



LOVE & MONEY: *A Couple's Guide*

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If you're in a serious relationship and avoiding **money conversations** because you're afraid of starting an argument, please know that you're not alone. In fact, this is quite common, but that doesn't make it okay!

Money and your money compatibility (or lack thereof) can play a huge role in your relationship. If you're not openly engaging in money conversations that make you a **little uncomfortable**, eventually these conversations become **intense and resentment may step in**.

I believe every couple should attend financial counselling before they get married (or move in together) to ensure they're aligned in their goals and values and are aware of each other's financial circumstances.

However, if you're looking to start this conversation on your own, this guide highlights the top issues that couples come to me with, hoping to get them resolved. You can use these as a guide to start your own conversations and have Money Dates.

Please know that these conversations will likely be uncomfortable at the start, but it does get easier. In general, I'd recommend you start slow, tackling only one topic at a time. This is a time for full disclosure between the both of you.

Of note, while these questions are framed for couples who are now getting together, it can also be used by couples who have been together for a while.



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Financial Compatibility

There is a saying that “love conquers all.” There’s another saying “love is all you need”

From where I sit, this is not always true. Having a relationship that thrives and grows in a way that is fulfilling to the parties involved requires not only love but financial compatibility and trust.

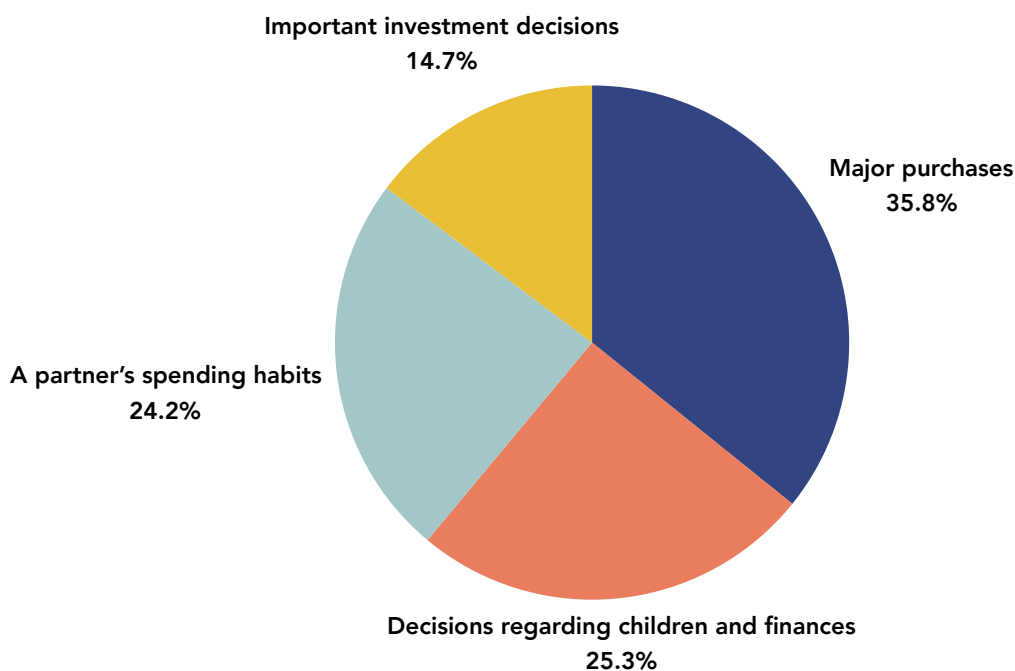
Financial compatibility is about understanding and respecting each other’s behaviors, values, and habits as they relate to money. It’s about working out our different approaches to saving, spending, and managing our money. It’s also about trust, honesty, and openness.



According to the law firm Merchant Law Group LLP, **an average of 25% of couples** report that money problems played a role in their divorce. That's 1 in 4!



Another interesting statistic is that **approximately 31% of all couples** — even the happiest ones — clash over their finances at least once a month. Here are the most common points of disagreement:



Money Dates

A **Money Date** is a day and time that is set aside for tackling your finances or addressing issues around your finances.

For couples wanting to have the tough conversations about money, I suggest you set aside 30 minutes once a week. Bring out the wine and the chocolates if you want to, as this may help to take the edge off. Make it intimate.

Using this guide on your money date:

- Tackle only one topic per week.
- Do not spend more than an average of about 30 minutes on your Money Date unless you both *really* want to. You can continue the following week and go deeper if you both want to.
- Most importantly, remember to be patient and aware of how frightening and intimidating this might be for your partner.
- Remember, this is not the time for your judgement, and neither is this the time for you to cast blame. This is an intimate time and a safe space, set aside for you both to open up and freely talk about money.
- Know that these conversations will likely be uncomfortable at the start, but it does get easier.
- This is a time for full disclosure between both of you. You should be ready to answer all the questions that you are asking of your partner.

Getting comfortable talking about money

Some people get anxious when they have to talk about money.

Does this sound like you or your partner? If either of you are uncomfortable talking about money, it's a good idea to figure out a way around this before taking your relationship to the next level. Things will not magically change after you get married or move in together.

