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FOUNDATIONS FOR STRONG FAMILIES 101: HEALTHY RELATIONSHIPS AND FINANCIAL STABILITY

Introduction

Family and finances are key sources of strength and self-sufficiency that interact in the lives of most Americans. However, many face ongoing problems and stress because of family and financial instability, especially in these uncertain times. Families in low-income communities may face greater difficulties in accessing resources to build strong finances and healthy relationships due to limited social networks, skills, and opportunities.

In the last decade, a variety of federal efforts were pioneered to build financial literacy skills among lower income populations and across the entire citizenry. These range from the Assets for Independence program at the U.S Department of Health and Human Services (HHS), which combines matched savings and financial education to foster asset development in low income families, to the Money Smart Financial Education Program at the Federal Deposit Insurance Corporation (FDIC), which provides financial education resources free of charge.

At the same time, growing recognition of the important roles that family and marital relationships play in the overall well-being of children, families, and communities—including financial well-being—has led to new HHS grants that provide skill-building and learning opportunities that will help foster healthy, stable family relationships and marriages. Some of these community-based grant programs, which target marital, family, and relationship stability, include a focus on improving communication about money issues and on encouraging joint financial planning. Many also help families connect with support services that address other barriers to relationship stability.

Research indicates that there is an interaction between interpersonal relationships and economic well-being.[1] There is a well-documented correlation between marriage and better economic status; over time, married people experience a greater accumulation of wealth than do single or divorced people.[2] Disagreements over money are often a major source of conflict between spouses and within families.[3] Instability, be it familial or financial, can create problems and

ABOUT THIS ISSUE BRIEF

This brief was prepared by RTI International, under contract to ASPE as part of the "Marriage Education, Financial Literacy, and Asset Development" task order. As part of this task order, ASPE convened a Roundtable Meeting bringing together researchers and practitioners from the marriage education, financial literacy, and asset development fields to begin a dialogue on the relationship between healthy marriages and financial practices. A summary of the Roundtable, and a companion brief "Health Relationships and Financial Stability 101," are available online at: http://aspe.hhs.gov/hsp/08/MEFLAD-Roundtable/index.shtml

stress across income groups, but those in lower income categories are often most adversely affected.[4] Finally, despite evidence that marriage can improve economic circumstances, preliminary evidence suggests that many low-income couples consider a certain level of financial stability as a precondition for marriage.[5] These few examples are just the beginning; given the complexity of human relationships, both with other people and with economic systems, we clearly have more to learn about the interactions among family, marriage, income, and assets.

> **The Case for Collaboration**
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> "The family unit has long been the basis of economic activity: the stronger the family, the stronger the society and greater its achievements. Combining asset-building strategies with family-strengthening education leverages the potential of both. While these types of services typically are delivered separately, they are deeply intertwined. Asset-building projects bolster family economic stability through economic and consumer education, credit counseling and repair, and by helping clients save money to accumulate economic assets over the long term. Family strengthening projects, including Healthy Marriage projects, impart concrete skills to better communicate and manage and resolve conflicts. The result is more success in *every* area of family and married life."
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> Excerpted *Building Assets, Building Stronger Families,* by the U.S. Department of Health and Human Services. Document is online at: www.acf.hhs.gov/programs/ocs/afi/buildingassets/babsf_narr1.htm

This is the first of two briefs that examine the interplay between education and skills-building programming for lower income individuals and families in the areas of marriage and relationships, financial literacy, and asset development. These briefs are intended for practitioners working in any of these areas and interested in learning more about the other fields and potential collaboration or idea exchange. We hope that greater understanding of the similarities, differences, and interdependencies between relationships with a partner or spouse and one's finances will better equip educators from those fields for the task of improving the stability of American families.

This brief provides an overview of existing efforts, documenting the fundamental concepts and skills that are taught by both marriage and financial educators to help low-income families move toward stability. We begin by defining each set of programs and its objectives and main tools. Then, we discuss the common ground between the specific objectives and tools and the ways that each community can offer additional tools to the other. We highlight opportunities for collaboration between the marriage and family-strengthening initiatives and the financial literacy and asset-building initiatives, and we conclude with some lessons for building the foundations of family and financial stability. Throughout this brief there are green boxes highlighting examples of existing program curricula or related literature, chosen not to indicate an endorsement or preferred status, but instead selected to show the diversity and range of content available. There are also blue boxes that provide additional information on existing programs or suggestions from other practitioners.

