

4 Steps to Avoid Fighting Over Finances

Plan early and be upfront about your finances with your spouse. Help align your money goals and avoid heated arguments with these four tips.

BY ATOUSA SAEI – January 27th 2014



You are now married. Congratulations! The wedding went off without a hitch and the honeymoon stage is in full swing. What happens, though, when all the fun is over and real life sets in? Before you know it, the line between *your* money and your *partner's* money becomes murky. What were once *your* expenses are no longer just yours. What used to be your partner's financial problems are no longer just his or hers. You have agreed to a lifelong commitment to one another—that includes your financial ups and downs. Yes, you made a commitment to be faithful and loyal in sickness and in health, good times or bad, and in sadness and in joy. Why then do so many couples who initially rely on the concept of

"happily ever after" end up in divorce court because of their financial disagreements? Listen up and take notes. My advice might save your marriage.

1. Come to an agreement on how to spend and on what—then stay true to it. The key to a healthy marriage is open and honest communication—and that includes discussions about money despite how uncomfortable they might be. They should begin in the dating stage and remain constant throughout your marriage.

The first part of that discussion should include an understanding about the financial responsibility each of you will carry. Will you both bring home an income? Will one of you stay at home and care for the children and the home? Will one of you work while the other goes to school? What do you expect from one another? Come to a meeting of the minds (before marriage would have been preferable, but it's never too late to have the conversation).

Once you have made an agreement, honor it. The success of your marriage depends on it. If you agree that one of you will stay at home and raise your children while the other works, do not resent your mate for it. This commitment is as serious as the commitment you made at the altar. Do not take advantage of one another. Remember that you have a duty to your spouse to contribute equally to your marriage. This is not measured by how much money you bring into the marriage, but rather how hard you work to support what you have agreed to. If you are the major breadwinner, don't treat your spouse in a demeaning way. You are both equally important to the marriage.

When you come to an understanding about financial matters do your best to stick to it, yet be flexible enough to make changes if and when needed. Have the money discussion often, and as needed.

2. Maintain full disclosure. There is no room for secrets or surprises when it comes to the financial health of your marriage. Being honest with your spouse is crucial to maintaining a strong marriage. It is your responsibility to maintain an honest flow of communication about the finances of your marriage, so start having these conversations early on in your relationship.

Stay honest and maintain full disclosure with one another. Do not be afraid to ask, how much money you have in the bank, how much the recent credit card charges were, the yearly bonus or your mate's current salary. Keep an open book on both personal and business taxes. Agree on the choice of an accountant.

Educate yourself about finances even if you have never concerned yourself about them before. It is your responsibility to understand the structure of your family's income. It doesn't matter if you are a stay at home spouse or a high ranking executive.

3. Maintain financial responsibility. To understand the importance of budgeting one must understand financial responsibility. Divide accounts and allocate them early on.

A. Maintain a joint account for your mutual expenses such as rent/mortgage, groceries, utilities, children's needs and so forth. Decide early in your marriage how much each of you will contribute to the joint account. Will you contribute equally? Will one contribute more than the other? Will one contribute zero, but remain responsible for the budgeting and payment of bills? Use this account to pay your joint expenses.

B. Maintain a "rainy day" account. When you come to an agreement (based on respective incomes and expenses) decide how much money is a reasonable amount to set aside for unexpected expenses. Financial security is important to any marriage. The stress of financial woes can lead to the breakdown of marriage, so start creating your safety-net early on. Adjust the contribution to this account as needed. If you are spending too much on unnecessary extras, have a discussion and make some modifications.

C. Maintain personal accounts for your personal expenses. Based on your respective incomes and needs, agree upon how much you will each contribute to your personal accounts. Will you each deposit the remainder of your monthly salaries after contributing to the joint and rainy day accounts into your personal account? Will you split the remainder of your salary with your mate who is not working? These are good discussions to have. Once you have them, make some agreements.

Once again, the key is full disclosure and communication so that there will never be an issue or a misunderstanding. If one of you earns far more than the other and wishes to spend more, you must have an understanding that the higher earner, after contributing to the joint and rainy day accounts will be able to spend the rest of their income as they please, or will they? Do not attempt to control your mate's spending. Be clear. Make an agreement. Stick to it.

4. Maintain good credit. In a country where credit is everything, make it a point to maintain good credit. This means making smart decisions. For example, if one of you has had bad credit, do not make that spouse a joint account holder on the spouses' credit card who has good credit. Instead, make your spouse an authorized user. Do what you can to build your partner's credit. Keep your personal debt separate, but do not hesitate to bail out your spouse if his/her credit is on the line. Do not make a habit of it, but remember you are in this for the long haul. Your credit as a couple hugely impacts the health of your marriage.

In sum, make sensible and solid decisions about money. Make sure your fiscal value systems are aligned then keep your financial affairs in good order. The number one cause of most failed marriages is related in some way to fights over finances.

