

How Couples manage, or don't manage, their money

It isn't sexual incompatibility which drive relationships on to the rocks, it seems, it's money.

I choose to marry a fabulous, intelligent, beautiful, supportive, patient, amazing CHINESE woman. Not only God has put on my life path such a wonderful person, not only we felt in love accepting each other's good and bad sides, but we also realized, knowing each other more and more, how a perfect match we are: we share the same interest, we think in the same way, we have equal goals in life and we believe in the same values. Sure there are things that each of us sees in a different way, and we try to respect this. One point where our different cultures collide is money management. Each of us has his own correct ideas, on HOW TO handle the situation, but our two methods are not compatible. Each of us was right on some points, but wrong on others. We absolutely needed to find a good compromise to guarantee us an ever lasting happy and bright, and THE NET came of good help. After a day searching and sorting documents and reading other people experiences in blogs and articles, I realized how many couples DO NOT face the topic of money until there is a problem, and most of the times that is too late. So, for the good use of all the couple that are getting serious about living together, here is a copy and paste of what I found useful in the net.

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How to Talk the Talk

(from: <http://financialplan.about.com/cs/familyfinances/a/CouplesMoney.htm>)

Psychologists say that many people will talk about anything, even sex, before they'll talk about their finances. Why is it so difficult for us to talk about money? Perhaps because money symbolizes different things to different people: power, control, security, or love, for instance. It's been estimated that money issues are the driving force in 90% of divorces, but you CAN live happily ever after, financially speaking, if you work at not letting financial issues come between you and your partner. To do that you need to talk about it, and to talk about it you need to:

Find a Neutral Time: Don't wait until your spouse has charged up a storm on the credit card or another hot financial issue arises to broach the subject. The goal is to have a calm and relaxed discussion when there's no particular money issue at hand.

Give a Little to Get a Little: Volunteer your own feelings about a financial issue and it may encourage your partner to do the same. If your relationship is the first priority, you'll both have to be willing to negotiate. Share your feelings, experiences, and hopes about money. Discuss how your parents dealt with money, what it meant to you when you were growing up, and how you dealt with it in past relationships.

Know Where You Stand: Be honest with yourself about how you feel. If you've always been independent, for example, it may be hard for you to be "taken care of" financially. If you have more assets than your partner, you may feel fear about risking your hard-earned money, or resentment if his or her spending habits are not good. You have to be honest with yourself about these feelings in order to be honest with your partner.

Bring in a Third Party: If you can't seem to talk about finances, seek out a counselor to help you sort through your financial issues. This could be a financial counselor or a therapist or marriage counselor.

Do's and Don'ts for Couples:

- **Track Your Spending.** Knowing where your money is going is the first key to financial security, and keeping a budget, which includes tracking your spending, is the only way to really know where your money is going. For more information on budgets that work, see [Budgeting 101](#) (see it at: <http://financialplan.about.com/library/blbudgets.htm>).
- **Agree to Disagree.** Come up with spending and savings goals and guidelines, then let your partner manage his or her own spending money. For more information on setting spending and savings goals, see:
1) [The Secret to Saving Money](#) (see it at: <http://financialplan.about.com/library/weekly/aa010301a.htm>),
2) and [Financial Goals](#) (see it at: <http://financialplan.about.com/library/weekly/aa032899.htm>).
- **Designate a Bill Payer.** One of you is likely to be better at day-to-day management of the household expenses. It's okay to designate this person as the bill payer, but the other person should be involved and should know what needs to be done and how to do it.

According to the counselling service Relate, money is much the most common reason for domestic arguments. The organisation recently asked 2000 couples to identify the things which caused them to row, and the responses suggest that disputes over money aren't only linked to the obvious problem of what to do when money is tight and debts are growing. Even when the bank account is comfortably full, couples can still fall out over who gets to wield the cheque book or credit card. "How do you decide as a couple what your money should be spent on? Who should decide - and why? These were the things which people told us developed into arguments," says Julia Cole, Relate's spokesperson. Even if, as Julia Cole suggests, money arguments can sometimes be a symptom of deeper-seated problems in a relationship, there are concrete steps to take which can help to minimise the potential for these disputes. Interestingly, changing social attitudes towards marriage and relationships are in any case having an effect on the way in which couples run their money affairs.

