

# For richer or poorer.

Money is the root of many marital disagreements.  
Continue reading for a few helpful tips to keep your finances  
and your marriage on the right track.



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A background image showing a hand moving a silver chess piece (a king) over a chessboard. In the background, there are stacks of US dollar bills. The entire image has a light blue tint.

**INVESTMENT**  
**Strategy**  
NEWSLETTER

**Financial News** You Can Use



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## FINANCIAL NEWS YOU CAN USE

# Marriage and Money: Working Together as a Financial Team

If you're married and have any source of income, chances are you've had a disagreement or two about money. Who makes more, who spends more and who's responsible for managing it. While some couples prefer to avoid the topic entirely, your financial future and happiness rely on coming together as a team and making decisions together.

### THE MONEY ISSUES

**The spouse who earns more calls the financial shots.** 60 percent of higher-earning men claim they make the major financial decisions.<sup>1</sup> On the flip side, only two percent of female breadwinners say that they are the primary decision maker.<sup>2</sup> While there is some logic behind the breadwinner making all financial decisions, it's important for both spouses to contribute and have a say in their finances. With only one spouse controlling all finances and not disclosing pertinent information to their partner, such as what bills they are paying and when they are due, issues can arise, like overspending and not meeting your retirement goals.

**Not disclosing expenditures to each other.** 46 percent of couples cite frivolous purchases as the top cause of money fights.<sup>1</sup> Whether it's hiding the purchase of a designer purse or surprising your spouse with a new car, not talking about the expense prior to the purchase creates trust issues and friction. Most of us either conceal the purchase or the actual cost to avoid a fight, especially when one partner is particularly frugal.

### TWO SIMPLE SOLUTIONS

**Divide and conquer.** For partners that want to share in managing their money on a regular basis, divide your finances into long-term and short-term needs: One partner handles day-to-day expenses, like utilities and credit cards, while the other manages the retirement funds and mortgage. In most marriages, one person is the spender and one is the saver. Make the most of these financial personalities by giving the spender the short-term expenses and letting the saver manage the long-term needs.

**Communicate goals!** Now that you're on the path to sharing your financial responsibilities, you need to talk about sharing your financial goals – wants versus needs. Set goals together to make sure each partner has an equal share in addressing their wish list, whether it's vacation, a comfortable retirement, a new car or even an emergency fund. Develop a plan that takes into account individual expenses and goals and take stock periodically to make sure you're on target.



### THE BOTTOM LINE

**Establish a back-up plan.** Only 28 percent of couples are completely confident that either partner is prepared to assume responsibility of their joint retirement finances, if necessary.<sup>2</sup> In the event that something should happen – whether it's a stolen wallet, divorce or untimely death – both spouses should have knowledge of their financial accounts. This should include everything from the day-to-day checking account balance to your savings, IRAs, mortgage and life insurance policies. While it's common for each person to assume responsibility of managing separate items, sit down together and make a list of all accounts maintained and what to do in the absence of primary account holder. If both names aren't listed on an account, you may need to file a written power of attorney, granting named persons access when necessary.

**Meet with a neutral third party,** such as your financial advisor. Together, the three of you can walk through your income and expenses and create a financial plan that satisfies all of your wants and needs, and also keeps you prepared for the unexpected. Set aside an hour or two annually to walk through your finances with your advisor to help keep you on track and make these discussions easier.

<sup>1</sup> "7 Ways to Stop Fighting About Money." Time.com. 1 June 2014

<sup>2</sup> "2013 Couples Retirement Study." Fidelity.com

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