

MONEY + COUPLES =ARRRGH!

IT'S THE MOST TABOO TOPIC IN MANY RELATIONSHIPS. AND EVEN WHEN YOU DO BROACH IT WITH YOUR PARTNER, THE RESULTING FIGHT IS ENOUGH TO DRIVE YOU LOONY. **HILARY DAVIDSON** TRIES TO KNOCK SOME CENTS—UH, WE MEAN SENSE—INTO PERSONAL FINANCE

Illustrations by Malcolm Brown



Money shouldn't be causing nightmares for Melanie*. Not only does the business analyst earn a handsome salary, she was also the beneficiary of a generous inheritance a few years ago. But money is making a mess of her relationship with her long-time boyfriend. "It was so much easier when we started going out because he earned twice what I did," says Melanie. But around the time they moved in together a couple of years ago, he was laid-off. He started his own business and finances took a nosedive. It wasn't a subject he wanted to discuss. "I don't even know what he has in his bank account now," says Melanie.

It's gotten so bad that Melanie has no idea how to get it back on track. "We completely avoid talking about money," she says. "We've fallen into dividing up

bills without talking about it." The couple don't even have a joint account for household expenses; Melanie's boyfriend writes her a cheque for half the rent every month, but he doesn't consistently help out with other bills because of his erratic income. The silence was broken recently by a serious fight over whether to buy a new fridge. But instead of their scrap opening up a line of communication, the couple resumed their chilly détente. "Not being able to talk about finances has been a barrier to getting married," says Melanie.

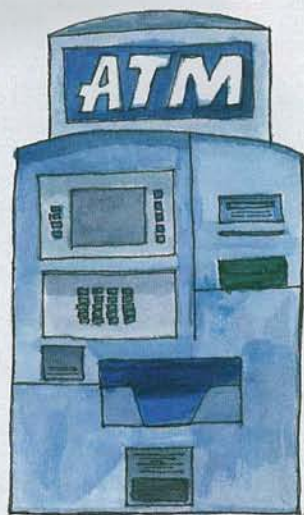
Financial planners, therapists and other experts have all heard that once before. "Money is the last taboo," says Christine Larson, co-author of *The Family CFO: The Couples Business Plan for Love and Money*. "We have *Sex and the City* but not *Cents and the City*. We have a lot of ways to talk about emo-

tions and sex, but no vocabulary to talk about money." Even if you could find the words, you might have a hard time getting them out of your mouth. "When you reveal your finances, you're showing part of your soul," says Scott Plaskett, a senior financial planner and CEO of Ironshield Financial Planning in Toronto. "It can feel like a loss of control."

"Money itself is symbolic," adds Tina Tessina, a psychotherapist and author of *It Ends With You: Grow Up and Out of Dysfunction*. "It's about our self-worth, our idea of who we are and how we look to the world, and our security and safety. When you fight about money, you're really fighting about these things, too."

Now's your chance to stop the insanity. Here are some of the big reasons for fights about money, and strategies for coping with them—or, better yet, avoiding them in the first place.

*Not their real name



**[ALL THE MONEY
YOU DON'T HAVE]**

FIGHT #1

SUDDENLY STRAPPED FOR CASH

Colin* and his wife, Grace*, knew that they had very different spending styles when they started their life together. "We had different ideas about what we wanted to do with our money," he says. "I had bought a car at a young age. She wanted to save and wasn't used to living from cheque to cheque." But that was how they ended up living for several years. It didn't seem to matter because both of them were working; even when they had their first child, they were able to adjust. But everything changed when they decided to buy a home. "That was the killer," says Colin. "Suddenly we had all of these bills coming in every month that we weren't prepared for." But it was more than the mortgage and the monthly bills; the credit-card debt they'd been carrying suddenly loomed large when they realized they had no wiggle room.

THE STRATEGY TO TRY...

Accumulating debt can turn into a crisis

"We have a lot of ways to talk about emotions and sex, but no vocabulary to talk about money."

with little warning. "There may be a good reason for the debt in the first place, but whatever spending caused it has to stop," says *The Family CFO's* Larson. The situation is particularly complicated when only one partner is responsible for the lion's share of the debt. But whatever the cause, the debt is now the couple's problem. "You need to be businesslike about how you'll deal with it," says Larson. "Getting emotional about debt will get you into really bad fights."

Colin consulted a financial planner friend who helped him set up a chart that would track the weekly flow of cash. He and his wife each get an allowance, but most of their money goes to monthly bills and to paying down the debt. "We communicate more about money now," says Colin. While they're still working on getting the debt under control, their stress level has dropped dramatically.

FIGHT #2

WHADDYA MEAN I CAN'T BUY THESE SHOES?

Claudia* really hates it when her husband gets home before she does and opens up one of their credit-card statements. "He'll be standing there saying, 'How did you run up a \$300 bill at Winners? What did you buy?'" she says. "It's a point of contention."

"Most money fights aren't about money but about priorities," says Larson. "And it's usually hard to get on the same page about those." Claudia freely admits that hers have clashed with her husband's in the past. "I'm much more of an impulse shopper. I'm also the one who wants to go on a vacation," she says. "My husband will say, 'Do you want a deck in the yard or do you want

to go to France?'"

THE STRATEGY TO TRY...

