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MONEY SAVVY LIFESTYLE, PERSONAL FINANCE, RESEARCH & STATISTICS, TIPS & ADVICE

# THE SURPRISING LINK BETWEEN CONFIDENCE AND MONEY



New research shows many people feel unsure about their financial knowledge—even when their knowhow isn't all that bad. Whether asked about financial planning and budgeting or investments in the macro-economy, for example, a [2017 Canadian study](#) [https://stnce.ca/2017/11/16/findings/] found people felt least confident about things like investments, borrowing, risks and the financial landscape.

Lack of financial confidence is especially prevalent among women, [Forbes reports](#) [https://www.forbes.com/sites/pauleannareid/2018/08/01/why-this-banking-executive-says-confidence-is-the-key-to-financial-success/#7ad2bd0c1d79], even when their demonstrated knowledge of financial matters contradicts them! In fact, a [2017 survey by Fidelity Investments](#) [https://www.fidelity.com/about-fidelity/individual-investing/better-investor-men-or-women] found women are far less confident than men about their financial wherewithal when—in fact—they actually outperform men when it comes to the amount of money they save and the returns they receive on their investments.

You may be thinking money IS hard to figure out and that it's natural to feel unsure about your financial circumstances. And that may be true. After all, the economy is a complicated and unstable medium. Plus, we've all been told talking about money is rude, so the topic is largely unspoken in many circles. That makes it difficult to talk openly and honestly about it.

Other social customs are also at play. [This article](#) [https://www.cnbc.com/2015/02/11/the-uncomfortable-subject-women-dont-talk-about.html], for example, links women's lack of financial confidence to the fact that girls begin to doubt their mathematical abilities as early as elementary school. Anyone, however, can lack a sense of certainty when it comes to something as important—and seemingly taboo—as money.

## Why confidence matters

The problem is, when you feel intimidated by a subject, you are less likely to ask questions, to seek out better arrangements and to make informed decisions in your favor. Just think of something you know you're good at—sports, fashion, health and beauty, cars, or drawing, for example. Chances are, you're much more likely to talk with friends and



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Money matters are no different. Yet the consequences of not feeling sure about our own finances can be much more dire. Thankfully, confidence is something that, in time, you can develop and embody.

## Tips for gaining financial confidence

### Think of money as a tool

#### One aspect of financial confidence

[\[https://www.forbes.com/sites/shelleyzalis/2018/06/16/women-money-8-steps-for-growing-your-financial-confidence/#290a2f102468\]](https://www.forbes.com/sites/shelleyzalis/2018/06/16/women-money-8-steps-for-growing-your-financial-confidence/#290a2f102468) involves understanding the ways in which money is a means of helping you reach your goals. When you concentrate on your goals, you are more motivated to learn how to reach them. After that, it's a matter of understanding how financial factors influence your objectives and finding resources you can trust for guidance.

### Learn about money

Thanks to new media and technology, learning about most anything is easier than ever before. Consider listening to one of these financial podcasts [\[https://www.forbes.com/sites/cbrennan/2018/06/24/9-money-podcasts-you-should-be-listening-to/#581b0dcf4a95\]](https://www.forbes.com/sites/cbrennan/2018/06/24/9-money-podcasts-you-should-be-listening-to/#581b0dcf4a95) while driving to work or walking the dog. If you're a reader, sign up for an occasional financial blog post [\[https://www.crediful.com/top-personal-finance-blogs/\]](https://www.crediful.com/top-personal-finance-blogs/) to appear in your inbox. These days, financial blogs [\[https://www.kiplinger.com/article/saving/T065-C011-S001-10-personal-finance-blogs-worth-reading.html\]](https://www.kiplinger.com/article/saving/T065-C011-S001-10-personal-finance-blogs-worth-reading.html) cover everything from living frugally to investing boldly. Many employers also offer workshops and other presentations to help employees understand their benefits and make the most of their investments. Your bank, your public library, university extension programs and even a financial coach [\[https://safetynet.com/blog/qa-financial-coach-peggy-olive/\]](https://safetynet.com/blog/qa-financial-coach-peggy-olive/) can offer trusted information and expertise.

### Talk about money

Many of us were taught that talking about money is inappropriate, too personal and even rude. Sure, your personal finances may not make for polite dinner conversation, but learning to talk about money [\[https://www.nytimes.com/2018/08/28/smarter-living/how-to-talk-about-money.html\]](https://www.nytimes.com/2018/08/28/smarter-living/how-to-talk-about-money.html) is an essential step toward owning your knowledge, demonstrating what you know and learning from those around you. Be honest with your friends and family when you can't afford a night out and celebrate with them when you reach a savings goal [\[https://safetynet.com/blog/smart-strategies-save-up-for-something-big/\]](https://safetynet.com/blog/smart-strategies-save-up-for-something-big/). If you have children, learn how an allowance or other financial exercises [\[https://safetynet.com/blog/making-kids-allowance-count-teaching-financial-literacy/\]](https://safetynet.com/blog/making-kids-allowance-count-teaching-financial-literacy/) can help them gain financial confidence and tackle those goals together. While there's no need to broadcast your financial circumstances to colleagues and acquaintances, discussing things like debt, investments and real estate values with people you trust will help dissolve the shame and stress that thrive in secretive spaces.

### Practice with money

In time, you'll find bringing up money matters in uncomfortable circumstances feels more possible. For example, you may start by asking your waiter how much that dinner special costs after they have described every sauce and side dish in great detail (but failed to mention the price). You can practice negotiating with strangers by using this script to call up your credit card company [\[https://safetynet.com/blog/how-negotiate-with-credit-card-company/\]](https://safetynet.com/blog/how-negotiate-with-credit-card-company/) to ask them to lower your interest rate or waive a late fee (pro tip: your chances of success are pretty good!) In time, you'll find yourself taking greater risks—maybe even asking for a raise [\[https://safetynet.com/blog/smart-strategies-save-up-for-something-big/\]](https://safetynet.com/blog/smart-strategies-save-up-for-something-big/)!

Unlike some forms of risk, financial confidence involves more than a "fake it 'til you make it" mentality. After all, all the confidence in the world won't save a poor investment or make an emergency fund magically appear. But when you take an informed, methodical and smart approach to growing your financial confidence, you not only reap the benefits of greater financial wellness, you gain the assurance of someone who knows how to get there.



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