In many ways, a relationship with money is akin to an intimate relationship. Learning how to make good decisions and choices in relationships involves emotion and trust, while balancing immediate and long-term planning horizons is complicated. Marriage and relationship skills educators may be able to offer ways to address the emotional context of financial decisions, and they may benefit from understanding the broad array of tools available for assisting families in financial difficulty. Financial educators may be able to give guidance to families experiencing financial crises and expand their understanding of emotional issues that couples face. In any case, family problems are a significant threat to financial stability, and financial problems are a significant threat to family stability, so let us begin the conversation.

What Do Marriage and Family Strengthening Programs Do?

Marriage and family-strengthening programs seek to develop participants' relationship skills (e.g. communication, problem solving) in order to develop and sustain healthy relationships, marriages and families. Learning how to create and maintain a stable relationship is important especially for parents because of the higher poverty rates associated with single parenthood and divorce.[6] Close to 75 percent of children in single-parent homes will experience poverty before they reach 11 years old, compared with 20 percent of children in two-parent homes.[7] Economic and other disadvantages related to the absence of a parent and unhealthy family relationships can negatively affect children's academic performance and social development[8] while also limiting their long-term economic prospects.[9] On average, children from married-parent families are less likely to have a teen birth,[10] drop out of school,[11] have health problems[12] and psychological disorders,[13] and commit crimes.[14] They are more likely than children in single-parent homes to attain positive outcomes[15] and have higher grade point averages and vocabulary test scores,[16] go to college, achieve better labor market outcomes,[17] and have more stable marriages.[18]

Due to these economic and social consequences associated with family break-up, family conflict, and absent parents, the federally sponsored Healthy Marriage Initiative (HMI) was enacted to implement broad-based marriage education programs nationwide at the local level to strengthen healthy family relationships and marriages. Over 125 grantees around the country are providing relationship skill-building services, including mentoring services, education in schools, and other marriage education classes for adults who want to strengthen their marriage or relationship, are considering marriage, or who are at risk of getting a divorce. In addition, over 100 grantees are providing services to fathers and their partners to improve family functioning through a menu of services that includes parenting and marriage education.

Marriage and family-strengthening programs provide families and individuals with the support, knowledge, and skills necessary to build stable families so that they can achieve their goals, both financial and otherwise. These programs focus on skill-building and address important issues, such as conflict management, communication skills, developing and maintaining fun and friendship, understanding commitment and trust, and developing shared long-term goals as a couple or family. Relationship skills educators recognize and address expectations about relationships that come from families of origin and early experiences, and are adept at recognizing hidden barriers to stability. One example of a family-strengthening curriculum, Family Wellness, is provided in Figure 1.

It is important to note that marriage and relationship skills education programs provide a different set of services than marital or family counseling. Counseling includes treatment of couple-specific issues and conflicts whereas marriage and relationship skills education provides a skill-building curriculum geared toward prevention of family problems. While marital counseling by definition occurs with a married couple, marriage education programs may work with individuals to develop their relationship skills in anticipation of future relationships or with couples that are considering marriage or recently married.

One primary goal of the HMI is to broaden the target group receiving marriage education services and reach out to families that may otherwise might not know about, or have access to, marriage education and family-strengthening programs. Marriage education services for low-income couples, as well as diverse ethnic groups and families, are being widely funded by Federal grants. Programs that target a specific ethnic group have been established, including the African-American Healthy Marriage Initiative and the Hispanic Healthy Marriage Initiative. These programs are culturally adapted to better understand issues unique to the populations being served. Programs that teach about marriage and building healthy relationships serve all types of people: unmarried or married couples, individuals who are not married who want to learn about what it takes to develop a successful relationship and marriage, and even young people who want to learn more about healthy relationships and how to identify a good partner.

What Do Financial Education and Asset Building Programs Do?

Financial Education

Financial education programs seek to equip individuals with the information, knowledge, and skills to manage their household finances and navigate the financial services marketplace. Financial literacy skills taught in these programs include money management, goal setting, budgeting, and retirement planning. Investment and savings, bank products and services, home ownership, and personal credit are common financial education topics.

As discussed in the introduction, many federal agencies have programs or initiatives related to financial education. To coordinate these efforts, the Financial Literacy and Education Commission (FLEC) was formed in 2003. Led by the Office of Financial Education at the U.S. Department of Treasury, the FLEC is composed of 20 federal agencies, including HHS. A key venture of the FLEC has been the creation of the MyMoney.gov website, which provides free financial information and resources for individuals and families. One of the resources available is the FDIC's Money Smart curriculum (mentioned in the introduction), which is used to help adults outside the financial mainstream enhance their financial literacy skills and create positive banking relationships. Figure 2 provides more information on this free curriculum.

