BUDGETING THROUGH DESIRES
Financial education and money self-management

Abstract

This paper focuses on the processes promoting people's empowerment through the investigation of their relationship with money. The basic assumption is that financial education, meant as a simple transfer of contents and methods to manage the family budget, is not an effective tool to promote a real change in people's consumption practices. The achievement of a true awareness, by encouraging a change of attitude "from within" in people's relationship with money, grounds necessarily on the exploration of the inner experience of money. Money does not hold only a simple economic value; instead it rouses strong feelings, challenging people's sense of both self and collective identity. Therefore, the empowerment processes are always concerned with the awareness of our intimate relationship with money. This approach also entails the exploration of the irrational part inside each of us, which plays a key role in defining how our needs are satisfied, and to what extent money is implicated. It also involves a shift from financial education to financial self-determination, where people begin playing a leading role in modelling their own lifestyle once again.

The survey, through the employment of active-research methods, shows a significant increase in people's awareness of how lifestyle can affect the building processes of both self and collective identities, and how money management is influenced by needs, desires and fears. This is true not only for individuals, but also for whole family groups. The bottom-up process which inspired the project is surely a major element of innovation, since this research was based on materials produced during more than 40 training events, which involved around 500 people in a 5-year period.

The research takes advantage of the combined contribution of different branches of knowledge, such as anthropology, sociology and economics. It also intercepts local welfare practices, therefore enabling the promotion of a virtuous interplay between theory and practice. The methodology was also designed following a socio-anthropological approach, which made fruitful use of the ethnographic method; such a choice relies on the efficacy of ethnography as a mean to explore this field "from within", positioning the researcher/teacher herself as part of the context.

Key words
Self-Determination, Awareness, Community Development, Financial Education

Introduction

This research originated from an in-depth analysis, both in economic and cultural terms, of the crisis burst out in 2007, where the gap between poverty and deprivation in Italian families has become increasingly apparent. Failure to implement those lifestyles usually associated to middle-class welfare has triggered a forced downward trend, not necessarily a happy one, in people's everyday life. Such trend soon generated a sense of disconcert, fear and sorrow in families, followed shortly by conflicts, aggressiveness, frustration, as well as a sense of impotence and depression. The actual incapability to buy whatever grants us not just our basic livelihood but also, above all, our social identity and belonging may result in a sense of social exclusion and isolation. However, it is important to avoid a straight

1 For a reference on happy degrowth one can consider the substantial work of Serge Latouche.
identification between poverty and social exclusion, for the two can follow parallel courses without merging necessarily: indeed, although economic aspects undoubtedly play a major role in priming processes of social exclusion, however the latter seems to be more closely related to conditions of inequality and deprivation of social connections, rather than poor economic conditions. In a time of crisis, families feel stripped of their chance to develop a sense of belonging, built upon a lifestyle deemed as satisfactory. A great deal of sociological analysis has increasingly focussed on this point. “[...] Some Authors come to the conclusion that it is lifestyle – meant as a consistent set of consumer choices of the subject – to determine the fundamental basis of social identity today, not employment, thus supplanting class as the main organisational principle of social life (Sassatelli, 2015). “Consumption is being given a relevant marking assignment, that is helping to redraw the maps of what is possible, as well as right and normal, to those willing to keep considering themselves as positioned in the middle” (Sassatelli 2015).

Moreover, the state of personal satisfaction is currently being investigated by psychological disciplines as well. A number of therapists treating various kinds of gambling addiction, depression and mental suffering report a strong association between these conditions and consumption lifestyles of both individuals and families. It is worth to note that people’s ways of consumption far exceed plain and simple money-management practices, for good or ill, thus trespassing into the emotional sphere of desires, needs, fears and frustrations (Voltoin, 2011; Bustre, 2007). On the other hand, a prevailing trend can be observed in citizens, i.e. to regard money as the only asset capable of granting personal and familiar satisfaction; mechanisms such as marketing, credit and an almost complete monetisation of human and natural resources seem to have played a fundamental role in bringing about this outcome. In other words, those mechanisms have produced a real addiction to money, where the perception of wellbeing strictly depends on its availability.

