



You've thought about it and it isn't in the best decision to lend money at this time. What do you do?

Be Firm and Concise

Practice what you are going to say. When you speak to a friend or relative, firmly explain that you're not able to provide them a loan. This may sound like:

- "I'd love to help but I'm just not in a position to lend you the money right now. That's not in my budget. Sorry."
- "I have a strict anti-lending rule. I've lost too many friendships this way."
- "I paid for your last car repair and you haven't returned the money. I can't do it again. Sorry." If the person continues to plead or badger you it's okay to walk away or reply;
- "I'm not in a position to help you and I won't discuss it further. Sorry."
- "If you keep talking about borrowing money, this conversation will be over."

Don't Make Exceptions

If you really and truly don't want to lend money to friends and family, you can't make any exceptions. Stand firm and don't back down from the decision not to lend money to family or friends - even just this one time things can be a bit trickier if your friend or relative knows that you do have extra money to spare. In this scenario tell the person that you may need the money in the not-too-distant future, or that it is your emergency fund to protect you against unexpected expenses.

Offer Help in Other Ways

More than likely you have some skills, which could be of benefit to the person asking for the loan. Perhaps you can help them:

- **1. Review their finances.** Sit down and help them go through a budget. Calculate income and expenses, and see what can be cut from the budget. Determine if a more manageable repayment plan is an option for current debts.
- **2. Find ways they can earn extra income.** If someone is artsy, recommend that they sell their jewellery, sewing, crafts etc. Babysit on the weekend, take on a small building project, teach a class, or take on an evening shift waitressing.

- **3. Liquidate assets.** Offer to help your friend or relative go through their old things and have a garage sale. If you are computer savvy, perhaps you could help your friend or relative sell items on eBay as well.
- **4. Give your services in-kind.** Babysitting, preparing frozen meals, yard work, house cleaning. This may help free up time for the person to work more, or save them from having to pay someone else to do the work.
- **5. Give a gift.** Does your friend or relative have a birthday approaching? Consider giving a cash gift this year. Your gift will be appreciated, and you might feel a little better about refusing a loan.