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## Building Financial Peace: A Conflict Resolution Framework for Money Arguments

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# Building Financial Peace: A Conflict Resolution Framework for Money Arguments

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# Building Financial Peace: A Conflict Resolution Framework for Money Arguments

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*This paper presents a well-known and highly utilized conflict resolution framework from the mediation profession and demonstrates how to apply this framework to money arguments. While conflict resolution skills have been identified as important to communication within the financial planning context, an integrated conflict resolution framework has yet to be recognized and understood within the financial planning literature. This paper aims to fill this gap. Ultimately, both mental health professionals and financial planners can benefit from an interdisciplinary approach to resolving money arguments by combining training in personal financial strategies and conflict resolution principles.*

*Keywords: money arguments; financial conflict; conflict resolution; mediation; Conflict theory*

## INTRODUCTION

The financial planning profession has witnessed a slow, yet steady embrace for client-focused skills and services (e.g., communication, life planning, coaching, counseling, and psychology) that improve financial behavior and that cement the planner-client relationship in long-term trust and commitment (Sharpe, Anderson, White, Galvan, & Siesta, 2007). These skills and services are well-known to the mental health community and tend to be therapeutic in nature, which has caused past reluctance to broadly adopt them into the financial planning process. In support of this observation, Sussman and Dubofsky (2009) concluded that the financial planning profession appears to be divided into a group that embraces providing services addressing non-financial interpersonal issues (i.e., specifically coaching and life planning), and a group that thinks it is highly problematic to broach these issues from an ethical and legal standpoint.

Despite this reluctance and concern, there is general recognition that the role of the financial planner has evolved beyond that of providing pure financial analysis to encompass issues typically handled by psychologists, psychiatrists, family therapists, and/or clergy (Dubofsky & Sussman, 2009). One area of role evolution found by Dubofsky and Sussman is that of a mediator – a neutral third party who assists others in resolving conflict through the mediation process. More specifically, “mediation is a means of

resolving conflict through a neutral third party who facilitates communication to help define the issues, develop alternatives, and reach resolution” (Bradshaw, 1995, p. 238). When it comes to money arguments between couples, both financial planners and mental health professionals are in a unique position to help couples effectively navigate these challenging and high stakes conflict situations.

While anecdotal solutions for money arguments have been suggested within the popular press literature (Coombes, 2014; Field, 2016; Williams, 2015), and more specific mediation techniques for financial counselors and planners have been disseminated at conferences (Peterson & Bagwell, 2004), an integrated conflict resolution framework has yet to be recognized within the published peer-reviewed financial planning literature. Sharpe et al. (2007) supported this observed literature gap, as they called on future research to investigate the use of conflict resolution techniques within the financial planning context.

Given this backdrop, the purpose of this paper is two-fold. First, this paper builds upon the existing literature by introducing a conflict resolution framework widely used in the mediation profession that can be used by financial planners for resolving money arguments. In order to have a consistent and clear context, this article focuses specifically on the financial planning client engagement and how financial planners can incorporate a conflict resolution framework into the financial planning process. This framework may also be useful for mental health practitioners when facilitating money arguments. Second, this article provides a case study to demonstrate how the proposed conflict resolution framework can be applied to a client situation within a financial planning engagement.

### **LITERATURE REVIEW**

#### **Conflict and Money**

Conflict – a state of opposition between ideas, interests, and needs (Collins English Dictionary, 2016) – is a natural part of life, society, and relationships (Umbreit, 1995; White & Klein, 2008). Conflict arises daily and can range in intensity from minor differences of opinion to extended and pervasive arguments. Money is a primary source of conflict as it shapes the perception of power, is a scarce resource, can drive and promote competition, is connected to personal values, and enables self-preservation and the financial provision for others (Smith & Hamon, 2012).

The connection between money and conflict has been well documented within the literature, with money arguments between married couples found to be prevalent, pervasive, and highly predictive of divorce (Amato & Rogers, 1997; Benjamin & Irving, 2001; Dew, Britt, & Huston, 2012; Papp, Cummings, & Goeke-Morey, 2009). The intensity of money arguments within the couple relationship may be partially due to the nature of marital conflict within families. Smith and Hamon (2012) stated that “marital conflict is the most dramatic form of conflict in families,” for three reasons (p. 219). First, a marriage involves only two people and therefore, it only takes one person to end the relationship. Therefore, the greatest amount of power lies with the person with the least desire to

continue or maintain the relationship. Second, the dyadic nature of a marriage creates intensity and conflict since there are no additional allies within the group. Third, the marital relationship can end, whereas a family relationship continues despite the breakdown of the marriage. Consequently, the combination of money and marital disagreements can quickly create a fragile, prolonged, and intense situation.

