

# How happy couples handle money, according to marriage and money experts

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Divorce isn't the happiest way to start the new year, but January is a common time for couples to split: It's unofficially been dubbed "Divorce Month" in the legal community because of an uptick in divorce filings following the holidays, according to a 2016 study from the University of Washington.

Nearly 60% of couples cite financial problems as playing "somewhat" of a role in their divorce, a 2017 study from Experian found.

But money doesn't have to be a source of conflict. "Regardless if there's a primary breadwinner or dual income earners, successful couples have shared financial objectives, a mutual vision for the future, and an agreed upon plan on how to achieve their financial priorities," says Judith Ward, a certified financial planner and vice president of T. Rowe Price Associates.

Here are the money habits and choices successful couples make to ensure a healthy, stable partnership, according to Ward and two other certified financial planners.

## **Respect your partner's contributions**

To have a healthy relationship with your partner and to your shared finances, respect your partner's contribution, says **Lili Vasileff, a certified financial planner and founder and president of Divorce and Money Matters in Greenwich, Connecticut.**

Successful couples value both partners, regardless of whether each person works outside the home or is a stay-at-home parent, since taking care of children is also a full-time job, she says. Both partners put in effort, plan together, and take their financial responsibilities seriously. "Each partner should want the other to be financially independent, stable, and equally accountable for their economic partnership," she says.

Equality is a crucial component, agrees Nathan Astle, a board member with Financial Therapy Association. "The important thing is that the money is the same for each partner: If I get \$100 each month to spend, so do you. And that it is agreed upon by both partners. Even if one partner makes more than the other, the money is a combined resource, and both should have equal say," Astle says.

## **Schedule money conversations**

A healthy relationship starts with budgeting and communication, says Ward: "Budgeting, or a financial framework, will help you understand how you're spending your money and help you prioritize spending, saving, and investing together."

Start by scheduling money conversations, **Vasileff suggests.** "Make time on a regular basis and plan for it as a routine task so you're not rushed, ambushed, or emotional. Money is a conversation that conjures up many reactions because it's emotional, value-based, and experience-driven, all further colored by its abundance or absence."

Regular money conversations can be fun, says Ward. "How about a 'finance Friday date night,' where you mark the 'date' on your calendar to discuss and share your financial information with each other and how the household is tracking toward your goals? Or a 'quarterly finance summit,' where partners can trade off planning the agenda to tackle near or longer-term financial decisions. You can discuss a holiday shopping budget, vacation planning, or tracking progress toward retirement."

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**Nathan Astle**

BOARD MEMBER WITH FINANCIAL THERAPY ASSOCIATION

It's important to make your money conversations and plans detailed and actionable, says Astle. "If my partner and I are hoping to save up to buy a house, we'd both need to agree on a certain plan to get there. If it is just 'save as much as possible,' it could be difficult to actually measure whether you are achieving your goal. It also gives ammo for the fight if one partner spends money that the other partner thinks they shouldn't have."

### **Vasileff offers a step-by-step guide for handling money wisely in a relationship:**

1. Determine fixed expenses, like food, rent, car payments, and student loans.
2. Allocate money for joint savings and make sure you both contribute.
3. Plan for the unexpected with an emergency fund.
4. Budget for discretionary spending.

## **Try the 'speaker-listener technique'**

There are a few tactics that can help you and your partner communicate about money effectively and respectfully, says Astle. "The keys to good money conversations is empathetic listening, and shared power in how to move forward."

Because money is so personal and each partner will have their own individual beliefs about it, Astle suggests adopting the "speaker-listener technique" developed by relationship expert Dr. Howard Markman and others. "Communication about your own beliefs, emotions, and desires (not your partner's problems) is going to help the relationship feel safe enough to continue making good financial decisions together. If I feel understood, and you feel like I understand you, you have a much better shot at figuring out a solution that will work."

It's normal for you and your partner to have differences when it comes to your feelings about money, Astle says.

"Compromise will be key," agrees Ward. If one partner is a saver and the other is a spender, plan for that, she suggests: "It may help to automate savings and bill paying where possible so there's not the temptation to spend. Have funds come directly from the paycheck or a bank account specifically set up for that purpose."

## **Budget for 'play' money**

It's important to have some of your own money, too, **says Vasileff**. "Partners should have some discretion and enjoyment with 'play' money. Everybody usually feels better with some amount of money to keep in a stash, or spend in a way they do not have to explain."

Ward agrees that couples should set aside money to allow for spontaneous or small indulgent spends that you don't have to consult your partner about. When it comes to large purchases, though, the rules are different: "Agree that most purchases, especially big-ticket items, will be shared decisions," she says.

Outside of your "play" money, **Vasileff** agrees that it's crucial to have an open dialogue about your spending and what you value. "Identify spending habits for specific expenses where there are differences: vacations, restaurants, leisure, hobbies, giving (charities or family), or savings."

While money can be a source of stress, the foundations of a good relationship with money are the same as the foundations of a good relationship with your partner, says Ward. "Just like a long-term relationship, it takes communication, compromise, and commitment to attain success."