In particular, the idea of pooling everything in a single marital bank account is increasingly being challenged. [...] The growth of joint-career households, of co-habiting heterosexual and gay couples, and of people who separate and then re-marry has paralleled a growing tendency for people to choose to keep their financial affairs separate. **It seems that, these days, more people are happy to share their beds than their bank accounts.** According to independent financial adviser Fiona Price, your attitude towards pooling your money with your partner may well depend on your age. "Traditionally, older people have liked to have virtually everything pooled. That's fine up to a point, but I don't think it's ideal," she says. As she points out, it means that both share not only the assets but also each other's financial liabilities. Julia Cole concurs: "It's quite important from the point of view of self-esteem that you've got money which is just yours alone," she says. There are some occasions - such as Christmas - when separate finances make particular sense: "When you're buying your partner a gift, it's nice to feel that it's out of your own money!," she says.

The idea of pooling everything may in any case not always be quite as egalitarian as it seems, especially if only one partner is working. Women's groups report numerous cases where husbands have attempted to keep some of their income and wealth hidden from their wives, or have emptied joint accounts of all the money when relationships break down. Sallie Quin of Fairshares, the organisation which campaigns for women's pension rights in divorce, has no doubt that women should keep their financial freedom. "Once trust breaks down, people can behave in extraordinary ways. I would say that it's far better to have independent financial set-ups. If you've got a little pot of money, you've got a cushion if anything does suddenly go wrong," she says. Keeping separate finances doesn't necessarily mean that a joint account has to be eschewed altogether. "One of the things which seems to work quite well is the idea of the relationship account, the joint account out of which come payments for domestic bills, for shopping and so on," says Julia Cole. "Of course, if people dip into the joint account for other things you've got trouble."

Money Guide for Unmarried Couples and Personal Finance Advice for Married Couples

(from: <http://financialplan.about.com/od/marriedcouplesfamilies/a/CouplesandMoney.htm>)

(Follow the title/links to read the full article)

[Personal Finance for Unmarried Couples](http://financialplan.about.com/cs/unmarriedcouples/a/SoHappyTogether.htm) (read it at: <http://financialplan.about.com/cs/unmarriedcouples/a/SoHappyTogether.htm>) Millions of unmarried opposite-sex couples live together. These single couples face unique money issues, and are less likely to plan for their financial future than married couples. Here are the top three personal finance issues facing unmarried couples living together.

[Marriage: Tying the Financial Knot](http://financialplan.about.com/cs/personalfinance/a/Marriage.htm) (read it at: <http://financialplan.about.com/cs/personalfinance/a/Marriage.htm>) **So you're getting married? Have you sat down with your fiancé and discussed finances? Disagreements about finances is the number one cause of divorce, so getting these issues out in the open and coming to an understanding before marriage can greatly increase your chances of staying out of divorce court. (FULLY PASTED BELOW)**

[Plan An Affordable, Memorable Wedding](http://financialplan.about.com/cs/singlesandmoney/a/WedAffordably.htm) (read it at: <http://financialplan.about.com/cs/singlesandmoney/a/WedAffordably.htm>) The average wedding in the US costs over \$23,000 (not including the honeymoon)! Imagine what you could do with \$23,000 as you start out your new life together, like making a sizeable down payment on your first home. You can have a beautiful, memorable wedding for less.

[Financial To Do List for Newlyweds](http://financialplan.about.com/cs/singlesandmoney/a/TyingKnotToDo.htm) (read it at: <http://financialplan.about.com/cs/singlesandmoney/a/TyingKnotToDo.htm>) Many newlyweds are 30-something and are combining households and finances. Whether you're 19 or 90, there are a number of financial items that should be on any newlywed's To Do list after the excitement of the wedding dies down.

[Joint or Separate Checking Accounts?](http://financialplan.about.com/od/marriedcouplesfamilies/a/JointOrSeparate.htm) (read it at: <http://financialplan.about.com/od/marriedcouplesfamilies/a/JointOrSeparate.htm>) **These days, it's not necessarily a given that newly married couples will merge their individual checking accounts into one joint account. Finances are often complicated by [...] existing mortgages or credit card debt, and other issues such as a sense of autonomy and financial independence. Sometimes combining all income into a joint checking account can muddy the waters, add confusion and complications, and cause resentment and power struggles. So, what's a couple to do? (FULLY PASTED BELOW)**

How You Mingle Your Money Can Lead to Wedded Bliss or Divorce Court

(from link above: [Marriage: Tying the Financial Knot](http://financialplan.about.com/cs/personalfinance/a/Marriage.htm) - <http://financialplan.about.com/cs/personalfinance/a/Marriage.htm>)

So you're getting married? Have you sat down with your fiancé and discussed finances? Have you talked about how you'll combine your income? How you'll pay your bills? Have you talked about your saving and investing goals, your philosophy about money, your spending habits, your debts? Disagreements about finances is the number one cause of divorce, so getting these issues out in the open and coming to an understanding before marriage can greatly increase your chances of staying out of divorce court.