Fortunately, research has shown that good communication skills, respect, commitment, and fairness reduces a couple's perception of financial conflict (Dew & Stewart, 2012). Thus, how couples choose to address financial conflict is a major driver of whether the result is constructive or destructive (Umbreit, 1995). Overall, utilizing effective communication and conflict resolution skills can promote flourishing and satisfying relationships by setting the stage for understanding, growth, and positive change (Askari, Noah, Hassan, & Baba, 2012).

### **Communication and Conflict Resolution Skills**

Communication skills are the foundation of conflict resolution. When used skillfully and effectively, proficient communication can transform a destructive conflict situation into a constructive one (Umbreit, 1995). While it is beyond the scope of this article to discuss the specific communication skills applicable to conflict resolution within the financial planning process, it is important to acknowledge how communication and conflict resolution skills are related. Communication skills are the tools or the "technology" (Umbreit, 1995), with conflict resolution skills providing the overarching strategy guiding how communication techniques are deployed. Unfortunately, communication skills - while important - have historically overshadowed the underlying theory, strategy, and purpose of conflict resolution. Umbreit (1995) observed that "the 'technology' of conflict resolution through effective communication skills - such as active listening, assertiveness, and problem solving—has been so heavily emphasized in training and mediation practice that the underlying spirit of the field is often lost." (p. 3).

Principles of Communication are part of the CFP Board's *2015 Principal Knowledge Topics (2015a)*. While communication skills are essential to the conflict resolution process, there are additional skills and strategy that need to be obtained for conflict resolution to be effective. To help clients successfully navigate money arguments and to realize the full benefits of the conflict resolution process, financial planners must acquire additional conflict resolution skills (i.e., the strategy). This article is focused on the development of a conflict resolution framework to fill the existing literature gap and to provide an overarching strategy within which communication skills can be skillfully wielded. It would be useful for a future article to address the communication skills that are essential to the conflict resolution process.

### **Conflict Theory**

Money arguments can be more fully understood through conflict theory. Conflict theory was originally developed by the well-known social philosopher, Karl Marx, in the mid 1800's to explain conflict between social classes and the associated impact on the

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economic well-being of individuals (Smith & Hamon, 2012). Based upon the interpersonal view of conflict and Sprey's (1969, 1979, & 1999) work focused on conflict in the family, Smith and Hamon (2012) outlined conflict theory based upon the following key assumptions (see Table 1): (a) self-orientation, (b) the existence of and confrontation over scarce resources (scarcity of resources), (c) conflict is different for families, (d) conflict can be classified, and (e) conflict is positive.

Table 1

*Conflict Theory Assumptions (Smith & Hamon, 2012)*

---

|              |  |
|--------------|--|
| Assumption 1 | Self-Orientation                                     |
| Assumption 2 | Existence of and Confrontation over Scarce Resources |
| Assumption 3 | Conflict is Different for Families                   |
| Assumption 4 | Conflict can be Classified                           |
| Assumption 5 | Conflict is Positive                                 |

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**Self-orientation.** People are naturally self-oriented and act in ways consistent with their own best interests. This self-orientation forms the basis for conflict within a system of scarce resources. Money is a source of conflict because it directly affects one's ability to meet their personal needs and the needs of others dependent upon them. This self-orientation forms the basis for positional arguments about the allocation of financial resources within a household (e.g., one spouse wants to buy a new car and the other does not).

**Scarcity of resources.** Societies and households are organized systems that operate under a system of perpetually scarce resources, which leads to ongoing confrontation and competition. Scarce resources combined with self-orientation promotes a competitive system where individuals seek to consume resources to meet their needs. Money is a scarce resource that directly impacts self-provision and is consequently a natural source of conflict.

**Conflict is different for families.** Families are unique in that they have different resource needs than other groups and membership is not chosen – except for the initial spousal relationship. Thus, events occurring within a family can have a greater impact on each individual member than in a different group structure where membership is

completely voluntary, such as an employer or community group. Also, families tend to withstand more conflict than other groups since the breakdown of the family is more ominous than that of voluntary groups. Thus, couples may be resilient when facing money arguments due to the desire to avoid a damaging family break-down. However, this may also mean that couples are more likely to face increasingly intense situations if the conflict persists. Existing research supports this notion, as marital money arguments have been shown to be intense, pervasive, and more likely to be left unresolved (Papp et al., 2009).