The distinction between poverty, defined as the lack of goods needed for physical survival, and deprivation, defined as the lack of goods conducive to the formation of our identity, has produced an interesting interpretation of the relationship between money and personal satisfaction, and the ensuing dramatic repercussions in the everyday life of thousands of families (Atwood, 2008). Such distinction is also necessary in order to detect a wide range of tools and methodologies, in order to correctly and effectively cope with both these predicaments. While the state of poverty can be addressed with measures envisaged by the institutional policies of wealth reallocation, the state of deprivation requires a more complex and multidisciplinary approach, promoting the self-evaluation of people’s lifestyles and the potential downgrade in social status that may ensue. The lack of economic means fulfilling the needs deemed as most relevant by a given family raises a sense of impotence in its members, as they feel unable to confront a global scenario deemed as oppressive. Both institutions and the market(s) operate at levels not directly influenced by the single citizen, who in turn feels prone to decisions made elsewhere, but reverberating badly in his/her everyday life, as they may entail job loss, the increase of living costs or the denial of a home mortgage. Even the guidance on consumption choices looks pretty much inadequate, as limits are set by the market, dictating both costs and available goods. Hence the management of the family budget turns into a source of frustration as it is not freely and independently enacted, based on family needs and desires.

From financial education to the discovery of a new awareness

Our link with money in an issue so deeply rooted in our mind, so closely connected to our real life and its hardly foreseeable contingencies, that it ought to be treated by means of an array of different tools and methodologies both emphasising and strengthening all personal motivations and experience, and self-made answers/solutions, rather than by a more or less uniform series of actions aimed at applying a standardised system of technical solutions. In other words, the adoption of an approach based on past knowledge, that is static, standardised and discipline-oriented in modelling a reality that is complex, dynamic and rich in human biodiversity instead, may be of little use if we choose to investigate the issue of our relationship with money. Much better results can be obtained on
the other hand if we encourage the search for creative solutions by real people, as they become involved first-hand in tackling the problems occurring over the course of time.

If the kind of financial education we refer to is just a source of technical knowledge to be transferred to learners – meant as ignorant subjects therefore incapable to make valuable economic choices to benefit themselves and their families – the chances to operate effective changes in their lifestyle and their consumption management are rather poor. According to this approach (Isabella, 2016), the economic management of one’s own money assets can be guided by technical and economic information only, without considering instead, as reported in the present paper, the different value families attribute to money assets at different times during their entire life cycle, depending on their current needs, worries and expectations.

Based on these premises, our project has shifted the focus from traditional financial education to the promotion of the so-called financial self-management (Freire, 1982). The assumption evaluated in this study remarked the need to build dedicated courses strengthening the awareness of money management, rather than technically planning a household budget. This kind of approach brings about a kind of training based on the following elements/keywords:

- **COMPLEXITY AND MULTIDISCIPLINARITY:** through workshop activities of aggregating groups this research has investigated different aspects related to money management inside family units: partner relationships, parent-child relationships, significance of paid work, decision management, meaning of item ownership, meaning of food expenses, money-related personal history. Hence, by proposing a better management of the family budget, this approach takes into account all those features at the same time, and elaborates them in a context of complexity thus avoiding model oversimplification.

- **EXPERIENCE CONTEXT:** during this group-based action-research, people are asked to listen to single experiences with no query nor debate, making no judgement on what was told. This kind of training takes advantage from the peer-to-peer exchange and allows a revaluation of personal experience by comparison with those of the group members. Moreover, case studies are not abstract models but real occurrences presented by workshop participants. This way money-saving tricks as well as budget planning strategies are spontaneously developed, rather being mutuated by the teacher.

