Journal of Financial Therapy

The Official Publication of the Financial Therapy Association

Volume 6, Issue 2

Financial Therapy Association

Editorial Offices
Institute of Personal Financial Planning
School of Family Studies and Human Services
Kansas State University
Manhattan, Kansas

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Editorial

Kristy L. Archuleta, Ph.D.

Money scripts, money behaviors, money disorders, and financial coaching have been seen in recent popular press. If you are reading this issue, you are probably aware that continued empirical research in these areas is needed. I am pleased to introduce the articles related to these topics in this issue of the *Journal of Financial Therapy*.

This issue begins with research authored by Colby Taylor, Bradley Klontz, and Sonya Britt, in which they continue the testing of the Klontz Money Scripts Inventory. This article is followed by another paper by the same authors, in which they further test the Klontz Money Behavior Inventory. Both of these tools can be valuable in both research and in practice. In research, these tools are measures to help gather information about how individuals view money and can aid in shedding light to questions related to perceptions of money and problematic behaviors. In practice, these tools help to provide a common language to facilitate conversations between the practitioners and clients, as well as among family clients.

The third paper, authored by Randy Kemnitz, Bradley Klontz, and myself, is an in-depth theoretical exploration of financial enmeshment. Very little research or theoretical development has been conducted on this topic. However, according to the little work that has been done, financial enmeshment can be a serious issue for families. One thing I want to note is that although I am a co-author on this paper and a few other papers that have been published in *JFT*, papers I author are rigorously reviewed just like any other submission to *JFT*. Quality work is of upmost importance to me, FTA, and *JFT* and to ensure my work is evaluated objectively and rigorously, an associate editor or editorial board member serves as the acting editor and has the final decision as to whether my paper is deemed worthy of publication.

The fourth paper is a pilot project on teaching financial coaching in a university setting. Some may ask why is a paper on financial coaching in a financial therapy journal? How are they different, and how are they similar? In my opinion, these two fields are complementary. In general, coaching can be seen as an approach that is commonly included in mental health and financial services. Coaches can be seen as motivational and having the ability to tap into clients' strengths to move them towards their goals. Often times, the difference between a coach and a licensed clinical mental health professional is the ability to diagnose mental health disorders. Likewise, in the financial sector, the difference between a licensed or credentialed financial service professional, like a Certified Financial

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Planner™ or an Accredited Financial Counselor™, is potentially deeper knowledge or expertise in a particular subject like tax planning, debt reduction, or estate planning. However, financial coaching and financial therapy have not been as clearly delineated from a standards perspective due to the developing nature of both financial coaching and financial therapy fields. Both financial therapists and financial coaches can learn from one another and work together for the benefits of client well-being. Delgadillo and Britt authored a paper in *Family and Consumer Sciences Research Journal* in 2015 that gives a more in-depth consideration of their take of the similarities and differences between financial coaching and financial therapy.

Dr. Anne Brennan Malec is the featured practitioner in this issue. A founder and managing partner at Symmetry Counseling in Chicago, Dr. Malec is a Marriage and Financial Therapist and a Clinical Psychologist. She is the author of *Marriage in Modern Life: Why it Works, When it Works*.

Dr. Virginia Solis Zuiker is our featured scholar. Dr. Zuiker is an Associate Professor in the Department of Family Social Science at the University of Minnesota. Through her research and work with students, she is able to blend her expertise in financial counseling, financial education, and economic well-being to help prepare the next generation of helping professionals to work with individuals and families with complex problems. Don't miss reading about either of these exemplary professionals!

Nadia Bahadori's review of *The Little Book of Behavioral Investing: How Not to Be Your Own Worst Enemy*, written by James Montier, closes this issue. If you have considered reading this book or are looking for a new book to read, take a glance at the overview. It may just be the next book on your reading list.

As always, we continue to solicit quality papers that feature financial therapy practices, experiments, and other research related to financial therapy. We are also looking for individuals who are willing to review manuscripts submitted to the *JFT*. Please join us as an author or reviewer in our efforts to communicate across disciplines with both practitioners and academics!

In closing, I invite you to the Financial Therapy Association's upcoming conference in Asheville, North Carolina to be held May 9-11, 2016. For conference information, please go to: www.financialtherapyassociation.org. This year's conference theme is "Framework, Practice, & Reflections: Financial Therapy that Works and the Theory and Research Behind It." Yes, this is a long title, but it pays homage to the *Journal of Financial Therapy* and the innovative research and theoretical development being accomplished in financial therapy. Please join us in Asheville as we work to further evolve the field of financial therapy!

ISSN: 1945-7774

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ISSN: 1945-7774

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Bradley T. Klontz, Psy.D., is a Certified Financial Planner™, an Associate Professor of Financial Psychology & Behavioral Finance at Creighton University - Heider College of Business, Co-Founder with Dr. Ted Klontz of the Financial Psychology Institute™, and a Managing Principal at Occidental Asset Management (OCCAM), LLC. Dr. Klontz is co-editor of *Financial Therapy: Theory, Researc,h & Practice* (Springer, 2015) and co-author of *Mind Over Money: Overcoming the Money Disorders that Threaten Our Financial Health*

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(Broadway Business, 2009), *Wired for Wealth* (HCI, 2008), *Facilitating Financial Health* (NUCO, 2008; 2016), and *The Financial Wisdom of Ebenezer Scrooge* (HCI, 2005; 2008).

Colby D. Taylor, Ph.D., is an early-career psychologist and serves as affiliate graduate faculty at the University of Memphis. His research interests include examining the validity and reliability of assessment instruments.

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Financial Therapy Network

The following individuals have identified themselves as providing services that promote a vision of financial therapy. The Financial Therapy Association cannot guarantee the services of those listed in the FTA Network. For more information and to view these professionals' profiles, visit http://www.financialtherapyassociation.org.

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ISSN: 1945-7774

Reliability and Convergent Validity of the Klontz Money Script Inventory-Revised (KMSI-R)

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Few contemporary, empirically-based instruments exist to assess attitudes and beliefs about money despite a large research base linking mental health outcomes to financial beliefs. An abbreviated form of the Klontz Money Script Inventory (KMSI), the Klontz Money Script Inventory-Revised (KMSI-R), has been developed to inform mental health practitioners and financial advisors about the money attitudes and beliefs of their clients using an empirically-based instrument. This study examined the technical adequacy of the KMSI-R among a sample of college students (n = 326). Results indicate high reliability for the KMSI-R as well as weak-to-moderate positive correlations when compared to the Money Attitude Scales.

Keywords: money scripts; money beliefs; money attitudes; money avoidance; money worship; money status; money vigilance

INTRODUCTION

Research has found that beliefs about money influence mental health (American Psychological Association, 2015), are contributing factors in relationship conflicts and divorce (Dew, Britt, & Huston, 2012; Oggins, 2003), and are linked to depression and suicide (Gerson, 2008). Beliefs about money have been found to relate to self-esteem and self-worth (Hira & Mugenda, 1999) and money is strongly associated with happiness in many cultures worldwide (Diener & Oishi, 2000). A growing body of research has found that beliefs about money are associated with income, net worth, financial health, choice of profession, and a range of healthy and disordered financial behaviors (Britt, Klontz, Tibbetts, & Leitz, 2015; Klontz & Britt, 2012; Klontz, Britt, Mentzer, & Klontz, 2011; Klontz, Seay, Sullivan, & Canale, 2014; Klontz, Sullivan, Seay, & Canale, 2015). While the impact of

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financial beliefs on behaviors and financial outcomes cannot be overstated, relatively few empirically-based scales exist to assess money beliefs.

Perhaps the most well-known empirically-based scale aimed at assessing money beliefs is the Money Attitude Scale (MAS; Yamauchi & Templer, 1982). The MAS was developed after its authors noted that people tend to associate net worth with self-worth and that money provokes anxiety in some people, while relieving anxiety in others. The MAS divides money beliefs into four factors: power-prestige, retention-time, distrust, and anxiety. Interestingly, Yamauchi and Templer failed to find a connection between money attitudes and income. While the MAS was described as a measure to assess money attitudes, approximately one-third of the items were worded to reflect money behaviors (e.g., "I keep track of my money" & "I follow a careful financial budget"). As such, it is more accurate to describe the MAS as a measure of money beliefs and behaviors. Two-years after the MAS was created, Furnham (1984) adapted items from the scale and other measures to construct the Money Beliefs and Behavior Scale. The Money Beliefs and Behavior Scale divides money beliefs and behaviors into six factors: obsession, power, retention, security, inadequacy, and effort/ability. The Money Ethic Scale (MES; Tang, 1992) expanded assessment of money beliefs to include affective, cognitive, and behavioral dimensions. The MES consists of six factors: money is good, money is evil, money represents achievement, money is a sign of respect, budgeting is important, and money is power. The items for these instruments were created by the authors and were not developed from clinical observations from actual clients.

The Klontz Money Scripts Inventory (KMSI; Klontz, Britt, Mentzer, & Klontz, 2011) was designed to assess money beliefs among members of the general population. The four subscales of the KMSI (Money Avoidance, Money Worship, Money Status, and Money Vigilance) were developed to be applicable to anyone engaging in some level of financial decision making, regardless of whether or not they exhibit problematic financial behaviors. Individual items were created based on the authors' work with clients over 10 years in a financial therapy treatment program (see Klontz, Bivens, Klontz, Wada, & Kahler, 2008). It was developed using a clinical approach to item creation, which was hypothesized to have increased clinical utility. The KMSI-R is a shortened form of its more comprehensive predecessor and has been used in three studies to date (Britt, Klontz, Tibbetts, & Leitz, 2015; Klontz, Seay, Sullivan, & Canale, 2014; Klontz, Sullivan, Seay, & Canale, 2015). Instead of having items constructed by experts, the items on the KMSI and KMSI-R were generated and gathered directly from financial therapy clients using a variety of techniques, including Money Script Word Associations (Lawson, Klontz, & Britt, 2015). In contrast to the MAS (Yamauchi & Templer, 1982), the KMSI was found to be significantly associated with income, net worth, and other financial health indicators (Klontz et al., 2011).

Central to item development of the KMSI, and by extension the KMSI-R, is the concept of *money scripts*. A money script is essentially a belief that an individual holds about money (Klontz & Klontz, 2009). Money scripts are hypothesized to have been "developed in childhood, often passed down from generation to generation in family systems, typically unconscious, contextually-bound, and are a factor that drives much of one's money behaviors" (Klontz et al., 2011, p. 2). Money scripts, and the KMSI-R as a

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whole, are influenced by Bandura's (1977) social learning theory, which posits that social learning occurs through the interaction of personal factors, environmental factors, and behavior. Money scripts take into account personal factors, as they are based on an individual's beliefs, environmental factors, as they are contextually bound and often modeled in a family system, and behavior, which both drives and is driven by money beliefs.

General Structure of the KMSI-R

A shorter form of the KMSI, the Klontz Money Script Inventory-Revised (KMSI-R) was recently developed and consists of 32 items as a streamlined alternative to the more comprehensive 51-item KMSI. Items were removed from the KMSI that had factor loadings of less than .40 and that did not significantly contribute to the subscales' Cronbach's alpha. The KMSI-R has demonstrated strong reliability in several large-sample studies (Britt et al., 2015; Klontz et al., 2014; Klontz et al., 2015). The KMSI-R consists of the same four subscales as the KMSI (i.e., Money Avoidance, Money Worship, Money Status, and Money Vigilance) and the KMSI-R consists entirely of select items from the original measure. The Money Avoidance subscale of the KMSI-R consists of 10 items. The Money Worship and Money Status subscales of the KMSI-R both consist of 7 items. The Money Vigilance subscale of the KMSI-R consists of 8 items. All items ask respondents to what extent they endorse statements/beliefs about money (money scripts) on a six-point Likert scale (strongly disagree, disagree, disagree a little, agree a little, agree, strongly agree).

Money Avoidance

The KMSI-R defines money avoidance as the belief that money is bad, anxiety-provoking, fear-inducing, and associated with feelings of disgust. Money avoiders often feel as if they do not deserve money (Klontz et al., 2011). It has been hypothesized that money avoidance can lead to disordered money behaviors such as financial denial, financial rejection, underspending, and excessive risk-aversion (Klontz & Klontz, 2009). Money avoiders may also engage in financial self-sabotage, avoid spending money on reasonable or necessary purchases, and worry about over-drafting their checking accounts or abusing their credit cards (Klontz et al., 2011). Klontz et al. (2011) found that money avoiders tend to have lower or unknown levels of net worth and tend to be young and single, and that people become less likely to endorse money avoidant beliefs as they age. Research has also found that money avoidance beliefs predict workaholism, financial dependence, and financial denial behaviors, such as trying to forget about one's financial situation, financial enabling, and difficulty sticking to a budget (Klontz & Britt, 2012). Money avoidance has also been linked to one's chosen profession, with mental health practitioners demonstrating higher levels of money avoidance than some other professions (Britt et al., 2015; Klontz & Britt, 2012).

Money Worship

Money worship is the belief that more money will make things better (Klontz, Kahler, & Klontz, 2008). Despite the high prevalence of this belief in today's society, limited

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empirical evidence exists to suggest that money solves life problems, and it has been reported that there is no significant correlation between happiness and money after household incomes reach $75,000 per year (Kahneman & Deaton, 2010). Money worship can lead to disordered money behaviors such as compulsive hoarding, unreasonable risk-taking, pathological gambling, workaholism, overspending, and compulsive buying disorder (Klontz & Klontz, 2009). Klontz et al. (2011) found that money avoiders tend to be young, single, and White and have lower or unknown levels of net worth. Similar to money avoidance, younger respondents tend to endorse higher levels of money worship than older respondents. Research has found that money worship beliefs predict compulsive buying behaviors, hoarding, workaholism, financial dependence, financial enabling, and financial denial (Klontz & Britt, 2012), and are associated with less engagement in risk planning (Britt et al., 2015). Money avoiders also tend to carry revolving credit card debt (Klontz et al., 2011).

Money Status

Money status equates net worth with self-worth and espouses a materialistic, competitive worldview (Klontz et al., 2011). Money status is associated with accruing more possessions than others, and those endorsing high levels of money status see clear distinctions between socio-economic classes. Klontz et al. (2011) found that individuals scoring high on the Money Status subscale tend to be young, single, less educated, and less wealthy. However, money status is not as highly associated with age and marital status as money avoidance and money worship. Klontz and Klontz (2009) hypothesized that less wealthy and less educated individuals endorse higher levels of money status beliefs because these individuals compare themselves to more educated people who hold more prestigious jobs, leading to lower levels of self-esteem. These individuals then become engaged in more risk-taking behaviors as they seek to rapidly attain wealth in order to raise their perceived social status. Excessive concern about financial success and materialism is associated with lower levels of well-being (Tatzel, 2002) and higher levels of anxiety, physical symptoms, and unhappiness (Kasser & Ahuvia, 2002). Money status can lead to disordered money behaviors such as overspending and excessive risk-taking (Klontz & Klontz, 2009). Research has found that money status beliefs predict compulsive buying behaviors, gambling disorder, financial dependence, and financial infidelity (Klontz & Britt, 2012).

Money Vigilance

Regardless of one's net worth, people endorsing high levels of money vigilance see money as a source of shame and secrecy and tend to view money with alertness, watchfulness, concern, and with an attitude of pending trouble or danger (Klontz & Klontz, 2009; Klontz et al., 2011). Some degree of money vigilance is common in today's society, as nearly half of households consider discussion of money a sensitive topic (Medintz, 2004). Money vigilance is associated with disordered money behaviors that may result in insufficient preparation for retirement, and people with money vigilant beliefs may not fully enjoy the benefits and security that money can provide (Klontz et al., 2011). Klontz et al. (2011) found that non-White individuals of lower income tend to score lowest on the

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Money Vigilance subscale. Individuals endorsing high levels of money vigilance tend to not have revolving credit card debt (Klontz et al., 2011) and are more likely to have planned for financial risks (Britt et al., 2015). Research has found that money vigilance beliefs serve as a protective factor. Specifically, the money vigilant are significantly less likely to exhibit compulsive buying, gambling disorder, financial enabling, financial dependence, and financial infidelity (Klontz & Britt, 2012).

