

Love and Money

Tips for maintaining harmony

Bills, budgets, debt, investments and other money matters can cause even the most loving couples to fight. In fact, numerous studies have shown that money is the number one topic couples fight about in America, and it's one of the leading causes of divorce. However there are steps you can take to overcome money issues in your relationship.

Make time for money talks

Open, honest communication is the cornerstone of a healthy relationship. It is also an important step toward resolving money disputes and learning how to prevent them.

Despite its importance, talking about finances isn't easy. And many couples tend to ignore this critical issue until faced with a problem, an approach not helpful to the relationship or the checkbook!

Financial and relationship experts alike recommend that couples set aside some time once a week or month to sit down and discuss finances rationally. Use your money meeting to update each other on how money is being spent, saved and invested.

This is particularly important if one partner has a more dominant role in handling the finances, as it offers the opportunity for the other to be a part of decision-making. It also supports mutual understanding of your financial situation, as well as accountability for spending behavior.

Share spending decisions

Discuss any "big-ticket" purchases you or your partner would like to make. While you probably don't want to debate every \$5-\$20 purchase, set a limit that you can both agree is "big-ticket" and needs to be talked about before a purchase is made.

When disagreements arise, be careful to communicate calmly and listen to your partner's perspective. Recognize that you may have different but equally valid needs and wants. Negotiate and re-negotiate compromises as often as needed to effectively make important money decisions together. Avoid using money as a weapon against each other, or as a crutch for emotional and relationship problems. Remember your common ground, be patient and build trust as you resolve differences.

Establish a financial system that works for both of you

There is no one-size-fits-all approach that couples can use to manage their income and expenditures. Some couples successfully share a joint checking account; others maintain several bank accounts (one together and two individual accounts). In some relationships, one partner takes on the role of “Chief Financial Officer” by handling all of the bill-paying and checkbook balancing. In others, responsibilities are shared. Use your regular money talks to discuss and evaluate the financial methods that work best for your unique situation.

Regardless of approach, every couple must establish a budget for expenditures — like rent/mortgage, groceries, clothing, entertainment, etc. — and measure needs and desires against available income. Regularly monitor how well you stick to your budget and discuss how and why you sometimes deviate. Then adjust your budget and/or your behavior accordingly.

When creating the budget, don’t forget to include discretionary funds for each partner that can be spent however each chooses. While you do have shared financial interests, some individual freedom is also important for the well-being of each partner and the relationship.

Set goals and work toward them together

It is easy to get caught up in an endless cycle of living paycheck to paycheck. Yet this approach can deprive you, your partner, and your relationship of the benefits from long-term financial planning — such as a debt-free retirement, special purchases or less financial stress.

Use your regular money meetings to set financial goals and evaluate progress toward them. Use tools such as a calculator or online budgeting software to help you forecast the impact of your spending and savings on your financial objectives. Talk through any financial adjustments you could make to meet your individual and shared goals within the timeframe you have established. Be careful to balance your individual financial priorities and behaviors with the need to honor your partnership. You can show respect for your relationship and each other by ensuring that you are both equal participants in the financial plans and feel comfortable with any decisions that are made. If one partner dictates money matters to another, resentment and discord are likely to follow.

Make money a source of strength

Money doesn’t have to divide you and your partner, or disrupt the love that you share. Instead, if properly discussed and managed, it can be a source of strength to help your relationship grow. The more couples talk through their financial matters and disagreements, the better the chances for a successful long-term relationship.

Resources

For Richer, Not Poorer: The Money Book for Couples A book by educational consultant and author, Ruth Hayden

Money Harmony: Resolving Money Conflicts in Your Life and Relationships A book by Washington, D.C. psychotherapist Olivia Mellan

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