Pre-Nuptial Agreements: Only for the Rich?

We've all heard about pre-nuptial agreements among the rich and famous, but do they ever make sense for the average people? Pre-nuptial agreements can save many a bloody battle if your marriage ends up in divorce, but since most of us don't get married with an eye towards the divorce courts, we never even consider a pre-nuptial agreement. There are times when one makes good sense, however. For example, if one of you expects an inheritance, has a trust fund, or owns a business, it makes good sense to spell out how those things will be handled during the marriage and in the event of a divorce. Such agreements can also protect first families if you've been married before and want to ensure that children of a first marriage will not lose their inheritance due to a second marriage. [...]

Mingling Your Money

It's best to discuss how you will mingle your money before you actually tie the knot. Discuss your financial goals. Get copies of your credit reports and review them together. Decide whether you'll keep separate credit cards, add your names to each other's existing credit cards, or get new joint credit cards. Talk about how you'll handle your checking account: separate or combined? and how you'll save for your financial goals. These are money issues that have long-term consequences but are often overlooked in the rosy glow of romance before the wedding.

Avoiding Arguments About Money

Once you're married, how do you avoid arguing with your spouse about money? Determine your money personalities. Review your finances together on a regular basis. And most importantly, talk about money matters openly and honestly.

Joint Or Separate Checking Accounts?

Tips on How to Decide and How to Make It Work

(from link above: [Joint or Separate Checking Accounts?](http://financialplan.about.com/od/marriedcouplesfamilies/a/JointOrSeparate.htm) - <http://financialplan.about.com/od/marriedcouplesfamilies/a/JointOrSeparate.htm>)

These days, it's not necessarily a given that newly married couples will merge their individual checking accounts into one joint checking account. Finances are often complicated by previous marriages, child support or alimony, student loans, existing mortgages or credit card debt, and other issues such as a sense of autonomy and financial independence. Sometimes combining all income into a joint checking account can muddy the waters, add confusion and complications, and cause resentment and power struggles. So, what's a couple to do? Before you tie the knot, talk about how you'll mingle your money. Calmly express your opinions and discuss the ramifications of the different options:

One Joint Account: One option is to each put all of your earnings into one joint checking account. If you're both comfortable with this approach, it's certainly the easiest logistically. If one of you is deeply in debt or is notoriously bad at keeping track of checks and ATM withdrawals, this may not be the best method for you.

The One-Two Method (One Joint Account Plus Two Separate Accounts): Many couples today set up a joint checking account while retaining their separate checking accounts. They each pay an agreed upon amount into the joint checking account each

month and use this account to pay the household bills. One of the big advantages to this method is that each person retains his or her own autonomy and financial independence, which helps avoid the use of money as power in the relationship.

If the One-Two method is used, come up with a method of determining how much each of you will contribute to the joint checking account. To do this:

1. Set up a budget so you know what your shared monthly expenses are and how much will need to go into the joint checking account.
2. If you both earn roughly the same amount, it makes sense to each contribute the same dollar amount to the joint account. If one of you earns substantially more than the other, it's more fair to contribute on a percentage basis. For details on how to calculate your contributions based on the percentage basis, see the example at the end of this article.
3. Set up a joint savings account that each of you contributes to for your shared financial goals, such as saving for retirement, investing, buying a new vehicle, taking a vacation, paying for your kids' college educations, etc.
4. Continue to pay your own pre-existing credit card debt, student loans, and other financial obligations from your personal checking accounts.

Neither of these methods is right or wrong. Resentment over money can fester and eventually poison a relationship if it's not addressed in a way that satisfies each partner, so what's right is what works for you as a couple. It's important to your long-term relationship that each of you feels good about how the money works in your relationship.

Example: You earn \$25,000 per year. Your spouse earns \$50,000 per year, for a total of \$75,000 joint income. Determine the contribution by performing the following calculations:

1. Add your annual income to your spouse's annual income.
2. Divide the lower salary by the total combined salaries to get a percentage for the lower paid spouse. $\$25,000 / \$75,000 = .33$ or 33%
3. Multiply this percentage times the dollar amount you need in the joint account monthly to pay your shared bills. This is the lower earning spouses's monthly contribution. $.33 \times \$3,000 = \990
4. Subtract this amount from the dollar amount needed in the account monthly. This is the higher earning spouse's contribution. $\$3,000 - \$990 = \$2,010$.

