

- Sonya: [00:00](#) ... a theoretical framework, if you can, that children are seen as a constraint, and not necessarily in a bad way, either. It's just in terms of a resource constraint. If you're listening, and you have small children, I have three small children, and I just think about how rich I'm going to be once they get out of daycare, and that's just a constraint on my current resources. I am allocating money so that they get the good care that I want them to get, and so therefore I have less resources, flexible resources, to use for other things. It's just constraining my overall pool to a smaller amount than if I would have chose a less expensive childcare provider or if one person decided to stay home and provide that care.
- Sonya: [00:44](#) You mentioned income within that a little bit in terms of a constraint, and that's certainly true as well. When you have somebody who was making \$100,000, and then all of a sudden, something happened at work, and now they're making \$70,000, that's a constraint on the household. It's not something that they had been used to. It's not something that they had predicted. It's just a constraint at this point in time, so you have to account for all of those things within who's making the influence, because maybe I have more influence within my relationship, but that influence is going to be smaller because our constraints are so large that there's hardly any resources to have influence on.
- Meredith: [01:35](#) There's indicators, and then there's constraints that could sort of negate what statistically would make something typically happen. That's where you're going with it. Okay. That's interesting. I know we talked a little bit. Well, actually, we didn't touch on this, but some of your colleagues did some research on tightwads and spenders, and opposites can attract. I guess it's all about that financial conflict, who's doing what. Can you talk a little bit about this and how these negotiations occur?
- Sonya: [02:14](#) Yeah. Just talking a bit about the attraction to somebody with the opposite spending personality, maybe you or others you know have been involved in something like this, but if I'm a saver, it's really attractive to go out with a spender who's willing to buy me dinner and dessert and go to a movie and bought flowers, too. Wow, that's really amazing. I would never spend my money in that way, so it's really attractive and exciting to be involved in that, but then what happens is once you start combining resources, or at least you're factoring in both of those resources into the household decision making, it's not so attractive anymore. That's when the conflict starts happening.
- Sonya: [03:03](#) This particular research that we did on the tightwads and spenders was all about perception, so it was how I

perceive my partner to be spending his money. It's not how he was actually spending his money. It's just that perception of spending which may or may not be accurate, which I think is really valuable in terms of understanding the dynamics between couples, because it's not so much what's actually happening. It's just what I feel is happening, is influencing my satisfaction, our likelihood of divorce, and our overall well-being.

- Meredith: [03:41](#) Are there aspects if somebody is ... Let's take the income aspect again. If somebody is the bread winner, it's been my experience, and from what I've read also sort of supports that, there can be a feeling of entitlement. Well, I did this, and therefore I get to buy a nicer car for myself.
- Sonya: [04:00](#) Mm-hmm (affirmative). Yeah, you definitely see that. It's kind of interesting in terms of ... It wasn't this particular study that we were just talking about, but in other research, I've found that when the woman makes more income than her husband, the conflict increases within the home. I think that is somewhat telling of what you're kind of alluding to there from more the scientific, academic perspective in that it's been the traditional assumption that the woman makes less than her husband. It's the way it's been for a hundred years. It's just kind of an assumption that people hold in their minds. Maybe they saw it in their parents. Maybe they saw it in their grandparents, so when the woman makes more than her husband, increased conflict for the couple, but what we also see is that the woman is doing no less household work than what she was doing before she was making more money than her husband. Sometimes, you even see that she's doing more household work than what she was doing before.
- Sonya: [05:07](#) You also see that when women come upon extra money, however that's defined, they tend to spend it more on gifts for the children or other items for the children, to whereas when men come upon extra money, however that's defined again, they tend to spend it more on entertainment purposes.
- Meredith: [05:29](#) Interesting.
- Sonya: [05:30](#) Yes.
- Meredith: [05:32](#) What role ... because I think there's a marriage in here, and I'm talking to several sociologists as well, but I feel like gender role plays a part of it in this whole story, this whole dynamic. I know I've personally seen some women that have made significantly more try to engage the husband more, even though there was the perception of

greater influence in an effort, I felt like, to sort of create a equal weighting on gender role in the relationship

