

**FINANCIAL LITERACY -
HOW TO DEAL WITH FAMILY PRESSURE**

You have started writing your budget and tracking all your expenses. But the biggest amount is out of your control: the money your family keeps asking every month, or sometimes more often. And with the higher peso, the remittance seems to get bigger every month. How will you be able to pay for your child's college if you never manage to save for it now?

In all the courses I have been teaching, the money sent to the family is a recurring issue which is not always easy to talk of or tackle. Money is much more than numbers: it conveys lots of emotions, and it is often difficult to discuss calmly about money with your family over the phone... especially as you try to reduce your phone bill at the same time. You feel obliged to send money, and guilty at the same time to be away from them, and all the Filipinas and Filipinos I have met are very generous and don't know how to say "no".

The first step is to take feelings out of money discussions. Not easy, but save the feelings to discuss other matters with your spouse or children. On money discussion, get facts: ask the family members you support to track their expenses, the same way as you track your own expenses. Make it a clear deal with your family: you will only send your hard won money to them if they can tell you exactly what they spend the money on. Teach your family all the tips you have been learning in this column: the different types of expenses, how to write a budget, divide the income in envelopes (for transportation, food, school, etc...), how to get out of debt...

If you are the only breadwinner and your family are the "spenders", write a family budget with them: allocate your income to each category of expenses, list your goals, when you want to achieve them and how much you need to save for them, and prioritise goals and expenses together. Then both your family and you should track your expenses and check if you are really following your budget and start getting out of debt and saving for your goals, whether it is your children's college or your retirement.

If you find it too difficult to discuss about money, why don't you write to your family instead? Why not send them a budget spreadsheet for them to fill in with pieces of advice? Or if you have an email account, this will be less expensive to email a few spreadsheets with numbers, than have a long and expensive phone discussion which ends up with frustration from both parts?

By sharing numbers and talking about facts, your family will be able to gradually understand the other needs you have to pay for in Hong Kong. Your family might also underestimate how expensive it is to live in Hong Kong. Take a few examples of daily expenses like public transportation, food, rent if you pay one, and compare

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Because money is more than adding up figures

them to the prices of similar products or services back home. They will get a better idea of the financial constraints you have.

Once your budget is done, agree on a monthly amount that you send once a month and that your family has to manage. Stop sending money whenever they ask for it. That is the best way they can learn to make the best use of money and set priorities... the same way you have to wait for your monthly salary. They should not think that they can ask whatever they want. In your family budget, don't forget to include saving for emergency, even if it is very small. Find ways to check what the money you send is really used for. If you have to pay for school fees, why don't you send the fee directly to the school and ask for a receipt? Keep control on your saving too: leave them under your name in Hong Kong.

Learn to say "no". Especially if you have debts, you cannot send money to your family. Get out of debt first. You cannot give what you don't have. Secure your financial position before you can help others. Prioritise also the people you want to help: you cannot help everybody. When you write your budget, calculate who you can help... and say no to the others. Once again, no guilty feeling, just facts: with one Hong Kong Domestic Helper salary, you cannot support several families! Be clear on what you really want: help a remote cousin or save money for your own children's education and your retirement.

If you have questions or stories to share about money, send me an email: Sophie@aandbmake3.com , call 2868.5399 or read www.aandbmake3.com