METHODS

Purpose

Over recent decades, a plethora of "money tests" purporting to measure money attitudes and behaviors have arisen on the internet and in consumer magazines. However, many of these money tests have not been empirically scrutinized and lack psychometric research. As the KMSI-R is a recently developed instrument, the present study seeks to examine the technical adequacy of the assessment and to test associations with the MAS, a well-established assessment of money beliefs/attitudes. Therefore, the purpose of this study was twofold: (a) to examine the reliability KMSI-R among a sample of college students through comparing internal consistency correlations with those demonstrated in recent previous studies and (b) to examine convergent validity of KMSI-R subscales through comparison to the MAS.

Data and Sample

A sample consisting of 326 students enrolled at a four-year university in the Midwest region of the United States was recruited for participation in this study. Research has found that young adults are more likely to exhibit a range of problematic money beliefs and financial behaviors (Klontz, Britt, Archuleta, & Klontz, 2012; Klontz, Britt, Mentzer, & Klontz, 2011), and as such, were thought to be a good population from which to draw participants. Students were recruited from lecture classes and posters displayed in public locations on the campus, inviting students to participate in an online survey. At the end of the survey, respondents were invited to send an email to the researchers indicating that they completed the survey to participate in a drawing for 1 of 5 $20 gift cards. About half of the sample was 20 years of age or younger, and 14 participants were age 30 years of age or older. The sample was majority female (n = 264), Caucasian (n = 266), and single (n = 265). For full demographic data, please see Table 1.

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Table 1

Demographic Data

Variable	Percent of Sample (*n* = 326)
Gender	
Male	18.4%
Female	81.0%
Race/Ethnicity	
Hispanic	4.6%
African-American	3.4%
Caucasian	81.6%
Asian-American	8.0%
Pacific Islander	4.3%
Native American	1.5%
Other	4.0%
Marital Status	
Married	6.1%
Never Married	82.0%
Not Married but Living with a Significant Other	8.3%
Separated	0.0%
Divorced	1.2%
Widowed	0.0%
Year in School	
Freshman	19.6%
Sophomore	20.6%
Junior	24.8%
Fourth Year Senior	21.5%
Fifth Year Senior or Beyond	10.4%
Master's Student	2.5%
Doctoral Student	0.0%
Current Work Status	
Full-Time Job	6.4%
Part-Time Job	57.7%
Seasonal Job	12.6%
No Job	22.7%
How Many Other People Rely on Income	
0	87.1%
1	7.7%
2	1.5%
3	1.2%
4	1.2%
5	0.0%
6 or more	0.0%
Childhood Socioeconomic Status (SES)	
Lower Class	4.6%
Lower-Middle Class	18.4%
Middle Class	48.2%
Upper-Middle Class	25.2%
Upper Class	2.8%

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Prior to analysis, data were screened for distributional properties (Table 2). Skewness and kurtosis values for composite scores of all scales were within acceptable limits (i.e., less than |2.0|; Tabachnick & Fidell, 2012).

Table 2

Means and Standard Deviations of the KMSI-R Subscales

Subtest	KMSI-R	
	M	*SD*
Money Avoidance	26.01	6.99
Money Worship	22.14	6.57
Money Status	13.39	4.57
Money Vigilance	31.87	5.14

Comparison Measure

Money Attitude Scale (MAS; Yamauchi & Templer, 1982). The MAS is a 29-item assessment used to measure money attitudes. The MAS is divided into four subscales: Power-Prestige, Retention-Time, Distrust, and Anxiety. The Power-Prestige subscale consists of 9 items, the Retention-Time and Distrust subscales each consist of 7 items, and the Anxiety subscale consists of 6 items. This four-factor structure was supported by factor analytic research (Yamauchi & Templer, 1982), and each of the four subscales exhibits adequate reliability, as demonstrated through acceptable internal consistency values (Power-Prestige α = .80; Retention-Time α = .78; Distrust α = .73; Anxiety α = .69). Each subscale has also demonstrated partial convergent validity with measures of analogous psychological traits. Every item of the MAS item is presented on a 7-point Likert scale. The MAS was chosen as a comparison measure over the Money Beliefs and Behavior Scale and the Money Ethics Scale, as it is a more widely used and researched scale.

RESULTS

Reliability

To examine the reliability of the KMSI-R, internal consistency (α) was calculated for each subscale (Table 3). These internal consistency values, obtained from a sample of college students, could then be compared to the internal consistency values obtained in previous research. All of the subscales from the KMSI-R demonstrated good or acceptable internal consistency using the suggestions for interpreting internal consistency values set forth by George and Mallery (2003), with the exception of the Money Vigilance subscale, whose reliability is in the questionable range. Internal consistency values obtained in the present study are commensurate with those obtained in previous studies. Additionally, relations between subscales of the KMSI-R were examined. Significant, positive correlations existed between some of the subscales of the KMSI-R. This indicates that certain subscales, such as Money Worship and Money Status, are related to one another,

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while others, such as Money Worship and Money Avoidance, are not significantly related to one another (Table 4).

Table 3

Internal Consistency of the KMSI-R

KMSI-R	Klontz et al., 2014 (n = 351)	Britt et al., 2015 (n = 264)	Klontz et al., 2015 (n = 1090)	Present Study (n = 326)
Money Avoidance	.84	.80	.82	.82
Money Worship	.69	.77	.68	.82
Money Status	.75	.71	.73	.76
Money Vigilance	.66	.55	.58	.66

Table 4

Correlations between KMSI-R Subscales

	Money Avoidance	Money Worship	Money Status	Money Vigilance
Money Avoidance	---	.11	.37**	.10
Money Worship		---	.49**	.21**
Money Status			---	.16*
Money Vigilance				---

*** $p < .001$. * $p < .05$. Df = 248.*

Validity

Scores from the KMSI-R were compared to scores from the Money Attitude Scale (Table 5). Significant, positive relations were found between the Power-Prestige subscale of the MAS and all four subscales of the KMSI-R, with the exception of the Money Vigilance subscale. Correlations between the Power-Prestige and Money Worship and Money Status subscales were greatest in strength. Significant, positive relations were found between the Retention-Time subscale of the MAS and the Money Status and Money Vigilance subscale of the KMSI-R, with the Money Vigilance subscale exhibiting strong-to-moderate convergence. Significant, positive correlations were observed between the Distrust subscale of the MAS and all subscales of the KMSI-R, with the exception of the Money Status subscale of the KMSI-R. Moderate convergence was observed for the Money Vigilance subscale. Similarly, significant, positive correlations were observed between the Anxiety subscale of the MAS and all subscales of the KMSI-R, with the exception of the Money Status subscale. This convergence was generally weak, with the exception of moderate convergence for the Money Worship subscale.

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Table 5

Convergent Validity of the KMSI-R with the MAS

KMSI-R Subscale	MAS Subscale	Correlation	*df*
Money Avoidance	Power-Prestige	.19**	240
Money Worship		.42**	
Money Status		.53**	
Money Vigilance		.10	
Money Avoidance	Retention-Time	-.03	237
Money Worship		.08	
Money Status		.14*	
Money Vigilance		.41**	
Money Avoidance	Distrust	.18**	237
Money Worship		.17**	
Money Status		.10	
Money Vigilance		.35**	
Money Avoidance	Anxiety	.16*	241
Money Worship		.25**	
Money Status		.11	
Money Vigilance		.18**	

*** $p < 001$. * $p < .05$*

DISCUSSION

The KMSI-R addresses the need for a contemporary, empirically-based assessment that can measure people's beliefs about money through a shorter, more streamlined alternative to its predecessor, the KMSI. Unlike the MAS, which assesses money beliefs and behaviors, the KMSI and KMSI-R were designed to measure money beliefs exclusively. Assessments, such as the MAS and KMSI-R, offer people insight into their own financial beliefs, which often lie outside of conscious awareness (Klontz & Klontz, 2009) and offer valuable information to financial planners and mental health professionals that can aid in service provision. The KMSI-R is theoretically grounded in social learning theory, was developed based on clinical work, was created using factor analysis (Klontz et al., 2011), and, including the present study, has demonstrated strong reliability on five separate occasions. As reliability is a necessary but insufficient requirement for validity (Elasy & Gaddy, 1998), the present study sought to establish convergent validity through comparison to a similar measure, the MAS.

The MAS is perhaps the most well-researched measure of money attitudes and behaviors, and the two-decade old measure consists of four subscales: Power-Prestige, Retention-Time, Distrust, and Anxiety. The Power-Prestige subscale of the MAS, which is defined as the use of money to influence others or show status (Yamauchi & Templer, 1982), aligns theoretically most closely with the Money Worship and Money Status subscales of the KMSI. This theoretical alignment was supported through convergent validity analysis, as these subscales exhibited the strongest correlations with one another. The Retention-Time subscale of the MAS, which is defined as being prepared for one's

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financial future, aligns theoretically most closely with the Money Vigilance subscale of the KMSI-R. Again, this theoretical alignment was supported through convergent validity analysis. The Distrust subscale of the MAS, which is defined as the state of not wanting to spend money, theoretically aligns most closely with the Money Avoidance and Money Vigilance subscales of the KMSI-R. Empirically, convergent validity analysis showed the highest correlations between these subscales, though interestingly, Money Status was also shown to be related to Distrust. The Anxiety subscale of the MAS, which is defined as a state of worry about money and the desire to spend money, seems to be theoretically involved in all subscales of the KMSI-R. Empirically, all subscales of the KMSI-R, with the exception of the Money Status, were correlated with the Anxiety subscale, and the Money Worship subscale exhibiting the strongest convergence. Essentially convergent validity analysis supports relations between theoretically analogous scales of the MAS and the KMSI-R, which seems to indicate that the two measures are assessing similar, but not completely overlapping, areas of beliefs about money.

Limitations and Future Directions

The chief limitation of this study is that a sample of college students was used rather than the population at-large. Although previous research has demonstrated adequate reliability for the KMSI-R drawn from the general population (e.g., Klontz et al., 2015), validity results from the present study may not generalize to a sample not exclusively consisting of college students. Another limitation is that the present study only examined convergent validity between the MAS and the KMSI-R. Future studies may seek to examine convergent validity of both the MAS and the KMSI-R with other instruments (e.g., the Money Beliefs and Behavior Scale or the Money Ethic Scale).

It should be noted that one or more of the authors of the present study were involved in the creation of the KMSI-R and have some financial interest in the measure. Currently, the KMSI-R is not a public domain instrument, but can be accessed for research and non-commercial use with permission from Dr. Brad Klontz.

Conclusion

The MAS and the KMSI-R are both assessments that allow people to gain insight into their own money attitudes and can assist financial planners and mental health professionals in service provision. Both instruments are similar in length, as the MAS contains 29-items and the KMSI-R contains 32-items. Both instruments boast similar reliability, as the mean reliability of the MAS composites is .75 and the mean reliability of the KMSI-R composites is .77. Each assessment has one composite area that has lower-than-adequate internal consistency values (the Anxiety subscale from the MAS and the Money Vigilance subscale from the KMSI-R). Both instruments offer empirically-supported alternatives to “money scales” published on the internet and in consumer magazines that commonly lack psychometric support. Given that the length and technical adequacy of the MAS and KMSI-R are similar, prospective users may consider other factors (e.g.,

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availability, contemporariness, familiarity, ease of scoring, personal preference) when selecting which assessment best meets their needs.

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ISSN: 1945-7774

Internal Consistency and Convergent Validity of the Klontz Money Behavior Inventory (KMBI)

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The Klontz Money Behavior Inventory (KMBI) is a standalone, multi-scale measure than can screen for the presence of eight distinct money disorders. Given the well-established relationship between mental health and financial behaviors, results from the KMBI can be used to inform both mental health care professionals and financial planners. The present study examined the internal consistency and convergent validity of the KMBI, through comparison with similar measures, among a sample of college students (n = 232). Results indicate that the KMBI demonstrates acceptable internal consistency reliability and some convergence for most subscales when compared to other analogous measures. These findings highlight a need for literature and assessments to identify and describe disordered money behaviors.

Keywords: money disorders; compulsive buying disorder; financial enabling; financial dependence; hoarding disorder; gambling disorder; workaholism; money behaviors

INTRODUCTION

The Klontz Money Behavior Inventory (KMBI; Klontz, Britt, Archuleta, & Klontz, 2012) was developed to address the need for an empirically-validated, single, standalone screening instrument to assess for the presence of a variety of disordered money behaviors. Prior to development of the KMBI, a limited number of assessments existed to measure specific money disorders (e.g., compulsive buying, pathological gambling), so practitioners had to administer several instruments to screen for multiple disorders and

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psychometric research on these assessments was limited. Based on the research and clinical work of Klontz and Klontz (2009), the KMBI was designed to be a single, multi-scale instrument screened for the presence of eight distinct disordered money behaviors, including such issues as workaholism, financial dependence, and financial enmeshment.

The KMBI differs from its sister measure, the Klontz Money Scripts Inventory (KMSI; Klontz, Britt, Mentzer, & Klontz, 2011) in that the KMBI assesses problematic money behaviors, whereas the KMSI assesses money beliefs. Both measures are based on social learning theory (Bandura, 1977), which holds that social functioning involves the interaction of personal factors/attitudes/beliefs, environmental factors, and behaviors. Whereas the KMSI primarily measures personal factors/attitudes/beliefs surrounding money, the KMBI primarily measures money behaviors. Research has linked environmental factors, such as income, net worth, marital status, and childhood socioeconomic status to both measures.

Psychological beliefs have been linked to financial outcomes since the 1970s (Furnham, 1996), but psychology as a field has long viewed issues surrounding money as taboo (Klontz, Kahler, & Klontz, 2008). Sigmund Freud's quip that one of the strongest associations in Western culture is between feces and gold hints at the aversion of many mental health practitioners to issues involving money (Freud, 1908). In fact, recent research has found that when compared to other professions, mental health professionals have lower levels of financial health and are more likely to be money avoidant (Britt, Klontz, Tibbetts, & Leitz, 2015; Klontz & Britt, 2012). Ignoring financial behaviors may hamper the effectiveness of mental health providers in helping clients deal with the number one stressor in their lives - money (American Psychological Association, 2015). It also limits their ability to treat such issues as marital strife and depression, as financial issues are a major contributor to divorce (Dew, Britt, & Huston, 2012) and severe debt can lead to depression and suicide (Gerson, 2008). Conversely, it is important for financial advisors to account for the mental health needs of their clients. The KMBI was developed with the goal of efficiently screening for disordered money behaviors to better inform the practice of mental health care providers and financial advisors.

General Structure of the KMBI

The KMBI consists of 56 items divided among eight subscales: Compulsive Buying Disorder, Workaholism, Gambling Disorder, Hoarding Disorder, Financial Enabling, Financial Dependence, Financial Enmeshment, and Financial Denial. Each item asks respondents to select to what degree on a six-point Likert scale (strongly disagree, disagree, disagree a little, agree a little, agree, and strongly agree) they endorse a particular statement. Klontz et al. (2012) demonstrated acceptable internal consistency reliability for most KMBI subscales among a sample of 422 people (please see Table 1 to view items from the KMBI).

