

Couples and Cash Ideas For Managing Family Money

Have you ever wondered why there is not some required relationship course for couples contemplating marriage? You need a license to be married but no training, education or other qualifications are required to enter into perhaps the most significant emotional, spiritual and financial relationship you may ever have in your life. States require more training and education to drive a car than they do to get married. Yet if we measured both the human and financial trauma that results from failed marriages annually we may find that this “cost” far exceeds the “cost” to society of accidents caused by poor or negligent drivers.

The primary contributor to marital discord is a couple’s relationship to money. More couples fight about money than anything else. Perhaps the best investment you can make in your relationship is to spend some time together deciding how you are going to manage the household finances. A little time invested early in your relationship could save many hours of frustration, sadness, anger or pain. For those getting married, talking about money may seem unromantic. But open communication and honesty are the building blocks of any enduring relationship.

Here are some ideas for how you might avoid potential conflict in your relationship.

Delegate Action, Share Responsibility

It’s not unusual for one spouse to play the primary role in managing the finances, but it is critical that both are involved and aware. Be certain you can clearly articulate your partnership’s assets and debts and locate the necessary back-up documentation. Managing the various dimensions of your partnership is a mutual responsibility.

Decide What Is Important

Each of us brings to a relationship a set of values that we have either adopted or inherited. Have a frank discussion about which values are most important to each of you and then prioritize them. Is having a child more important than owning a home? Maybe travel is more important than an advanced degree. The more you can agree about your values and their importance to each of you the easier it will be to make the important decisions you will face.

Manage Your Inflow and Outflow

One of the oldest adages in the financial planning business is to “Pay yourself first.” Start developing the habit today of setting aside a fixed percentage of your income or a fixed dollar amount to invest. You will instill a discipline that will reap rewards throughout your life. Just as important, you need to know how much you spend on a monthly basis. I was quite surprised recently when

I tallied our ATM withdrawals, money we normally spend on meals out or snacks for the kids. By forgoing the occasional pizza or bagel we could be saving more money for our children’s education or our own retirement.

Set Goals

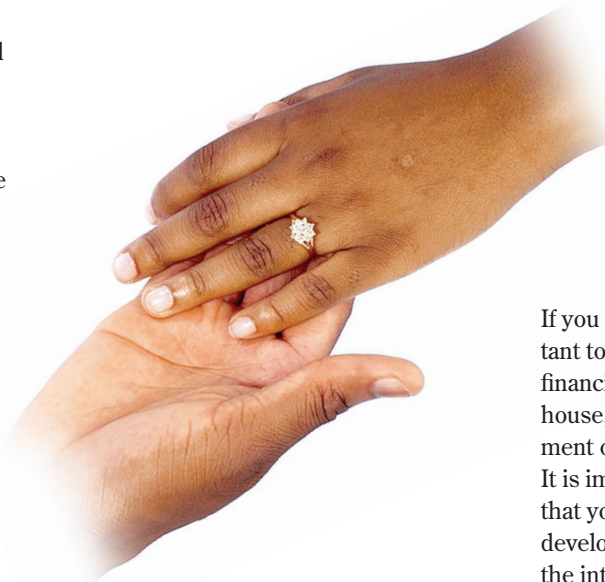
If you haven’t already done so, it is important to discuss your respective and mutual financial goals whether you want to buy a house, purchase a new car, invest for retirement or save for the needs of your children. It is important to discuss these goals so that you can both be on the same page and develop a financial plan that represents the interests of both you and your partner. Remember, compromise is an important part of any marriage’s financial plan. Work together and set goals that compliment both your individual plans and your plans for the future of your family.

Get Help

There are many types of financial advisors and resources to help you and your partner more effectively manage your money. Online banking, free financial consultations at your bank, local workshops and online courses are a few of the ways you can investigate options together. Here are some

Commit to Communication

If you have concerns about your partner’s spending habits, financial decisions or your role in this aspect of your relationship, then speak up. The only way you are going to resolve any perceived conflict is to express your concerns. Open, direct and honest communication with your partner is essential to maintaining a harmonious relationship.



links that provide additional resources and information on financial issues.

<http://www.cfp.net/learn/>

Learn more about financial planning or find a Certified Financial Planner in this area.

<http://financialplan.about.com/od/budgeting/1/blfinancial.htm>

<http://www.kiplinger.com/planning/>

<http://moneycentral.msn.com/home.asp>

<http://www.bankrate.com/brm/default.asp>

Information on loans and credit cards

<http://www.myfico.com/myfico/Home.asp>

Check your credit score online

<https://www.annualcreditreport.com/cra/index.jsp>

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