Furthermore, there is a greater shifting of power over the lifecycle of the family than that of other groups. Groups tend to be homogenous and more equal in power distribution. Families, however, are heterogeneous and change over time, along with the distribution of power. Money is a source of power heterogeneity within a household, often with the higher earning spouse having more power than the lower earning spouse (Abraham, Auspurg, & Hinz, 2009; Jianakoplos & Bernasek, 2008). Additionally, it is not uncommon for one spouse to have greater knowledge of the family finances than the other spouse, creating another source of power inequality. Consequently, marital money arguments may be particularly intense due to an unequal power distribution derived from variability in financial knowledge and financial resources.

**Conflict can be classified.** Conflict can be classified as macrosocial or microsocial. According to Smith and Hamon (2012), the macrosocial perspective is focused on conflict between classes of people and how societal values (e.g., gender expectations and wage inequities) perpetuate inequality within the family, whereas the microsocial perspective operates within the family system and the elements of that system that perpetuate conflict, such as gender and age. For example, “adults have access to resources that children do not have (e.g., money, freedom, and power); males frequently have access to resources that females do not have (e.g., physical power, higher salaries, and opportunities)” (Smith & Hamon, 2012, p. 218). Both perspectives (i.e., macro and microsocial) are relevant to the resolution of money arguments because they raise awareness of how society and interfamily dynamics influence the power and value differences within couples. Access to power and value differences can affect how couples view and use their money, creating another source of financial conflict within the family.

**Conflict is positive.** Conflict is ultimately good and “... is actually at the root of progress and change” (Smith & Hamon, 2012, p. 219). Smith and Hamon (2012) noted that with conflict comes adaptation, compromise, solidity, unity, and clarity. Thus, conflict is conducive to change and growth within relationships. Effectively working through conflict can elevate relationships to “... new levels of intimacy, relieve tension and resentment, help to identify problems, increase understanding, and bring about a renewed appreciation for the relationship” (Farrington & Chertok, 1993; Stinnett, Walters, & Stinnett, 1991; as cited in Smith & Hamon, p. 219).

## CONFLICT RESOLUTION FRAMEWORK FOR MONEY ARGUMENTS

As viewed through the lens of conflict theory, money is a natural source of conflict due to its connection to variability in power distribution, scarcity of resources, self-orientation, competition, and values. The effective management and resolution of conflict can set the stage for change and growth in relationships. Conflict theory forms the foundation for a conflict resolution framework for resolving money arguments within the financial planning process, which consists of two parts (see Figure 1). First, conflict theory informs the financial planner how to *set the stage* such that the couple can effectively and positively work through money arguments. Second, widely-used conflict resolution principles from the mediation profession are utilized to guide the conflict resolution process for money arguments (Fisher & Ury, 1991).

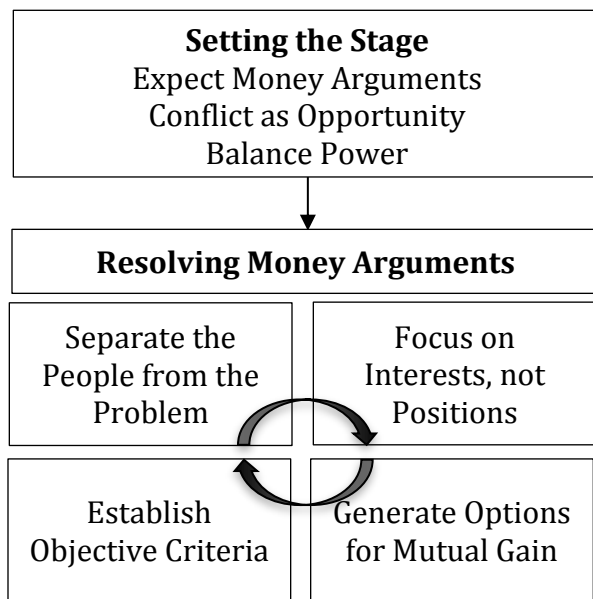


Figure 1. Conflict Resolution Framework for Money Arguments, adapted from Fisher & Ury (1991)

### Setting the Stage

As viewed through Conflict Theory, conflict is a naturally occurring process and money is an inherent source of this conflict. When effectively addressed, money arguments can produce positive and growth-oriented results. Based upon conflict theory, the following assumptions set a positive and growth-oriented stage for money arguments: (a) Expect money arguments, (b) Conflict is opportunity, and (c) Balance power.