- **ABILITY TO MAKE CHANGES AND MANAGEMENT RESILIENCE:** based on the analysis of more than 500 family budgets, a great deal of options for change were proposed and elaborated by each family unit. Rather than standardised modifications, these are ways to improve management efficiency, operating on the resilience capability of members of a family or a couple. The aim of the change is self-determined and self-managed. The teacher and the group listen to the family unit proposal and together start evaluating the feasibility of the outlined plan.

- **RISK MANAGEMENT AND LONG-TERM MANAGEMENT:** management resilience allows workshop participants to understand the economic mechanisms operating in their own families, to master the tools of budget management and face the risks and contingencies that may occur in the future.

- **GROUP WORKSHOP:** as explained further in the following point, in comparison with a 1:1 approach between learner and teacher this action-research scored its most significant results when conducted as a group workshop (with a maximum of 20 participants each time). The peer-to-peer exchange, coupled with a positive and relaxed environment and the free option, whether or not to illustrate personal experiences and share them with others, helped to clarify some of the mechanisms of financial management, which can be detected after 6/7 months of activity only, if adopting the 1:1 approach.

- **COMMUNITY RELATIONS AND NON-MONETARY EXCHANGE:** if workshops are held in a well-defined territory, group training grants the strengthening of community links and
the formation of new ones. The creation of community links is an additional result of such training, which in its latter stage closely examines and further develops all forms on non-monetary exchange previously adopted by participants, emphasising their economic and social value.

The result of our work can be briefly summarised in a dichotomic pattern, expressed in table 1. Bearing in mind the theoretical references listed above, our action-research has however taken advantage from the complementary use of elements of traditional financial education.

The assumption we made by means of our action-research stands against financial exclusion since, according to our standpoint, not only access to credit and other banking instruments ought to be granted, but also the dependence on monetary exchanges should be reduced, thus increasing people’s management awareness and promoting non-monetary exchange practices (Pittau, 2003).

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Method

The fundamental step of considering money management as a mean of financial self-determination lies upon the methodological paradigm of action-research, a tool providing an equal relationship fostering reciprocity and mutual exchange between learners and teachers, purposefully overcoming this artificial dichotomy (Paulo Freire, 1980).

The research shown here is based on evidence collected over a large number of training courses, held in the form of workshop, where the active methodologies used were suitable to:

• assure that participants played a major role in figuring out each time the specific objects of the research/training, i.e. relevant things to be critically and constructively evaluated with regard to
their money management approach, alone or together with their family, with or without a family budget;

- induce a process of self-deliberation and self-transformation; both changes and improvements originating by action-research can occur only as a consequence of a thoughtful work of deliberation, capable of breaking rigid schemes and elicit cognitive dissonances (Festinger, 1957). Likewise, we can refer to reflection in action and self-reflective enquiry (Reason, Bradbury), as to strategies generating critical reflection on personal actions and their effects; these strategies seem to be more effective if thinking is focussed upon concrete rather than abstract issues, and conducted in groups of peers where individual thinking can be improved by the circulation of ideas and the exchange of different knowledges and experiences, so that new perspectives open up by ‘shaking’, or ‘enlightening’, the individual thinker.

- provide viable knowledge in order to develop theoretical models directly from practice; the focus on both investigation and self-awareness adopted to stimulate learning encourages trainees to consider the deep motivations of their actions and to critically evaluate their own experience, so that they can ultimately detect innovative solutions by themselves and enrich the theoretical formulation with useful elements. Talking about action-research applied to school teacher training, Carmel Mary Coonan explains: “The gap between theory and practice can be filled mainly because in action-research the teacher becomes a researcher himself […] By action-research the teacher takes control over his/her situation, becoming the main player as regards both his future and the future of his/her school as he/she is capable to find suitable answers to both his/her own problems and those precisely specific of his/her school (not an abstract and theoretical one) […] Theory finds its place when it is mirrored into practice” (Coonan, Università Cà Foscari, Venice).

The realisation of training courses represents, as a whole, a qualitative and empirical form of action-research, as it is based on both an investigative mode of analysis and on the collection of behavioural data directly observed in the classroom, together with the other participants.