Money anxiety is a real thing and it refers to the feelings of stress, worry, or fear related to financial matters. Here are some of the ways that money anxiety might show up:

- Refusing to talk about money
- Refusing to work with a budget
- Constant worry or stress
- Not able to sleep
- Physical health issues
- Mental health issues
- Claims that money is a personal matter

If you and your partner have trouble figuring out how to move forward, please seek help. Talk to your elders, spiritual leader, a therapist or financial counsellor to help resolve this issue before moving forward.

The solution to this will be different for every couple.

Managing the family's finances

Would it be helpful to have one person in charge of managing the family finances or would that create more of a burden?

Be aware of a concept called **Money Avoidance**. This can show up as one partner preferring the other to handle the management of the family's finances, when really, they are just avoiding having to address the financial situation. Or they simply just don't know how to manage money.

Here are some of the ways that Money Avoidance may also show up:

- Trying to not think about money
- Ignoring financial statements
- Overspending
- Enabling others financially
- Having difficulty managing a budget

If one person is in charge and then they are away or something happens to them, how would the other person manage?

I believe that managing the household finances should be a team effort, but if that is not possible, it's important to have regular check-ins or as I like to call them "Money Dates".

Use this time to review your bank accounts, ensure all payments are up-to-date, review debts, and ensure the processes you have in place are still working for you and your family.

Spender, Saver, or Avoider

Is your partner someone who finds it difficult to hold onto money? Are you? What is your philosophy behind money? Is it to be saved or spent? To what degree?

Do you believe money is to be spent freely without restriction, or do you focus so much on saving that you consider everything else to be a waste of money?

Do you or your partner feel “money is no problem,” and therefore don’t bother with things like budgeting or saving?

It’s important to find a balance here, between wise spending on vacations and dining out, and saving for important life events like marriage, having children, and retirement. If you’re not on the same page in terms of your financial philosophy, it can place a huge strain on the relationship.



Savings

I believe that at the very least, we should all have an emergency fund, which should be the equivalent to six month's salary.

Maybe you're not quite at six months' worth yet, but have you and your partner started an emergency fund at all?



Life is unpredictable, and financial challenges can arise unexpectedly. Whether it's job loss, unexpected medical expenses, or other financial setbacks, facing these challenges as a united front strengthens the relationship.

Developing a shared emergency fund (I prefer to call it a contingency fund) can provide a sense of security during uncertain times. Knowing that you have a partner willing to navigate financial storms with you, fosters a deep sense of trust, safety and resilience in a relationship.

Without an emergency fund, should they lose their job, would you be expected to support them until they find a new job? What if the situation is reversed?

If your plan is to get married, have you started saving for the wedding? How much are you both willing to spend and contribute to the cost of the wedding and honeymoon? Are you willing to put these expenses on your credit card?

Being open about what you want your money to do for you, and if you have a plan in place to get there with your savings, is a great way to dive deep into the tough money conversations.

Debt

This topic is usually a difficult one to bring up and talk about. But encouraging open conversations about hard topics like debt early in the relationship can create a strong foundation for even more difficult money talks down the road.

As with any difficult conversation, it's important to give your partner the space to speak. Even more importantly, it needs to be a safe space, without judgment. If you are also carrying debt, disclose that openly as well.

Once you've established a baseline (e.g. *yes I have credit card debt*), get into the logistics:

- Are you paying down your debt consistently on a monthly basis?
- Are you doing this on your own or through a structured debt assistance plan?
- If the latter, are you aware of the potential impact on your credit score?

Know that this won't be easy to talk about as there is often a lot of shame attached to debt. However, once it's out in the open, you can both address the issue and decide how to fix it moving forward. Most clients tell me that they feel a sense of relief after disclosing their debt to their partner!



Bankruptcy, Consumer Proposals, and Debt Management Programs

While this is definitely a red flag, it's important for both parties to understand that there are a number of reasons why someone might file for bankruptcy or seek other debt repayment assistance. From getting bad advice when you were younger to having a lot of debt and recognizing it was the only way to create a fresh start, keep an open mind and ask about the specifics from a place of love:

Here are some questions to ask:

- How old is the bankruptcy / consumer proposal / debt management program?
- If you have filed for bankruptcy, are you discharged from it?
- What steps have you taken to ensure that you don't end up in debt again?

Recognize that if you plan on having a future with this person that includes kids, buying a house, or leasing cars, their credit may still be impacted (depending on how long ago they filed), which might put more of a responsibility and burden on you to provide.

Marriage Contract & Cohabitation Agreement

Marriage contracts, prenups and cohabitation agreements may not have the best connotations, but the reality is that this is a very important conversation to have!

Marriage Contract: Applicable to married couples and can be entered into before or during the marriage.

Prenuptial Agreement: Entered into before marriage.

Cohabitation Agreement: For unmarried couples living together and can be entered into before or after starting cohabitation.