**Expect money arguments.** Couples will argue about money. The financial planner's role is not to avoid discussing clients' money arguments, but to draw them out, help couples understand them, and to facilitate the resolution process. Couples may be more willing to discuss money arguments if they understand financial conflict is a normal aspect

of the relationship. Consequently, it would be beneficial to frame discovery questions with this normalcy in mind, such as, “Tell me about your money arguments,” as opposed to “Do you argue about money?” The former suggests that money arguments are expected and may help couples feel more open and comfortable. The latter suggests money arguments are rare, which may cause the couple to resist disclosure of a disagreement for the sake of appearances.

**Conflict as opportunity.** Addressing financial conflict is an opportunity to more fully understand the other spouse, and is an opportunity to achieve a deeper and more fulfilling relationship. By seeing conflict as an opportunity for growth, couples may be more willing to face and work through money arguments. Moreover, conflict theory suggests that couples may be more likely to withstand prolonged conflict to avoid the break-down of the family; however, this may also mean that couples are more susceptible to intense conflict if there has not been resolution for an extended period.

**Balance power.** Lastly, be cautious of power imbalances associated with the family finances. Being cognizant of power variability between the couple is essential to the effective and sustained resolution of conflict. When discussing finances, financial planners need to ensure each spouse has equality of power in the conversation. It isn't uncommon for one spouse to be more involved in managing the family finances or one spouse to make more money than the other. Consider having the conversation in a relaxed and neutral setting that minimizes the stress of each spouse (i.e., not in the financially dominant spouse's office). Moreover, ensure each spouse has an equal understanding of the family's current financial position, which may require additional financial education for the less financially involved spouse.

## Principles for Resolving Money Arguments

*Principled negotiation* techniques have been well established within the mediation literature and are relevant to the resolution of money arguments (Fisher & Ury, 1991). The following are four basic elements of principled negotiation that can be used in almost any circumstance (Fisher & Ury, 1991, p. 10-11): (a) Separate the people from the problem, (b) Focus on interests, not positions, (c) Generate options for mutual gain, and (d) Establish objective criteria.

**Separate the people from the problem.** The key premise behind this principle is to be tough on the problem, not the person. Ultimately, the couple is on the same side and should focus their energy on resolving the problem at hand, not in tearing down the other person for their faults. The first step is to identify the specific problem that is causing the money argument to occur. Then, address the problem as a team (e.g., our income can't support our expenses), and avoid attacking the other person (e.g., you are spending too much!). The financial planner can assist clients in focusing on the problem by reframing personal attacks to directly address the problem.

**Focus on interests, not positions.** Interests focus on why and positions focus on what. Interests reflect underlying desires, concerns, and values (e.g., “I want to create

family experiences”), whereas positions represent the object of the argument (e.g., “I want to buy a lake home”) and are often the source of gridlock. The most powerful interests are basic human needs, such as “security, economic well-being, a sense of belonging, recognition, and control over one’s life” (Fisher & Ury, 1991, p. 48). When understood, interests create shared ground and alignment, yet arguments ensue when each spouse is anchored in their position. The goal of effective conflict resolution is to bring each individual’s underlying interests to the forefront and to resolve the conflict in a way that doesn’t compromise those interests.

Uncovering interests is extremely difficult because it requires each spouse to be open, patient, vulnerable, to let go of positions, and to communicate effectively (e.g., actively listening, reframing, being assertive, showing respect, providing care, and expressing empathy, etc.). Since interests are innately connected to basic human needs and values, it is helpful to understand how an individual’s past life experience has shaped those interests. In terms of money arguments, this can be done by exploring each spouse’s money history and values around money. While this discussion can be useful for understanding interests, the mediation profession generally recommends caution when talking about the past, as people can easily get stuck and may find it difficult to move forward towards resolution (Fisher & Ury, 1991). The past should be acknowledged and not ignored; however, for the purposes of working through current disagreements, the focus should be on the future (Fisher & Ury, 1991). If the past needs to be revisited for healing purposes or there are clearly lingering issues, then couples may need to involve a marriage and family therapist or another mental health professional.

