

Money Scripts and How They Affect Your Relationship with Money

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February is known for being the month of love and relationships, so let's not forget about your important relationship with money.

The term "Money Scripts" was coined by Dr. Bradley T. Klontz, who is a Financial Psychologist and a Certified Financial Planner™ professional. Money Scripts are the unconscious feelings that you have about money. They can develop as early as childhood. Many of these scripts are passed down from generation to generation. As children, we learn what we see. Money scripts that you likely don't realize you are adopting, drive your behavior around money as an adult.

Klontz developed an assessment called The Klontz Money Script Inventory (KMSI), which is a series of statements that measure core money beliefs that surround our financial behaviors. You score each statement based on how strongly you agree or disagree with it. The exercise will elicit memories from childhood that you may have never thought of before in terms of money. Some examples of money scripts include:

Things would be better if I had more money. Money should be saved not spent. Money is power.

Identifying your deep-rooted beliefs around money will help you understand why you make the money decisions you do. "We take these beliefs for granted as adults and we rarely go back and examine them, let alone decide to change them because they aren't getting us where we want to be," Klontz says. **(2)** Sometimes our money scripts restrict us from achieving financial goals, especially in times of financial stress or crisis.

Many of our personal money scripts, while valid for generations before us, may no longer be valid or even helpful. For example, a 30-year fixed mortgage on a home is standard, but why? In the 1920's home loans were for 3-5 years and only covered the interest. When your 3-5 years were up, you still owed all the money on your home, so many people borrowed for another 3-5 years. **(3)** When the Great Depression hit and there wasn't any money to borrow, people were defaulting on their homes and losing them to foreclosure. In today's world, many people want to fully own their home before retirement due to money scripts we learned from our



parents and grandparents. We now have the Federal Housing Administration, which has insured mortgages against default, and given us more predictable mortgage standards. From a numbers standpoint it may not be the most efficient use of funds to pay off our mortgage before retirement, but our money scripts still linger because that is what we have been told.

“You must save for a rainy day”, is another money script many people have learned throughout the years. Some of your parents may have kept a coffee can full of money in the pantry, or even in an envelope under the mattress. Today, that is similar to keeping a large amount of money in a low interest earning savings account. In a sense, it is “safe” money, but it isn’t safe from losing purchasing power. Investing your money where it can grow, while also being accessible for that rainy day, is something you can do to make that ingrained money script work for you.

It is important to understand how these beliefs and feelings have shaped your financial journey thus far and how they will continue shaping your relationship with money in future years. You are the expert on your own life and leaning into these money scripts can help you grow on that journey. “They’re kind of like an actor’s script in a movie. We just continue to read the lines in our heads or out loud to our families and friends and believe they’re true, when in fact they’re often quite distorted and can limit our success,” says Klontz. **(2)**

We all have a history with money, but the good news is that we can change our habits when necessary. “It’s never too late to rewrite your script.” **(1)**

If you are interested in learning more about Klontz and his research on Money Scripts here is a link to a deeper dive into Money Scripts: [Dr. Brad Klontz and Dr. Sonya Britt: Money Scripts.](#)

Or better yet, call us, and we can help with your exploration.

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