These agreements provide a private and custom-made set of rules for dividing the couple's assets / property should they separate and divorce or die. They may also include financial responsibilities, and other personal matters.

Is your partner open to having such an agreement or contract? Are you?



Paying bills on time including credit cards

Paying bills on time maintains a good credit score and ensures that the household is run efficiently.

Learning about each other's method for paying bills is important before moving in together / getting married.

This also includes credit cards - someone who pays off their credit card in full, is someone who knows how to handle credit. They understand the consequences of high interest on their debt!

Even if you or your partner are not able to pay off your credit card in full every month, are you on a plan to pay it off? Or are you continuing to use your credit card to supplement your income and therefore incurring more debt?



Retirement Savings

Having a plan for retirement is something we all need. Whether you and your partner have combined retirement savings or are responsible for saving for retirement on your own, these are important things to discuss early in the relationship!



Here are some questions to address:

Do you and/or your partner,

- have an employer pension(s)?
- contribute to your employers' pension benefits?
- save for retirement in other ways? If not, why not?
- have a plan for after you are no longer able to work?

If you or your partner were previously married, it's a good idea to find out how this would affect your pensions.

Sharing household expenses

Here are some things to consider:

- Will you share combined household expenses 50/50?
- Will you share combined expenses as a proportion of your income?
- Will you each choose a bill and then be responsible for paying that bill on time?
- Will all income go into one pot and then all bills are paid from there, will you both share a joint account, or will you keep your banking separate?

Here is an example:

Partner A works for \$3,000 a month.

Partner B works for \$5,000 a month.

Combined expenses are \$4,000.

Using 50/50 income splitting: Each contributes \$2,000 to combined expenses. This will mean that Partner A will have \$1,000 left after contributing to the combined expenses. Partner B will have \$3,000 left after contributing to the combined expenses. With this example, both spouses pay the same amount towards combined expenses but one has a lot more money left after paying for combined expenses.

Using proportional income splitting:

Partner A contributes \$1,500 to combined expenses leaving them with \$1,500. Partner B contributes \$2,500 to combined expenses leaving them with \$2,500. With this example, each spouse contributes fifty percent of their income towards combined expenses.

Of note, keeping your finances separate from your partner's finances and having one joint account for shared expenses, can be a great way to maintain control and autonomy over your finances.

Renting or buying a house

We tend to assume that our partners are on the same page as us about some situations or topics.

Just because you firmly believe in home ownership doesn't mean your partner does! I've seen situations where a partner firmly believes renting is the only way to go.

So, consider:

- How do you both feel about home ownership?
- Are you both ready to take on the responsibilities of home ownership?
- If one or both of you already own your home, how will you determine who moves where?
- If one of you already owns property, how will you protect yourself in case the marriage falls apart?
- Do each of you have the required down payment?



Joint accounts or debt with someone else

This is an important question to ask if you plan on merging your finances or sharing assets/debts - it's crucial to know whether anyone else will be attached to your finances through joint accounts, guarantee/guarantor arrangements or joint debts.

If you or your partner have joint accounts or debt with someone else, it's inviting a third party into your relationship, which likely will only complicate things!

If this is the case, see if these accounts can be closed or debts cleared up so you don't have to involve anyone else in your money conversations.

Full disclosure about this is a very smart way to move forward with your finances as a couple.



Kids or no kids?

This decision will not only affect your finances but your lifestyle, your retirement, where you live, the type of housing you purchase, and more.



For example, a couple who wants 2-3 kids may need to buy a house in the suburbs, whereas a couple who doesn't want kids might be okay simply purchasing a small condo in the city. As this decision plays into so many other aspects of your lifestyle, it's important you're on the same page early on!

Assuming you decide to have children, working out the logistics of maternity leave, paternity leave, and/or daycare is another important conversation to have!

Here are some things to consider:

- What are the expectations here when it comes to one parent staying home to care for a child?
- Can the household operate successfully on one income alone?
- How much is too much for daycare?
- What's the line between making the best financial decision, and making the decision that's best for your child and family?

Spousal or child support

Here's a real life example of why this is important: a woman I know, met and married a wonderful man. She had an idea of his take-home salary because they both worked at the same level for the same organization.

He was supposed to have a take-home salary of about \$5,000 a month, which was the same as hers. A few months after getting married, she realized something was off. He never seemed to have enough money. That was when she realized that about \$2,000 of his take-home salary was being sent to his ex for child and spousal support.

If you or your partner pays child or spousal support, recognize the role it will play in the planning of your household finances. Whichever partner pays support will have less disposable income which will affect how much they can contribute to the current household expenses.

This could be a touchy subject, so the earlier you can work out the logistics and look at what this means for your relationship, the better.



Want more information or need help?

If you need help navigating these questions or have other money-related concerns that you would like to talk about, please do not hesitate to reach out to me through my private and confidential email: pamela@sanddollar.co

Or you may visit my website for more information and to book a call www.sanddollar.co

In the meantime,
I'll leave you with this:



I believe every woman deserves to be aware of her relationship with money, confident in her abilities to manage her finances, and be self-sufficient in her approach.