportion and personalize them: 'If Daddy's out of work and unhappy, somehow it must be my fault.'" So pay close attention to your verbal and nonverbal messages.

Des Moines family therapist Lois Braverman, M.S.W., says parents should talk to their children about money problems only after they are clear about *specific* changes they will make. Be very concrete: "We're renting only one video a weekend instead of three" or "We're going to brown-bag it to school." Otherwise, children's imaginations—

Teaching Kids Values on Any Budget

Financially secure parents may have to make more of an effort to teach kids about values and spending limits than parents who have to watch every penny. "If parents can simply afford to buy children everything," Braverman maintains, "it's harder for children to see what it takes." Here are ways to give your child healthy attitudes about money.

- **Be clear about your own values, Braverman says. When a child wants the latest pair of "in" sneakers or a toy his friends have, ask yourself, "Even if I can afford it, is it a priority for him to have one, or do I think it's important for him to save his allowance to buy it?"**
- **Point out to your child where you're willing to splurge; it says a lot about your values. "There's no Nintendo here, no cable TV," Braverman says of her home, "but we have three computers!"**
- **Be aware of the kinds of messages that bombard your kids; discuss TV commercials.**
- **Provide guidance along with your child's allowance, and help him learn to make good choices. Talk about the relative value of things—one video game equals a pair of sneakers.**
- **Plan shopping excursions. Before you go to a toy store, tell the child how much he'll have to spend—and stick to it, Braverman suggests. "Then just go straight to that section of the store."**
- **Insist on kids saving. "Even if the family is affluent, kids shouldn't think that the parents' money is always available to them," Dr. Feldman says. This helps inculcate a "rainy day" mentality, and kids often appreciate things more when they don't come quite so easily.**

especially young kids—can get the best of them, Braverman says. "What do statements like, 'There are going to be changes from now on' or 'We're all going to have to cut back,' mean to children? They could think, 'Are we going to starve? Will we lose our house?'"

Getting Through as a Family

YOU CAN TEACH YOUR CHILDREN VALUABLE lessons in hard times and allow them to help out in ways that are appropriate for their age and level of development. "I think a little adversity is good for children," says Beverly Nueur Feldman, Ed.D., Los Angeles-based author of *Kids Who Succeed*. "They won't be so surprised by reality later on!" Here are a few ways to help kids cope.

Don't wait for a serious money crunch. If a new baby is coming, look at your budget, Dr. Gottfurcht says. What items might have to be adjusted?

Talk about how the family budget might have to change. Even fairly young kids can appreciate knowing where money goes, Dr. Feldman says. Take a dollar's worth of coins to illustrate what percentage goes toward necessities—like rent, food, clothing—and what, if anything, is left over for the extras.

Set a good example. "Show kids that

you're consistent about cutting down expenses," Dr. Feldman recommends. Comparison shop for the best value.

Bad Times/Good Lessons

IN TIMES OF TROUBLE, IT'S ALSO VITAL TO widen your support network. One way is to cut down on babysitting costs by asking grandparents to help out. And get professional help if you need it. When Darlene Hall consulted a therapist about her depression, he "prescribed" a career support group as part of her treatment.

"I felt that no one in the world would hire me," she recalls. "But then all the support and positive reinforcement helped me see that I could start up a freelance business from home."

Dr. Gottfurcht also says that "you need to reframe your situation and reinterpret the events in a positive light." It worked for Darlene Hall. "This crisis has helped me realize that I have enormous potential and that we are going to make it," she explains. "Regardless of how much money we have, or if we keep our house or don't, we are learning important lessons to pass on to our son." ■

Contributing editor Melinda Blau specializes in family and mental health issues. She is the award-winning author of the new book Families Apart: 10 Keys to Successful Co-Parenting.