

## **Do You Want to Stop Quarrelling About Money?**

Money means different things to each of us. For some it is power and status. For others it is comfort, security, or freedom. And then again it may be connected to your sense of self-worth. If money is a source of power, then how you share, save and spend your money can reflect how healthy your relationship is. Power struggles over money suggest you may need help in both financial knowledge and resolving conflict. The modern successful marriage requires couples to share power. It requires the two of you to define your roles. One usually does the bill paying while keeping the other informed. Large expenditures require joint decisions.

Money problems can either be a source of conflict or cohesion for your marriage. Resolving conflict effectively and respectfully is a vital skill to creating cohesion. The combination of good money management knowledge and the skills of how to resolve conflict effectively make for financial harmony. There is no shortage of information through books, the internet and financial professionals to gain adequate knowledge about money management. The skills for conflict resolution are a little more difficult to learn.

According to Deborah Knuckey, in *Conscious Spending for Couples: Seven Skills for Financial Harmony*, too many people are unconscious about how they spend their money. The result is that it “just goes” before they can realize their dreams. Managing money on your own is difficult enough. It is more difficult as a couple when there are two sets of opinions, needs, and beliefs to take into account.

### **Here's How to Create Financial Harmony.**

#### **1. Understand Each Other's Point Of View**

Find a quiet time to discuss the following questions:

- In your family, what financial beliefs and behaviour did your mother and father model? What did they teach you? How has it affected your current behaviour toward money?
- What assumptions about money have you accepted without question? How do those assumptions affect the way you treat money?
- If you had a lot more money than you have today, how do you think it would affect you and your relationship? Would it be a good or bad thing?
- If you had a financial crisis together, how do you think it would affect your relationship?

- What is the one thing you would like to change about your financial relationship?

## **2. Identify Your Spending/Saving Money Style**

Take this quiz to determine if you are a spender or a saver. Which answer best describes your behaviour:

1. You find a CD you really like but can do without. Do you:
  - a. Automatically say no because the purchase is frivolous.
  - b. Think twice, but decide against the purchase
  - c. Consider the purchase then decide to buy it
  - d. Buy the CD right away
2. I think people should:
  - a. Be allowed to do whatever they want with their money. If they go bankrupt, that's their business.
  - b. Enjoy their money as long as they can pay the minimum balance on what they owe.
  - c. Only borrow for big-ticket items such as school or a car.
  - d. Pay for everything except a house in cash or debit card.
3. I know:
  - a. The balance of my accounts down to the nearest dollar.
  - b. The approximate amount I have in the bank and how much I have put on my credit card this month.
  - c. Approximately how many credit cards I have.
  - d. The exact starting date of the best sales in town.
4. I regard credit cards as:
  - a. Free money and a licence to spend.
  - b. An easy way to get what you need when you want it and pay for it when you can afford it.
  - c. A useful method of payment in emergencies and should be paid off fully each month.
  - d. The devil's spawn.
5. If asked about what I would like to buy, I could list
  - a. One or two things at most and even then, I don't really need them.
  - b. A couple of items that I am currently saving for.
  - c. A small catalogue worth of stuff.
  - d. Enough to spend the next year's salary on.

6. The longest I have waited to buy something I really want is:
- Only a minute as your credit card goes through
  - A few days until I am next time in the store
  - A week or month for some things and up to a year for larger items like a house
  - I am still waiting for some things, but sometimes by the time I have saved for it, it does not seem so important

Scoring:

Question	A	B	C	D	Yours	Partner's
1	1	2	3	4		
2	4	3	2	1		
3	1	2	3	4		
4	4	3	2	1		
5	1	2	3	4		
6	4	3	2	1		

- **Between 6 and 8** you are an **Extreme Saver**. More than careful – you are cheap and it may be driving your partner crazy! You will miss enjoying life if you do not find a better balance.
- **Between 9 and 14** you are a **Saver**. Your natural tendency is to save and need to be sure to have some fun in the present and not wait for tomorrow
- **Between 15 and 20** you are a **Spender**. You are more likely to enjoy today rather than focus on building wealth for the future.
- **Above 21** you are an **Extreme Spender**. This is the most dangerous category because your behaviour will hurt both you and those around you. Your need to take control of your habits before it costs you your credit record, your freedom and relationship.

