

How to keep money from wrecking a marriage



Q: I recently heard that money issues are the leading cause of divorce in first marriages. Since I've decided that once is enough, I'd like this relationship to last. How can we stop fighting over money?

A: Start with a good plan that you create together. Having common goals is a bonding experience.

Draft a cash flow that shows all of the expenses associated with waking up in the morning. It's a lengthy list of essentials like auto expenses, home maintenance, groceries, insurances, medical costs and utilities. These items are non-negotiable. Happiness is a home that is in good repair.

Next list your 'wants' that usually include clothing, gifts, grooming, auto replacement, travel and eating out. Don't give up the occasional caffeine boost that may be essential to your happiness, but recognize that the \$5 per workday habit is equal to a round trip ticket to Europe. Having an up-to-date cash flow statement that you create together is a great start to setting priorities. And those have to be joint priorities.

Agree that it's smart to limit debt to mortgage debt. Issues arise when goals are different. A compromise may be for each to

have a sum of cash, call it an allowance. This is important since spending styles may be different, which doesn't mean wrong. This is the 'no judgment' zone.

The cash flow will identify things like gym memberships that aren't used or subscriptions we don't want but haven't bothered to cancel. It also shows how much is spent on items that may cost more than the pleasure that they provide. Are you the happiest together when you are enjoying experiences or opening cardboard deliveries? It's all about prioritizing.

Important goals like a new home or a swimming pool come with carrying costs and maintenance issues. Define the associated expenses before committing to the discretionary purchase.

Good communication was cited as the reason most couples agreed they're on the right financial track. Schedule a weekly time to review, talk and truly listen as if your marriage depends on it. Don't talk over each other and don't try to teach or convince. No one likes to be controlled or micro-managed.

Approximately half of American women say that being controlled by a partner when it comes to financial choices is a deal breaker. Apparently the men weren't asked. Full disclosure means sharing personal financial details BEFORE you marry. Better to wait to comingle funds than to be

unpleasantly surprised by an irresponsible partner.

Financial folks are almost as trusted as used car salespeople, but they can guide and help define how much is needed for goals like college savings or retirement. Find a pro that you both trust.

Don't compromise here or 'I told you so' will be in your future. Opposites may attract but when two people are opposites in the financial department, conflict may be the result. Often, one is a saver and one is a spender, or one is focused on the future while the other believes in living for today. These discussions may involve buying with credit cards versus saving for the goal by deferring from paychecks to savings accounts or a retirement plans.

Create a cash flow, prioritize goals and constantly communicate and improve. Goals are dynamic and we are happiest when we adapt together.

Mary Baldwin, CFP® is an independent, fee-only financial planner at Baldwin and Associates, located in Indian Harbour Beach, FL. You can contact her at 321-428-4555 or Mary@MEBaldwin.com. Send your financial questions to Business@floridatoday.com.