While surveys indicate that many Americans, regardless of income, have much to learn about basic financial management, HHS is particularly interested in building the knowledge and skills of low-income families and couples in order to improve their economic stability and overall wellbeing. Community groups working with low-income families and special populations found that financial education programs needed to be tailored to address issues such as predatory lending practices or to specific immigrant groups who may mistrust financial institutions. Some programs also found that they needed to help families understand the financial and tax implications of complex family situations.

Figure 1
Example of a Relationship Curriculum: Family Wellness

Family Wellness: The Strongest Link: The Couple, is a curriculum that was developed by George Doub to teach couples and families skills to promote healthy relationships. Family Wellness believes that people learn best by practicing new skills in the moment and therefore provides facilitators with lesson plans that include a variety of interactive activities, such as role plays, sculpting, group and individual exercises, handouts and worksheets, and coaching opportunities. The couple-based curriculum has six classes that last for two hours each, listed below.

Session 1: Getting Started Together. This session discusses what defines a couple, what we bring to a relationship, individuals' dreams and backgrounds, getting to know you and your partner, skills for building the relationship, and knowing when to speak up and when to listen.

Session 2: Being a Strong Team. This session centers on building and maintaining commitment. The class focuses on issues that can affect trust and respect—time, money, sex, parents, and in-laws. Participants are encouraged to look at their commitment to each other and discuss what it takes be a strong team.

Session 3: Two Worlds/One Relationship. This session considers how couples must have a good sense of themselves as individuals to be successful as a couple. It addresses cross-cultural couples; couples are asked to learn to accept and tolerate differences. The class also talks about building your family's own cultural statement and integrating different rituals

Session 4: Know What You Want. This session asks participants to consider what they want for themselves and for their relationship, and what their values and goals are related to finances, time, and children. This session includes homework on paying bills, the cash-flow sheet, to consider your fixed expenses, flexible expenses, and occasional spending.

Session 5: Say and Get What You Want. This session focuses on working together to resolve conflict. It reminds participants that to get what you want with your partner you must also commit to help them get what they want, say what you want, listen, find and build on areas of agreement, take breaks when you're stuck, make short-term agreements, and make and follow rules for handling conflict.

Session 6: Blowing on the Embers. This session is about intimacy and how people define intimacy differently. It looks at intimacy in three parts; choosing the right partner, speaking the language of love, and the intimacy of touch. It also includes a discussion of what can reignite passion in a relationship.

In addition to this core couples curriculum, Family Wellness includes additional sessions for various target populations including expectant and new parents, couples as parents, couples and their parents, power and control in couples, adult relationships and stepfamilies, couple separations, and reunions.

More information is available online at http://www.familywellness.com

Figure 2
Example of a Financial Education Curriculum: Money Smart

Money Smart is a financial education program created and run by the Federal Deposit Insurance Corporation (FDIC). There are currently two Money Smart curricula, one targeted at adults outside the financial mainstream and one for youth ages 12-20. Money Smart materials are free and can be ordered on the FDIC's website.

The adult Money Smart curriculum has ten modules, as follows:

- **Bank On It**: Explains basic banking concepts
- **Borrowing Basics**: How to borrow money from the bank
- **Check It Out**: How to manage money through checking accounts
- **Money Matters**: How to take control of financial situation by preparing a budget that includes savings and spending plans
- **Pay Yourself First**: How to start savings plans and best ways to make money grow
- **Keep It Safe:** Discusses how your money is protected by banks
- **To Your Credit:** How to order and read credit reports; how to improve credit history
- **Charge It Right:** Explains credit cards, characteristics, and their costs
- **Loan To Own:** How to shop for consumer installment loans
- **Your Own Home:** Explains benefits and pitfalls of owning a home versus renting, and how to apply for a mortgage

For more information, see http://www.fdic.gov/consumers/consumer/moneysmart/

In response to the demand for financial education content tailored to low-income families, specialized financial education curricula have been developed, often for use in conjunction with asset building programs (discussed further below). One such curriculum, Finding Pathways to Prosperity, is described in Figure 3.

Asset Building

While financial education is focused on knowledge and skill development, asset building goes further, seeking to build wealth for low-income and economically vulnerable individuals and families. While these two areas can and do intersect, as with asset building programs that include financial education requirements, they are separate fields.