Saver + Saver	Low or no conflict	So cheap you may not have much fun. You need to live a little.
Saver + Spender	Opposites attract and moderate each other. Need to manage the difference respectfully.	This is the most common combination. Some discussions needed to manage money.
Spender + Spender	Overspending, debt and high conflict	You need help to rein in spending and resolving the problems that ensue.

So does this mean the Spender + Spender combination relationship will not last? It depends on how well they manage their conflict, and negotiate compromises to bring their spending to living within their means.

### **3. Respect Each One's Contribution to the Relationship**

Find a quiet moment and time to talk and take turns asking each other the following statements:

- Aside from my income, I also bring \_\_\_\_\_ to our relationship.
- I appreciate that you bring \_\_\_\_\_ to our relationship.
- Having unequal incomes makes me feel \_\_\_\_\_.
- To feel valued as a fully equal partner, I need \_\_\_\_\_.
- My level of commitment to improve our financial relationship is \_\_\_\_\_.
- My perception of your contribution to improving our financial relationship is \_\_\_\_\_.

### **4. Learn To Live Within Your Means**

Try this exercise to practice working as a partnership on this task. Sit down with your partner to discuss how you will agree to manage your debt. Take a look at the list below (adding items if you wish) and determine how you would categorize them.

- A. Okay to borrow as much as we need to purchase it.
- B. Okay to borrow, but try to minimize the amount borrowed.
- C. Borrow if necessary, but pay off as soon as possible.
- D. Borrow only in an emergency.
- E. Wait until we can pay for it without debt.

List: House, Vacation, Furniture, Groceries, Electronics, Dining Out, Car, Clothes, Renovations, Cottage, Boat, Gifts.

### **5. Save Your Money for the Future and Protect Yourself with a Financial Safety Net**

Part of the survival of a long term relationship includes planning for the future together. Knowing you have a financial safety net of proper insurance and savings for the future increases emotional security and eliminates an area for conflict.

As a couple, go over together how you are saving for the future and protecting yourselves. Together (or with a professional financial advisor) review the following:

- Retirement Savings – RSPs and other investments or savings
- Debt repayment – car loans, other loans, mortgage etc.
- Savings for major goals such as vacations, child's education and large expenditures

- Insurance- home, car, life, disability and illness.

## **6. Give Yourself Some Fun Money**

To reduce conflict and strengthen your relationship you need to have some fun. You need to relax, be entertained and have recreation as a couple and as an individual. The purpose of sound financial management is the freedom it gives us to enjoy ourselves. Successful, happy couples ensure money is spent on themselves independently of their partner.

As a couple, sit down together and take some time to:

- Write out a list of items such as hobbies, entertainment, trips, gadgets, spa visits, classes, etc. that each of you want to have this year.
- Compare the lists and decide if you can afford the items.
- Discuss what you feel is fair. Should they cost the same or based on proportion of income or gender.
- Set up a method so that each of you can get paid your own fun money monthly

## **7. Seek Professional Help When Needed**

Sometimes it is necessary to ask a professional to help facilitate discussions as a couple and provide information we need. If you are in serious debt you may want to consult a Credit Counsellor and look at some of your options. Your bank or a Financial Planner can be a great help to developing sound plans to secure your financial future. If you find you need help with resolving the conflict that makes it possible to plan together you may need a Marriage Counsellor to help.

Money management can seem like a chore or even hopeless at times. But remember that money is a means to an end. Take the time to reconnect about the values that you shared when you got together in the first place. Don't leave your aspirations out. Even if a dream of a world cruise never actually materializes, talking about it can bring you together in way that can make your relationship stronger.