

Meeting Other People's Money Needs: Feedback

by vcmorris - Thursday, June 24, 2010

<http://thethinpinkline.com/2010/06/24/meeting-other-peoples-money-needs-guilt-or-obligation-part-two/>

A recent survey by Money Magazine found that 36% of people surveyed had at least one family member they considered “a mooch” – a person who was always asking for money but rarely repaid the loans.

So what are you to do if you find yourself being asked to lend a money helping hand and are regularly “The Bank of Me for You” for someone you love? It’s tough. The terrain is tricky. The emotions can get high quickly - especially if you say “no”.

This post is part of a continuing conversation that began with my Thursday blog last week “Meeting Other People’s Money Needs: Guilt or Obligation (<http://thethinpinkline.com/category/women-and-money/>) and the comments it generated.

Comments »

1. Laura needs to realize she’s enabling her sister. Every time she hands over a dime, she is reinforcing to her sister that she (Laura) will always be there to help. Her sister is not experiencing any pain, and therefore has no reason to change her ways. Laura needs to cut her off. Tell her sister she’s having “financial problems” or whatever, and she won’t be able to provide anymore money “for a while”. And then *stick to it!* Yes she’ll feel guilty, and the sister will use the children to increase that guilt (“Well, I guess little Timmy won’t get that operation after all...”). But until her sister feels the pain necessary to make changes, she’ll continue to patronize the Bank of Laura. Comment by Debra — June 18, 2010 @ [9:50 am](#)
2. Forgot to add: I don’t think budgeting for family will help. My educated guess is that the sister will start thinking of the budgeted amount as an allowance and spend more of her own money accordingly (“...because Laura’s paying the electric bill for me.”) Unexpected expenses will result in her asking Laura for “just a little more this month” ... every month. Comment by Debra — June 18, 2010 @ [9:55 am](#)
3. Hi Debra, I agree with you regarding Laura. She is enabling her sister. But as I wrote in my post, she feels a sense of obligation. Since I always work to meet a person wherever they are along their road to financial well-being, I wanted to provide Laura with real and doable ways to feel more in control and less put upon by her sister and family financially. Laura knows she is enabling her sister and has for years but that this is the first time she is consciously reaching out to figure out a way to stem the financial flow. As for the suggestion I made to her regarding budgeting the amount of money she’s willing to set aside for her family: since Laura is not yet ready to cut her sister off financially – at least she can say...”...I’ve already provided everything I can afford to give you this month.” The budget suggestion is more for Laura’s benefit than her sister’s. It will give her some control that can hopefully lead her to some concrete decisions regarding getting her sister from always wanting money from The Bank of Laura. Thanks for the comments, Debra. I know Laura will be reading this and hopefully be motivated to move quickly toward actually doing what you’ve suggested. Valerie Comment by [Valerie Coleman Morris](#) — June 18, 2010 @ [5:40 pm](#)

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4. Hi, I just wanted to write and praise your response to Laura. My husband and I do not have the highest combined income of our immediate family, but we are the ones who have mitigated our expenses and the ones who save. This means that we are usually the ones asked to help out “until a bonus” or until next pay day. We are paid back about 50% of the time. To be honest, we don’t mind that much. We like to be able to help out if someone needs it. If it got to be too frequent, or if the person seemed to demand instead of ask (as Laura’s sister appears to be doing) we might not be as comfortable with it. Usually, when I read advice about this type of situation, people basically suggest cutting off others. This is impractical if one wants to keep relationships within family, not to mention doesn’t take into account that often people don’t mind small amounts of help, but just don’t like what the relationship has become. I liked your response, and just wanted to let you know that. We may have to keep the tips in mind if our own situation devolves into something like that! Thanks for the article!! Comment by Bee — June 19, 2010 @ [11:39 pm](#)

I think the comments show that this is a topic about which people take sides and feel quite passionate. I make no judgments when it comes to the choice to give or not give money to family or friends because just saying ‘no’ can be tricky and difficult to just put into practice.

In making suggestions on how to manage the family mooch *or* the worthy relative in need of a loan – I have but one basic rule and one caveat. The rule: the person who is “The Bank” should *first* be clear and deliberate about meeting their *own* financial needs and plans before extending a random or regular helping hand. The caveat: ***It’s your money so take it personally***™ and remember do not loan money you can’t afford to lose.

Here’s to your health and wealth.

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