- Sonya: [06:08](#) I would be really fascinated to hear what your sociologists have to say about this, because we're starting to see changes in terms of how people view gender roles, and so I think we might start seeing some changes in terms of what's typical between a male and female partnership. There's also so much that could be done on same-sex couples, and I haven't even explored it all. How does that play into the equation, and how does that influence the power dynamics or influences in terms of bargaining power?
- Sonya: [06:49](#) There's a lot to be done, and I suspect your sociologists might have a few things to say about that.
- Sonya: [06:56](#) We get this intersection of all these different areas of study, but yet it's real. It's in the trenches. This is happening day to day, and as we know, money and sex are the two biggest reasons people get divorced, so ... Also, I noticed something in some of the research articles that dealt with ... Again, we've touched on this, but this ledger system. I referred to it in a prior relationship as it was a balance sheet relationship, so I figure it's something very similar along those lines.
- Sonya: [07:29](#) - It is, and the studies that I've done were particularly talking about income contribution, and what is each partner really bringing to the relationship? Because we tend to forget the mundane things like who's doing the laundry? Who's caring for the kids? Who's taking them to soccer practice? Who's cooking the dinner? All of that stuff, if somebody's not doing it, you have to pay for it. What would that cost in the marketplace?
- Sonya: [07:56](#) I think it's extremely shocking to couples when you start calculating what those expenses might cost you in the marketplace, and it really helps to somewhat level the playing field in terms of this idea of, "Oh, well, he's making all of this income, and she's making not very much." Well, okay. What else is she doing that's contributing to the household in a direct, financial way? It's really helpful for couples to think in that way in terms of what is entirely going on within that household.
- Meredith: [08:35](#) I guess you break out your favorite economist's equation, and you slap that down. That's it right there.
- Sonya: [08:44](#) We're joking about it, but it is honestly so helpful when you really do just lay out the numbers for a couple, because so many times, they haven't thought about it before. Then, when they actually see the numbers, it's, "oh, aha." Most of us are not conceptual or visual thinkers

or auditory thinkers, but if we see it visually, then it starts to make a little bit more sense for us.

- Meredith: [09:12](#) Getting back to influence in a relationship ... and we talked about sort of those predictors and things like that and gender role. Again, this is my theory, and you're the expert in this, not I, but I have to believe that women's financial literacy is systemic. Lack of financial literacy is systemic because of exactly this, where in a male-female relationship, like you said, he might have, typically, more influence, and because of assuming more of those roles, there's less of a need.
- Meredith: [09:52](#) I always call it the delegator. Even women that are in high-income roles, we're all used to focus on core competency and delegate the rest out to support. My opinions, there's less of a perceived need that I need to know this stuff.
- Sonya: [10:12](#) I think it's interesting, everything you just said, and I'm going to counter just a tiny bit.
- Meredith: [10:20](#) Good, please.
- Sonya: [10:21](#) I think you're talking about two different things within that. We've got financial literacy as one thing, which in my mind is more the application piece. Then, we also have the knowledge piece, and that's what we know from academic literature that women repeatedly score lower on the knowledge aspect, so yes, we know that to be a fact. Are women less financially literate? Maybe. That hasn't been as directly tested, and I think it kind of goes along with what you're saying just in terms of they've had less opportunities to put knowledge into practice, potentially, and so that could definitely relate to lower financial literacy.
- Sonya: [11:03](#) Also a component of literacy, though, is confidence and how confident do I feel that I could carry forward this particular financial action? How confident am I that I can go buy a car and make all of the decisions that go with that? How confident am I to put in place my estate plan? That's all part of the financial literacy as well, and in my mind, it's not so much ... It could be easier to increase knowledge among women. We give them more education. We increase knowledge. It could be easier to increase that application piece. Just give them more opportunities to put it into practice. It's that confidence piece that I think we're kind of struggling-
- Meredith: [11:51](#) Education, but does education lead to confidence? That's the \$10 million question.

- Sonya: [11:56](#) - Yeah, I don't think so. Yeah. I think it's a piece of it, but I think it's also that it also has to be involved with that application. We can't just give people knowledge and expect them to feel more confident about it. You have to practice, and how are you going to be able to practice by just reading a book on financial planning?
- Meredith: [12:21](#) Yep, I guess it's one thing to know the academics. It's quite another, again, to get in the trenches and actually implement it.
- Sonya: [12:26](#) Absolutely.
- Meredith: [12:28](#) Okay, that's pretty cool. Looking forward, so you're a professor. You probably see a lot of students, and I know you teach a few classes. What advice are ... Not as practitioners necessarily but just generally, male and female, what advice are you giving moving forward around this space that they need to be thinking about and skills that they need to be developing?
- Sonya: [12:59](#) Communication, and I know it seems pretty silly and kind of basic to just say just talk to each other, but it's something, particularly among the younger, college-aged students. They very regularly report back as they're getting close to graduation that they don't have the communication skills that they wish they had. We can all think through a number of reasons why that might be the case. Yeah. It's just a change in time from what it used to be 10 or 20 years ago, and so I think what's [inaudible 00:13:32]-
- Meredith: [13:32](#) Yeah. Have you seen a shift in your student body and way of thinking around that?
- Sonya: [13:36](#) Oh, yes. Absolutely, because this one is a really pretty funny thing that happened to me last semester, that I went into the class, and there, all of these students know each other. We were pretty far along in the semester, so they're all colleagues, friends, peers, and every single one of them was sitting there on their smartphone messing around.
- Meredith: [14:01](#) Ouch.
- Sonya: [14:01](#) It was so quiet in the room, and everyone was just, "Must seem nice, then."
- Sonya: [14:05](#) "Would you guys believe that I didn't have a cellphone when I started college?"
- Sonya: [14:09](#) They just looked at me, and they're like, "What? How did you know what you were going to do that night?"

