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Payday

Student

Auto

Mortgage

Business

Loans » Personal » Articles » Money Talks: Discussing Finances Is the Key to Romantic Success



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Money Talks: Discussing Finances Is the Key to Romantic Success



Money is the main cause of marital conflict, yet so few couples are willing to talk about critical topics before issues arise.

Nearly 90 percent of divorces stem from money issues, according to Kimberly Foss, founder and president of Empyrion Wealth Management. The marriage might not dissolve strictly due to financial incompatibility, but it can create any number of problems that lead to an eventual divorce.

The importance of having financial conversations before they turn into problems is obvious, but couples across the world remain unaware or ambivalent about financial topics.

Part of the reasoning is that discussing money makes many people uncomfortable. A refusal or discomfort about financial discussions deals with a person's upbringing or what money represents, according to April Masini, relationship author and advice columnist of Ask April.

Family models about money can have a lasting impact on a person. Some believe it is unromantic, some believe it is crass, and others believe it is odd to discuss money because their parents upheld certain gender norms, Masini said.

Despite being characterized as unromantic, financial savvy is a highly valued trait according to a survey from freecreditscore.com.

Women [ranked financial compatibility as equally important to sex and intimacy](#) when considering a long term partner. Ninety-six percent of women picked these two items as important for their serious relationships. Men were not far behind — 87 percent of respondents ranked financial responsibility as important.

As the survey proves, financial compatibility is key to a long-term relationship, but getting this information can be difficult.

Travis Freeman, president of Four Seasons Financial Education, said that a childhood retelling is a good indication of one's current financial mentality because the stories almost always relate back to money.

"If you grew up poor and worked hard for every penny you have today, you may want to instill the same lessons of value in your future children," he said. "If your date was a 'trust fund baby' maybe you won't see eye to eye when it comes to allowance, first cars, and college funds."

One's upbringing is not the only factor that determines how open a person will be to financial discussions. Science has found that genetics plays a large part as well.

A study by Henrik Cronqvist and Stephan Siegel found that there are biological links to how consumers handle money, either as a spender or a saver. The study, which utilized 15,000 sets of Swedish twins, found that [people are born with spending or saving tendencies](#). One-third of spending or saving behavior is the result of one's genetic makeup. Although this genetic link can be broken, it does show that some financial traits are stronger than many realize.

But differences are not always bad. Usually differences in emotions and financial outlooks keep a relationship interesting. In fact, several experts said that couples are usually comprised of both a spender and a saver. The spectrums can cause problems, but they can also be utilized in a positive way. Freeman said that it can work as long as there is a joint understanding about finding balance between the two.

In order to find and maintain a balance, there are several topics and discussions that couples should have at different stages in the relationship, spanning from casual dating to marriage.

Casual Dating Stage

A mutual attraction and common interests are some of the initial elements that fuel a budding relationship. Financial compatibility is vital later on, but ensuring that the relationship is worth working towards is the most important. It is wasteful to discuss life plans if both parties have no intention of creating a real relationship, says Laurel House, a dating coach and author of “The No-Games Guide to Love.”

The first few months of a relationship can be lighthearted, but they can be equally as important. Small warning signs observed during casual dates, such as spending large amounts of money while working a minimum wage job, can highlight much larger problems that will arise later.

As time passes, couples can begin to discuss some financial elements, but only if conversations are conducted with respect and reserve.

Masini said that good social skills are necessary to broach these topics during the first few months but there are ways to see if the partnership will work early on. Lighthearted questions about family members’ education, lifestyle, and work illicit telling information in a casual environment.

“You can learn about someone’s spending, saving, values, character and hopes and dreams in the first three months without bringing up a joint checking account,” she said.

Serious Relationship Stage

As the relationship progresses, so should the conversation.

The awareness of a partner’s spending habits should become more tangible during this stage. If one partner seems to spend more than they make, or they refuse to use their money for positive entertainment purposes, the other partner should bring it up in conversation.

In the same way that negative habits should be discussed, so should positive aspirations. It is important to confirm that one’s partner is willing to work for their goals. For example, if one partner wants to take a yearly beach vacation, but the other partner is not willing to put away money each month for this indulgence, a conflict could arise.

House explained that transparency in all facets is vital.

“You want to get into a situation with your eyes wide open,” she said.

