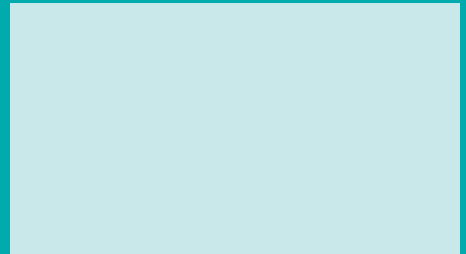




MONEY WISE

VALUING PEOPLE. VALUING MONEY.
MANAGING IN TOUGH TIMES INITIATIVE



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THIS MONTH'S TOPIC:

WHEN OPPOSITES ATTRACT: MANAGING FINANCES WITHIN A MARRIAGE

Have you and your spouse ever had an argument about money? If you are like most people then you probably have. Money is a leading cause of marital discord. In fact, a recent study about arguments in 100 married couples found that money was the number one offender.

This is not surprising. Money is a delicate and often emotional topic to discuss. Financial discussions are complicated by the fact that spouses often come from different family backgrounds with different values about money. So how can you come together with your partner to communicate about money?

Communication is Key

The first and most important step to managing money in a marriage is open dialogue. Have a serious discussion in which you explore each other's values surrounding money. In family finance, we call these our money habits and attitudes.

In other words, what do you and your partner value most? Is financial security your number one concern? Do you want to be able to be carefree and spontaneous with your money? Do you want to give to charity? It is important that you be honest about your values so you can develop a reasonable spending plan.

Tip: Choose a happy time to have discussions about money. This will ensure that your emotions don't cloud your judgments about finances.





What is Mine, Yours, And Ours

Now comes the hard part. How do you combine your money habits and attitudes to create a budget that works for your marriage? Some couples try to keep their finances separate. For the most part, research suggests that completely separating your finances is a recipe for disaster. On the other hand, throwing all your money into one pot may not be the best strategy either.

Let a basic budget be the financial foundation for your marriage. Put all of your fixed monthly expenses (i.e. rent/mortgage payment, utilities, groceries, etc.) on paper. These expenses fall into the “ours” category. Use a joint account to cover these basic bills. Next, build outward from your basic budget. Set up automatic contributions to retirement accounts, college funds, etc. These expenses should also come from the joint account.

Once you have covered all of the monthly expenses and savings, then you can focus on what is “mine and yours.” Set an amount of discretionary spending for you and your partner and let your money habits and attitudes be your guide. But remember, this allotment must fit within your total budget.

Tip: While all of your monthly expenses may be automated, take your discretionary spending allowances in cash. This is a helpful strategy to ensure that you and your partner stay within your budget.

Set Financial Goals Together

An important part of marriage is sharing goals. But the only way to form shared goals is to talk about them. In marriage and in life, resentments often come from unspoken expectations. If your partner doesn’t know what you want, how can they help? On the other hand, if you and your partner can get on the same page about what you are working toward, you are much more likely to be successful in attaining your goals.

Tip: At least once a year, dedicate some time to revisit the budget with your partner. Talk about how your budget is helping you progress toward your shared goals and make adjustments accordingly. If you have concerns, speak your mind. But don’t be afraid to praise your partner for what they are doing well financially. A little positive reinforcement goes a long way!

Reference: Papp, L.M., Cummings, E.M., & Goeke-Morey, M.C. (2009). *For richer, for poorer: Money as a topic of marital conflict in the home.* *Family Relations*, 58, 91-103.

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