After families learn the basics of financial management, asset-building programs take the next step of helping families use what they have learned to build wealth. Asset building efforts are focused on the goal of building wealth to alleviate poverty and economic hardship. A variety of asset-building strategies, programs, and initiatives currently exist, through the efforts of federal, state, and local governments as well as non-profits and community-based organizations.

Figure 3
Example of Financial Education Curriculum: Finding Pathways to Prosperity

Finding Paths to Prosperity is designed to be interactive. That means there are places where participants are asked to respond to questions about their goals, dreams, values, or money habits. The National Endowment for Financial Education, the Corporation for Enterprise Development, and the Fannie Mae Foundation collaborated to develop the curriculum. It is designed to be used in conjunction with Individual Development Account (IDA) programs. Each chapter is described below:

Chapter 1: Financial Literacy and Money Management includes modules on building assets, income versus assets, financial literacy, IDAs, and asset building.

Chapter 2: Dreams, Values, and Goals includes modules on the importance of dreams and values, turning dreams into plans and goals, and planning for life events.

Chapter 3: Obstacles, Resources, and Attitudes Toward Money includes modules on identifying obstacles, putting your finger on the obstacle, overcoming obstacles, resources, and attitudes towards money.

Chapter 4: How to Find the Money to Save includes modules on what is meant by saving, how one can begin to save, what are needs and wants, earned income credit, recent earned income credit eligibility information, and how to get an earned income credit advance.

Chapter 5: Record Keeping, Spending Plans, and Cash Flow includes modules on record keeping, spending plans, and managing cash flows.

Chapter 6: Communicating About Money includes modules on communicating about money, strategies for communicating about money, the challenges of consumerism, how to be a smart consumer, and the laws in place to protect consumers.

Chapter 7: Understanding Credit includes modules on what is credit, good credit as an asset, good credit and IDAs, reading a credit report, what to consider if one does not have good credit, and how to maintain good credit.

Chapter 8: Financial Institutions and What They Can Do for You includes modules on financial institutions, banks and credit unions, services available at banks and credit unions, loans, and electronic banking services.

Chapter 9: Investing includes modules on investing basics, saving versus investing, risk, the risk/return relationship, don't put all of your eggs in one basket, compound interest, how to get started investing, research, and retirement as a very important goal.

Chapter 10: Putting Your IDA to Work for You includes modules on net worth and asset ownership, an overview of insurance products, and estate planning.

For more information: http://www.cfed.org/think.m?id=112&pubid=178

One asset-building approach is the individual development account (IDA), a short-term, limited use; goal-oriented, matched savings account bundled with financial education and other services into a program. Participant savings are matched by the program. IDA programs generally have eligibility requirements that target lower income or other vulnerable populations.

Federal funding for IDA programs is available from two HHS programs, the Assets for Independence grant program and the Office of Refugee Resettlement IDA program. The larger of the two is the AFI program, established in 1998. The AFI program makes five year grants directly to community-based nonprofits and state, local, and tribal government agencies of up to $1,000,000. Currently, almost 400 AFI projects are in operation, and, since the program began, close to 60,000 participants have saved earn income in AFI supported IDAs. The ORR IDA grant program, which restricts program participation to refugees, has 22 grantees. Other sources of funding for IDA programs include state and/or local government, banks and other financial institutions, and/or private foundations. While some IDA programs may have single source funding, many combine funding sources, in part due to a requirement of the AFI program that applicants must secure non-federal funds in an amount equal to or greater than the grant amount requested from AFI.

Depending on funding sources, IDA programs offer various match rates and have different allowable uses for match funds. For example, IDA programs funded by an ORR grant cannot offer a match higher than one-to-one, but participants can use their savings and the match money to purchase a vehicle. IDA programs funded by an AFI grant can offer up to an eight-to-one match rate (every dollar deposited by the account holder gets eight dollars of match), but vehicles are not an allowable use of match funds. The most common allowable uses are buying a first home, starting or expanding a small business, and obtaining post-secondary education or training. Some IDAs allow matched savings for home repair, adaptive equipment, and retirement.