- Sonya: [14:14](#) I said, "We talked to each other," and that was just so baffling for them, and so I think it's just a shift in how the younger people were raised in terms of how they communicate. It's not picking up the corded phone in the living room and having everybody else hear your conversation. It's more written communication that they're involved with now, not formal written communication.
- Sonya: [14:37](#) It's just quick messages, and so I think that's harder when you get into a couple relationship, because now you're having these real conversations about really hard subjects, about our finances, about our values, about our family background in terms of how we grew up with money. Now, all of a sudden, we're talking back and forth, and we sometimes don't know how to do that. What I mean by how to do that, just the fact of starting a conversation with, "I feel this way about how you're spending money." They're not taught that, and they don't necessarily think that way.
- Sonya: [15:20](#) It's more direct and in terms of, "Why did you do that," or something like that and much more ... It puts the other on the defensive mode right away. Just teaching them those basic communication tips for how to start a conversation, how to carry forward a conversation, how to know when to end a conversation and come back to that conversation at a different point in time. That's definitely something we talk about in financial counseling classes, financial therapy classes.
- Sonya: [15:50](#) In my research, I use real couples, not college age. They're 30 and 40-year-old couples, and they struggle with the same things, too. We forget over time how to start a conversation with our partner. The other part that I really focus on is let's look at our family, our cultural background, because that's not really a conversation that we tend to have with our partner. It's just it's never come up before, so helping guide those couples through, "What was your earliest memory about money, and what did that mean to?" Then, it helps the couple both together see how those earliest money memories have shaped how they handle money now, and it really helps us get to a place of understanding versus a place of accusing.
- Meredith: [16:42](#) In my practice, relative to other advisors, I work with a significantly higher percentage of female bread winners, most of which have income over 250, so I guess what I'd be looking for from you is if you were going to give advice in a relationship and the dynamics with money, assuming ... and they're not all, but let's just assume it was all male-female relationships, what tips would you give them when negotiating or bargaining or trying to

have appropriate discussions around how to figure things out together?

- Sonya: [17:15](#) Sure. Well, I developed a Love & Money curriculum that they could go through five lessons together, and they could actually address most of these issues together. We've done this with a multitude of couples: 50-year-old couples, 40-year-old couples. There were some 20-year-old couples within this, so all across the age spans. I've had different people do it: a therapist versus a financial planner versus a family studies student. Consistently, couples report reduced stress in their relationship and increased happiness with their relationship and their personal finances.
- Sonya: [17:56](#) There are ways of guiding these conversations to get couples to the right place. Just immediately looking at this couple where the woman is making more than her husband, I would say definitely, "Both of you pull out your credit reports. Maybe you have looked at them in the recent past. Maybe you have not." I think it just gives you a really nice perspective in terms of where you stand at this current point in time.
- Sonya: [18:21](#) I think the next thing that those couples need to do is independently write out their financial goals, and that's one of the biggest blocks that I see that happens for couples is we try to just come together and start talking about our financial goals. We are easily influenced by one another, so if you say you want to do something, I'll probably just go along with it because it seems like a fine idea and you're really passionate about it, so let's just do your thing. But that means I'm going to keep my thing quiet because I know we can't afford both of those things. Then, I'm going to continue to hold that sadness or resentment or even anger with me because we're doing your thing and not my thing. It's all just because we just settled with a financial goal that was brought to the table first.
- Sonya: [19:11](#) I think it's really valuable for each partner to really think about what is important to them and why is it important, so that's the next step. We come with our list of goals together, but then let's talk about why is this important to me. Do I want to visit every continent? Okay, well why is that important to me? Is it so that I have a worldly understanding of politics or culture or climate, because this informs how I'm using it in my career, or is the thing more personally driven? It's something that my grandfather always talked about, and he never got to accomplish that, so I just really want to see it through for my family?