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Table 1

The Klontz Money Behavior Inventory (KMBI)

Compulsive Buying Disorder Subscale (*M* = 23.79; *SD* = 9.08)
1.) My spending feels out of control
2.) I obsess about shopping
3.) I buy more things than I need or can afford
4.) I feel irresistible urges to shop
5.) I shop to forget about my problems and make myself feel better
6.) I feel guilt and/or shame after making purchases
7.) I often return items because I feel bad about buying them
8.) I have tried to reduce my spending but have had trouble doing so
9.) I hide my spending from my partner/family
10.) I feel anxious or panicky if I am unable to shop
11.) Shopping interferes with my work or relationships

Workaholism Subscale (*M* = 29.96; *SD* = 10.03)
1.) I often feel an irresistible drive to work
2.) My family complains about how much I work
3.) I feel guilty when I take time off of work
4.) I feel a need to constantly stay busy
5.) I often miss important family events because I am working
6.) I have trouble finishing projects because I feel they are never quite perfect enough
7.) I have trouble falling or staying asleep because I am thinking about work
8.) I have made promises to myself or others to work less but have had trouble keeping them
9.) It is hard for me to enjoy time off of work
10.) People close to me complain that I am so focused on my "to-do" lists that I ignore them or brush aside their needs or concerns
11.) I have trouble saying "no" when asked to work extra hours or take on extra projects

Gambling Disorder Subscale (*M* = 8.61; *SD* = 4.23)
1.) I have trouble controlling my gambling
2.) I gamble to relieve stress or make myself feel better
3.) I have to gamble with more and more money to keep it exciting
4.) I have committed an illegal act to get money for gambling
5.) I have borrowed money for gambling or have gambled on credit
6.) My gambling interferes with other aspects of my life (e.g., work, education, relationships)
7.) I have hid my gambling from people close to me

Hoarding Disorder Subscale (*M* = 19.23; *SD* = 8.44)
1.) I have trouble throwing things away, even if they aren't worth much
2.) My living space is cluttered with things I don't use
3.) Throwing things away makes me feel like I am losing a part of myself
4.) I feel emotionally attached to my possessions
5.) My possessions give me a sense of safety and security
6.) I have trouble using my living space because of clutter
7.) I feel irresponsible if I get rid of an item
8.) I hide my need to hold onto items from others

Financial Enabling (*M* = 14.54; *SD* = 6.32)
1.) I give money to others even though I can't afford it
2.) I have trouble saying "no" to requests for money from family or friends
3.) I sacrifice my financial well-being for the sake of others

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4.) People take advantage of me around money
5.) I lend money without making clear arrangements for repayment
6.) I often find myself feeling resentment or anger after giving money to others

Financial Dependence (*M* = 10.50; *SD* = 4.47)
1.) I ask others for money when I am financially stressed
2.) I couldn't make ends meet without receiving non-work income
3.) I feel like the money I get comes with strings attached
4.) I often feel resentment or anger related to the money I receive
5.) A significant portion of my income comes from money I do nothing to earn (e.g., trust fund, compensation payments).
6.) I have significant fear or anxiety that I will be cut off from my non-work income
7.) The non-work income I receive seems to stifle my motivation, passion, creativity, and/or drive to succeed

Financial Denial (*M* = 4.95; *SD* = 2.32)
1.) I avoid thinking about money
2.) I try to forget about my financial situation
3.) I avoid opening/looking at my bank statements*

Compulsive Buying Disorder

The KMBI defines Compulsive Buying Disorder as "obsessive, irresistible, out of control buying urges that lead to financial difficulties, feelings of guilt and/or shame, and interfere with one's work or close relationships" (Klontz et al., 2012, p. 19). The Compulsive Buying Disorder subscale of the KMBI consists of 11 items and asks respondents to rate how much they agree with statements, such as (a) My spending feels like it is out of control; (b) I feel irresistible urges to shop; and (c) I hide my spending from my partner/family. Research suggests that compulsive buying is related to anxiety, depression, obsessive-compulsiveness, eating disorders, substance abuse, a tendency to try to escape from stress, low conscientiousness, and an external locus of control (Benson, 2000; Hanley & Wilhelm, 1992; Rodriguez-Villarino, Gonzalez-Lorenzo, Fernanez-Gonzalez, Lameiras-Fernandez, & Foltz, 2006). Klontz et al. found that respondents most likely to endorse items related to compulsive buying disorder were younger, female, non-married, and with lower levels of education. Further, Klontz et al. found that scoring highly on the Compulsive Buying Disorder subscale is associated with higher scores on the Financial Enabling and Financial Denial subscales of the KMBI. Klontz and Britt (2012) found a significant positive association between the KMSI Compulsive Buying Disorder scale and the KMSI Money Avoidance, Money Worship, and Money Status scales and a significant negative association with the Money Vigilance scale.

Workaholism

The KMBI defines Workaholism as "an obsessive preoccupation with working and engagement of working long hours that produces extreme guilt and anxiety when not working and interferes with family or close relationships" (Klontz et al., 2012, p. 20). In addition to being a money disorder, workaholism is also associated with certain mental health disorders, such as anxiety disorders and Obsessive-Compulsive Personality Disorder. Workaholism might also function as a behavior that allows individuals to avoid psychological and social stressors. The Workaholism scale of the KMBI consists of 11 items, such as (a) I often feel an irresistible drive to work; (b) My family often complains about how much I work; and (c) It's hard for me to enjoy time off of work. Those scoring high on the Workaholism subscale tend to be males who earn high incomes and carry revolving credit card debt (Klontz et al., 2012). Klontz and Britt (2012) found a significant positive association between the KMBI Workaholism subscale and the KMSI Money Avoidance and Money Worship scales.

Gambling Disorder

Pathological gambling, now known as Gambling Disorder in the *DSM-5™*, is recognized as a mental disorder by the American Psychiatric Association (APA, 2013). The KMBI defines pathological gambling as "persistent and recurrent maladaptive gambling behavior that disrupts personal, family, or vocational pursuits" (APA, 2000, p. 674; Klontz et al., 2012). The Gambling Disorder subscale of the KMBI consists of seven items, asking individuals to what degree they endorse statements, such as (a) I have trouble controlling my gambling; (b) I gamble to relieve stress or make myself feel better; and (c) My gambling interferes with other aspects of my life. Those scoring high on the Gambling Disorder subscale tend to be males, unmarried, and of low-net worth (Klontz et al., 2012). Klontz and Britt (2012) found a significant positive association between the KMSI Gambling Disorder scale and the KMSI Money Status scale, and a significant negative association with the Money Vigilance scale.

Hoarding Disorder

The American Psychiatric Association recently delineated a new diagnosis of hoarding disorder, which had previously been subsumed under the diagnosis of Obsessive-Compulsive Disorder, through its release of the *DSM-5™* (APA, 2013). Awareness of compulsive hoarding behaviors has been heightened due to several popular television series centered on the disorder. However, increased attention has not been placed on hoarding behaviors related to money. The KMBI describes someone endorsing behaviors of compulsive hoarding as "a person who has trouble throwing items of little value away, has a living space cluttered with things that are not used, and feels emotionally attached to possessions" (Klontz et al., 2012, p. 28). The Hoarding Disorder subscale of the KMBI consists of eight items, such as (a) I have trouble throwing things away, even if they aren't worth much; (b) My living space is cluttered with things I don't use; and (c) I feel emotionally attached to my possessions. Klontz et al. found that males with lower levels of net worth tend to endorse higher levels of compulsive hoarding behaviors. Klontz and Britt (2012) found a significant positive association between the KMSI Hoarding Disorder scale and the KMSI Money Avoidance and Money Worship scales.

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Financial Enabling

Financial enabling is "the inability to say 'no' when someone, such as a family member, continues to ask for money" (Klontz et al., 2012, p. 21). Klontz and colleagues posited that financial enabling is not new, but is becoming increasingly common, as contemporary society lacks guidelines as to how parents should respond to requests for money from adult children. The Financial Enabling subscale of the KMBI consists of six items, such as (a) I give money to others even though I can't afford it; (b) I have trouble saying "no" to requests for money from family and friends; and (c) People take advantage of me around money. Younger, non-married individuals with both lower levels of education and lower levels of net worth who were raised in less wealthy families and maintain revolving credit card debt tend to endorse the highest levels of financial enabling (Klontz et al., 2012). Klontz and Klontz (2009) suggested that people who have relatively more money than their primary social group are vulnerable to financial enabling behaviors, as they may feel compelled to give away their money to maintain their status and affiliations in the group. Research has found that, when compared to earners making $80,000 per year, higher earners (those who make over $150,000 per year) are more likely to exhibit financial enabling behaviors (Klontz, Seay, Sullivan, & Canale, 2014). Klontz and Britt (2012) found a significant positive association between the KMBI Financial Enabling scale and the KMSI Money Avoidance and Money Worship scales and a significant negative association with the Money Vigilance scale.

Financial Dependence

The KMBI defines financial dependence as "the reliance on others for non-work income that creates fear or anxiety of being cut-off, feelings of anger or resentment related to the non-work income, and a stifling of one's motivation, passion, and/or drive to achieve" (Klontz et al., 2012, p. 21). While financial dependence is not a psychological disorder in itself, it may be associated with the *DSM-5™* diagnoses of Dependent Personality Disorder and Narcissistic Personality Disorder (APA, 2013). According to the *DSM-5™* diagnostic criteria, individuals with Dependent Personality Disorder have difficulty making decisions without excessive reassurance from others, need others to assume responsibility for themselves in major life areas, have difficulty doing things on their own, and have difficulty expressing disagreement with others for fear of loss of support (APA, 2013). Individuals with Narcissistic Personality Disorder often exaggerate their sense of self-importance, have fantasies of power and success, and have an unreasonable sense of entitlement. This sense of entitlement may cause certain individuals to justify their dependency as legitimate and result in adults intimidating their parents and siblings into not setting firm limits or boundaries. According to the *DSM-5™*, individuals with Narcissistic Personality Disorder "may begrudge others their successes or possessions, feeling that they better deserve those achievements, admiration, or privileges" (APA, 2013, p. 671). The Financial Dependence subtest of the KMBI consists of seven items, including (a) I feel like the money I get comes with strings attached; (b) I often feel resentment or anger to the money I receive; and (c) I have significant fear or anxiety that I will be cut off from my non-work income. Non-married individuals with lower levels of education and income tend to endorse the highest levels of financial dependence (Klontz et al., 2012).

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Klontz and Britt (2012) found a significant positive association between the KMBI Financial Dependence scale and the KMSI Money Worship and Money Status subscales.

Financial Enmeshment

Financial enmeshment, which has previously been referred to as "financial incest" (Klontz et al., 2008), "describes situations where parents involve children in adult financial affairs and decisions" (Klontz et al., 2012, p. 22). Financial enmeshment occurs in family systems that lack clear boundaries between parents and children and involves age-inappropriate inclusion of children in family finances and leads to increased anxiety in the family system (for a detailed discussion on financial enmeshment and financial therapy, see Kemnitz, Klontz, & Archuleta, 2016). The Financial Enmeshment subscale of the KMBI consists of three items: (a) I feel better after I talk to my children (under 18) about my financial stress; (b) I talk to my children (under 18) about my financial stress; and (c) I ask my children (under 18) to pass on financial messages to other adults. Males of higher income tend to endorse the highest levels of financial enmeshment (Klontz et al., 2012). Given the limitations of the current sample, which included traditional college students with an average age of 20, the financial enmeshment scale was not included in the study, as it asks about behaviors between the respondent and his or her children.

Financial Denial

The KMBI defines financial denial as the "attempt to cope by simply not thinking about money or trying not to deal with it" (Klontz et al., 2008, p. 97). Financial denial may act as a defense mechanism to alleviate anxiety due to financial stress, or it may be associated with beliefs that money is dirty, unenlightened, or unspiritual (Klontz et al., 2012). The Financial Denial subscale of the KMBI consists of three items: (a) I avoid thinking about money; (b) I try to forget about my financial situation; and (c) I avoid opening/looking at my bank statements. Only the last two items of this scale were used in the current study, as the first item was inadvertently omitted from administration. Financial denial and avoidance has been associated with lower levels of income, net worth, and knowledge about one's net worth (Klontz et al., 2011). Young, non-married females with lower levels of education, income, and net worth tend to score highest on the Financial Denial subscale (Klontz et al., 2012). Financial denial is also associated with revolving credit card debt. Klontz and Britt (2012) found a significant positive association between the KMSI Financial Denial scale and the KMSI Money Avoidance and Money Worship scales, and a significant negative association with the Money Vigilance scale.

METHOD

Purpose

The purpose of this study was twofold. First, to examine reliability of the KMBI among a sample of college students through comparing internal consistency correlations with those demonstrated in the Klontz et al. (2012) study. Secondly, this study examined the convergent validity of KMBI subscales through comparison to other measures of similar

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constructs. Several theoretical hypotheses were proposed related to the expected convergence of KMBI subscales with measures of analogous constructs. The Financial Dependence subscale of the KMBI was hypothesized to positively relate to the Desire for Financial Dependence subscale of the Money Scales. The Compulsive Buying subscale of the KMBI was hypothesized to positively relate to the Diagnostic Screener for Compulsive Buying. The Workaholism subscale of the KMBI was hypothesized to positively relate to both the Enjoyment and Drive dimensions of the WorkBAT. Finally, the Gambling Disorder subscale of the KMBI was hypothesized to positively relate to the item from the Investment Risk Tolerance Quiz.

Sample and Data

A sample consisting of 232 students enrolled at a four-year university in the Midwest region of the United States was recruited for participation in this study. Students were recruited from lecture classes and posters displayed in public locations on the campus, inviting students to participate in an online survey. At the end of the survey, respondents were invited to send an email to the researchers indicating that they completed the survey to participate in a drawing for 1 of 5 $20 gift cards. The average age of the sample was 20.82 years (SD = 2.10) with 11 students self-identifying as 30 years of age or older. The sample was majority female (n = 196), Caucasian (n = 183), and never married (n = 194). Please see Table 2 for full demographic information.

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Table 2

Demographic Data

Variable	Percent of Sample (n = 232)
Gender	
Male	19.5%
Female	79.7%
Race/Ethnicity	
Hispanic	9.8%
African-American	4.1%
Caucasian	74.4%
Asian-American	14.6%
Pacific Islander	8.1%
Native American	3.7%
Other	5.3%
Marital Status	
Married	7.1%
Never Married	80.8%
Not Married but Living with a Significant Other	10.0%
Separated	0.0%
Divorced	2.1%
Widowed	0.0%
Year in School	
Freshman	12.0%
Sophomore	22.3%
Junior	35.1%
Fourth Year Senior	21.9%
Fifth Year Senior or Beyond	6.2%
Master's Student	2.1%
Doctoral Student	0.4%
Current Work Status	
Full-Time Job	6.2%
Part-Time Job	61.3%
Seasonal Job	10.3%
No Job	22.2%
How Many Other People Rely on Income	
0	84.2%
1	9.6%
2	1.7%
3	2.9%
4	1.3%
5	0.4%
6 or more	0.0%
Childhood Socioeconomic Status (SES)	
Lower Class	7.0%
Lower-Middle Class	18.2%
Middle Class	50.4%
Upper-Middle Class	22.7%
Upper Class	1.7%

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Prior to analysis, data were screened for distributional properties. Skewness and kurtosis values for composite scores of all scales were within acceptable limits (i.e., less than |2.0|; Tabachnick & Fidell, 2012). All correlational analyses were conducted using listwise deletion to exclude missing values.

Comparison Measures

Money Scales. The Money Scales (Newcomb & Rabow, 1999) is a self-report measure consisting of 200 items presented on a five-point Likert scale. The Money Scales was one of the first measures to jointly assess socialization and money, and it explores people's beliefs about their money skills and money knowledge, as well as family teachings about money. The Monetary Equality, the Monetary Superiority, and the Desire for Financial Dependence subscales were used in the present study their internal consistencies have been measured among a sample of college students (Newcomb & Rabow, 1999). The Monetary Equality subscale consists of three items and has demonstrated questionable internal consistency ($\alpha = .63$). The Monetary Superiority scale consists of two items and has demonstrated poor internal consistency ($\alpha = .50$). The Desire for Financial Dependence subscale consists of three items and has demonstrated questionable internal consistency ($\alpha = .63$).

Diagnostic Screener for Compulsive Buying. The Diagnostic Screener for Compulsive Buying (Faber & O'Guinn, 1992) is a unidimensional measure that consists of seven items presented on a five-point Likert scale. The measure was created for use among the general population and has demonstrated technical adequacy in a population of college students (Cole & Sherrell, 1995). The Diagnostic Screener for Compulsive Buying has demonstrated excellent internal consistency ($\alpha = .95$) and was found to correctly classify 88% of test-takers into categories of compulsive and non-compulsive buyers (Faber & O'Guinn, 1992).

Workaholism Battery (WorkBAT). The WorkBAT (Spence & Robbins, 1992) is a 25-item, self-report assessment used to measure beliefs commonly associated with workaholism. These beliefs are measured through three dimensions: Work Involvement, Enjoyment, and Drive. The present study incorporated 14-items from the Enjoyment and Drive dimensions, eliminating the Work Involvement dimension, as recommended by Kanai, Wakabayashi, and Fling (1996). Each item was presented on a seven-point Likert scale. Dimensions of the WorkBAT demonstrated good internal consistency for the Enjoyment ($\alpha = .85$) dimension and acceptable internal consistency for the Drive ($\alpha = .74$) dimension, as well as convergent validity with related measures (McMillan, Brady, O'Driscoll, & Marsh, 2002).

Colorado Self-Report of Family Functioning Inventory (CSRFFI). The CSRFFI (Bloom, 1985) is a self-report measure consisting of two subscales, the cohesion subscale and the enmeshment subscale, and each contains five items measured on a four-point Likert scale. Only the enmeshment subscale was used in the present study. Factor analysis has confirmed the two-factor model of the CSRFFI. The measure has demonstrated poor internal consistency ($\alpha = .53$; Barber & Buehler, 1996).