The method used to facilitate working in teams deserves a further note. The careful selection of tools used to facilitate the participants’ expression and narrative about their lives is paramount if we consider what was highlighted above, about the complexity and delicacy of the issue considered (money management) and the strong emotional implications involved in talking about money in a time of crisis. Consistently with the above considerations about the opportunity to provide a self-originating form of learning, not induced by players from above or from outside, our choice went upon the Morenian action methods. According to this approach the main goal of the training experience consists of enabling each individual to elaborate new answers to current problems and needs, with respect of specific personal requirements and time scales. Group training experience is founded on the fundamental rule of suspension of judgement: each participant is welcome to expose, if and when appropriate, his/her experiential “truth”. However, since all individual truths bear the same value and dignity they can’t be questioned by others but only used, if suitable, to creatively modify their individual behaviour/attitude. Training activities are always based on action as a synthesis of thought, emotion, verbal and non-verbal expression. Action is also the mean to make the narration of each participant visible and usable to other group members. The resulting proposals fully respect subjective instances as well as the resistance to change inherent to each participant.

The activation games used in workshops encouraged trainees to explore the different “faces/roles” by which money and consumption affect personal identity, promoting the formulation of questions and evidencing the presence of contradictions. This process is managed mainly through body action, i.e. the movement associated to reflection. In an interview given to journalist Isabella Maria, philosopher and psychoanalyst Miguel Benasayag remarked the efficacy of this approach: “It is estimated that 90-95% of all information reach us indirectly, that is not through our bodies. But
Spinoza stated that there is no chance to elaborate an idea if its source does not go through the body first” (Isabella, 2016).

Fieldwork

The training activity on which our research is based started in 2012 and is still ongoing. During this five-year period, a total of 24 workshops were realised, with about 500 participants. Those workshops were managed adopting active methodologies to develop the subjects of money and consumption, and were centred on the concept of empowerment, helping participants to regain control over their consumption choices. The subjects discussed gave participants the option to disclose their personal self, to express their own experience with money, seen as the fundamental factor to be addressed in a quest for change. Workshops are therefore intended to build up a new awareness, rather than conveying preordained contents, in order to enable people to modify their everyday practice from within. Looking back at the past training experiences, we noticed the concurrent presence of common traits together with well differentiated patterns of experience, which further developed and enriched the proposed thesis, thus increasing its degree of complexity.

The information related to personal experience appears through games and practical exercise, as they allow participants to watch the concrete “building blocks” of their everyday practices. Possibly the most effective exercise to this extent is the draft of the family budget, later shared with the other members of the group. In this context, bookkeeping makes sense as an opportunity to confront with our lifestyle, rather than being a mere account balancing exercise. The process underlying family budget drafting always assumes that all needs, including implicit ones, are hierarchically organised, and constantly being renegotiated by the family components. This feature allows the researcher to concentrate on the process itself rather than the budget account, and to use it as a tool to understand the family identity and its internal relational dynamics. The focus just points to the feelings, behaviours and self-awareness raised by this accounting experience which, with everybody’s permission, will ultimately become an asset for the whole group.

Working on a family budget is only feasible through the investigation of essential needs, realising their high degree of arbitrariness. One of the proposed projects dealt with the creation of a basket of essential needs, where participants had to discuss their personal priorities, thus compounding ideals with much more concrete needs. The variety of ensuing results offered some interesting hints for reflection, challenging the conviction that family budget models are universally applicable, suitable to be easily transferred into different contexts. By contrast, in the seventy baskets collected to date there is a high degree of heterogeneity in the significance of concepts such as essentiality or priority need, as well as in the monetary value attributed to each single need. This evidence forced the participants to admit being impossible to objectively characterise essential needs, thus folding towards a more personal definition. Another interesting hint was given by the observation that the more heterogeneous were the groups (by age, culture, professional career, gender), the more problematic was to reach an agreement on the relative importance to attribute to each single need. The suggestion is that each of these elements tends to orient priorities to different directions. Moreover, a tendency emerged, to consider being employed as a fundamental need rather than a mean to fulfil needs.