**Generate options for mutual gain.** After interests have been identified and fully understood, it is time to generate interest-focused solutions to resolve the money argument. With an open and creative mindset, couples should generate as many options as possible before making a decision. Producing creative solutions that meet everyone’s expressed interests takes time and is difficult to do under pressure. Consequently, it is useful to generate a wide variety of options that represent mutual gain without the pressure for an immediate decision. However, couples should ultimately set a timeframe to decide on a mutually beneficial option to provide clarity and closure to the situation.

When creating options, couples need to use caution when employing methods focused on positions. For example, a financial conflict resolution strategy proposed within the literature requires each spouse to write separate lists of personal financial and/or life goals (i.e., positions), compare those lists for overlapping items, and then prioritize the items (Coombes, 2014). This strategy is useful for facilitating discussion; however, it risks placing too much emphasis on the negotiation of positions without consideration of the underlying interests, resulting in a compromise where both people lose something (i.e., an important financial or life goal that is removed from the list because it does not align with the other spouse). The financial planner can facilitate this step by re-aligning clients back to their interests and by offering creative financial solutions that support interests that the client may not be aware of. Following the example from above, the interest behind the lake house goal is a desire to create family experiences. The couple may differ on how to create family experiences – hence a disagreement about the lake house – however, it may be

important for both people to create new family experiences. Once this alignment is discovered, options can be generated to find creative ways to facilitate family experiences.

**Establish objective criteria.** To aid in arriving at a decision, couples should insist that the result is based on an objective standard or criteria. A financial planner can provide significant value as a third party by providing analyses and recommendations that establish objective criteria. For example, if a couple is arguing about when to retire, a retirement analysis can be completed to determine when retirement is financially feasible. Similarly, an objective third party (i.e., the financial professional) stating \$x amount needs to be saved for retirement can assist couples in resolving budgeting issues.

### CASE STUDY

The following case study explores a common money argument: giving money to an adult child. This case demonstrates how the conflict resolution framework can be applied to money arguments in practice. To begin the process, the stage must be set.

#### The Argument

Margaret, age 65, and Clarence, age 63, have been married for 35 years and have one adult child, Heather, who is 32 years old. Over the course of their 35-year marriage, Margaret and Clarence have come to expect money disagreements, are both equally knowledgeable about their financial situation, and have become adept at working through financial disagreements in a positive manner. They both recently retired. Clarence was the primary earner during their working years; however, Margaret feels as though Clarence recognizes her contribution to the family and that she has a voice in financial conversations. While they can effectively navigate financial conflict within their own relationship, they constantly struggle when facing financial disagreements that involve Heather. Heather has always had a closer relationship with her Dad than her Mom. She is more comfortable talking with her Dad about money and has learned to approach him first, as he usually says yes and finds a way to get her Mom on board. Clarence and Margaret have provided financial support to Heather periodically over the last five years, which has been a point of contention with increasing intensity each time the situation arises. Clarence and Margaret see their financial planner, Abigail, three times a year. The issue of gifting money to Heather arose at their most recent financial planning meeting:

**Clarence:** “I would like to give Heather \$10,000 and I know we can afford it. She called a few days ago and it sounds like she is having trouble making ends meet again.”

**Margaret:** “I didn’t know she called? Why didn’t you tell me? I don’t think we should give Heather anything. We have provided support for her on multiple occasions and fully paid for her college education. She needs to learn to stand on her own two feet. I know we can afford the \$10,000 now, but I’m concerned about being able to sustain this pattern of giving into the future.”

**Clarence:** “Margaret, we are fine financially – you know that. I’ve already told Heather that we will give her the money.”

## Setting the Stage

First, recognizing that discord about how to provide financially for adult children is a normal and common struggle parents face may help Clarence and Margaret approach the issue in a more positive manner. When it comes to power, Margaret and Clarence constantly struggle when Heather enters the picture. Heather brings a power imbalance to the conflict that doesn't otherwise exist. This power imbalance is partially due to the close relationship Clarence has with Heather. Additionally, Clarence tends to make unilateral decisions about gifting to Heather without including Margaret. Margaret feels unable to influence Clarence and questions if she can, since after all, he was the one who contributed the most to their retirement portfolio. Abigail, their financial planner, needs to set the stage by helping Margaret and Clarence identify this power imbalance and take steps to correct it. In this situation, Abigail needs to draw out Margaret's perspective by giving her power in the conversation.