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Investment Risk Tolerance. Investment risk tolerance is the extent to which a person will engage in risk-taking behaviors related to finance (Grable & Lytton, 1999). Measures of investment risk tolerance commonly include at least one item, asking how someone else would rate their risk-taking behavior. The present study incorporated one-item from Grable and Lytton's (1999) Investment Risk Tolerance Quiz, asking how someone's best friend would describe his or her risk-taking behavior. This was a multiple-choice item consisting of four response choices, ranging from that their best friend would describe them as a "real gambler," to they would describe them as "a real risk avoider."

RESULTS

Internal Consistency

Internal consistency (Cronbach's alpha; α) was calculated for each subscale of the KMBI to examine the measure's reliability among a sample of college students. The internal consistency values could then be compared to those obtained by Klontz et al. (2012) which utilized a sample recruited through financial planners, coaches, and mental health professionals. See Table 3 for internal consistency comparisons. Using the suggestions for interpreting internal consistency values set forth by George and Mallery (2003), all of the subscales from the KMBI demonstrated acceptable internal consistency, with most scales demonstrating good to excellent internal consistency. Internal consistency values obtained in the present study largely align with those obtained by Klontz et al. (2012). Additionally, relationships between subscales of the KMBI were examined. Statistically significant, positive correlations were observed between all subscales of the KMBI and these correlations varied widely in strength from weak to strong (see Table 4).

Table 3

Internal Consistency of the KMBI

KMBI Subscale	Klontz et al., 2012	Present Study
Compulsive Buying Disorder	.92	.89
Workaholism	.87	.88
Gambling Disorder	.95	.97
Hoarding Disorder	.89	.91
Financial Enabling	.87	.87
Financial Dependence	.79	.74
Financial Denial	.86	.75

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Table 4

Correlations between KMBI Subscales

	Workaholism	Gambling Disorder	Hoarding Disorder	Financial Enabling	Financial Dependence	Financial Denial
Compulsive Buying Disorder	.17*	.28***	.34***	.36***	.43***	.39***
Workaholism	---	.20***	.27***	.22***	.25***	.15*
Gambling Disorder		---	.37***	.31***	.39***	.15*
Hoarding Disorder			---	.40***	.41***	.27***
Financial Enabling				---	.58***	.40***
Financial Dependence					---	.47***
Financial Denial						---

****** p < .001. * p < .05. Df = 180*.

Validity

Scores from subscales of the KMBI were compared to scores from subscales of the Money Scales (Table 5). The greatest convergence was observed between the KMBI and the Money Equality subscale of the Money Scales. Statistically significant, positive correlations were observed between all subscales of the KMBI and the Money Equality subscale of the Money Scales, with the exception of the Workaholism and Hoarding Disorder subscales. However, these correlations were generally weak in strength. Less convergence was observed in comparing the KMBI to the Money Superiority subscale of the Money Scales, as only the Compulsive Buying Disorder subscale from the KMBI exhibited a significant, positive, and weak correlation with Money Superiority. The Gambling Disorder subscale of the KMBI demonstrated significant, positive, and weak correlations with the Desire for Financial Dependence subscale of the Money Scales.

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Table 5

Convergent Validity between the KMBI and the Money Scales

KMBI Subscale	Money Scale Subscale	Correlation	*df*
Compulsive Buying Disorder	Money Equality	.27***	166
Workaholism		.14	
Gambling Disorder		.23***	
Hoarding Disorder		.15	
Financial Enabling		.17*	
Financial Dependence		.25***	
Financial Denial		.17*	
Compulsive Buying Disorder	Money Superiority	.20*	166
Workaholism		-.04	
Gambling Disorder		.08	
Hoarding Disorder		.02	
Financial Enabling		-.02	
Financial Dependence		.01	
Financial Denial		.13	
Compulsive Buying Disorder	Desire for Financial Dependence	.15	163
Workaholism		.07	
Gambling Disorder		.28***	
Hoarding Disorder		.07	
Financial Enabling		.03	
Financial Dependence		.10	
Financial Denial		.08	

**** $p < .001$. * $p < .05$.*

Select subscales of the KMBI were also purposefully compared to measures of similar constructs. Revisiting expected theoretical relations between measures, the Financial Dependence subscale of the KMBI was not found to significantly relate to the Desire for Financial Dependence subscale of the Money Scales (Table 5), which was contrary to our hypothesis. In examining items from both scales, the three-items of the Financial Dependence subscale of the Money Scale center upon whether one is the breadwinner in a relationship, whereas the Financial Dependence subscale of the KMBI assesses other dimensions of financial dependence, such as non-work income and the emotions associated with receiving financial assistance from others. While the hypothesis related to financial dependence was not supported through analyses, all other hypotheses were supported to some extent (see Table 6). The Compulsive Buying subscale of the KMBI was found to significantly and strongly correlate with the Diagnostic Screener for Compulsive Buying. The Workaholism subscale of the KMBI was found to significantly and positively correlate with the Enjoyment and Drive subscales as well as the composite score of the WorkBAT, and these correlations were moderate in strength for the Drive subscale and the composite score. A statistically significant, positive correlation was observed between the Gambling Disorder subscale of the KMBI and the item measuring investment

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risk tolerance, though this correlation was weak in strength. In addition to these hypothesized relations, several other significant relations were found to exist, as the Financial Enabling and Financial Denial subscales of the KMBI were found to significantly, positively correlate with the Enmeshment subscale of the CSRFFI, though these correlations were weak in strength.

Table 6

Convergent Validity between select subscales of the KMBI and similar assessment

KMBI Subscale	Comparison Assessment	Correlation	*df*
Compulsive Buying Disorder	Diagnostic Screener for Compulsive Buying	.70***	161
Workaholism	WorkBAT Enjoyment	.17*	191
	WorkBAT Drive	.50***	
	WorkBAT Composite	.42*	
Financial Enabling	CSRFFI Enmeshment	.18*	167
Financial Denial	CSRFFI Enmeshment	.21***	
Gambling Disorder	Investment Risk Tolerance	.21***	167

**** p < .001. * p < .05.*

Gender Effects

Prior research has found that gender is associated with vulnerability to some money disorders. For example, women are significantly more likely to exhibit compulsive buying behaviors (Lejoyeux & Weinstein, 2010), men are more likely to have gambling disorder (Canale, Archuleta, & Klontz, 2015), and women are more likely to be socialized to believe that financial dependence is acceptable (Newcomb & Rabow, 1999). To examine gender effects, a series of t-tests was conducted to determine whether the men and women sampled in the present study differed in their scores on the seven subscales of the KMBI. Comparisons indicate that men and women did not significantly differ in their scores on five of the seven subscales, but that they did significantly differ in their scores on the Gambling Disorder subscale, $t(205) = 2.63$, $p < .001$, and on the Financial Dependence subscale, $t(202) = 1.86$, $p = .014$. On both of these subscales, men reported more disordered money behaviors than women.

DISCUSSION

The KMBI addresses the need for a single assessment that can screen for the presence of multiple financially disordered behaviors. The KMBI helps to bridge the gap between psychopathological research and financial planning, and results from the KMBI can be used to guide a wide variety of professionals, including mental health providers and financial planners and advisors. The KMBI was developed using factor analysis, and subscales have now demonstrated strong internal consistency reliability after two separate

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studies. Recognizing that reliability is a necessary but insufficient requirement for validity (Elasy & Gaddy, 1998), the present study sought to further establish the technical adequacy of the KMBI through examining its convergence with similar measures.

Convergent validity results underscore the need for further alignment of definitions and terms when describing disordered financial behaviors. For example, the Financial Enabling and Financial Denial subscales of the KMBI demonstrated some alignment with the Enmeshment subscale of the CSRFFI. This indicates that both the KMBI and CSRFFI are able to detect the presence of disordered financial behaviors, but may be in disagreement over what to label the behaviors (e.g., enmeshment vs. enabling or denial). As research continues to examine disordered money behaviors, further empirical studies, including factor analysis, may lead to more standardized nomenclature to describe constellations of disordered money behaviors. Klontz et al. (2012) attempted to create such a nomenclature through their factor analysis of the KMBI, which isolated eight distinct money disorders. It should also be considered that the KMBI and the comparison measures used in this study were developed several decades apart, and that conceptions of disordered money behaviors have evolved over time, which could help explain some of the variability between measures.

While alignment between instruments is important, that subscales of the KMBI did not lend themselves to extremely high correlations with similar measures is partially encouraging. For example, the Compulsive Buying subscale demonstrates a very strong, while not overly high relation with the Diagnostic Screener for Compulsive Buying, indicating that the two measures share variance, but do not completely overlap one another. Extremely high correlations between measures may indicate redundancy of measures, and may indicate that assessments are not unique.

Limitations and Future Directions

The primary limitation of the present study is that validity demonstrated among a sample of college students may not generalize to the population at large. Internal consistency reliability from the present study largely align with reliability data from the Klontz et al. (2012) study, which employed a sample recruited through financial planners and coaches and mental health professionals, and future research should seek to determine whether validity data from the present study align with validity information from a sample not exclusively consisting of college students. A second limitation involves the Financial Denial subscale of the KMBI. Only two of three items from the Financial Denial subscale were used in the present study as the third item was unintentionally not included in administration of the assessment.

Another limitation of the study is that the sample is not representative of the population at large. Respondents were young, more likely to be female (79.7%), mostly Caucasian (74.5%), and consisted primarily of individuals who have never been married (80.8%). These demographics are not representative of the clients typically seen by financial planners. Also relating to sampling constraints, the Financial Enmeshment subscale of the KMBI was not included in analysis as items from the scale ask respondents

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about relationships with their children, and as the present study sampled from college students, this disordered money behavior could not be adequately examined in the current study. Future studies should explicitly examine technical adequacy of measures of financial enmeshment, especially considering that other measures of financial enmeshment, such as the CSRFFI, have demonstrated poor internal consistency.

Future studies may seek to examine whether the technical adequacy of the KMBI holds when broken down by certain demographic factors (e.g., age, socioeconomic status, marital status, and race/ethnicity). Especially important is that future studies use more representative samples that are heterogeneous in terms of race and socioeconomic status and include individuals who are married, have children, and are between the ages of 35- and 65 years, as these are the people who tend to seek out financial advisors. Future research may also seek to examine the sensitivity and specificity for each of the subscales of the KMBI and establish diagnostically accurate cut-scores and normative tables.

Conclusion

The KMBI demonstrates acceptable internal consistency for most of its subscales and converges to a limited extent with measures of similar constructs. Between KMBI subscales, there is a range of internal consistency values, as the Gambling Disorder and Hoarding Disorder subscales demonstrated excellent internal consistency, while the Financial Dependence and Financial Denial subscales only demonstrate acceptable internal consistency. Some subscales of the KMBI do not strongly converge with other measures of similar constructs, demonstrating a need for more standardized nomenclature in describing financially disordered behaviors, as well as further delineation between latent constructs that these assessments seek to measure. Results indicate that the KMBI has at least acceptable technical adequacy. Both mental health professionals and financial advisors may find the KMBI useful in assessment, in informing counseling, and in aiding in the development of financial/spending interventions. The KMBI can be found in the original Klontz, Britt, Archuleta, and Klontz (2012) study or by contacting Dr. Brad Klontz.

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ISSN: 1945-7774

Financial Enmeshment: Untangling the Web

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Children learn through observing and interacting with their parents. Much of what children learn about money comes from these observations and interactions. An area of concern in parent – child relationships is the impact of boundaries and roles. Parents whose boundaries with their children are rigid and inflexible do not prepare their children to effectively deal with stress in their lives. Similarly, parents whose boundaries are too flexible may impede their children's ability to develop appropriate coping skills. This is true of their development of personal finance, money, consumption, and debt coping skills. Financial enmeshment occurs when parents involve their children in adult financial matters before the children are cognitively and emotionally ready to cope with the information. Financial enmeshment may have a negative effect on the child's development. Financial enmeshment can be addressed through financial therapy. This paper explores the dynamic of financial enmeshment and discusses tools available to financial professionals to help identify the dynamic and structure interventions.

Keywords: enmeshment; financial enmeshment; family systems; family structure

INTRODUCTION

Financial enmeshment occurs when family financial structures become so intertwined that the traditional roles of parents and their children become blurred (Klontz, Britt, Archuleta, & Klontz, 2012). Family enmeshment creates stress, which results in negative consequences for the children (Minuchin, 1974). To date, there has been little scholarly attention given to exploring the financial enmeshment dynamic and its impact on family members. This paper explores financial enmeshment as well as its impact on

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families in order to help financial professionals identify, understand, and help clients untangle the web of financial enmeshment.

While financial enmeshment may occur in a multitude of social relationships, this paper is focused on financial enmeshment in the parent-child relationship. Family is one of the most important learning environments for children. Children learn a lot about the world by observing their parents' behaviors. Children learn by seeing what their parents do and model their behaviors to fit with parental expectations. When it comes to learning about money, children often learn from their parents' example (Klontz, 2011). It is important to recognize that there are healthy examples of parents sharing their financial situation with their children, such as elderly parents preparing for transitions. It is not the intent of this article to suggest a reduction in parent-child financial discussions; we believe these discussions should occur more often. Rather, emphasis is placed upon the importance of having appropriate financial conversations between parents and children.

A considerable amount of research has examined parents' impact on the development of children's attitudes about money, which has been termed financial socialization (Gudmunson & Danes, 2011). A direct relationship was found between parental financial socialization of their children and those children's financial attitudes and behavior (Jorgensen & Savla, 2010). Researchers identified the importance of early learning in the areas of consumption, spending, and saving (Allen & Oliva, 2001). Other researchers noted the importance of teaching children about finances in an age appropriate fashion (Danes & Dunrud, 1993). A positive association between parents arguing about money in front of their children and those children carrying higher levels of credit card debt as a college student was found (Hancock, Jorgensen, & Swanson, 2012).

The evidence of parental impact on their children's financial literacy may be best observed in the financial choices made by young adults. College students report they learned more about credit cards from their parents than from any other source, and the more a parent was involved with their child, the lower that child's credit card balance (Bao, Fern, & Sheng, 2007). Parental consumption habits and skills are also passed down to their children (Bao et al., 2007). Parents also can mitigate the impact of advertising and peer pressure on their children, as their children will first seek their parents' examples before relying on mass media and peers when making consumption decisions (Moschis, 1985). Parents also have an influence on their child's financial knowledge, self-efficacy, attitudes, and behaviors (Shim, Serido, Bosch, & Tang, 2013).

A parent's impact on the child's financial well-being is influenced by not only what is taught, but also by how it is taught. For example, parents with a nurturing style are more likely to create a home environment promoting a healthy, skeptical view of mass media advertising (Wisenblit, Priluck & Pirog, 2013). In contrast, parental styles that are more rigid or overly involved do not provide an environment of healthy childhood consumption development. A more open, communicative parental style promotes discussion about advertising and can play an important role in childhood consumption learning (Wisenblit et al., 2013). For example, college students who had fewer money conversations with their

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parents report owning more credit cards than college students who had more money conversations with their parents (Norvilitis, & MacLean, 2010).

Parents have a significant impact on the financial behaviors of their children. When families engage in more open and nurturing communication around money and model healthy boundaries within their relationships and around money, an environment for learning about appropriate financial behaviors can be created and healthy financial behaviors can be transferred from parents to children. However, when unhealthy boundaries are at play, whether they are too rigid or too flexible, financial enmeshment and other disordered money behaviors may occur.

The purpose of this paper is to explore the dynamics of financial enmeshment and its impact on financial health, and present tools available to financial planners, financial therapists, coaches, and mental health practitioners to help them identify the dynamic, understand it, and structure interventions.

FAMILY SYSTEMS AND STRUCTURE

In order to understand financial enmeshment, it is important to understand family structure and how family systems operate. Family systems theory suggests that individual behavior can be best understood in the context of the whole unit or system of interrelated family members (Turnbull & Turnbull, 1990). A family system is comprised of subsystems, such as the relationship between spouses, among siblings, and among parents and children.

A major assumption of family systems theory is that the "whole is greater than the sum of its parts" (Cox & Paley, 1997, p. 243). This means that to truly know an individual, one must understand his or her family system as well as the family subsystems and their interrelations. The functioning of individuals or subsystems cannot be fully explained without looking at the dynamics of all of the relationships within the system. Another assumption of family systems theory is that a change in one part of the system will impact change in another part of the system (Minuchin, 1974). Due to the interrelatedness of the subsystems involved, when a change or stress is introduced into the system, the whole system must adapt to these changes. As such, if a facilitator is able to influence the behaviors of one individual, he or she can have an impact on the entire family system.