While IDA programs allow participants to save for their own education or training, there are also asset-building programs that focus on saving for one's child (or children's) higher education. Qualified Tuition Programs, commonly known as 529 plans because they were authorized by Section 529 of the Internal Revenue Code, are tax-advantaged savings plans intended to encourage savings for future college costs. There are currently two types of 529 plans, college savings plans and pre-paid tuition plans. With a college savings plan, an adult creates an account to save for a child's college expenses. Account-holders must decide what type of account to create, taking into consideration investment concepts like risk and return. Withdrawals can be used for qualified higher education expenses at most colleges and universities. Pre-paid tuition plans essentially allow a parent to make tuition payments over time and in advance of their child actually beginning college. One benefit of this type of plan is that it locks in tuition expenses, protecting against future increases. A downside is that these plans also lock a student into a particular college or university system (often a state system).

While 529 plans are available to any family regardless of income and often require a low initial investment, the main incentive these plans offer is that of a reduced federal income tax burden, which is less of a benefit for lower-income families that pay little or no income tax than for those families that earn more. To encourage college savings among the low income, some states—Louisiana, Michigan, Maine, Minnesota, and Rhode Island—will match 529 deposits for families that meet eligibility rules established by the respective state.

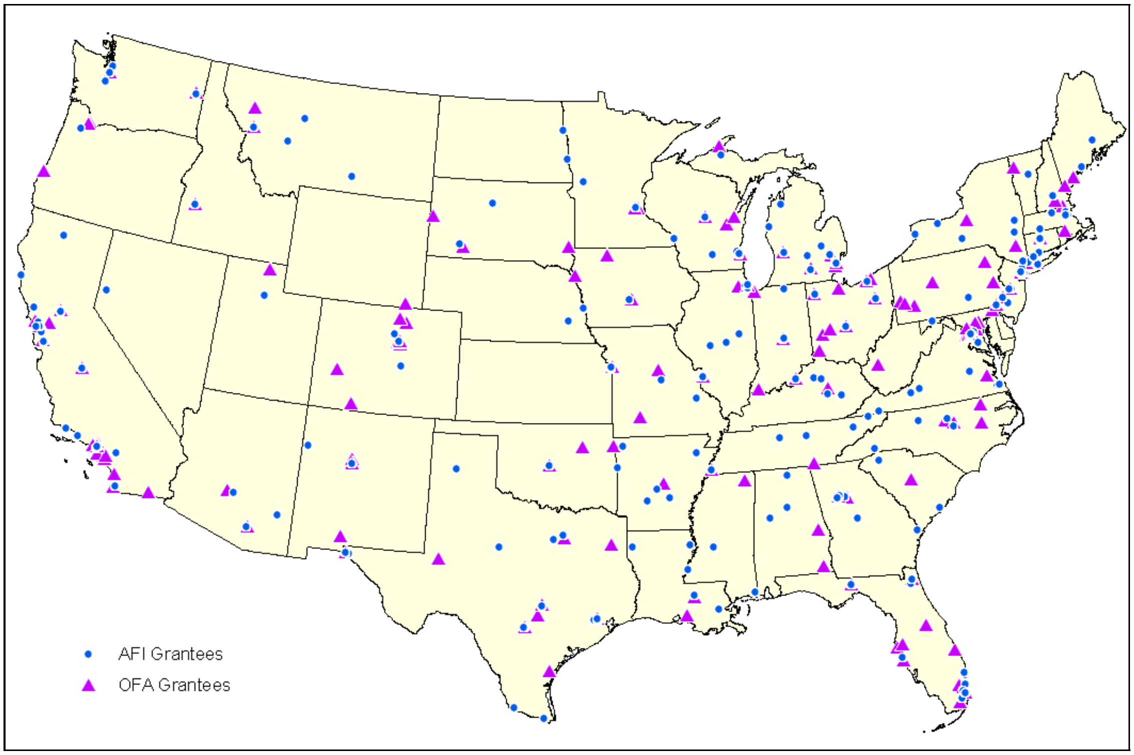
As a third example, the Earned Income Tax Credit (EITC), a refundable federal income tax credit for low-income working individuals and families, is considered to be an asset building tool by practitioners in the field. When the EITC exceeds the amount of taxes owed, it results in a tax refund to those who claim and qualify for the credit. This can result in a large amount of money coming into a low-income household every year, which provides an opportunity to save, invest, or purchase an asset. However, individuals must file a tax return in order to receive the EITC, and IRS estimates indicate that many eligible persons miss out on this opportunity every year. Thus, increasing awareness of the EITC through targeted campaigns has been another focus of organizations and practitioners working on asset building among the low income.