The work on essential needs, and the related problem of attributing a fair economic value to them, is intertwined with the participants’ personal relationships with money; it just begins with the investigation of the role money plays in the real-life experience of individuals, giving voice to the narration of personal issues and remembrances. In addition, the activities centred on the exploration of our personal histories with money also evidenced that our first experience with money, often dating back to our childhood, affects and partly characterises our present monetary styles. Modern psychoanalysis itself, on the other hand, has been considering the therapeutic importance of our personal relationship with money. In the work “L’ideologia del denaro” edited by Italian psychoanalyst Adriano Voltolin (Voltolin, 2011), such terms as “compensation neurosis” or “emptying distress” are
often quoted as relevant aspects to be explored in sorrowful personalities, perhaps with the help of meeting groups.

The experience of money in one’s own personal history plays a key role for those professionals dedicated to helping and advising in situations of psychological frailty. The social care worker is paradigmatic as he/she represents a professional figure expected to both establish an empathic relationship with his/her user and oversee the delivery of economic support and other subsidies. Hence it is paramount to question whether the money issue affects the relationship between the social worker and the subject in need, and to what extent money deepens the asymmetry between the two subjects. When this form of influence, often unwitting, comes to light the participants get a chance to keep money at the right distance, thus abandoning the mindset that regards money as a lever to force change. An appropriate distance though, free from moral judgements as far as possible, suitable to be dynamically modified following the peer-to-peer interaction growing between the two subjects of this help-centred relationship. The stories we collected from the sampled citizens and professionals spanned from the discomfort of those trying to keep money out of this help-centred relationship to avoid ‘staining’ it, to the shame of those admitting their own need for money. However, a more positive side also emerged, exemplified by the liberating pleasure to use money in a peer-to-peer relationship sharing with the partner its present or future management (so recognising the reciprocity of needs).

The subjective nature of the experience of money raises another question, inherent to the distinction between cost and value. From group debates it appears that the value attributed to a specific need hardly ever matches the cost sustained to satisfy it. The value attributed to affective relationships, for instance, can hardly be quantified in monetary terms, as well as the cost of a certain good which, sometimes, does not match its relevance as an intrinsic value. It is important, therefore, to figure out how and when the spending decision is driven by values instead of costs. Participants often had trouble finding an answer, due to the complexity of the issue. However, the very action of raising this question opened up a new perspective, convenient for analysing the connection between needs, desires and fears on one side, versus consumption on the other side.

The difference between cost and value introduces us to the world of non-monetary transactions, that is the whole of all potential and real actions adopted to meet one’s own demands without using money. Although almost all participants indicated a great deal of such examples taken from their experience of everyday life, interestingly they were hardly considered as “true” resources, suitable to fulfil all our needs. Moreover, the habits/attitudes observed in workshops originated from a very dense texture of relationships, where local resources were combined with the ability to create connections. The chance to get experience of the non-monetary world, represented by exchange relationships, reciprocity/complementarity, territorial proximity or cultural proximity was mainly provided by “weak” links, i.e. those occurring among members belonging to the same community. The exploration of all factors capable of curtailing our dependence on money in common people’s everyday life actually disproved the commonplace that life is impossible without money. At the same time, it highlighted the scarcity (whether real or perceived) of non-monetary options featuring most of present day territorial communities. Local communities are currently the most fertile ground to promote a set of values founded on trust, tolerance and solidarity, however we should beware the stereotype of “a benevolent and naïve concept of the community, viewed as a warm and reassuring place devoid of contradiction and ambivalence”. On the contrary, at present the local community looks like a field contended by two opposed forces, permanently seeking a balance: the need for security, comprehensive of economic security, and the search for freedom (Ripamonti, 2006).

