

# FORTUNE

## You're married, so should you have your own slush fund?

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According to a study by Princeton Research Associates for CreditCards.com, many more men than women have bank accounts or credit cards that their spouse or live-in partner don't know about.

Should a married woman have a slush fund...a stash of cash that her spouse doesn't have access to and maybe doesn't even know about? That's the sort of question I would expect to raise eyebrows, if not big red flags. Which is why I was bowled over when Jeff Landers, author of *Divorce: Think Financially, Not Emotionally*, answered with an emphatic yes. In fact, he believes that doing so can be "empowering in a way that actually strengthens your marriage."

Evidently many women — and even more men, for that matter — feel the same way. According to a recent study conducted by Princeton Research Associates for CreditCards.com, 7.2 million Americans (4.4 million men and 2.8 million women to be precise) have a bank account or credit card that their spouse or live-in partner doesn't know about.

For the record, I'm a big fan of separate money. I've written extensively about the fact that I think both parties in a marriage, or other long-term relationship, should maintain a degree of financial autonomy. My reasons are two-fold. First, I don't think that just because you marry (or love) someone you automatically start sharing the same exact list of wants and needs. Each person should be able to spend a certain amount of money without asking the other for permission, as long as it doesn't impact the health of the family's finances. (How much is that certain amount? More on that in a minute.) Second, every individual should have some sense of how to manage his or her own money. Having money in your own account or own name helps foster that. Once you have a stake in the game, you're more likely to participate.

But secret money? With that, I have an issue. **Lili Vasileff**, a certified financial planner specializing in divorce, agrees. “The idea of a secret puts up a flag,” she says. “The idea of something being secret is that you’re fearful of being discovered...the more this idea of secrecy starts to creep in, the more you’re driving a wedge through your marriage.” Even Landers cops to the fact that if you’re caught, the secret stash you created to strengthen your marriage (by enabling you to stop squabbling over money) could backfire. “If your spouse finds out, that in and of itself could cause a marital problem.”

So what to do?

Separate but open. If you’ve been married for a while and this is something new, raise the topic of having some of your own money, but insist you want the same for your spouse in the form of yours-mine-and-ours accounts. Then, walk before you run, slowly funding each account in tandem. If you’re in a newer relationship and you’re considering merging some assets but keeping others separate, talk through it honestly. Recognize that if you co-mingle assets down the road, they will likely become marital, so you need to tread carefully. Then, see an attorney. This is what a pre-nup is for.

How much is enough? Of course this depends upon your financial situation. You have to fund your household first, then focus on savings (both for short-term emergencies in a liquid account, and long-term goals like retirement in your IRAs and 401(k)s). At that point you can start moving money into your individual accounts. Landers, whose perspective is no doubt colored by the fact that he spends his time

working solely with women, who are going through difficult divorces, suggests making sure there's enough in your stash to engage an attorney should you need to. That's anywhere from \$5,000 to \$30,000, depending on where you live.

Draw a line in the sand. If you are going to try to maintain autonomy and merged assets simultaneously, one strategy that helps is to come up with a number – it could be \$100 or \$500. Again, it depends on your financial situation – that you agree not to cross (i.e. spend) without discussing it first.

Hiding assets in a divorce is a no-no. Finally, this goes without saying, but should you ever decide to split, you're going to need to come clean. Says **Vasileff**: “It has to be disclosed at some point early on in the divorce process — to that person's own attorney and to the other side. It's not as if you can keep it hidden forever. And if you try, you run the risk of fraud. Whether you're talking about a silly \$100, \$1000, or tens of thousands, it's not worth running the risk.”

Kelly Hultgren contributed to this report.