Additionally, asset building policy advocates have worked with the IRS to make it easier for tax filers receiving a tax refund to split the refund into two accounts, e.g. a transaction account and a savings account. Others see tax refunds and the receipt of the EITC lump sum as an opportunity to encourage lower-income individuals to purchase US savings bonds. Interest continues in looking at EITC-related initiatives and programs to not only ensure that eligible families receive the EITC, but to encourage the use of these funds to build assets.

Federal Programs Across the U.S.

Federally funded healthy marriage, relationship skills, fatherhood, and asset building programs are located across the United States. The map below displays all of the healthy marriage and family-strengthening programs that have Healthy Marriage or Responsible Fatherhood grants (purple triangles) as well as the Assets for Independence (AFI) grantee programs (blue dots). Opportunities for collaboration and referrals may exist in your community, or they may already be occurring.

Map of Office of Family Assistance Grantees (Healthy Marriage and Responsible Fatherhood) and Assets for Financial Independence Grantees



Making the Case: Common Ground between the Marriage and Financial Fields

Research suggests that those that have healthy and stable relationships are more likely to have healthy stable finances and vice versa. Stability in one area seems to reinforce stability in the other, and familial and financial stability share a common foundation.

Both the level and the stability of family income differ depending on family composition. For example, single parents, on average, have lower family incomes and experience greater financial instability for several reasons: they have only one potential earner in the household and at times face unpredictability of financial support from non-custodial parents; find it difficult to recover from economically destabilizing events such as unemployment; can suffer downward mobility following divorce; accumulate lower levels of wealth across the life course; and have access to social networks that provide short-term financial help but more limited access to those that foster long-term economic mobility.

Not only do family structure and processes influence finances, but lower levels of financial resources and greater economic uncertainty beget less marriage.[19] Financial instability is associated with higher stress levels[20] and presents challenges to effective communication and long-term planning.[21] Of course, marriage does not automatically guarantee financial stability or high quality relationships. Even within marriage, financial issues such as budgeting, spending, debt, savings and asset-building have been identified as major sources of conflict.[22] Thus, enhancing low-income couples' communication, problem-solving, and conflict management skills in conjunction with providing support for financial planning and economic development could increase both family and financial stability.

Tip from the Field:

"Financial education is marriage strengthening. Money is the top problem for most couples. When couples are sitting together, hearing the same thing, doing spending sheets together—they are talking. Many couples have never talked like this before about money."

Karen Oswald, Sonoma Community Action Partnership, California, an AFI Project

Source: U.S. Department of Health and Human Services, Office of Community Services. 2005. *Building Assets, Building Stronger Families: A Guide to Integrating Asset-Building and Marriage-Strengthening Services.* Washington, DC.

In addition to offering synergies in service delivery, coordination of services in the relationship skills and financial education fields offers opportunities to reinforce and build upon similar skills sets. Marriage and family-strengthening education and financial literacy and asset-building education require similar foundations and skill development for families to achieve successful outcomes. Programs in each area generally include such topics as setting goals and self-awareness about deeply held expectations. Participants learn that stability, either financial or familial, requires a commitment to working hard and investing in relationships, jobs, or savings accounts.

A Helpful Hint:

Relationships are similar to bank accounts; to withdraw emotional support or financial support from a friend, you have to have invested some capital, time or trust in that relationship. To keep your accounts, you must balance them. Pooling resources usually leads to improved outcomes.

Another similarity between financial and relationship skills education is that both require participants to consider short-term versus long-term choices and outcomes. The most immediately attractive option, whether it is a partner, a consumer good, or a financial service, may not be the best option for achieving one's long-term goals. The ability to pass up immediate rewards to wait for a better opportunity is a key theme in both family strengthening and finances. Saving money for retirement or a house may be less attractive than buying something today, or turning down an individual you find attractive because he or she has different long-term aspirations can be a hard skill to implement and teach, but is emphasized in both successful relationships and finances. P.I.C.K. a Partner is a curriculum that focuses on teaching youth how to make relationship decisions and is described in Figure 4.

Planning for the long-term also relies upon common expectations. Practitioners in the marriage field report that correcting couple's expectations about marriage and the challenges they are likely to face is an important element. Similarly, practitioners at financial education and/or asset building programs help individuals understand what they can realistically achieve and what steps they must take to meet their savings and economic development goals. Individuals prioritize different aspects of their finances and relationships. Good decision-making and long-term planning requires an understanding of underlying priorities in both financial and romantic matters.