Family structure is a concept introduced by Argentinian family therapist Salvador Minuchin (1974), to describe the rules that govern a set of relationships to understand the proximity of relationships within the family. Proximity is defined by roles and boundaries established with a family system. Set within this family systems context, family relationships can be too close or too distant. Enmeshed relationships are created when too much information is allowed into or out of that family system. Alternatively, family relationships can be distant or even emotionally cut-off where no information is shared outside of the sub-systems due to very rigid boundaries.

Other key concepts of family structure are hierarchy and alliances, or triangles (Minuchin, 1974). Hierarchy is the organizational leadership of a family. A parent-child

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relationship has a clear hierarchy. For example, parents are the "leaders" in a family as they are in charge of the children. Typically, conflict occurs between two people. However, conflict between two people can lead to what Minuchin refers to as triangles, wherein one of the people in the conflict relieves stress by involving a third party, and these two individuals form an alliance against the other (1974). While initially decreasing an individual's tension or stress, the formulation of triangles in family systems can have a negative effect on members of the system, particularly when children are being brought into the conflict.

Individual behavior is impacted by changes or stress in the overall family system. The more effective the overall system, the better it and the individuals participating in the system can deal with that stress or change (Turnbull & Turnbull, 1990). Effectiveness is considered to be the types of communication within the system. An effective family system is one that has enough communication to succeed, but with clear and appropriate boundaries between individuals and subsystems (Minuchin, 1974).

In order for the system to effectively produce the desired outcomes, the family members must operate efficiently and cooperatively (Minuchin, 1974). The desired outcomes for a family system may include happiness, individual health, growth and success, financial well-being, perpetuation of the system, and reduction of conflict. The efficiency of the family system is based on the subsystems willingness and ability to fulfill their responsibilities. This requires subsystems to communicate effectively, especially when the subsystem is faced with stress (Minuchin, 1974).

The interactions among these family subsystems are an "invisible web" of highly complex interactions (Minuchin, 1974, p. 54). These complex subsystems require coordinated effort to function well, especially when stress is introduced into the system (Minuchin, 1974). Within the system and subsystem, family members hold certain roles. The roles within a family are defined by expectations set by the person and by other family members. These are expectations or boundaries of how that subsystem member should and should not act.

ENMESHMENT

Within various family systems, there is a range of acceptable boundaries that are clear and support well-functioning families regardless of the family structure. When those boundaries are not clear and stress is introduced into the system, the functioning of the unit is negatively impacted. Boundary functioning can be seen as having two poles. At one pole, boundaries are disorganized and open with no concern for type and appropriateness of information shared (i.e., enmeshment). When family systems operate with so much fluidity that boundaries become so blurred that roles are not clear or appropriate, stress is induced and enmeshment occurs. As a result, families fail to communicate effectively or share information appropriately, hindering their ability to address the stress (Minuchin, 1974). For example, when a parent shares too much information with a child who has not yet built a context to understand the issue stress is added into the system. At the opposite pole, boundaries are rigid and closed—information is blocked and not shared. Systems that

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are overly rigid may be paralyzed from action due to its inflexibility. Roles will be unknown and unproven, resulting in critical roles possibly not being fulfilled and no action being taken. Having some flexibility, somewhere in between the two poles, is essential to navigate change otherwise the system and subsystems fail (Henry, 2006).

Minuchin (1974) suggested that child learning systems are impaired in the enmeshed family. The child learning systems are intended for the child to develop their own identity and their own role in the family subsystem. An enmeshed family precludes full independent, individual development because family members are overinvolved and over responsive (Minuchin, 1974). The result is boundaries being confused along with confusion in family roles. The children are not permitted the opportunity to fail or succeed on their own, depriving them of social and cognitive development experiences.

Research on enmeshment has been sparse and when conducted, different definitions of enmeshment have been used. Enmeshment has been described as a lack of appropriate boundaries with family members who are overly integrated into each other's lives (Waller, 2010). These traits have been identified in lower functioning mother and adolescent relationships, and are considered to be maladaptive and an impediment to normal child development of individuality and identity (Waller, 2010). Enmeshment involves extremely high levels of cohesion, or closeness, between family members (Olson, 2000). The enmeshed family can be both intrusive with coercion and possessive and disengaged in other ways (Green & Werner, 1996).

Enmeshment can involve a form of role reversal within the family. This is a situation where the child exhibits parental or spousal behavior toward the parent, when age appropriateness, cultural context and the child's contributions are taken into account (Jurkovic, 1997). This role reversal occurs when the child is expected to make age-inappropriate contributions to the family system, while the child's own development needs are not met. (Jurkovic, 1997). Role reversal may hinder the ability to develop autonomy.

Enmeshment has also been identified as a characteristic of overparenting, caricatured by the helicopter parent who corrupts the child's ability to develop his or her own identity. Enmeshment has been suggested to be motivated by parental narcissism, which is the compulsion to fulfill selfish motivations (Segrin, Woszidlo, Givertz, & Montgomery, 2013). This overparenting leads to negative child outcomes, like poor coping skills and increased anxiety and stress (Segrin et al., 2013).

Another term used to describe enmeshment is emotional incest (Love, 2011). This may be characterized by the child having feelings of parental invasion, being a confidant of one parent, responsibility for their parents happiness or lack thereof and feeling their own needs were neglected in favor of their parent's needs (Love, 2011). Children of divorced or separated parents may also feel they are the mediator or arbitrator of conflict between the parents.

Adultification and parentification have been identified as types of enmeshed parent-child dyads. Parentification occurs when the child is placed into the role of the parent by

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the parent while adultification occurs when the child becomes the parents' friend or confidant. (Garber, 2011). In one case the child is forced to become the decision maker, and in the other case, the child provides validation for the parent (Garber, 2011). In both cases the result may be alienation of the child from the parent.

FINANCIAL ENMESHMENT

Financial enmeshment occurs when children are expected to fulfill adult roles in financial situations, including carrying the financial stress of the family. Whether perceived as a stressor by parents sharing too much information or because children are in the process of learning about money from their parents, 65% of teenagers have identified financial concerns of their family as a significant source of stress (American Psychological Association, 2013). If a parent inappropriately shares this stress or burden with the child in order to relieve the parent's stress, then financial enmeshment has occurred. Based on a review of the literature and the clinical observations of the authors, examples of financial enmeshment may include parents:

- Having the child act as a mediator between estranged, separated, or divorced parents who are squabbling over alimony, child support payments, or other spending.
- Having the child run interference by answering phone calls from creditors.
- Using children as therapists, wherein the parent reduces his or her financial stress in an attempt to achieve emotional relief.
- Sharing too much financial information with children who are not developmentally ready, do not have appropriate coping skills, or have no power or ability to help with the financial situation (e.g., revealing the depth of parental distress and anxiety around bankruptcy, job loss, eviction, etc.).
- Using money to exert control over a child in inappropriate ways. This may take the form of monetary rewards for perceived good behavior or monetary punishments for undesired behavior, when these behaviors are not directly tied to work-for-pay scenarios. For example, when parents reward children financially for meeting the parents' emotional needs, such as when parents buy gifts for children who opt to spend time with that parent over others.
- Rewarding one or more children financially over the others for non-work related behaviors in homes with multiple children.
- Having children balance their parents' checkbook or pay their parents' bills in the context of a stressful financial environment.
- Borrowing money from children to pay for parents' financial responsibilities.

Financial enmeshment creates confusion for children as they have not yet developed the skills and experiences to understand their role, learning a damaging lesson for the future (Klontz, Kahler, & Klontz, 2008). This may lead the child to make unhealthy financial decisions as they mature. Financial enmeshment can result in children growing up feeling anxious and insecure around money. As such, financial enmeshment may create challenges for the financial professionals working with clients who have or are currently experiencing

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these types of relationships. For those who have experienced enmeshment in the past, reducing the anxiety as an adult can be difficult because the individual does not know how to manage with our anxiety. For those currently in enmeshed relationships, clear boundaries must be set and then maintained. This is easier said than done as the person who sets the boundaries will be asked verbally or non-verbally to change back to the way the family formerly operated when the boundary was not set. Subsystem members' demands to return to the previous state of functioning may come in the forms of yelling, silent treatment, or cutting-off the relationship to name a few.

Consequences of Financial Enmeshment on Children

Financial enmeshment may have significant consequences. Researchers have identified significant negative consequences for enmeshed families, and the same can result for financially enmeshed families. The highly enmeshed family has blurred boundaries and roles, which hinder a child's ability to develop his or her unique persona along with individual coping skills. Without these skills, children may internalize or externalize problems and concerns, leading to higher levels of depression, anxiety, or aggressiveness. The lack of coping skills can cause internalization, frustration and aggression (Barber & Buehler, 1996). This lack of individualization has been called identity foreclosure, which is defined as lacking the ability to build an individual identity and simply blindly following what their parents tell them (Perosa, Perosa, & Tam, 1996).

A lack of individual coping skills and internalization of stress has been associated with a number of psychological disorders. For example, enmeshment has been associated with Bipolar Disorder (Lawrence, Allen, & Chanen, 2011). Dominating, intrusive parenting has been associated with anorexia in their children (Johnson, Sansone, & Chewning, 1992). Children in enmeshed families have also been found to exhibit symptoms of failing to embrace the normal process of separation or "individuation" from the parent (Munich, 2009, p. 228). A child's perception of overprotectedness by parents has also been linked to symptoms of depression (Harris & Curtin, 2002).

An association between parent-child role reversal and general problems in functioning has also been observed, including symptoms of depression and anxiety (Jones & Wells, 1996). Without the enmeshed parent to lead them or to validate their choices, enmeshed children may become anxious and stressed. Spokas and Heimberg (2009) found a connection between overparenting and external locus of control, leading to social anxiety in children. Overparenting leads to the need for external validation in children; when the parent is not present, such as when the child leaves home for the first time, anxiety results from the lack of that external validation (Spokas & Heimberg, 2009). Love (2011) suggests that enmeshed children often experience the following psychological consequences: a) guilt, b) chronic low levels of anxiety, c) fluctuating self-esteem, d) fear of rejection, e) social isolation, f) inferiority complex, g) compulsive need to succeed, h) diffused sense of self, and i) inability to separate from parent. Kinnier, Brigman, and Noble (1990) found children of highly enmeshed families struggled with indecision, including difficulty making career decisions.

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Klontz and Britt's (2012) investigation of financial enmeshment revealed that males with higher income were more likely to possess these behaviors. They found financial enmeshment behaviors to be correlated with the money status script, wherein people see their net worth and self-worth as being intertwined. They also found that financial enmeshment was significantly correlated with a range of disordered money behaviors, including compulsive buying, gambling disorder, hoarding disorder, workaholism, financial dependence, and financial enabling.

FINANCIAL THERAPY FOR FINANCIAL ENMESHMENT

Traditional financial planning has focused on understanding client goals, developing a plan to attain those goals, and then implementing the plan. It has not focused on the reasons for those goals or any personal impediments to the action plan outside of financial resources. For this reason, the study of the relationship between personal finance and mental health has gained increased attention within the past decade. More mental health professionals are treating financial disorders and more financial planners are being equipped with psychological tools to help facilitate the financial planning process (Grable, McGill, & Britt, 2010). Much of this work is due to the realization that our views and actions toward money and personal finance are psychologically-based (Klontz et al., 2012). Often, financial planners, working with clients to change entrenched behaviors, require the planner to have effective skills in facilitating behavior change.

The goal of treating financial enmeshment in the context of a family system is the creation of emotional and psychological differentiation, also known as boundaries, between the parent and their child. The key is the establishment of healthy boundaries around money that have been missing in the relationship. Enmeshment intervention efforts are not intended to dissolve relationships, but rather to maintain the nurturing and supportive aspects of relationships while maintaining appropriate boundaries (Prior, 2011). For clients prone to financial enmeshment, this can be a challenging task. Often, these clients' inappropriate boundaries are a product of their own socialization. As such, inappropriate boundaries around money may have been modeled for them throughout their development. It can be difficult for them to distinguish between what financial information is appropriate or not to share, given a child's developmental age. In these circumstances, parents who are motivated to change their behaviors could benefit from an ongoing dialogue with a financial therapist to help them make this distinction. For example, in the case of a parental job loss or eviction from a home, it would be almost impossible to withhold the reality of this situation and its consequences from one's children.

The psychological residue of financial enmeshment will often manifest when the child begins making his or her own financial decisions. These symptoms may be poor consumption or debt choices, money avoidance, or financial anxiety. Often the recommendations from the financial professional address symptoms rather than causes. For example, typical financial advice entails save more or spend less. Without understanding the psychological motivations behind the individual's action or inactions, the recommendations to change may never be implemented. This is where financial therapy can help. It is important to discover the cause of the problem before a

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recommendation can be successful. This awareness has been a challenge for financial professionals who lack education and tools for facilitating change in clients who may be resistant to advice (Horwitz & Klontz, 2013; Klontz, Kahler, & Klontz, 2008). Financial therapists can assess money beliefs and disordered money behaviors, including financial enmeshment.

To assess financial enmeshment, a financial enmeshment subscale within the Klontz Money Behavior Inventory (KMBI) (Klontz, Britt, Mentzer, & Klontz, 2011; Klontz et al., 2012) was developed. The KMBI may assist financial professionals, mental health professionals and financial therapists identify more patterns of self-destructive financial behaviors such as financial enmeshment (Klontz et al., 2012). It includes the following items: (a) I feel better after I talk to my children (under 18) about my financial stress; (b) I talk to my children (under 18) about my financial stress; and (c) I ask my children (under 18) to pass on financial messages to other adults. In the cases where a disordered money behavior like financial enmeshment is identified, financial therapy may be needed to facilitate change. Ideally, financial enmeshment would be addressed on a systems level, where interventions can target the various family subsystem. At times, however, this might be difficult or impossible and interventions will need to target the parents in isolation, or the adult child in isolation, who experienced or is continuing to experience the dynamic of family financial enmeshment.

Working with the Financially Enmeshed Family System

The two most notable family therapy approaches to specifically treat dysfunctional boundaries within families are structural family and Bowen family therapies. These same therapeutic models can be applied to understanding and intervening with a family in which financial enmeshment is occurring. Overviews of these two therapies are described below.

Structural Family Therapy. Developed by Minuchin, the goal of structural family therapy is to shift the boundaries within a family so the family can solve its problems (Nichols & Schwarz, 2001). For parent-child relationships that are financially enmeshed, this means establishing a clear hierarchy where parents are clearly in charge of the children and to strengthen the boundaries around the parent subsystem, the child subsystem, and the parent-child relationship subsystem. Individuals are encouraged to differentiate themselves in order to create autonomy and independence.

In order to achieve these goals, structural therapy calls for seven steps: (a) joining and accommodating, (b) working with interaction, (c) diagnosing, (d) highlighting and modifying interactions, (e) boundary marking, (f) unbalancing, and (g) challenging unproductive assumptions (Nichols & Schwartz, 2001). Joining and accommodating refers to the financial therapist developing a trusting and respectful relationship and adapting to the family (Minuchin, 1974). Joining is the most important step in most any interpersonal relationship in the financial industry or the mental health fields. For structural family therapy, it is the key step. This relationship between financial therapist and client must be maintained over the course of treatment in order to challenge the system's functioning effectively.

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In the second step, patterns of family interactions are observed, including: (a) who talks to whom; (b) who does not talk; (c) when these interactions occur; (d) how they talk to each other; and (e) who is listening and who is not listening (Minuchin, 1974). Once the financial therapist sees what is happening within the family, not how the family describes it or how the professional imagines it (Nichols & Schwartz, 2001), then diagnosing can occur. Structural diagnosis does not refer to making a mental health diagnosis, such as depression or pathological gambling. Rather, it means the financial therapist expands the problem beyond an individual to the larger family system. Because problems are typically focused on one or two individuals that are "causing" the problem, structural diagnosing moves the focus from past interactions to enactments happening within the family in the present (Nichols & Schwartz, 2001).

After the dysfunctional interactions are observed, a financial therapist can increase the affective intensity of the enactments to highlight and modify the patterns. Nichols and Schwartz (2001) stated, "structural therapists achieve intensity by selective regulation of affect repetition, and duration" (p. 254). This means that tone and volume of voice, timing, and carefully selecting the therapist's message as well as extending the length of the interaction can help to increase the affective intensity. Structural therapists may seem forceful but are clear in the purpose of their message. To modify the interactions, competence is shaped by pointing out what family members are doing correctly.

