
Healthy Relationships and Financial Management:

What's the Connection?

Webinar Question and Answer (Q&A)

Tuesday, February 12, 2013, 2pm EST

Question: What types of institutions or programs run Individualized Development Accounts (IDAs)? Where would I [a service provider] refer a client to access that type of program?

Answer: *From Anita McKinney, Extension Educator-Money Management, University of Florida:*

They are usually run through organizations that provide programs specifically to encourage saving and benefit the low-income population. They can be run out of a variety of different organizations. It's also a grant program, so if it turns out that you don't have one in your community, look into the resources for asset building and think of doing a grant at your organization or agency.

In Jacksonville, the IDA program was first run by a religious organization and then it moved to a consumer credit counseling service, called Family Foundations. Simultaneously, we had another one operating through a community action program.

From Obie Clayton, Professor of Social Justice and Civil Rights Studies, University of Georgia:

In my area, I mostly see them provided by larger churches and faith-based organizations.

Question: Are there any studies that look at a correlation between unbanked or under banked couples and relationship health or marriage and divorce likelihood?

Answer: *From Jeffrey Dew, Professor of Family, Consumer, and Human Development, Utah State University:*

No, you know, that's one of the topics that hasn't really been looked at—whether there's a connection between relationship strength and whether people are banked—as far as I'm aware.

Question: Are there any efforts underway to remove some of the tax penalties associated with marriage or being a married couple?

Answer: *From Robyn Cenizal, Project Director, National Resource Center for Healthy Marriage and Families:*

There are always efforts out there to revisit the tax code, but I'm not familiar with anything specific that I could answer today.

Question: Are there any studies showing that financial education changes relationship patterns or behaviors for the better? If so does it matter if only one partner has the education or do both partners need to receive it?

Answer: *From Jeffrey Dew, Professor of Family, Consumer, and Human Development, Utah State University:*

Yes that's a great question, I'm only aware of one study that shows that financial education has had a spillover effect into relationships. And what the research showed in that study was that couples who had financial education and put that instruction into play ended up in a better place in their relationships.

I'm not aware if that particular study looked at if both of the partners were getting financial education, but I suspect that it would be best if both members of the couple got that education because if they're not on the same page, if one member of the couple has that knowledge and the other partner is not on board, then there may be problems.

From Obie Clayton, Professor of Social Justice and Civil Rights Studies, University of Georgia:

Two names that have done a lot of work on the economic position and marital happiness are William Julius Wilson and then Ron Mincy's work on fragile families.

Question: In the presentation you said a car is not an asset if it's not paid off. Can you explain that more?

Answer: *From Obie Clayton, Professor of Social Justice and Civil Rights Studies, University of Georgia:*

An asset is something that is going to gain value. If you go and you buy a car worth \$25,000 and you put a \$2,000 down payment on it, you drive it off the lot and you have a wreck then you're upside down.

So once you pay it off in full, your car is probably only worth a fraction of that. So it's not an asset because an asset is something that's going to gain value over time. However, what I would recommend, when it comes to a car is to keep it, and take the money that you were using for monthly payments on that car and use it to pay down other debt. Then keep the car as long as possible.

From Anita McKinney, Extension Educator-Money Management, University of Florida:

Assets in a very strict financial sense can be appreciating or depreciating. And the car is a depreciating asset. However, when you look at what a car provides, it provides a way to work and other benefits. So as long as it's providing those benefits, then it's an asset to the family.

Question: How can we increase working wages for our clients??

Answer: *From Anita McKinney, Extension Educator-Money Management, University of Florida:*

Many of us in the financial education field—especially in extension—don't get into that policy aspect. But for instance here in Florida, we have a Florida Prosperity Campaign that is working statewide on public policy and public legislation, in an attempt to influence minimum wages and those issues.

As we're talking about education, however, one of the things that we always talk about when it comes down to getting a financial plan in place is that if you're trying to save more or reduce debt you have to think about making some changes. And we always hit expenses first—we look at ways like coupons or the dollar stores to save on items.

But we also may need to upgrade our skills so that when it comes to income, we can prove our worth and actively pursue an increase in wages by taking on more responsibility at our jobs. So until policy catches up, in the area of education we need to spend time talking about how individuals can increase their income.

From Obie Clayton, Professor of Social Justice and Civil Rights Studies, University of Georgia:

Increasing your skills or investing in yourself—which is best done on a case by case basis. But there are states, Georgia and Tennessee are examples, where there are scholarships available if you want to go to a technical college. So you have to know the resources that are available in the local communities that support people trying to increase their skills.

From Robyn Cenizal, Project Director, National Resource Center for Healthy Marriage and Families:

I would add one more thing. As Anita mentioned, educators don't necessarily get involved in the policy issues and neither does the Resource Center. But as individual constituents each of you can get involved within your local government and your state government to make sure that the folks that are in office hear your concerns around working living wage. And that's one way that you can certainly help make change.

Question: Where can I find the slides from this webinar?

Answer: Visit the National Resource Center for Healthy Marriage and Families website at www.HealthyMarriageandFamilies.org/events-archive to download a copy of the slides, recording, transcript, and a Q & A document from this webinar.

Question: Who should I contact if I have more questions about this webinar?

Answer: Visit the National Resource Center for Healthy Marriage and Families website at www.HealthyMarriageandFamilies.org or email us at info@HealthyMarriageandFamilies.org.