



# Couples and Money: Let's Talk about It

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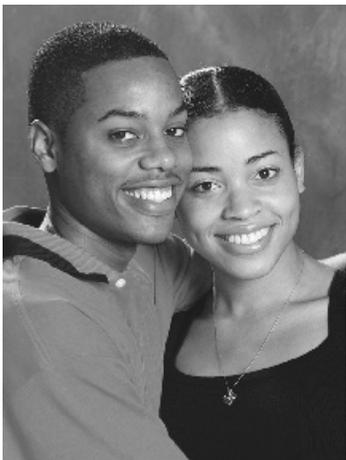
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All couples need to talk about money issues, such as who will pay the bills, what kind of checking accounts they will have (individual, joint, or both), and how much personal spending will be allowed. Trouble handling money can cause stress in a relationship and even lead to divorce. For example, large debts brought into a marriage often cause problems for couples because of the stress involved in getting the debts completely paid off.

When money problems get out of control, so can the relationship. Arguments can cause tensions to escalate and put a couple at risk for violence. When money problems soar to this level, couples need to seek outside help immediately with a professional counselor. Hopefully, the information provided in this fact sheet will help couples find a way to discuss money issues before those issues get too serious. Dealing with money can be very difficult for couples. But it can be done!

## Why do Couples Fight about Money?



There are a few reasons why couples fight about money. One reason has to do with power. Traditionally, men have made more money and have had more power in families, while some women have depended solely on their husbands for financial support. However, many women today are working as much as men and making a good deal of money. As women bring more money into the home, they feel more free to make decisions about what the couple does with money.

Couples argue about spending because of different priorities. One partner may think that saving money for the future is most important, while the other partner may believe that the money should be used to buy those things that are immediately desired. It is very important to discuss priorities so both partners' needs will be met.

## Talk About It

Talking about money is very important for a healthy relationship. Many couples say money causes conflict and stress in relationships, but often it is not the money that causes problems. Most people do not like to talk about finances, but for couples trying to maintain a good relationship, it is especially tough. First, no one wants to appear to be selfish. When talking about money leads to conflict, it may feel like the relationship is failing. Second, because men sometimes make more money, women think they do not have the right to express their feelings about money. This is more common if the woman does not work outside the home. If the woman does not make decisions about money, it may lessen the worth of the child care and management she provides in the home.

The best time for couples to begin discussing money is before the wedding so both know what the other expects and how they will spend their money. However, most couples do not discuss money before marriage. Here are some money issues that couples need to talk about:

**Goals about money** – Be sure to be open and honest with each other, and try to understand each other's goals about money. Goals change throughout marriage. It is very important to discuss ideas with a partner and understand each other's differences in order to secure a stable financial future. It is okay to disagree, but work together to make sure decisions make both people happy. When having trouble agreeing on how to spend money, visit with a financial counselor. This service is often free of charge, and it is well worth the effort to get advice from a neutral third party.

**What is expected?** – Expectations play a major role in how easily couples adjust to differences in money management styles. Some families have a discussion before making a major purchase and plan for big expenses like vacation, but others do not. If one partner came from a family that discussed money issues and the other did not, their expectations can differ significantly. Conflicting expectations can lead to constant disagreement over how money is spent. Expectations come from observing family rules about money. All families have rules. Partners

can discuss what the rules were in their family growing up. The “Couples Quiz” in this publication is another tool for assessing money compatibility issues and is a good starting point for discussing expectations.

**Put a plan into writing** – There is nothing better for firming up financial plans than putting it in writing. That is why financial counselors and advisors suggest having a written spending plan and updating it as priorities change. A form for developing a spending plan can be downloaded with the publication T-4149, “The Financial Puzzle: Putting the Pieces Together” at [www.fcs.okstate.edu](http://www.fcs.okstate.edu). The publication can be found under the links “Publications” and “Family Economics and Management” or by contacting a local Cooperative Extension educator and asking for the publication. Using the worksheets in this guide will help develop a good financial picture and make a plan for the coming year.

## Systems for Handling Money

Couples who manage money successfully usually have a system that they have agreed upon. Deciding which system best fits an individual relationship and sticking with it can ease money tensions. Talk about the good and bad things about that particular system. Talking about this will help one understand how a partner sees the relationship when it comes to money. No matter what the money system, the most important thing is whether that system works!

### Independent Management System

Some couples believe everything should be kept separate, including checking accounts. This may be a healthy choice for some

because it allows each individual to purchase gifts for the other without having to ask. For some couples this style may reveal issues in the relationship and could be indicating a serious lack of communication or sharing. Remember, financial planning reflects shared goals and priorities.

### Pooling System

Many couples share money responsibilities. Accounts are combined and household expenses are paid from this account. The couple establishes a time for going over accounts and setting goals. They talk about money openly, are honest, and trust their partners with their money.

### Whole Wage System

Sometimes the best system is for one partner to handle the money. It makes sense that the partner with the best financial skills should take the lead. This person can take care of things like paying bills and keeping track of payments. The person in charge of managing these tasks should be careful not to be too controlling and make sure to ask for his/her partner’s opinion about important money decisions.