Making boundaries is particularly important to the structural family therapy process as a way to protect the integrity of the whole system and the independence of its individual parts (Minuchin, 1974). For enmeshed families, this means that that family members learn to speak for themselves and interruptions are blocked to allow individuals to talk to each other. Structural family therapists typically work with the whole family at once. However, in highly enmeshed families, some individual or subsystem work may be recommended at this stage. Individual sessions focus on boundary making and encouraging members to express themselves. Another important intervention at this stage is to consider how one's own actions are either creating or maintaining problematic behaviors of others. Family members are asked to emphasize what other family members are doing well to help support each other in the change process.

One of the final stages of structural family therapy is unbalancing. Unbalancing may help to change the relationships between family members. This intervention is difficult to describe as a therapist is encouraged to take sides to create balance and fairness. Unbalancing may seem counterintuitive for a helper; however, it can create intense pressure for subsystems to change their interactions (Nichols & Schwartz, 2001). The final step is challenging unproductive assumptions. This involves changing the ways family members view reality and relate to each other. This may be done by providing education about family structure or create paradoxes that force family members to search for alternate realities.

Bowen Family Systems Therapy. Another theoretically informed modality that can be effective in working with financial enmeshment is Bowen Family Systems Therapy (Canale, Archuleta, & Klontz, 2015). In Bowen Family Systems Therapy, the family

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emotional processes are seen as multigenerational, wherein patterns of behaviors are passed from generation to generation. The goal of Bowen Family Systems Therapy is to "decrease anxiety and increase differentiation of self" (Nichols & Schwartz, 2001, p. 152). Differentiation of self is the ability to distinguish between one's thoughts and feelings. For example, when clients consistently make emotional decisions, but don't recognize that they have not cognitively thought about the decision, lack of differentiation of self may be at play Bowen theory proposes that people's inner emotions regulate how people relate to each other and anxiety creates emotional reactivity (Nichols & Schwartz, 2001). When people are emotionally reactive, they become defensive rather than trying to understand one another. Those who are undifferentiated have difficulty thinking independently and/or lack autonomy. Essentially, individuals who are undifferentiated may be engaged in an enmeshed relationship.

An important concept to Bowen Family Systems Therapy is triangles. When a conflict between two parties exists and one of those parties complains to a third party about the person with whom they are in conflict as an effort to relieve emotional stress, a triangle is formed. This new alliance may seem helpful since the person is able to share their emotional distress with a third person. It may make the person feel temporarily better, but the conflict between the two parties is left unresolved.

One of the quintessential techniques used in Bowen Family Systems Therapy is the genogram (Nichols & Schwartz, 2001). The genogram is like a multi-generational family tree that is used to collect information about relational patterns and behaviors and identify triangles. Genograms can be powerful tools to assess and evaluate over the course of therapy the relational processes. It can also serve as an intervention to help clients de-triangle and improve differentiation of self. One task of creating a genogram is for clients to build relationships with as many people in the family as possible in order to gain information that helps explain the family's relational patterns. Information collected for a genogram may include ages of family members; important dates such as weddings, divorces, and deaths; types of relationships (e.g., enmeshed, distant, conflictual), education attainment; employment; socioeconomic status; and ethnicity to name a few. To observe financial patters, one can denote money attitudes and behaviors to describe members of the family. Questions about how money was handled in the family can be asked to help elicit more information (Mumford & Weeks, 2003). When clients can visually see the family dynamics, they can process emotional information at cognitive level. The insight gained from recognizing family patterns helps family members to engage in interventions that can increase differentiation and disengage from harmful triangles.

One such intervention to help de-triangle is to have the family members try new or different behaviors or to experiment with their relationships (Nichols & Schwartz, 2001). For example, a parent with a financially enmeshed relationship with a child may be asked to seek out an emotional support network of trusted friends or an organized support group with whom to share financial burdens so the stress is not shared with the child. A child in such a relationship may ask the parent to stop sharing such information because it makes them uncomfortable. One way to approach this request is through the use of I-Positions that are a popular technique used in this modality (Nichols & Schwartz, 2001). I-Positions

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are considered to be an effective form of communication as a way to clearly communicate ones thoughts and feelings and to reduce emotional reactivity. Using an "I statement" means that a person identifies what they are feeling about a situation rather than using "you statements" to blame or put down the other person for what they are doing. For example, a couple in conflict around money will likely further inflame the dispute when using statements such as "you never talk to me," or "you don't spend money wisely." In contrast, "I statements," such as "I am concerned about our spending," are much less likely to trigger a negative response and are more likely to support the couple's movement toward problem resolution. An important assumption about Bowen Family Systems Therapy is that conflict increases anxiety in the system and reduces a person's ability to process at a cognitive level (Nichols & Schwartz, 2001). I statements help reduce anxiety in the system in order for the family to think clearly.

Much of Bowen Family Systems Therapy revolves around the use of process questions (Nichols & Schwartz, 2001). Process questions focus on the underlying dynamics of what is being talked about. How people within the system relate to each other is at the heart of process-oriented questions. For example, a mother has shared with her 10 year-old daughter that her father is not paying the child support. A financial therapist, using process questions, may ask the mom to tell about her thoughts of how she is affecting her daughter when she invites her to participate in an inappropriate triangle. The mother may acknowledge that her remarks to her daughter create tension between the daughter and the father or that her daughter feels she is to blame for dad's actions. Although these are not the intentions of the mother, process oriented questions help the mom recognize her role in the enmeshed relationship and invites the financial therapist to explore the mom's responsibility in the situation.

Working with the Financially Enmeshed Parent

It is critical for financially stressed parents to take care of themselves, find appropriate outlets to discuss their financial stress, and develop a plan to tackle their financial concerns. This could involve securing the help of a financial planner, a financial therapist, a marriage and family therapist, a debt counselor, attending a support group (e.g. Debtors Anonymous), or engaging other professional and social supports. Taking steps to manage one's own financial stress in appropriate ways is an essential component of stopping the pattern of financial enmeshment.

It can also be important for parents to let their children know they have inappropriately involved them in adult financial matters in the past, and are committed to avoiding doing so in the future. This could involve saying something like: "I have told you too much in the past about your father and I's financial disagreements. I should not have done that to you and I am not going to do it anymore." Chances are, sharing too much financial information in the past didn't sit quite right for the child. As such, an amends serves the purpose of acknowledging the difficulty of that experience for the child with the added benefit of modeling the appropriateness of apologizing when one makes a mistake.

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For financially enmeshed parents, there can be a steep learning curve around what financial information is developmentally acceptable to share and what is not. This can be a challenge, as often the financially enmeshed parent did not have healthy boundaries taught to them when they were children. Financial information is not all or nothing, and the answer to financial enmeshment is not trying to avoid the topic of money altogether, which can cause its own set of problems. For example, in the midst of a parental job loss, saying to a child "I don't know how we're going to pay the bills this month" is inappropriate and will cause a child to be anxious (Butler, 2010). A better approach is to acknowledge the financial reality with confidence and involve the child in the solution: "Times are tight right now. Dad lost his job and is looking for a new one, but don't worry about it because we have it handled. This is what we are going to do. We are going to eat out less. Do you have any ideas on stuff we can cook at home?" Children look to their parents to determine how they should respond to stimuli. When information is presented in a matter-of-fact tone, with parents assuring children that they are on top of things, children have little reason to carry anxiety.

With commitment, adequate support, and skill building, parents who are aware that they have made this mistake in the past can change their behaviors. It can be challenging for the financial enmeshed parent to determine the appropriate levels of disclosure, conversations, topics, and financial information to share with children. For this reason, ongoing consultation with a financial therapist can be very helpful.

Working with the Financially Enmeshed Child

Children are quite adaptable and resilient. When parents shift their behaviors, children are likely to adapt. However, when parental behavior patterns do not shift, children can grow-up with a distorted belief system around money, resulting in self-limiting or self-destructive adult financial behaviors. For adults who grew-up in an environment of financial enmeshment, money can be seen as a dangerous topic to be avoided at all costs and is connected to poorer financial choices by the child later in life (Hancock, Jorgensen, & Swanson, 2012). Some support exists for changes in financial attitudes after participating in financial therapy (Klontz, Bivens, Klontz, Wada, & Kahler, 2008). As mentioned above, the goal of therapy for the child is to create separation from the parent, while protecting the child (Canale et al., 2015). The child can be taught to recognize triangulation and can be encouraged to stop the triangulation by setting boundaries themselves or cuing a parent who is committed to stopping the dynamic. Financial therapies in addition to the ones described here, such as cognitive behavioral financial therapy, can offer useful strategies for address distorted money beliefs to change financial behaviors (Nabeshima & Klontz, 2015).

CONCLUSION

Families are complex systems that have a major impact on the children who are part of that family. The impact of nurturing, supportive parents who demonstrate boundaries with their children can be very positive. However, the impact of parents whose boundaries are overly porous can be very negative.

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Personal finance and money often create stress in family systems. This stress is accelerated when that system is not functioning well. When parents enmesh their children in the family's finances, by blurring the boundaries between parent and child, they may be setting the child up for long-term negative consequences in the child's own relationship with money. With the growth in the financial therapy field, a corresponding growth in the identification and treatment of disordered money behaviors would be expected, including problematic parent-child financial-relational patterns, such as financial enmeshment (Klontz et al., 2012).

Financial enmeshment has been identified as an area of concern for financial planners and financial therapists (Klontz, Kahler, & Klontz, 2008; Klontz & Klontz, 2009). Researchers have found evidence of the existence of the condition and its correlation with other disordered money disorders (Canale et al., 2015; Klontz & Britt, 2012; Klontz et al., 2012). However, more research is needed to identify financial enmeshment behaviors and the financial, emotional, developmental, and relational consequences of financial enmeshment. While financial enmeshment is a relatively new concept in the field of financial planning and financial therapy, enmeshment has been identified and studied quite extensively in the field of family therapy.

As discussed above, family systems interventions may be helpful in interrupting the pattern of financial enmeshment in families. Family system interventions should not be implemented without extensive training in family therapy. However, family systems theory provides a useful framework by which financial therapists, mental health providers, and financial planners can understand and work with financially enmeshed family systems.

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ISSN: 1945-7774

Pedagogical Experience of Teaching Financial Coaching

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This study reports on the pedagogical experience of teaching a financial coaching course to personal and family finance undergraduate students at Utah State University. The paper describes the conceptualization of the class, including theoretical frameworks, ethical considerations, practitioners' models, learning objectives, and competencies. The assessment of the course provided data used by the instructor to refine and adjust future course content and assignments. Quantitative data were collected in pre-and post-tests assessments. The quantitative assessment shows statistically significant gains in specific coaching skills and competencies. The qualitative assessment indicated that, at the end of the course, students had better understanding of the coaching code of ethics and better communication and listening skills. The peer-to-peer coaching exercise was valuable for the students. Challenges for teaching financial coaching are discussed.

Keywords: coaching; teaching; counseling; finances; financial coaching

INTRODUCTION

One emerging approach that supports clients as they work towards their self-defined financial goals and the building of their assets is financial coaching (Collins, Olive, & O'Rourke, 2013; NTI, 2013). Financial coaching, unlike financial education, goes beyond simply teaching financial knowledge and skills. Financial coaching drives at changing financial behaviors over time by (a) developing a working alliance between the coach and the coachee (Kokotovic & Tracey, 1990), and (b) by providing an opportunity to engage in self-reflection and insight about one's own financial issues. Coaching is "partnering with clients in a thought-provoking and creative process that inspires them to maximize their personal potential" (International Coach Federation, n.d.). Financial coaching is a "distinct approach to building personal financial capability" (Collins & O'Rourke, 2012, p. 39). The variety of approaches used in coaching are useful for practitioners in family and consumer sciences, as well as financial planning, financial therapy, social work, and mental health

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services. The primary purpose of this paper is to propose a pedagogy for teaching a financial coaching course that is rooted in coaching theory. In addition, this paper presents evaluation data from the first offering of a financial coaching course.

Coaching psychology literature provided the foundational knowledge for the financial coaching class. However, if coaching psychology is still a relatively new area of applied psychology (Grant & Stober, 2006), financial coaching is in its embryo stage. Inclusion of coaching skills in service professions will provide new marketable skills. These new desirable skills were recently legitimized, encouraged, and justified by the Coaching Initiative launched by the Consumer Financial Protection Bureau (CFBP) in May 2015 (Consumer Financial Protection Bureau, 2015). The CFPB is the nation's first federal agency whose sole focus is protecting consumers in the financial marketplace.

There are many proprietary and commercial financial coaching training programs available nationwide. Some training opportunities are offered by professional organizations (e.g., the Association for Financial Counseling and Planning Education, in partnership with Sage Financial [AFCPE], 2014); by private and government partnerships (e.g., Neighbor Work Training Institute [NTI], n.d.); by extension professionals (e.g., University of Wisconsin-Madison Center for Financial Security [CFS], n.d. and Central New Mexico Community College). What remains are several in-house training programs offered by non-profit organizations (e.g., EARN group in San Francisco, Local Initiative Support Corporation in Chicago, & Co-opportunity Coaching Program in Hartford, CT) and some proprietary commercial financial coaching programs that offer online training (e.g., Money Coaching Institute). However, as of Fall 2014, there was not a single financial coaching class offered on a university campus as part of a financial program.

This article reports the pedagogical experience of developing, teaching, and assessing a financial coaching class at Utah State University. The paper describes the conceptualization of the course, course objectives, and course competencies, which were part of an undergraduate family and personal finance program curriculum. In addition, the paper also explores and documents the perceived coaching skills and competencies gained during the class for two important audiences. First and foremost, the article speaks to academics, scholars, trainers, and practitioners in financial education, financial counseling, financial coaching, financial planning, financial therapy, and related fields, including the mental health field (Delgadillo & Britt, 2015; Klontz, Kahler, & Klontz, 2008). Second, it speaks to those practitioners or students who are new financial coaches, those on a development track to refine their capabilities and ideas about financial coaching, and those who have been introduced to financial coaching through any kind of training.

COURSE CONCEPTUALIZATION

The course was conceptualized on three kinds of knowledge: foundational knowledge, professional knowledge, and self-knowledge. Foundational knowledge encompasses theories and approaches. Professional knowledge includes ethical principles and practitioners' models. Self-knowledge refers to the ability to be a conciencious and self-reflexive practitioner (Dexter, Dexter, & Irving, 2011).

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Foundational Knowledge

As part of the foundational knowledge, one goal of this class was to anchor coaching practices in theory by using coaching psychology frameworks and evidence-based approaches used in the mental health field. The theories and approaches discussed include: (a) the Humanistic Approach, (b) Cognitive Behavioral Approach, (c) Goal Setting Theory, (d) the Transtheoretical Model of Behavior Change, and (e) Adult Learning theories. Informed by these theories, students learned how to facilitate motivation, overcome cognitive setbacks, challenge faulty financial thinking, align clients' life goals and financial goals, and change and maintain healthy financial behaviors (Goleman, 2006; Moore, Highstein, Tschannen-Moran, & Silverio, 2010; Neenan, 2010; Stober, 2006). The course involved principles of adult learning and communication skills, including: (a) active listening, (b) powerful questioning, and (c) motivational interviewing (Cox, 2006; Jinks & Dexter, 2012; Knowles, 1980; Kolb, 1984; Prochaska, 1999). Students also learned how coaching both differs from and complements financial education, financial counseling, financial planning, and financial therapy (for a better understanding of these concepts see Delgadillo, 2014). For a discussion on the difference between financial coaching and financial therapy, see Delgadillo & Britt, 2015.

Humanistic approach (HA). The growth-oriented view of the person, the coach-client relationship, known also as the working alliance and empathy, are concepts borrowed from the humanistic perspective that are applied in coaching. This approach was included because it is of significant utility in coaching. Coaches are there to enhance the "client's own natural potential for growth" (Stober, 2006, p. 20). Growth could range from achieving self-actualization to implementing small positive changes in one's life (Stober, 2006). Humanistic theorists see the coach-client relationship as a required aspect of change. When a financial professional approaches a client with the belief that the client is capable of positive growth, they work *with* the client rather than *on* the client. The result of this engagement is a working alliance. Empathy provides the optimal environment for the client to value a full range of human experiences (i.e., physical, affective, or emotional realities) in a judgment-free environment (Goleman, 2006). Empathy is the respectful understanding of another person's experience, including his or her feelings, needs, and desires (Moore, Highstein, Tschannen-Moran, & Silverio, 2010).

