

# Supporting Family



# HOME TEAM

Budgets can help you to control expenses. It can also be the driver for how you spend your money. Once you set your budget you've made your decision on how you will allocate your income.

Many financially successful people take on expenses outside of their immediate household. This might be to help a friend in need or a family member who helped you get where you are. There are all kinds of possibilities. The important thing when taking on these kinds of expenses is to put them into the budget and adjust where necessary.

Sometimes, you might be asked to do more than you can comfortably do. The budget can be a powerful tool in dealing with these scenarios. Once you establish what you can reasonably spend on "other expenses" you have to allocate those funds. If you allocate them all before you can cover all the things you're asked for, you might have to say no to some people or some things.

Having a solid financial plan will allow you to show that person what you've got, what you're trying to do, and why you can't do what they ask right now. Keep in mind you can adjust the budget, monthly or annually as you see fit.

The decision to gift money must be based on facts and on what is best for everyone involved. Remember, the best answer is sometimes the one that is the hardest to give.

Here are some additional strategies for responding to requests for help:

**Listen.** Sometimes people just want to vent and be heard. Listen to their concerns and offer your advice, which can be more valuable than financial help at times.

**Take time.** Think about the decision and try not to act on the emotions in the moment.

**Separate emotion from the decision.** Acting on the basis of guilt rarely works out well. Make the decision independent of the relationship with the person asking.

**Ask yourself if this is the best decision for everyone.** Are you enabling the asker? Sometimes the hardest decision is the right one, and though it is hard to suppress your desire to help, people need to be able to help themselves. Sometimes hitting “rock bottom” is the only way to make that happen.

**Ask what are they doing to help themselves.** Is this a onetime request, or are they going to need to be “helped out” again? If you recognize a deeper issue at hand, research resources and other avenues of getting help with them. Are they struggling with credit card debt? Then look into credit counseling. If you decide to gift the money, make it be known it’s under the condition that they will get help.

**Never loan money.** A loan can poison a relationship because it’s expected it will be paid back. If it’s not, it can lead to resentment and put a lasting strain on the relationship. If giving is the right option, make it a gift knowing you do not expect anything in return.

**If you decide that gifting money is not the right decision** let them know it is because you care too much about the relationship to put a strain on it. Then, offer any non-financial support you can: a warm bed to sleep in, a home cooked meal, or if they’re willing, professional advice.

**And remember, saying no does not make you the “bad guy.”**