Tips for Helping Friends and Family with Money Problems

Non-profit credit counseling agency Take Charge America helps consumers decide whether assisting loved ones financially is the right move

PHOENIX – (Jan. 30, 2013) – When loved ones struggle with finances, it’s natural to want to help. However, sometimes it’s difficult to provide assistance without straining a relationship or compromising one’s own financial wellbeing.

“The economy may be getting better, but many consumers are still struggling to make ends meet,” said Mike Sullivan, chief education officer for Take Charge America, a national non-profit credit counseling and debt management agency. “People often turn to family or friends for financial help, but this can be very tricky. It’s important to take a few precautions before providing assistance.”

Sullivan explains further with five tips for helping loved ones with financial problems:

1. **Lend Money with Caution** – Even if you believe lending money is the best option, proceed with caution. First, take an honest assessment of your finances to determine whether you’re in a position to lend. Then, if you can afford to lend, put the terms in writing to ensure everyone understands repayment and other conditions.

2. **Determine Whether Assisting is the Best Move** – It’s not necessary to bail friends and family out of all financial problems. Look at the cause of money troubles. Did your teen run up a credit card, or has your best friend’s injury led to staggering medical bills? If poor choices are to blame, the individual may benefit from the extra effort required to pay the bills without your help. If difficulties were caused by unforeseeable events, a financial boost is worth considering if you can afford it.

3. **Evaluate Your Options** – Lending money is one option, but it’s not the only option. You may be able to babysit children or clean the house while your loved one works an extra shift or side job. You can also help family and friends develop a budget or find professional assistance.

4. **Gift, But Don’t Enable** – Gifting money may be appropriate if you are willing, financially able, and the gift doesn’t enable poor behaviors or make the borrower dependent on you for more cash in the future. Otherwise, gifts can seriously strain personal relationships and ultimately cause more harm than good.

5. **Don’t Cross Boundaries** – Has your loved one reached out to you for assistance, or are you assuming he or she needs assistance? In some cases, people prefer to climb out of a difficult situation themselves. If you feel assistance is necessary, consider broaching the topic indirectly. Comment on a news story about debt or mention a few financial tips you received from a friend.

For more financial advice, visit [www.takechargeamerica.org](http://www.takechargeamerica.org).
About Take Charge America, Inc.

Take Charge America, Inc., a non-profit financial education, credit counseling, housing counseling and debt management agency, is dedicated to helping consumers nationwide improve their financial futures. Founded in 1987, the organization has helped more than 1.6 million consumers nationwide manage their personal finances and debts. To learn more, visit www.takechargeamerica.org or call (888) 822-9193.

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