Cognitive behavioral approach. A Cognitive Behavioral (CB) approach to coaching encompasses a broad variety of intervention techniques that examine the relationship between thoughts, feelings, and behaviors. This framework was included because CB is an effective approach used to overcome cognitive distortions (Neenan, 2010). Examples of cognitive distortions in financial coaching include: "I can't save. I do not have enough money" (all or nothing mentality); "what if I cannot pay my mortgage" (catastrophizing); "I always mess up my budget" (overgeneralizing); and "I am a financial loser" (labeling). By using the CB approach to coaching, many of the core barriers to successful behavior, such as limiting cognitions and deterring thoughts, can be circumvented.

Goal setting theory. Goal setting is an important component of motivation, self-regulation, and achievement. Goal-setting theory was developed by Locke and Latham

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(1990). Goal setting theory states that not all goals are created equal and that there are different types of goals (e.g., learning goals, performance goals) and goal hierarchies.

In the personal and financial field, there has been a tendency to overemphasize the use of S.M.A.R.T goals. A S.M.A.R.T goal is defined as one that is specific, measurable, achievable, results-focused, and time-bound. S.M.A.R.T goals are important, but they need to be in alignment with ultimate goals (Jinks & Dexter, 2012). Simply, S.M.A.R.T goals do not exist in isolation, but within a context. Jinks and Dexter proposed that it is important to create a road map that ties ultimate goals to behavioral goals.

Transtheoretical model of behavior change. The Transtheoretical Model of Behavior Change (TTM) assesses an individual's readiness to act on a new, healthier behavior and provides strategies and processes to guide the individual through the stages of change (Prochaska, 1999). The key insight of this model is that it introduces different stages of change. These stages are: (a) pre-contemplation, (b) contemplation, (c) preparation, (d) action, and (e) maintenance.

This theoretical approach was presented because financial coaches may be able to help clients in every stage of the change process. For example, at pre-contemplation, simply increasing awareness of the financial issue(s) may be the primary goal. At contemplation, most of the work will be done to examine the current behavior pattern and the costs and benefits of change. At preparation, a financial coach can help a client increase commitment so that the client can develop his or her own financial plan. At the action stage, the coach may be able to help create self-accountability for successful achievement of the financial plan. Finally, at the maintenance stage, support can be provided to integrate and sustain the behavior over an extended period of time.

Adult learning theories applied to coaching. There are several adult learning theories that have critical relevance and application to coaching. Knowles (1980) proposes a paradigm for teaching adults (andragogy) that contrasts with the traditional paradigm for teaching children (pedagogy). Andragogy builds on the theory of constructivism which suggests that learning is an active process. Learners use previous experiences to construct new knowledge and skills. Knowles emphasizes that adults are self-directed learners and are expected to take responsibility for their decisions. The translation of andragogy principles to coaching allows the construction of new meanings and learning based on previous life experiences.

Similarly to andragogy, experiential learning theories can be summarized as learning by doing (Kolb, 1984). The experiential learning model is an inductive process comprising four stages: concrete experience, reflective observation, abstract conceptualization, and active experimentation (Cox, 2006). Coaches should build the client's confidence in his/her ability to change, while using realistic goal-setting strategies to protect the client's belief in himself/herself.

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Professional Knowledge

The second component in the conceptualization of the class is professional knowledge, which was informed by the code of ethics used by the International Coach Federation, and a discussion of four practitioners' approaches commonly used in coaching practices. Currently, coaching is an unregulated industry. Therefore, a professional code of conduct becomes critical in providing basic quality control to financial coaching practices. To fulfill this requirement, the International Coach Federation code of ethics offers a 'self-regulatory' framework that will prevent coaches from engaging in dangerous practices and from harming clients or the public in general. Ethical frameworks act as scaffolding by providing practical guidelines in resolving everyday ethical dilemmas (Duffy & Passmore, 2010). The ethical decision-making process is a complex matter. Within the context of coaching psychology, Duffy and Passmore (2010) posit that few coaching practitioners reflect on the ethical code and how these fit in their own view of the world. Given that ethics codes do not always offer the easy answers, it is essential for novice coaches to consider different ways of resolving future ethical dilemmas.

Practitioners' approaches and techniques. Although there are many approaches, the four practitioners' approaches/techniques discussed in the class include: (a) the GROW approach, (b) the COACH technique, (c) the Solution Focused Approach, and (d) Appreciative Inquiry (AI). The GROW approach is a simple method for goal-setting and problem-solving. It was developed in the United Kingdom, and it was mostly used in executive coaching (Alexander, 2010). The GROW approach is described linearly in this paper, but, in fact, its application to coaching sessions is cyclical. The acronym GROW represents the different stages in the process. "G" is the goal, or end point where the client wants to be when the goal is achieved. "R" is the current reality, or where the client is right now. "O" has two meanings: (a) identifying obstacles and (b) developing options for dealing with those obstacles. Finally, "W" represents the options converted in action steps to make the way forward (Alexander, 2010).

The COACH technique was first introduced by NeighborWorks Training Institute (NTI) and by Central New Mexico Community College. In this acronym, *C* stands for client-driven goal setting; *O* is for on-going assessment of the current situation; *A* is action planning; and *CH* stands for checking or accountability (NTI, 2013). Accountability is the most valuable component because it puts the compliance effort back on the client, not on the coach. As a technique that exists within the Financial Capability model, the main assumption of COACH is that it assumes people should have both the ability to act (i.e., knowledge, skills, confidence, and motivation) and the opportunity to act through access to financial services that are affordable, attractive, easy to use, secure, and reliable (Sherraden, 2010).

In Solution Focused (SF) coaching, the coach helps the coachee find solutions to their problem through change talk. The focus is less on trying to understand the problem or problem analysis and more on finding a solution. SF coaching is an action-oriented process in which the coach expects the client to actively work toward change. The coach places greater attention on the future actions of the client and less stress on past actions. In SF, the

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coach uses self-directed learning to help the client recognize, uncover, and use their own resources in as short as four sessions (Grant, 2010).

SF coaching uses varying techniques to assist clients in change, including setting SMART goals, complimenting, scaling, and the miracle question (Grant, 2010). Complementing the client on what they are already doing encourages them to move toward change. Scaling is a technique used to help a client assess progress towards goals by asking on a scale of one to ten, where are you? and "what do you need to do to move to the next increment on that scale?" Finally, the miracle question asks the client, "if a miracle was to happen and you awoke the next morning to find that your problems had been solved - what would that look like?" (Grant, 2010, p. 104). This is another tool to facilitate change.

Appreciative Inquiry (AI) is a positive, focused approach that examines "what is going well?" and "what is working?" in order to change a behavior. AI facilitates generative inquiry, which is an approach that uses clients' resources, values, and abilities to move them from problems to a creative generation of solutions (Clancy & Binkert, 2010). It is a dialogue that facilitates the creation of new [financial] meanings, and alignment of [financial] goals to life goals. The AI model proposes five stages of development, known as the 5D cycle: Define, Discovery, Dream, Design, and Destiny.

Self-Knowledge

The last element is self-knowledge, which is an instrumental learning tool to encourage self-reflection and self-discovery. Students wrote weekly self-reflection papers to evoke self-knowledge. Students were also encouraged to conceptualize their own model of practice informed by technical eclecticism, self-reflection, and insights. Furthermore, students were encouraged to have their own coaching journal. This practice nurtured an opportunity for self-reflection on current and future potential ethical dilemmas.

COURSE ASSESSMENT

Due to the class being delivered in a university setting, it was very important for the instructor of record to quantify students' gains in skills and knowledge on 12 specific coaching skills/competencies. A summary of the course objectives and competencies is presented in Table 1. For this purpose, the instructor collected data using pre- and post-evaluations, using quantitative and qualitative assessment methods for future improvement and refinement of the course. Furthermore, the instructor was interested in exploring and documenting the students' perceived gains in skills and competencies during the class. Students who completed the pre- and post-evaluation were entered into a raffle to receive two free coaching sessions conducted by the instructor, equivalent to a $240 value. The Institutional Review Board (IRB) for the protection of human participants at Utah State University approved this research study.

Seven students registered for the elective Financial Coaching Class at Utah State University in Fall 2014. Five of the students were undergraduates, majoring in family finance, one student was an undergraduate business major, and one was a marriage and

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family therapy graduate student. The methods and results of students' assessments are presented in the following section.

Quantitative Assessment

The quantitative assessment responded to the following question: Is there a (statistically) significant difference between the pre-test and the post-test scores reported by students with respect to the coaching skills and competencies? The proposed null hypotheses were that there were no differences in the median scores between pre-test and post-test for each of the twelve competencies.

A pre-test evaluated the existing prior knowledge of the subjects on twelve different coaching-related skills and competencies. The pre-test was administered the first day of class. A post-test was given at the end of the course to measure knowledge gains as a result of the course experience. The students filled out the pre-test and post-test anonymously and voluntarily. They used a code instead of their real name. A Wilcoxon test was the adequate method of statistical analysis because the design involved a small non-parametric sample size (Field, 2005). The significance confidence level was set at α= .01.

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Table 1

Learning Objectives and Coaching Competencies Addressed in this Course

Learning Objective	Learning fundamental theories, principles, and generalizations.
Learning Outcomes	Students will differentiate among financial capability, financial literacy, financial education, financial counseling, financial planning, financial coaching, and financial therapy practices. Informed by theory, students will demonstrate how coaching-ready individuals can get motivated, overcome setbacks in financial goals and change and maintain healthy financial behaviors. Informed by theory, students will have a working knowledge of different skills and tools, and models used in financial coaching, and demonstrate how processes work in a coaching relationship.
Learning Objective	Developing specific skills and competencies.
Learning Outcomes	1. Students will demonstrate skills and process useful in creating, developing, maintaining, and concluding coaching relationship. 2. Students will include and identify ethical issues and boundaries of the profession in their practices. 3. Students will learn how to integrate financial coaching techniques to financial issues.
Core coaching competencies addressed in this course	
1. Understanding what financial coaching is. 2. Meeting ethical guidelines and professional standards—Understanding of coaching ethics and standards and ability to apply them appropriately in all coaching situations. 3. Developing a coaching agreement. 4. Establishing trust and intimacy with client. 5. Coaching presence, including financial mindfulness. 6. Active listening—Ability to focus completely on what the client is saying and is not saying, to understand the meaning of what is said in the context of the client's desires, and to support client self-expression. 7. Powerful questioning—Ability to ask questions that reveal the information needed for maximum benefit to the coaching relationship and the client. 8. Creating awareness. 9. Direct communication. 10. Designing actions. 11. Planning and goal setting—Ability to develop and maintain an effective coaching plan with the client. 12. Managing progress and accountability—Ability to hold the attention on what is important for the client and to leave the responsibility to the client to take action.	

Qualitative Assessment

To further explore students' perceptions of the course, qualitative methods were used to assess three research questions.

1. What insights did the student gain from reviewing the International Coaching Federation's (ICF) code of ethics?

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2. What were the students' perceptions of their peer-to-peer coaching exercise?
3. What were the students' perceived benefits of taking the financial coaching class?

Based on Creswell (2003), four types of data collection are common in qualitative research, including observation, interviews, documents, and audiovisual materials. In this study, the primary units of analysis were documents (e.g., mid-term papers and final reports) used to respond to the above questions.

One of the requirements for the course was for students to complete ten one-page, single-spaced reflective papers on various topics discussed in class. They were due at the end of each learning module. In addition, students had one mid-term exam, one mid-term philosophy of coaching paper, and one final report of their peer-to-peer coaching sessions. Because these course requirements produced a massive amount of data, qualitative analyses were reduced to the examination of three specific documents: (a) a reflective paper related to the code of ethics, (b) the final report on their peer-to-peer coaching session, and (c) the overall assessment of the benefits of taking a financial coaching class. In each of the three aforementioned assignments, students were asked to address the above research questions.

Each of the seven reflective papers on the code of ethics, the seven reports on the peer-to-peer coaching sessions, and the seven responses on the overall benefit of taking the course were read to identify themes. Notes and codes were written in the margins of each paper for subsequent use. Next, general coding of the data began through labeling of sections by themes. As an additional step of ensuring reliability, the papers were also read by a research assistant for purposes of comparing consistency and logicality of themes. No major or persistent inconsistencies were found between the author and the research assistant; therefore, the primary researcher summarized the data alone.

RESULTS

Quantitative Analysis

The instructor of record desired quantitative data beyond the student evaluation collected by the university administrators at the end of the course. For this purpose, a pre-test and a post-test were designed for the course to address if there was a statistically significant difference between the pre-test and the post-test scores reported by students with respect to the coaching skills and competencies. Given the small and non-parametric sample size, a Wilcoxon test was run to respond to the research question. The output of the Wilcoxon test showed that the post-test scores were statistically higher than pre-test scores at a *p-value* of 0.05, based on the Z statistic (Table 2). In this case, the conditions for the subjects were knowledge before taking the course and knowledge at its conclusion. The null hypotheses that there were no differences in the median scores between pre-test and post-tests for each of the 12 competencies were rejected.

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Table 2

Wilcoxon Rank Test for Coaching Skills and Competencies

	Median	S.D Median	Mean Pre/post	Range	Z
1. I know what financial coaching is	-4.29	-2.40	3.4/7.7	2.0-8.0	0.16*
2. I am familiar with the code of ethics of the ICF	-5.29	-2.37	2.0/7.2	1.0-8.0	0.18*
3. I know the differences between financial education and financial coaching	-3.71	-2.37	3.8/7.5	1.0-8.0	018*
4. I know the differences between financial counseling and financial coaching	-4.57	-2.38	3.0/7.5	2.0-8.0	.017*
5. I know the differences between financial planning and financial coaching	-4.00	-2.39	3.7/7.7	2.0-8.0	.017*
6. I understand my coaching philosophy and the use of coaching principles and skills for interacting with clients	-5.43	-2.39	1.5/7.0	1.0-8.0	.017*
7. I understand the role of a financial coach in helping clients set goals and develop steps to achieve financial goals	-4.28	-2.37	3.2/7.5	1.0-8.0	.018*
8. I know how to engage in a coaching relationship	-5.7	-2.40	1.8/7.5	1.0-8.0	.016*
9. I know how to close a coaching relationship	-4.43	-2.37	1.5/6.0	1.0-8.0	.018*
10. I know at least one financial coaching model	-6.43	-2.46	1.1/7.5	1.0-8.0	.014*
11. I know how to do assessments on a client in a coaching relationship	-5.14	-2.37	1.3/6.4	1.0-8.0	.018*
12. I know how to incorporate elements of coaching in other financial practices	-6.28	-2.40	1.1/7.4	1.0-8.0	.016*

Note: Significance level at 0.01

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Qualitative Analysis

The reflective paper on ethical principles, a final report on peer-to-peer coaching, and a paper on the insights and benefits of taking a financial coaching class were the three assignments used as the unit of analyses for this study. Due to the small sample size and the manageability of the data, no computer software was used for analyzing the documents. The exemplar quotes provide supporting evidence to respond to the questions of interest.

The first qualitative question asked, what insights did the student gain from reviewing the International Coaching Federation (ICF) code of ethics? Since there is still a great deal of uncertainty in the financial coaching field about what code of ethics to follow, students appreciated being exposed to the International Coach Federation (ICF) Code of Ethics. It provided them with an ethical awareness that increased their capacity to make ethical decisions and judgment calls before, during, and after a coaching session. In addition to the IFC code of ethics, students discussed different ethical dilemma scenarios in class. Students also signed an affidavit stating that they were familiar with the code, understood it, and were willing to abide by this code in any financial coaching practice in which they engaged.

The students gained different insights from studying the ICF code of ethics. The primary themes identified here were issues of boundaries, alignments of their own personal code of ethics with the ICF Code, and the value of practicing ethical dilemmas. Example quotes are as follows:

Boundaries. *"A financial coach needs to understand [their] professional boundaries to avoid working with clients with more challenging needs than the coach is trained to manage (for example, recognizing when a client will benefit more by working with a financial counselor or a mental health professional than with a financial coach)."*

Alignment to personal values. *"I found that in the ICF code some common themes that align with my personal code of ethics, such as truth, confidentially, avoiding harm, pursuit of justice, respecting the life and experience of others, and fiduciary duty to my clients (placing the interests or needs of clients first)."*

Ethical dilemmas. *"It is important to practice ethical dilemma scenarios in advance, so when faced with one dilemma there has been enough time for a self-reflection process instead of trying to provide an answer on the spot."*

"I learned that it is impossible to understand a dilemma without all the contextual factors. The financial coaching dilemma will necessitate a different resolution depending upon the context."

