

# How and Why Couples Should Talk Money

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The honeymoon's over. While it would be nice to always glow in marital bliss, reality will soon set in when it comes time to talk finances.

And talking is a necessity. "I advise my clients to always discuss their finances with each other. I can't tell you how many times couples have come to me where one of them handles the finances and the other is in the dark. That is a scary place for a relationship to be," says financial adviser Martin

Smith based in the Washington, D.C. area. "By talking to each other about their finances, couples can avoid a financial power struggle, which can be very destructive to a marriage. Instead, find financial harmony in the relationship."

"The number one cause of divorce is money fights and money problems so it is extremely important that a couple is on the same page financially! It is important to discuss finances with your new spouse or even fiancé because you are now one or about to become one and need to understand that their - or my - debt is now 'OUR' debt!" adds Ja'Net Adams, international speaker and the author of *Debt Sucks! A College Student's Guide to Winning with Money So That They Can Live Their Dreams!* Adams speaks from her own experience. "I am also a wife who understands the importance of finances being discussed before and during marriage. My husband and I paid off nearly \$50,000 in 2 1/2 years! Before we started paying off the debt, our finances were separate and we were not on the same page when it came to money."

After talking comes organizing. "I believe newlyweds should focus on four things: the first is to create a partnership. Most often, couples bring different incomes to the table. While it's easy to think the 'breadwinner' has veto power, that doesn't mean the other spouse should not have a say," explains Smith. "Keep the lines of communication open and share in the decision-making. To make sure you talk about your finances, set-up a time to talk to each other about where your money is going and the financial responsibilities you'll each take on."

Next, co-mingle your money to pay for expenses. "I recommend couples take several steps to combine their finances. First, open a joint checking account and start using it to pay for your common bills like rent, utilities, cable, groceries, etc. It is also a good idea to have a combined emergency fund since anything that happens to you will certainly affect your spouse. I would also suggest having joint savings accounts for your large future expenses like vacations, car purchases and home purchases," advises Anton Ivanov, founder, *Financessful.com*. "You should come up with an arrangement where both of you can contribute to your joint accounts in a way you both feel is fair. You can put a percentage of your income in or a set sum - it's completely up to you as long as you

talk about it and are both happy with what you come up with."

Then, start your future planning. "The next step is to agree on your financial goals as a couple," says Smith. "You should discuss long-term goals like funding your child's college education or short-term goals like saving for a vacation. You'll make a lot more progress if you're both working toward the same goals."

List your priorities. "Set some basic financial goals that you will work toward as a married couple or share financial goals you already have, especially if one spouse was already underway. A practical reason for this is the sooner you get started on your goals, the sooner you will reach them," says R. Joseph Ritter, Jr. of Zacchaeus Financial Counseling, Inc.

Make sure each of you has access to your funds. This can be done most easily online. "Couples should ensure equal access to all of their online financial accounts. Neither should ever feel 'locked out'. Plus, if there is an emergency, it's important that either person is able to pay the bills, access funds and understand the budget," notes Smith.

But have some fun with your future planning as well. "Write out their 'Dream Sheet'. I tell everyone to fill out a dream sheet because it is their short, intermediate, and long-term goals as a household. The dream sheet is a constant reminder that there is something bigger than a pair of shoes or a new car payment," suggests Adams.

It is also very important to understand the spending style of your partner. "A spendaholic or nerdy saver will put a real damper on the marriage from day one if the other spouse isn't prepared for it or doesn't share the same values," says Ritter.

"Even if both people have no debt, which is extremely rare, they still need to discuss their behavior with money which could lead to future debt!" warns Adams.