

When it Comes to Marriage and Relationships, Money Talk matters

You've heard it so many times that it sounds like a tired old cliché: financial conflicts are among the most frequent causes of divorce and failed relationships. Yet the problem doesn't go away.

Let's face it: "money speak" is not very romantic. When you're dating, it's hard to imagine talking about credit card debt, spending habits, or retirement plans. Yet whether you're dating, engaged, newly married, or a long-married couple, it's important to understand that financial fit is just another component of personality compatibility.

Independent of personality and behavior, money is really meaningless. It's a tool for measuring value, but how we use it also reflects our personal *values*—what we care about, what's important to us, our sense of responsibility to others, and so on. Read on for tips and ideas to help couples move toward a thriving financial life—regardless of where you are in the relationship spectrum.

1. For unmarried couples, think twice about intertwining finances until it's clear the commitment is long-term.

Even when both parties understand things aren't going to work out, parting usually creates difficulties. Joint accounts, intertwined credit, or co-owned assets can make it harder to move on.

Or maybe you've been together for years and are comfortable that it's a life commitment, but for personal reasons agree you don't want to walk down the aisle. If so, it would be wise to get advice from a financial professional or attorney on taxes, estate planning, insurance, retirement, and other issues that could pose complexities.

2. Decide on the joint or separate approach.

Especially when both are working, many couples struggle with the question of joint or separate accounts. No answer is right for everyone. But it's helpful to boil it down to three basic options:

- **Completely shared** finances, with one joint checking account for depositing pay and paying bills, as well as joint savings and investment accounts
- **A mixed approach**, with shared accounts for major living expenses and long-term goals, and separate accounts allowing each spouse to individually manage remaining disposable income
- **Completely separate** accounts for each spouse and a plan for managing shared expenses and financial goals

The first approach works well if you feel confident that your financial styles are highly compatible, are on the same page on most money matters, and communicate frequently about expenses.

If you've agreed on big priorities—basic living expenses and shared goals like retirement savings or college for the kids—but still want some independent money, consider the mixed approach often used by couples who have separate professional lives and are active debit card users.

Or maybe you're extremely compatible in nearly every respect *except* finances. Let's face it: often, the men in our lives have very different ideas about money. For many couples of this profile, the completely



separate approach works well. In every other area you might be like two peas in a pod, but when it comes to money you pass like ships in the night. And that's fine, as long as there is open discussion and agreement about how to cover basic expenses and progress toward major goals.

As your relationship evolves, you may also find that your best-fit approach changes.

3. Set goals and make detailed plans.

In a healthy relationship, you may have goals as individuals, shared goals as a couple, and goals for your family. In all three areas, you're unlikely to get from Point A to Point B without plans, financial and otherwise, for the steps in between.

Across the individual, shared, and family spheres, goals could include retirement, college for children, continuing education for yourself or your spouse, starting a business, a career change, a dream vacation. The earlier you start planning, the more likely you'll be happy with the results.

List your goals. Brainstorm about the necessary steps—daily, weekly, monthly, annually, etc.—to achieve them. Planning proactively, you're much more likely to make things happen, instead of passively allowing things to happen to you.

4. Turn differences into strengths.

One of you might be great with numbers, the other more of an idealistic dreamer. One may favor “going by the book” with the budget, while the other might enjoy an occasional splurge. Personality differences can create tension. But if dealt with constructively, they can also be complementary, and even fun.

Let's imagine a couple named Mary and Jim. Mary's a pragmatic number cruncher, while Jim's more of a free-spirited, visionary type with big dreams. Without regular, constructive communication, Mary and Jim could be headed for a lot of financial conflict.

But if they understand and own their differences, talk about them regularly—preferably with a healthy dose of humor—and put them to work in fun and imaginative ways, the potential for synergy is tremendous, creating vital checks and balances.

Mary's practicality and common sense could enable her, in a role as the family's “Controller” or “Chief Operating Officer,” to help keep Jim's approach to finances reasonably down to earth. Jim's creativity could help Mary see more possibilities for what they could accomplish, or more solutions to challenging situations. Mary's knack for the nuts and bolts could help her formulate a plan to turn some “crazy dream” of Jim's into a viable entrepreneurial venture.

5. Focus discussions on facts—and know when money isn't “the real issue.”

If you find money talks turning into arguments, issues other than money could be at work below the surface. When emotions enter financial life, it's really about what our “money thoughts” reveal about larger issues—values, priorities, or whether you feel in control of circumstances.

If either of you allow underlying tensions to drive a money discussion toward a money meltdown, the true concerns could stay bottled up inside, and that makes things worse. If it's time to have a practical, objective conversation about working toward an important goal, try to keep emotional concerns out. However, if an uneasy feeling about something financial could be pointing to something bigger, set the “money talk” aside and try to deal constructively and openly with what's really on your mind.

6. Consider expert help.

One way to help keep money matters from getting the best of you as a couple is to seek objective advice from “the best.” When an informed, emotionally detached third party guides you through your process, it's a lot easier to focus on facts, keep other issues out of the way, and refrain from second guessing each other.

You wouldn't try to be your own doctor or lawyer. So consider the idea that trying to be your own accountant or financial planner might also be too stressful. Ask friends for recommendations. Interview several prospects before choosing an advisor.

Be informed about how potential advisors are compensated. Is there a fee? If so, do they work for a straight fee and focus strictly on finding solutions that best fit your situation? Or do they earn commissions on specific products or services? Either model could be a good fit, but be sure you know the facts.

A local bank with which you already have a strong relationship could be a great resource. Ask about what services are available from staff specialized in personal financial planning.

Think of it as a different kind of "courtship." Personality and compatibility were crucial to bringing you together as a couple. Make sure, too, that you're both compatible with the advisor you'll be trusting with such an important aspect of your lives—your finances.

7. The bottom line: communication is the key.

By now, you've probably spotted a common thread in these tips. It's communication—open, constructive and, ideally, always approached with a touch of playfulness and imagination. Sound familiar? It works as well for money matters as for any other aspect of a relationship.

There's no way to anticipate every financial challenge life could throw your way. But investing effort into developing good communication habits—and an understanding of when you might need outside help—will make it easier to keep those challenges from sabotaging your relationship.