## Combination System

There are many different ways to handle money and each is dependent upon what works best and what seems fair for the couple. Contradicting approaches to handling money will cause frustration and fighting. In many cases, most of the unpaid labor in the household is provided by the wife, including child care and household tasks. In cases such as this, it might be a good idea to set up accounts that are for different purposes, such as household and savings. It might be important for a spouse who is not employed outside the household to have his/her “own”

money. This is another area for discussion. In relationships where one person makes more than the other and they share a common household account, they might choose to contribute to the account based upon the percentage of household income earned by each. For example, if the combined household income is \$100,000 and one partner makes \$60,000 and the other makes \$40,000, one will pay in 60 percent toward the expenses and the other will pay in 40 percent.

## Things To Do

Keep a written spending plan to know exactly where the money is going. This helps a couple learn about spending and saving habits. Get plans in writing as soon as possible.

Talk about goals. A partner should understand his/her financial goals, and he/she should understand the other partner’s goals.

Can one person be the bill payer? Both should be involved in making money decisions, but decide which person will actually pay the bills.

Share a credit card? Each person having his or her own credit card can be a good idea. It is important to develop a good individual credit history, and it will be less trouble if partners ever separate.

Keep control. Buy needed things instead of wanted things. Decide what is most important and think before acting.

## Tips for Talking about Money

- Set a time every week to talk about money issues. Do this around a table to spread out any financial paperwork. Make sure this place is comfortable.
- It is okay to disagree. This can be healthy for a relationship. But remember, this discussion happens because of love. Do not let disagreements get out of hand.
- Have healthy discussions. Be specific about thoughts and feelings about money without blaming a partner. Use statements starting with, “I feel” and “I need.” Try to understand and appreciate a partner’s feelings by listening carefully to his or her response. Tell a partner,



**Couples Quiz:**  
**What is Your Financial Compatibility?**

(Adapted from [www.ihatefinancialplanning.com](http://www.ihatefinancialplanning.com))

Answer "true" or "false" to each of the following statements.

1. We are aware of and comfortable with each other's money personalities.
  2. We have discussed our short- and long-term financial goals.
  3. My partner and I know a lot about personal finance.
  4. My partner and I have discussed a plan for handling our finances.
  5. We have planned for the impact that marriage would have on our taxes.
  6. We have decided how to divide up the money management tasks.
  7. We understand the importance of establishing a realistic spending plan.
  8. I know my partner's investment personality and risk tolerance.
  9. I know how much debt my partner is bringing into our relationship.
  10. We have made a commitment to discuss money regularly.
- If you answered TRUE to eight or more, you and your partner are on your way to a stable financial future. However, it's still a good idea to continue to communicate and work together.
  - If you answered TRUE to between five and seven of the above statements, you and your partner need to devote more time to planning your financial future together. With communication and planning, you can achieve financial compatibility.
  - If you answered TRUE to fewer than five questions, do not call off the relationship yet. Instead, make a sincere commitment to discuss these issues and consider meeting with an experienced financial planner or counselor who can help you start your relationship on a firm financial footing.

"I understand," and let a partner know that he or she is appreciated. Blaming a partner for mistakes will only cause more problems.

- If having trouble making a decision, brainstorm ways to meet in the middle.
- Go for a walk together. The fresh air will provide relaxation after discussing money.

There are many alternatives and options for handling expenses. If these issues cannot be worked out and agreed upon, just remember there is help available for developing a strategy to handle family finances.

Good communication is the key to a lasting relationship. Talking about money goes a long way toward helping established goals, understanding priorities, and working toward practices that will insure a financially healthy and stable future.

## Resources

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## The Oklahoma Cooperative Extension Service

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The Cooperative Extension Service is the largest, most successful informal educational organization in the world. It is a nationwide system funded and guided by a partnership of federal, state, and local governments that delivers information to help people help themselves through the land-grant university system.

Extension carries out programs in the broad categories of agriculture, natural resources and environment; family and consumer sciences; 4-H and other youth; and community resource development. Extension staff members live and work among the people they serve to help stimulate and educate Americans to plan ahead and cope with their problems.

Some characteristics of the Cooperative Extension system are:

- The federal, state, and local governments cooperatively share in its financial support and program direction.
- It is administered by the land-grant university as designated by the state legislature through an Extension director.
- Extension programs are nonpolitical, objective, and research-based information.
- It provides practical, problem-oriented education for people of all ages. It is designated to take the knowledge of the university to those persons who do not or cannot participate in the formal classroom instruction of the university.
- It utilizes research from university, government, and other sources to help people make their own decisions.
- More than a million volunteers help multiply the impact of the Extension professional staff.
- It dispenses no funds to the public.
- It is not a regulatory agency, but it does inform people of regulations and of their options in meeting them.
- Local programs are developed and carried out in full recognition of national problems and goals.
- The Extension staff educates people through personal contacts, meetings, demonstrations, and the mass media.
- Extension has the built-in flexibility to adjust its programs and subject matter to meet new needs. Activities shift from year to year as citizen groups and Extension workers close to the problems advise changes.

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