- Sonya: [20:00](#) Once you have those understandings and the values behind those goals, it's a lot easier to negotiate, so maybe it's not so much visiting every continent that's important to me. Maybe it's fulfilling some sort of family legacy, so maybe there's a goal that you have that could fulfill that same value but in a different way. If we can come together and really figure out we want to accomplish that thing, it's usually a lot easier to come together on some joint goals that are reasonable for that couple to be able to accomplish.
- Meredith: [20:36](#) Wasn't that number two? Number two was the three independent set of goals.
- Sonya: [20:42](#) - Yep.
- Meredith: [20:42](#) Is it those two things, or is there a third, or just one and two?
- Sonya: [20:45](#) Well, we talked about the credit report, and I really do feel that's important. Go ahead.
- Meredith: [20:50](#) It's funny you say that, because I was moderating a panel around women bread winners, and everybody had a very unique situation. One couple, she's a physician, and he's in technology, and that was their deal before when they were engaged. They pulled credit reports. They weren't going to get married, and they knew she would have more income but had less net worth. He would have less income but more net worth, so it was intriguing to hear that couple. "Again, we're not doing anything til we look at each other's credit reports," the romanticism of it.
- Sonya: [21:26](#) Right, I know. I always tell college students they need to do this when they're starting to get serious in a relationship, and they laugh at me, and they think it's ridiculous, but for those very reasons, it's so important. Also, that's what you have stumbled upon in what you were just saying. We tend to view equalship or contributions in terms of income. That's very easy to identify. We know what that dollar amount is, and it's just easy, but that's not the whole story. Really trying to get at what that whole story is in terms of the debt that they're carrying in or even just their expenses, so looking at each other's expenditures for the month. If they're using some sort of app, let's compare it with one another and just see how much disposable income we really are working with. I think that's really important for couples early in a relationship.
- Sonya: [22:24](#) Once you get into the relationship, that's not quite as relevant, because it's now obvious. We now know how each other's spending our money, so better to do that a little bit earlier in the game. Maybe if we added a third

thing to what couples should do is just seek to understand one another. Try not to place value yourself on what the other person is saying, but really just try to understand what they're saying and ask questions. Don't place judgment on what they're saying. Easier said than done, but just once you put that into your mind, and you mentally go into the conversation, "I'm just going to ask questions and try to figure out what's going on." It's really makes a big difference.

- Meredith: [23:13](#) I think I saw a study. I don't know if it was yours or somebody's else's, but that there also is a correlation around ... again, back to the influence indicators and things that we were talking about ... around who creates the disposable income, since you just used that term, that that is more at play than, say, what the fixed costs are if they were doing a shared-pooling cashflow model.
- Sonya: [23:39](#) That's exactly right, and so some people are going to need help to figure out what that dollar amount is, because they just spend, and they don't really know. It just comes out of the bank account, comes out of the credit card, so really just sitting down and doing that together or independently is vital.
- Meredith: [23:58](#) Well, good. Is there a website, or in terms of ... You had mentioned your Love & Money curriculum. Do they need to go through one of your certified folks in this space, or how does one go about to get access to that curriculum and go through the program?
- Sonya: [24:15](#) Yeah. Actually, a couple could go through it all by themselves. We find that it's better with a facilitator because there's that accountability. [inaudible 00:24:23] but if they took it to you as their financial planner that you don't have to be trained in it. If you follow what's in the curriculum, you're going to have positive results.
- Sonya: [24:32](#) This is work that I did with a company called BrightPeak. It's a division of Thrivent Financial. If you just go to brightpeak financial in their website, and you type in Love & Money curriculum, you'll stumble right upon it.
- Meredith: [24:46](#) That's really cool. If anybody wants to get in touch with you ... I'm sure some other advisors will watch this, but if they wanted to get in touch with you about your particular curriculum at Kansas State, how do they get in touch with you?
- Sonya: [25:02](#) They can actually email me directly if they want, and it's just my last name, Lutter, L-U-T-T-E-R, @ksu.edu, or you can go to the Kansas State University website, and you can find more information about me, some research

studies and such, which is ksu.edu, not to be confused with other KSUs.

- Meredith: [25:22](#) Yes, exactly, especially here in Atlanta. Well, good. Is there anything else that I have missed today?
- Sonya: [25:29](#) I think you were really pretty inclusive in some of the topics we talked about.
- Meredith: [25:36](#) Well, good. Well, I really appreciate you speaking with me, and I've gotten a ton out of this personally, and I'm sure we will be talking soon.
- Sonya: [25:44](#) Okay, great. Thank you, Meredith.
- Meredith: [25:45](#) Thank you.