"You need to ask if buying shoes or tech gadgets or whatever else is important to your family happiness," says Larson. "They may well be. But you need to look out for your other goals." And to do that, you really need to know what your goals are in the first place. Couples also need to decide how much financial independence they want within the relationship. While you shouldn't have to ask your partner each time you want to buy a book, do set a dollar limit on discussion-free purchases.

You also need to build trust. "I've gone from having a single mindset to realizing that I'm in a partnership and part of a family," says Claudia. She's found that the milestones she and her husband have marked together—buying a home, getting married, having a baby—have slowly but surely made them more in sync on money matters. When Claudia and her husband started living together, they had four different bank accounts. They've whittled that down to one. "The financial ties have evolved with the emotional ones," she says.

FIGHT #3

CAN YOU SPARE A THOUSAND BUCKS?

Nothing bothers Barbara* more than having to ask her husband for money. She's actually the responsible one who pays the bills and manages the day-to-day things. But she's also self-employed and can never be sure when her money is coming in. "I'll be waiting for a cheque so I could pay my Visa, and if it didn't arrive, at the last minute I'd have to ask him for \$1,000 to cover the bill," she

4 QUICK TIPS FOR MANAGING YOUR FINANCES

1 Don't start off talking about money—talk about your goals and dreams instead. "Create a list of your goals and priorities," says Christine Larson, co-author of *The Family CFO*. "It can be as specific as taking a trip to China or as vague as having kids one day."

2 Create a cash-flow statement (what \$\$\$ is coming in, what's going out each month) so that you can see where your money is going now. If you're spending 30 percent of your money on dining out, maybe you need to consider eating in more.

"In a committed partnership, there's no 'my money' and 'your money.' You absolutely need a joint account."

says. "It shouldn't be a big deal because he doesn't care, but I feel weird about it. It's like I'm not pulling my weight."

THE STRATEGY TO TRY...

In three words: Merge your finances. "In a committed partnership, there's no 'my money' and 'your money,'" says Larson, who also cites a study showing that couples with separate finances are more likely to divorce. "This does not mean that everything has to be merged, but you absolutely need a joint account." You also need to talk about some ground rules for how you're going to use that account. Whoever dips into it will find it's a lot easier to say, "By the way, I took \$1,000 out of the kitty and I'll put the money back next week," instead of "Honey, could I borrow...?"

**FIGHT #4
THIS ISN'T WHAT I BARGAINED FOR**

Kevin* hasn't really had money problems as such. He comes from an upper middle-class background and grew up without worries about where each month's rent money would come from. But things started to change after he married and his wife, Kate*, got pregnant immediately after. Kevin envisioned buying a house like the one he grew up in, and he and Kate had to change their spending patterns pronto. "It was so hard conditioning ourselves to save for a down payment for a house," says Kevin. What was worse was discovering that what they wanted and what they could get were two different things. "What we envisioned living in wasn't what we got," he says. "We had to change our expectations. It's a step down from what our parents had." While it doesn't

sound like a dire situation, it has gotten worse since the birth of the couple's second child. "There's stress on the relationship from the kid screaming and not sleeping," he says. "And the stress really comes out at the end of the month when we're paying the bills."

THE STRATEGY TO TRY...

In this scenario, a couple could really benefit from the services of a financial planner. "Couples need to reassess their plans any time a major life event occurs," says Ironshield Financial Planning's Plaskett. "Marriage, buying a house, having a child—these are all milestones and they *will* affect your other plans. Getting a professional's opinion allows you to remove emotion from the process." While that won't help with the sleep deprivation, it can take the edge off the reality (and pain) that you're not quite where you'd hoped to be financially.

**FIGHT #5
I CAN OUTSPEND YOU ANY DAY, ANYWHERE**

Before Tina Tessina became a therapist and author, she was an accountant. But that didn't stop her from making some serious financial mistakes in her first marriage. "My husband was spending too much money and it drove me crazy that I couldn't stop him from doing it," she says. Her response? "I decided, well, I can't stop you from spending but I can spend the money first." Thus began a spending spree that ended when the couple divorced and Tina had to declare bankruptcy. "There is not a lot of rational thought about the things we do with money," she says. "The real issue is often control: Who holds the money and what are they doing with it?"

Bro, I get paid Friday. Finally!
I thought your wife is, like, the only one who works?
She is, bro!



Getting into this bizarre sort of bidding war with your significant other isn't as rare as you might think. "People know what's right and wrong, and that's where buyer's remorse comes from," says Plaskett, referring to the all too-common mindset in which shoppers kick themselves for buying something just as the register goes *ka-ching*. "But people also want immediate gratification, and they do not want someone to tell them what they can and can't do."

THE STRATEGY TO TRY...

"There are two types of couples," says Larson. "Committed couples have goals and dreams. Then there are couples who aren't sure if what they're in is a lifetime relationship." If conflicted feelings about your relationship are fuelling your spending, you need to figure those out before you can make a plan for your financial future. ■

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3 Move from fantasy to reality by prioritizing your goals together. Larson suggests that each person write their goals on separate index cards, mix the cards together, and discuss them. "You need to talk about why these things are important to you," she says.

4 Figure out which one of you is going to act as "CFO." While all of the experts agree that you should be making your major decisions together, life is a lot easier if one person takes on the responsibility for paying the bills and managing the day-to-day finances.