**Abigail:** "Over the years we've worked together I've seen the two of you effectively deal with money disagreements on multiple occasions. Margaret, what do you think it is about gifting to Heather that creates a more intense discussion?"

**Margaret:** "Well, I feel that Clarence either makes a decision without me or convinces me that we should do it because we can financially. At the end of the day, it is easier to go along with giving her the money."

**Abigail:** "It sounds like you feel you don't have a say over the decision, is that right?"

**Margaret:** "Yes, that's exactly right."

**Abigail:** "Would you mind describing why that might be?"

**Margaret:** "He has always been closer to Heather and has had more of the financial conversations with her. I don't want to talk about money with Heather because we usually fight. I think she needs to be more self-reliant, but Clarence wants to help. Heather and I are certainly close, but in a different way. Clarence did contribute more to our retirement assets, so I guess withdrawing from the decision feels like the best thing to do."

**Abigail:** "Interesting, your last statement was very different from your earlier one. You first indicated you feel you don't have a say over the decision, but I just heard you say you actively choose to withdraw from the discussion. This is actually a conflict style I've never seen you use before. Clarence, what do you think about all of this?"

**Clarence:** "I guess I didn't realize Margaret was avoiding the conflict and withdrawing from it. I thought you were okay with giving money to Heather since we've been helping her for the last several years. I've always seen the portfolio as our money and I don't have any more say just because I contributed more dollars to it. I'm certainly open to a discussion about gifting to Heather."

**Abigail:** "That's wonderful. I'm glad the two of you can see where the other is coming from. What I'd also like to note is when a conflict is experienced over a long period of time, couples become polarized and opinions become rooted in the history of the argument rather than the present situation. What I encourage you both to do in the future is to give each gifting situation unique attention instead of reverting to past positions you've become accustomed to."

By recognizing the power differential and drawing out Margaret's perspective, Abigail was able to bring the power imbalance to the surface and open up the conversation to develop a mutual understanding of the situation between Clarence and Margaret.

### **Resolving Money Arguments**

Once the stage has been set, principled negotiation (Fisher & Ury, 1991) can be employed to resolve the conflict. To demonstrate this process, the case of Margaret and Clarence is continued. How to separate people from the problem, focus on interests rather than positions, identify options for mutual gain, and setting objective criteria are explored.

**Separate the people from the problem.** First, clearly identify what the problem is and what it is not. In Margaret and Clarence's case, the problem is about the conundrum of providing gifts and support to adult children, while not enabling poor financial behavior. The problem is not about one spouse being overly generous or the other being too strict. Margaret and Clarence need to focus on the problem of financial support and independence, while not blaming or accusing each other for prior actions or current desires. Moreover, it is helpful to recognize if the identified problem is indeed a problem - and if so, how it arose. In Margaret and Clarence's case, supporting adult children is not necessarily a problem if their investment portfolio can support it. There can actually be psychological benefits to parents by providing instrumental support (financial support, transportation or shopping, and household chores) to their adult children (Byers, Levy, Allore, Bruce, & Kasl, 2008). Supporting adult children tends to become an issue between spouses when it is a reoccurring event. Often, one spouse will want to continue the support while the other wants to stop. This reoccurring problem typically arises due to precedent and expectations set by one or both of the parents, whether intended or not. If the child is used to receiving the support, as is the case with Heather, then the child may come to rely on the support and expect it in the future. This reliance may cause them to remain imprudent, putting them in the same position to need more money in the future. Furthermore, the child may think that the flow of money is intended to be a regular occurrence and that the parents enjoy providing the money. In any event, the problem comes back to communication issues and expectations.

**Focus on interests, not positions.** As outlined in Table 2, the position in this situation is whether to give money. Clarence has clearly communicated that he wants to give money; however, Margaret does not. When Abigail asked about what Clarence was hoping to accomplish by giving money to Heather, she discovered that he was concerned about Heather's safety and provision for necessities. Margaret, on the other hand, was more concerned about Heather's ability to become financially independent and the long-term effect on their own financial security.

**Clarence:** "I'm worried Heather will not be able to keep a roof over her head or buy groceries. I can't bear the thought of her struggling."

**Margaret:** "I'm worried Heather will never become independent and that continuing to give her money will cause us to run out of money later. I have longevity in my family and I will likely live longer than Clarence!"