Figure 4
Example of a Youth-Focused Relationship Curriculum: P.I.C.K.* A Partner

One of the relationship curricula that is used with youth in the family strengthening field is the P.I.C.K. a Partner program by John Van Epp, Ph.D.. This program encourages individuals to carefully evaluate their partners on a number of different issues and to not rush headlong into a relationship without evaluating all their options. Similar logic can be applied to other important choices, like choosing a job or a mortgage. Understanding your potential partner's credit history can have important implications for you.

Students are encouraged to evaluate their knowledge of their potential partner on a series of scales. Building knowledge of the partner, along the dimensions of family dynamics and childhood experiences, their attitudes, joint compatibility potential, examples from their previous relationships, and their skills of communication are considered perquisites to trusting and relying of the partner, which are prerequisites to committing to a partner.

*Premarital Interpersonal Choices & Knowledge

For more information: http://nojerks.com/index.php?page=Overview1

Today's attitudes, behaviors, and priorities are generally shaped by one's past. Bad (and good) habits formed from previous experiences or behaviors learned from one's family can affect current romantic relationships and financial circumstances. While early patterning and beliefs about family, relationships, and the role of money can be challenging to discuss, understanding how couples differ in terms of sharing responsibilities, expectations, priorities, commitment, and cultural ideals is important in successfully addressing issues in relationships and finances. Power and control of money is a challenge to navigate when a couple has reliable employment and surplus income; this can be an even larger challenge for low-income or financially unstable couples. Fear, shame, anxiety, and conflict avoidance are issues couples face in relationships with families and finances.

Openly and honestly discussing relationship and financial expectations is no simple task. As circumstances change, there are opportunities to revisit joint expectations. For example, the birth of a child or the loss of a job may lead to shifts in the roles and responsibilities within the family. These opportunities may be disguised by fear, shame, and anxiety that the role changes may involve, and thus are difficult topics of conversation. In addition, deception in relationships can be a problem. The dangers of infidelity are a main topic of some marriage education curricula, but secrets in the realm of financial decision-making can be equally destructive and are sometimes overlooked.

Shared Goals of Financial Education and Marriage Education

Financial and marriage educators share the following goals for their participants in their work with couples and families, but have different tools at their disposal for attaining these goals (see Figure 5.)

Figure 5
Shared Goals of Financial Education and Marriage Education

- Plan for the long-term.
- Set realistic and attainable goals together.
- Learn to manage conflict and to weather crises.
- Resolve potential sources of friction related to money.
- Monitor progress on one's plan or on a joint plan if working with a couple.
- Better understanding of personal values and expectations about financial and relationship matters.
- Be aware of partners' family's patterns of spending (i.e., those of his or her parents) to understand what habits and attitudes may have been reinforced
- Explore and discuss common money issues, such as spending, budgeting, and the use of credit, and savings.
- Learn the importance of a financial buffer or savings for unexpected situations.
- Consider the financial implications of having children.
- Recognize and resolve deeper issues related to money management.

As we have outlined above, educational curricula in financial literacy and relationship education cover many of the same topics, such as how to plan, how to communicate, how to resolve differences, and how to set attainable goals as a family. These skills are placed in the context of learning to improve our lives as families. Although the common ground shared by these programs may seem obvious now, in fact many financial education programs do not address family and relationship issues with their participants, who are usually individuals, not couples. Without working out couple and family goals in financial education programs, other family members could undermine even the best taught financial lessons. Relationship education programs typically do include some discussion of financial issues, but practitioners in these programs may not have the experience and subject-area expertise of financial educators. Similarly, without a common set of financial goals, a couple will have difficulty negotiating their relationship in marriage education classes. As the common goal of both fields is to improve the lives of low-income families, collaboration is a clear next step. Through collaboration, both fields can be strengthened and their work made more effective, leading to greater stability for low-income families.

Existing Collaborative Efforts

Current marriage and financial stability efforts have been developed at the community level by providers who are often located within the same social service agency, focus on the importance of family stability, and have developed referral networks with outside agencies that could be strengthened through dialogue. A number of community-based organizations that support low-income families through financial crises saw the relevance of adding marriage and family-strengthening to their existing services. For example, they found that some mothers were repeatedly seeking assistance for financial crises triggered by a boyfriend moving out. They realized that offering financial support along with building relationship skills would be a way to break that cycle. After addressing the immediate crisis, service providers focused attention on building longer term skills to help parents plan for the future. At the level of the community providers, marriage and family-strengthening and financial education and asset-building are deeply intertwined.