To this extent, it is worth noticing that the group of trainee participants was assembled choosing the most heterogeneous components with the same territorial origin. The suspension of judgement and the positive listening attitude provided a small, although significant, opportunity to foster further projects of empowerment, aiming at connecting people, groups and organisations, thus incrementing that specific community’s social capital. As a result of some previous training experiences, we can quote the intermingling occurred among three categories of citizens, those active as informed consumers
fostering the economy of solidarity, those assisted by the social services and those not belonging to the other two groups. Surprisingly, all groups equally benefitted from the others: for instance, a lot of families well-informed about the implications of sustainable consumption (aka G.A.S.) were far less aware of the mechanisms regulating their current money management practices, so they could get valuable advice by comparison with different models of experience.

Further developments

At the present stage, with the material collected over the past five years, the research definitely supports our initial assumption, that financial self-determination causes relevant changes in people's common practices, favouring a mindful modification of our relationship with money.

Further developments of this project include an extension of the sample to be analysed, which insofar has been restricted to the Greater Milan area. Moreover, we consider to insert the training activity previously described into a framework of far-reaching projects oriented to community development. Indeed the correlation is evident between improved money management, implying a reduced dependence on it, and the strengthening of communal links among residents of a same area. Some programmes have already been undertaken, so would it be quite interesting to integrate the investigation of the relationship with money into a framework of long-term activities, aimed at strengthening the community texture. More specifically, the real objective is to implement the connection among all employment-supporting policies adopted in our area, in order to increase the awareness of being protagonist in those individuals who have been made vulnerable by the loss of their job.

Lastly, a feature to be considered in future developments is the adoption of appropriate visual tools, both as part of the work in teams and as a way to keep track of the experience made, so that all results can be published and remain open to consultation.

Conclusion

According to all evidence emerged insofar, it is quite clear that the issue of financial awareness should not be confined to a set of technical guidance, developed only to reassure people and families through the tool of family budget planning. Indeed, it is totally unrealistic to assume that the future sequence of events can be foreseen so precisely for each of us, as to trigger the virtuous process that would allow, according to classical financial education, the planning of a family life cycle and the consequent improvement of its financial welfare.

The compendium of experiences narrated by our participants is quite complex and varied, therefore it can hardly be simplified in the form of a scientific universal truth. It looks more like a picture, very valuable for those who got the chance to meet those people and listen to their reports, making good use of the ideas and the connections originated within the proposed group activities.

The basic approach of this research consists of increasing the strengths of individuals and family systems inside their life communities (mainly made of trust and solidarity links among citizens) rather than planning to manage future critical events with the only help of 'structured players', such as financial mediators, corporations, public services or non-government organisations. Therefore, our bet is on trust- and solidarity-based relationships among citizens, of such a kind to make them feel they are not alone, as well as better fit to face any kind of future risk; a better option if compared to such financial solutions claiming to foresee, reduce and manage such risks by investing their money savings in the market, however wisely.

Some recent studies have shown that social exclusion processes are not necessarily consequential to the lack of income (Levitas, 2006), but arise from a broader sense of poverty implicating the absence
of other relational assets. Socially-excluded individuals end up abandoning the decision-making processes inside their own communities, just to realise they are cut off from social, cultural and even political life. Hence the importance to recover their awareness of being protagonist as referred to money, and further.

The current work seems to be in full agreement with philosopher and psychoanalyst Miguel Benasayag, who stated once: “But what is really worth is the condition of conveyance, the sense of protection, of connection established between generations. That's what lets us escape from the sense of flattening upon the immediate sensation, to the rapid and irreflexive time, linear and devoid of risk. To recover the sense of the depth of reality. That's why it is so important to figure places and practices where bodies can meet, abandoning virtual life and spell, and dream, and seduction, which are powerful weapons of bewilderment. [This] is a time of collective fascination for these new realities, that are all pointing to a meaningless direction. The meaning always depends on the limits of a condition: my life has a meaning because I am mortal. Placing all odds on an empowerment of the brain and on the eclipse of the body means we are playing a dangerous game. Because where everything is possible, nothing is real”

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