Serious relationships must also deal with complex issues more and more as couples decide to live together early and without more formal relationship declarations. Living together or buying joint items such as property, cars, or pets can complicate a relationship.

House said that couples need to discuss finances without limitations if they are taking serious steps such as moving in together.

“No topics are too serious or too sensitive to discuss once you are at that level of intimacy,” she said.

Engagement Stage

Before a couple decides to take the relationship to the next level of engagement, the largest financial discussions should occur. These include topics such as joint bank accounts, future children and their education funds, prenuptial agreements, and future retirement plans, among other topics.

The list of items that need to be discussed is lengthy but also varies based on the couple. Just as each relationship is unique, so should the blend of financial discussions.

For example, having a lavish vacation fund for two minimum wage workers is likely unnecessary but it doesn’t mean that the couple should not have their own personal discussion about their current and future budgetary goals.

The timing for these conversations is also based on the couple. House said that some of her female clients in their 30’s and 40’s do not need to wait a year to discuss important details. By this point, they know what they want in a partner and are able to see if that is worth working towards after only a few months.

But there are common discussions that nearly each couple has during an engagement period. One item that has the potential to be volatile is deciding how a wedding or commitment ceremony will be financed. Some couples are willing to take on large debts with credit cards and [personal loans](#) in order to finance the day. Others expect family members to cover the cost.

Masini said that this decision not only involves money, but also values, power, and control, which could destroy the idea that weddings are all about love and romance.

“If you don’t address this truth upfront, you’ll find it biting you from behind as relatives feud, friends fall out and you and your fiancé face off over how much, who’s paying, and what paying means in terms of participation,” she said.

Additionally, if it hasn’t already been discussed before engagement, both partners should discuss their life goals and how they plan on achieving them. Foss suggests that each person creates their own top 10 financial bucket list. Each partner should create a list of all of the things they want to achieve, such as owning a home by the age of 40, creating a vacation fund that is contributed to monthly or setting up a college fund for their future kids. Once the list is created, the couple should review each other’s list and see if there are compatible goals.

Foss said couples should have about half or more of the same goals. If only one goal is similar for both partners, it can be a telling sign that their financial and life aspirations are conflicting.

If large discrepancies exist, it is better to know early on rather than later, Freeman said.

“If couples ignore the financial elements of the relationship, they may end up wasting years of their lives fighting about money just to end in separation,” he said.

House said that these complex conversations are similar to practicing safe sex. If you are responsible enough to discuss protection, then you are responsible enough to have sex. In the same light, if couples are intimate enough to want to move in together, they should be intimate enough to discuss financial matters together.

“You want the person you are with to know who you truly are,” she said. “They aren’t going to know who you truly are if you are hiding your finances.”

Marriage Stage

Once the majority of financial topics have been discussed and the couple has been legally bound, either via a marriage or a civil union, the financial element can simply be maintained.

Financial planning during marriage should be more about maintaining and evolving a well-planned set of goals. Just as it is advised that a couple discusses whether or not they want children, couples should discuss where and how they want to retire. Both topics can be equally important or damaging in the long run.

And couples should not worry about their lengthy financial situations. Having child support payments or ex-partners does complicate a relationship, but it does not mean that it cannot be resolved.

“Rarely does a couple come to a relationship with no baggage, but the trick is often to have matching luggage,” Masini said.

She suggested that both partners should be “joint CEOs” of their marriage and should not force or allow one person to take responsibility for all of the financial decisions. If only one person knows the true financial situation of the household, then that person can either feel immense pressure or can ruin both partners’ credit scores with poor decisions.

Foss prevents this by meeting with her husband once a month to discuss their financial responsibilities. It is usually held in a neutral environment such as a restaurant or her office’s conference room.

Viewing a marriage as a business is becoming more and more common and the market is responding accordingly. Freeman said that in the past 50 years, the options for savings has increased immensely, making financial compatibility even more important. Health savings accounts, 401(k) retirement plans, and 529 college saving tools make both financial and emotional aspects more difficult. But the complexity is not going away, nor should it scare a couple.

In the end, real intimacy is fueled by more than just physical passion; it is fueled by security and trust on all levels.

“Couples that see eye to eye on most financial matters usually have the healthiest relationships,” Freeman said.