Policy approaches have also been developed to integrate asset development and relationship skill enhancement. One example is the Marriage Development Account (MDA) pilot program in Washington, DC. Created through Congressional legislation (Public Law 109-115), the MDA program seeks to improve low-income couples' financial stability and to help them to maintain healthy marriages using a modification of the IDA model discussed earlier. MDAs are matched joint savings accounts for low income married or engaged couples living in the District of Columbia. For every $1 a couple saves in their MDA, the federal government will set aside $3 of matching funds, up to maximum federal contribution of $9,000. A participant couple can use their savings and the match funds to invest in a first home, higher education, or a small business. The government has allocated $3 million to this program, half for matching funds and half for education services, outreach, and training. To participate in the MDA program, couples must complete eight hours of financial management training as well as a training related to their savings goal, such small business or homeownership classes. Additionally, couples are offered a $300 bonus as an incentive to attend marriage education classes. Participant couples who are engaged to be married are eligible for an additional $200 to help pay for their marriage license and other marriage-related costs.

In addition to integrating or co-locating services, many curricula in the family-strengthening field have integrated financial planning content. David Olson in his book "Empowering Couples: Building on Your Strengths" highlights some of the issues around integrating financial planning education and relationship lessons and is described further in Figure 5. Some financial education and asset building resources have also moved to incorporate relationship-strengthening information. Most prominently, the federal Assets for Independence (AFI) IDA program office in HHS created a guide for combining asset building with health marriage services entitled Building Assets, Building Stronger Families. While primarily intended for AFI grantees, the guide is available to the public on the AFI website (http://www.acf.hhs.gov/programs/ocs/afi/) and could be valuable resource for other asset building or financial education programs as well.

Situation specific examples of collaboration will be presented in the second brief in this series.

Take Home Lessons

Joining expertise through collaboration can sometimes be as simple as getting family and financial practitioners together to come up with a top-10 list that communicates the joint message about healthy families and finances (Figure 6.) For example, programs can choose healthy financial practices that are relevant to the population they serve or adapt each practice to think about couples and families.

Figure 6
Ten suggestions for a healthy family with healthy finances

1. Set common financial goals and formulate steps toward that goal.
2. Regularly discuss financial and other goals at home.
3. Involve the children in the plan.
4. Avoid schemes with high hidden fees, like check cashing stores (use banks), rent-to-own (wait and buy), credit cards.
5. Pay yourself first. Put something in your account for your future as you pay others for their services.
6. Communicate when there is conflict, with a partner, child, or company.
7. Regularly check your and your partner’s credit reports. Free copies can be ordered annually.
8. Make sure family receives EITC and any other government benefits.
9. Know when to seek assistance. Key times might be when getting married, getting divorced, having a baby or adopting a child.
10. Know that there are resources available to help you, regardless of your current financial and family situation.

Conclusion

This brief was intended to demystify financial education and marriage and relationship skills education for educators who may be more familiar with one area than another. A second objective was to highlight the common ground between financial and marriage educators in terms of increasing family stability for low-income families. Specific practices from each field that might be relevant for the other were also suggested, to encourage an understanding that could lead to cross-referral and a relationship between financial and marriage educators in the same communities. The common goal is improving opportunities for the next generation through efforts to stabilize their families.

Marriage and family strengthening programs have brought discussion of relationship skills like communication and conflict resolution to the broader community, and development of these skills can have implications for employability, financial planning and family stability. Marriage relationship skills education also focuses on building a long-term relationship and trust with the educator, which might be beneficial for financial educators. Finally, many community-based family strengthening initiatives reach deep into the low-income community which can provide an opening for earlier financial education, and perhaps a channel for asset-building programs for low-income couples.

Practitioners in financial education and asset building programs have access to specific tools and matching funds through various initiatives that help low-income families, including those referred by relationship skill-building programs. Resources and tools like EITC campaigns and tax preparation help, IDAs, credit repair strategies, and guidance on loans can help build family stability and are especially important for low-income families. It is important that these services be accessed through responsible, reputable organizations. Finally, the expertise of practitioners in these fields can be invaluable for low-income families as they attempt to navigate a complex and sometimes predatory financial services market.

The potential for collaboration between these fields is great, and the potential for benefit in the form of increased family and financial stability among low-income populations is real. In the second brief in this series, we delve into more specific scenarios regarding the opportunities and challenges of long-term relationships with spouses and with finances. Potentially challenging areas that affect family and financial stability, like repairing credit, bankruptcy, child support, mortgage financing, and divorce will be discussed in greater detail.

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