The second qualitative question asked, what were the students' perceptions of the peer-to-peer coaching exercise? In this assessment, all students concurred that the culminating peer-to-peer coaching exercise was a frightening, but valuable, hands-on experience. This hands-on learning exercise yielded a chance to assess their own ability to

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apply their knowledge in a real coaching setting. This assignment consisted of two coaching sessions with a peer-coachee. Students coached and were coached two times. Students needed to provide their coachee with a coaching contract. In addition to the instructor of record, one peer observer evaluated their coaching practice. Students also needed to fill out their own evaluation. The instructor of record provided feedback after each coaching session, but this feedback is not part of data collection for the qualitative analysis. One student stated:

> *"This was a wonderful (and frightening) experience for me. I have career ambitions to become a financial coach/advisor, and I loved every second of this class. Having the opportunity to BE a coach myself was wonderful training for a future career!"*

Another student said:

> *"This was a great experience. I learned so much, especially through these few coaching sessions. For me, practice is the best teacher. The preparation, the nervousness, and figuring out for myself that I can do it were all essential parts of the learning process for me."*

A third student explained:

> *"I had a lot of mixed emotions during my coaching sessions. I felt, at times, really confident in my abilities and at other times really not confident in myself… However, I really appreciated this opportunity to take part in an actual coaching session, even though it was hard and scary."*

The final question was, what were the perceived benefits of taking the financial coaching class? Students identified several benefits from taking the financial coaching class. Their comments emphasized two themes: (a) their gains in communication and listening skills and (b) their transferability of these skills to others aspects of their lives.

To explain the theme of "gains in communication and listening skills," one student stated:

> *"Taking a financial coaching class certainly benefits me personally. There are a lot of skills associated with coaching that can only improve the skills I have. These skills include empathy, mindfulness, affirmation, unconditional positive regard, reflections, and active listening."*

Another student said:

> *"The professional benefit of taking a financial coaching class is that I have gained a new way of thinking about helping my clients with their financial goals."*

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Likewise, a student said:

> *"The new perspective that I have gained as a coach will help me have deeper understanding of the feelings my clients have. I also have learned how to use unconditional positive regard to helping create a judgment-free environment."*

Two exemplar quotes from students are provided to help describe the theme of transferability of these skills to other areas of their lives. The first student said:

> *"Another thing that has benefited my personal life from taking this class is asking better and more effective open-ended questions. Using "why" questions can be really debilitating and harmful in normal situations (and especially in professional coaching situations)."*

The other student stated:

> *"Applying these coaching techniques to my every day conversations has really made a profound impact on the way I communicate - and the way I feel about people and the way I feel about me. I have noticed a significant increase in marital satisfaction between me and my spouse since starting this financial coaching class."*

DISCUSSION

One emerging approach that supports clients as they work towards their self-defined financial goals and asset-building process is financial coaching (Collins, Olive, & O'Rourke, 2013; NTI, 2013). Financial coaching tends to focus on changing financial behaviors, rather than focusing on remediating specific financial problems. Very recently, financial coaching has become increasingly popular and is in high demand. The CFPB, for example, launched a financial coaching initiative in May 2015. Along with this imminent and pervasive interest, there are also a few challenges for educators who are interested in teaching financial coaching in university settings.

The first of these challenges is that there is not a clear standardization of competencies among academics, family finance practitioners, extension educators, and the public in general of what financial coaching is. There is little clarity on how this new approach can either stand on its own or be combined with existing financial education, financial counseling, or financial therapy practices to promote financial health. There is also no existing literature on how to train practitioners and/or supervise students doing financial coaching. This is, in part, due to the fact that financial coaching is currently not a profession, but an industry. An industry is defined as just an economic activity, while a profession refers to a qualified group of people who have specific skills, competencies, and ethical requirements (Short & Toffel, 2010).

The second challenge is that as of Fall 2014, when this course was first taught, no tertiary four-year institution in the United States was offering a curriculum program on financial coaching, either at the undergraduate or graduate level. This article aims to fill the

ISSN: 1945-7774

gap by reporting on the pedagogical experience of teaching a financial coaching class in a tertiary institution, and on the data generated by the students' assessment of such class. This article describes the foundation, professional, and self-knowledge that were part of the curriculum, as well as course objectives and competencies.

The results of the students' assessment look very promising. The quantitative analysis shows statistically significant gains in students' financial coaching knowledge and skills. The qualitative section provided important feedback for refining the course in upcoming semesters. One important comment was how frightening, but valuable the coaching exercise was. Any instructor interested in teaching a financial coaching class needs to provide active learning coaching opportunities, so that students can apply what they learn, and overcome their own fears and nervousness.

As with any study, including course evaluation assessments like the one presented here, limitations exist. One of the major limitations is that the instructor of the course was also the researcher. A second major limitation is the small number of students in the course and no control group to compare if the methods utilized in this course were better than others. Due to the nature of the current study, no random assignment was available and the sample was homogeneous in terms of age and ethnicity. Regardless, the curriculum described here serves as a foundation, which can be enriched or expanded based on whatever experience and course objectives are brought to bear by the instructor either as part of a university curriculum or proprietary training.

As more universities are adding financial coaching skills into their curriculums, more opportunities will exist to present empirical evidence to create a set of common standards for this emerging field. Forming partnerships with financial therapy, financial counseling, and financial planning professional organizations can further enhance professional skills for working with clients. Understanding the contribution of a financial coaching class to the financial field will require more research and testing. Future research should focus on studies with control populations to sort out effects. For example, experimental studies designed to compare a control group of students who only took a financial counseling course and did not take a financial coaching class, and a treatment group of those students who did take a coaching class in addition to a counseling class, could be conducted. This will test whether or not differences exist between the two groups of students related to relevant competencies and skills.

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ISSN: 1945-7774

Practitioner Profile

An Interview with Anne Brennan Malec, Ph.D.

Dr. Anne Brennan Malec is the founder and managing partner of Symmetry Counseling, a counseling, coaching, and psychotherapy group practice located in downtown Chicago. She has been the driving force behind Symmetry Counseling's success – what started in 2011 with six offices and five counselors now houses over 25 clinicians.

Dr. Malec initially had a career in business and made a significant shift in 2000 when she began her training in the fields of Marriage and Family Therapy, and later, Clinical Psychology. Dr. Malec earned her Bachelor's degree from Villanova University in Accountancy and holds two Master's degrees: a Liberal Studies degree from DePaul University and a Marital and Family Therapy degree from Northwestern University. Dr. Malec earned her Doctoral degree in Clinical Psychology from the Chicago School of Professional Psychology. She gained significant clinical training and experience through affiliations with The Family Institute at Northwestern University, Neuropsychological and Rehabilitation Consultants, Chicago Center for Family Health, Advocate Masonic Ravenswood Family Practice Medical Center, Jesse Brown Veterans Affairs Medical Center, and the University of Chicago Medical Center.

Dr. Malec published her first book, "Marriage in Modern Life: Why it Works, When it Works," in May, 2015, and she was named the 2015 Alumnus of the Year at The Family Institute at Northwestern University. She is currently a member of the Financial Therapy Association, American Family Therapy Academy, American Psychological Association, American Association of Marriage and Family Therapists, Alumni Advisory Board of the Family Institute of Northwestern University, and Professional Women's Club of Chicago.

Q. Define what you do professionally.

A. I am a licensed clinical psychologist and marriage and family therapist. I work with individuals and couples in managing life stresses and creating fulfilling and satisfying relationships. Most clients seek my services because they are struggling in some aspect of life, be it in their romantic relationships, family relationships, work, or with depression or anxiety. A growing number of clients request my help with financially-related stress.

ISSN: 1945-7774

Q. What activities encompass your professional responsibilities?

A. In addition to providing clinical services, I also manage the day-to-day demands of Symmetry Counseling, write articles and blog posts, speak with the media, keep up with clinically relevant research, and promote my book. I am currently creating a lecture for the Master's degree students at The Family Institute at Northwestern University about financial therapy. Starting in October, I began pursuing a graduate certificate in Financial Therapy through Kansas State University.

Q. How long have you been engaged in your professional activity?

A. My work with clients began in November 2003, during my first year of training at Northwestern University.

Q. What led you to your professional calling?

A. While enrolled in the Liberal Studies program at DePaul University, I took a class titled "Resolving Conflicts in Organizations." I became very intrigued with the importance of determining needs and wants during the conflict resolution process, and I inquired from my professor what further training I would need to become a mediator. He shared that I would either have to become a lawyer or a therapist. Becoming a lawyer was not nearly as appealing, so I chose to become a relationship therapist.

Q. How are you compensated?

A. Insurance companies pay me for those clients that have health insurance. I also have self-pay clients.

Q. Do you work alone or do you have a team? Please explain.

A. I work alone when conducting therapy, but have 27 clinical colleagues and a two-person administrative team working with me at Symmetry. I am the only clinician within Symmetry that provides financial therapy, and I am continually building a network of local financial professionals with whom I collaborate and refer clients.

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Q. What theoretical framework guides your work when dealing with clients and/or conducting research?

A. I am a problem-centered and solution-focused therapist. My approach is to help my clients directly address and resolve the emotional, psychological, or financial issues that are getting in the way of healthy living. Over the course of my work with clients, there are times when it may be helpful to discuss family of origin issues, such as money behaviors clients learned from their parents.

Q. What needs to happen so that 10 years from now we can say that financial therapy is a respected field of study?

A. We need to highlight this specialty in graduate schools of marital and family therapy, psychology, and social work. When I was in school, there was no mention of the financial stresses that individuals and couples often bring into the counseling process. This needs to change. The way forward is for pioneers in financial therapy to provide the training to students in the form of lectures or other coursework. In addition, we also need to provide training opportunities to clinicians that enable them to work more efficiently and confidently with their clients.

Q. What benefits can the Financial Therapy Association provide to others doing work that is similar to your professional activities?

A. Being a member of the FTA brought attention to my practice in the form of press inquiries. Over the years, I have been contacted by the following press outlets to discuss issues related to financial therapy: *Crain's Chicago Business, The Wall Street Journal, The New York Post, US News and World Report, and Money Magazine*. These opportunities promote my practice and highlight the benefits of financial therapy.

Q. If others are interested in finding out more about you personally and professionally, where can they obtain this information?

A. www.symmetrycounseling.com
www.drannemalec.com

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Researcher Profile

An Interview with
Virginia Solis Zuiker, Ph.D.

Virginia Solis Zuiker is an Associate Professor in the Department of Family Social Science at the University of Minnesota. She teaches courses on personal and family finance, family financial counseling, family resource management, economic perspectives of families, and family decision-making. Her scholarly research focus is in the area of economic well-being of families with particular interest in self-employment and family-owned businesses. Her research focuses on the Hispanic family life and she is the author of "Hispanic Self-Employment in the Southwest: Rising Above the Threshold of Poverty," (Garland Publishing, 1997). She received her B.S. from the University of North Texas, an M.S. from Texas Tech University, and a Ph.D. from The Ohio State University. She served three years on the Board of Directors for the Association of Financial Counseling and Planning Education.

Q. Define what you do professionally.

A. I am an Associate Professor in the Department of Family Social Science at the University of Minnesota. I teach both undergraduate and graduate courses in my department and my scholarly research focuses on the economic perspective of the family. Most recently, I successfully passed the examination to become an Accredited Financial Counselor (AFC®) through the Association of Financial Counseling and Planning Education.

Q. What activities encompass your professional responsibilities?

A. As a faculty member of a land-grant university, my position allows me to generate new knowledge from my research endeavors and integrate this new knowledge into my teaching and outreach endeavors. Another important aspect of my professional life is my role as an advisor. My goal is to foster the growth of the students I advise as professionals and support them as they move from their role as a student to that of a professional.

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Q. How long have you been engaged in your professional activity?

A. I graduated from The Ohio State University in the Spring of 1997 and have been a faculty member at the University of Minnesota since the Fall of 1996. In a previous life, I was an Assistant State Specialist in Family and Consumer Economics with Oklahoma State University Cooperative Extension Service in Stillwater, Oklahoma. Prior to my extension years, I was a junior high school teacher in my hometown of Harlingen, Texas and a high school teacher with the Mercedes Independent School District in Mercedes, Texas.

Q. What led you to your professional calling?

A. I have always been interested in the economic perspective of the family. My mother was a secondary high school teacher in home economics and she was interested in the traditional subjects like food and nutrition and clothing and textiles. I, on the other hand, have always been interested in the money aspect of the family and how decisions are made with regards to money management.

Q. How are you compensated?

A. I am employed as a salaried nine-month faculty member. Every other summer I am typically given the opportunity to teach an online personal and family finance course.

Q. Do you work alone or do you have a team? Please explain.

A. It depends on the task at hand. I work with both undergraduate and graduate students in teaching and research. I also collaborate with the University of Minnesota Extension educators and colleagues from universities across the country on various research projects.

Q. What theoretical framework guides your work when dealing with clients and/or conducting research?

A. As a researcher and faculty member, I don't have clients. However, in my financial counseling course we cover the Transtheoretical Model of Behavioral Change and the financial counseling model. In my research, I have utilized a variety of theories and conceptual frameworks.

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Q. What needs to happen so that 10 years from now we can say that financial therapy is a respected field of study?

A. We need to figure out an affordable way to have researchers, educators, therapists, counselors, and financial professionals come together to listen and talk with each other and see how each entity can work together for the good of our clients, students, and society.

Q. What benefits can the Financial Therapy Association provide to others doing work that is similar to your professional activities?

A. Continuing to have annual conferences so that researchers, educators, therapists, counselors, and financial professionals have a space to collaborate and have a dialogue with each other. Also, in order to bring in the next generations to the annual meetings, we need to do our best to keep costs down so that we can attract students to come to these annual events. Without them, we have no future.

Q. If others are interested in finding out more about you personally and professionally, where can they obtain this information?

A. Readers can also learn more about my department Family Social Science at http://www.cehd.umn.edu/FSoS/.

The best way to reach me is via email at vzuiker@umn.edu.

ISSN: 1945-7774

Book Review

The Little Book of Behavioral Investing: How Not to Be Your Own Worst Enemy

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Montier, J. (2010). *The little book of behavioral investing: How not to be your own worst enemy*. John Wiley & Sons, 236 pp., $24.95, ISBN: 978-0470686027

The world of finance has evolved over the years from the conventional traditional approach to encompass the advancement of the relatively new behavioral application. Traditional finance takes an objective and scientific stance that assumes investors are rational, markets are efficient, the mean-variance Portfolio Theory governs, and returns are determined by risk. Alternatively, behavioral finance takes a more practical approach in understanding human-like behavior that adopts both a psychological and sociological viewpoint, all the while preserving much of the framework from traditional finance. Behavioral finance assumes investors are "normal," markets are not efficient, the behavioral Portfolio Theory governs, and risk is not the sole factor in determining return.

The Little Book of Behavioral Investing: How Not to Be Your Own Worst Enemy, written by James Montier provides his readers with 16 chapters of prevalent behavioral challenges and mental mistakes that are commonly experienced by everyday investors. Strategies are then suggested in order to combat what Montier views as bad habits. While reading this book, it is proposed that an investor will become cognizant of his or her own practices and will thus be better equipped to recognize what to avoid and what to improve upon.

The book begins with an introduction, establishing the idea that an investor's worst enemy is inclined to be himself or herself. As it is custom for individuals to base their decisions in life off of emotion, it is critical as investors to remember not to neglect their logical thinking systems. Montier advises that this can be accomplished in numerous ways. For instance, individuals must learn to think more critically, become more skeptical of

ISSN: 1945-7774

experts, avoid anchoring and excessively confirming our ideas, focus on facts, think long-term, be willing to recognize our mistakes, practice patience, and stray from groupthink.

Despite the practicality of Montier's suggestions, however, it is apparent that knowledge alone does not directly cause a reversal of an investor's behavior. Montier mentions that solely relying upon willpower will be problematic and concludes the book by suggesting individuals alter no more than three behavioral aspects at once. This therefore presents an opportunity for financial professionals in general, and financial therapists in particular, to benefit from this book by recognizing the many mental pitfalls commonly experienced by their clients and assisting in creating behavioral change.

In summary, *The Little Book of Behavioral Investing: How Not to Be Your Own Worst Enemy* may be used as a reference for everyday investors to become knowledgeable about common behavioral characteristics they possess. In order to increase the likelihood of creating change, however, financial therapists, planners, and counselors may also prosper from this book.

ISSN: 1945-7774