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Table 2

*Position vs. Interests*

|          | Clarence                       | Margaret  |
|----------|--------------------------------|---|
| Position | Give the money.                | Don't give the money.   |
| Interest | Heather's safety and security. | Heather's ability to be independent and Margaret's own future financial security. |

While the expressed interests may be different, this couple would most likely agree that Heather's safety, security, and independence are all important while not breaking the retirement bank. Thus, exploring the personal interests behind the position has brought the shared interest to the forefront for the couple.

**Generate options for mutual gain.** Once the interests of Margaret and Clarence were understood, Abigail had each of them create support plan options for Heather from the perspective of the *other* spouse and then work to find a balance that meets both spouse's interests. Margaret and Clarence ultimately determined that support for Heather will continue, but will focus on necessities (e.g., housing and food), and will gradually reduce over the course of the next two years. This will allow Heather's immediate safety and security to be safeguarded with a path to independence in place and time for her to transition. A timeframe gave Margaret assurance that the financial support would not continue long-term and would therefore not put her future financial security at risk.

It should also be noted that this is a difficult situation, as it also involves clear communication and resolution needs between the parents and child. Once the parents have agreed upon a plan, then clear expectations need to be set with the child. When support of adult children becomes a problem, it can be helpful for the adult child to understand the effect the support may have on their parents' financial security. Communicating the plan and financial picture usually involves a family meeting in which it is useful to have an objective third party facilitate, such as the financial planner.

**Establish objective criteria.** Lastly, Abigail also assisted in the resolution process between Margaret and Clarence by showing them how much of their money can be transferred to Heather without compromising their own future financial security. Abigail accomplished this by completing financial projections that demonstrated the effect of the transfers on the longevity of the couple's financial asset base and on their current spending ability. The resulting solution was one that Margaret and Clarence could afford today and one that did not put their future financial security at risk.

## DISCUSSION AND CONCLUSION

The role of a financial planner directly aligns with the role of a mediator – “... a neutral third party who facilitates communication to help define the issues, develop alternatives, and reach resolution” (Bradshaw, 1995, p. 238). Financial planners often do not have adequate training in the communication techniques and conflict resolution strategies that help to effectively resolve money arguments; however, financial planners are trained to bring financial expertise to the negotiation process. Consequently, financial planners and their clients can benefit greatly if communication skills are enhanced and conflict resolution skills are learned and integrated into the financial planning process. Mental health professionals (e.g., marriage and family therapists) tend to possess the necessary interpersonal skills through training, education, and experience requirements to address the dynamics of money arguments between couples, yet may not have the financial expertise required to provide the objective third party financial criteria or solution (Kim, Gale, Goetz, & Bermudez, 2011). Mental health professionals can more effectively address money arguments by seeking additional training in financial analytics or by integrating an expert financial planner into the conflict resolution process.

With money arguments highly prevalent within couples and the need for financial planners to establish financial goals that are aligned according to each person’s individual needs and priorities (CFP Board, 2015b), conflict resolution skills are an essential area of training and development for financial planners that are complementary to the communication and counseling skills currently required by the CFP Board (CFP Board, 2015a). Fortunately, conflict resolution skills can easily be acquired and implemented by learning the well-established principles and strategies from the mediation profession and by incorporating them into financial planning practice.

As with any new skill, financial planning practitioners should be cognizant of their ethical responsibility to only provide services within the bounds of their expertise. Consequently, due diligence should be undertaken to learn conflict resolutions skills before applying them within the client context. Ultimately, it may be necessary to add conflict resolution skills to the CFP Board *Principal Knowledge Topics* (2015a) to ensure consistent and adequate training across CFP® professionals. For financial planners concerned about practicing therapy, it is important to note that mediation has emerged from multiple disciplines as a separate profession distinct from therapy, psychology, or psychotherapy (Bradshaw, 1995). While therapeutic models of mediation are often confused with therapy, financial planners concerned about providing therapy services should understand that mediation is a separate and distinct practice from that of therapy and is generally *not* considered to be therapy (Bradshaw, 1995).

In summary, this paper presented a well-known and highly utilized conflict resolution framework from the mediation profession and demonstrated how to apply this framework to a common money argument – gifting to adult children. Ultimately, both mental health professionals and financial planners can benefit from an interdisciplinary approach to resolving money arguments by combining training in personal financial strategies and conflict resolution principles.

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