Other interesting extracts from two links mentioned above

Calculate your combined [net worth](http://financialplan.about.com/library/weekly/aa012800a.htm) (<http://financialplan.about.com/library/weekly/aa012800a.htm>). It's important to know where you stand financially as a couple. Use bank statements, investment statements, credit card statements and other documents to list your combined assets and your combined debts to obtain a "snapshot" of your financial situation.

Develop a [budget](http://financialplan.about.com/library/blbudgets.htm) (<http://financialplan.about.com/library/blbudgets.htm>). Calculate your combined income and subtract your combined monthly expenses and debt repayments. Hopefully you'll have something left over to build an emergency fund, add to your savings, or invest.

Decide on the mechanics for managing your financial affairs. Will you keep separate bank accounts and divvy up the bills that each of you will pay? Or will you put all your money in a joint account? Another option is to open a joint account that you each contribute to for household expenses but also maintain separate personal accounts, which gives each of you some spending freedom.

Decide which one of you will be responsible for paying the bills and taking care of other financial tasks. The best way to do this is by identifying each person's strengths and assigning tasks accordingly.

It works like this: your family is a business, and like any business, it needs a business plan to succeed. It also needs the equivalent of a Board of Directors, a Chief Financial Officer, an organizational chart, job descriptions, and standard operating procedures.

Many marriages today are 'til debt do us part

(by By Kathy Chu, USA TODAY - from: http://www.usatoday.com/money/perfi/basics/2006-04-27-couples-cash-series_x.htm)

If love is the tie that binds couples together, money is often the wrench that pries them apart.

Money conspires to antagonize couples. It sometimes invites divorce. And though finances have always raised tensions for couples, it may be harder than ever these days to avoid conflict.

That's because today's range of family complications — moms leaving and re-entering the workforce, late marriages that bring debt and adult children, shrinking pensions and baffling health care choices — are demanding ever-more financial decisions from couples who can't even agree on whether the house is warm or cold.

"Our lives are more complex, and it's made communications around money more complex," says Carol Anderson, president of Money Quotient, which provides tools for financial advisers. "There are more bad emotions around money."

Which financial issues most often cause strife? Spending too much and saving too little, according to couples who responded to a USA TODAY Poll in March. (Many couples don't admit to financial troubles, though.)

Making matters worse is that couples don't talk much about money before committing to each other. Nearly two-thirds of married couples who responded to USA TODAY's poll said they talked little or not at all before the wedding about how to combine their finances.

"It's the No. 1 taboo topic," says Syble Solomon, a motivational speaker who created *Money Habitudes*, playing cards for planners and counselors to use in getting couples talking about money. "People will tell you about their intimate sexual lives before they'll tell you about their money."

Talking is just a start. Couples need help in planning for retirement, saving more and spending less, according to a survey the Financial Planning Association (FPA) conducted of its members in March and April for USA TODAY. (Of the 1,500 planners polled, 189 answered the survey.)

[...] **Overspending is damaging**

"Overspending is no different than being an alcoholic or drug addict" in its effect on a relationship, says Jan Dahlin Geiger, a financial planner in Atlanta. "What one person is doing could have a huge negative impact on the couple's finances." In the worst-case scenario, overspending can cause an irreparable rift in a relationship. That's what happened with Ken Miner, 39, of Lenexa, Kan. Miner says his ex-wife's habit of "spending more than I made" helped lead to their divorce over a decade ago. Part of the problem, he concedes, was the couple's lack of communication about money: "I was pretty enamored with the idea of being in love. At 23, finances weren't that important."

Many couples don't admit to having financial disagreements at all. Most of those polled by USA TODAY said they and their spouse or live-in partner were doing an "excellent" or "good" job with finances; 57% said they and their mates rarely disagree about money. Yet the evidence suggests otherwise. Research scientist Jay Zagorsky tracked married couples born from 1957 to 1964 and found that money is consistently one of their top three topics for argument. Couples can't agree even on how much debt, income and assets they have, his research shows. "Perception does not match reality," says Zagorsky, who works at Ohio State University's Center for Human Resource Research. "People don't want to admit they're doing terrible."

Money is a home wrecker

In the worst cases, money can be a home wrecker. In fact, two of the five couples USA TODAY originally chose to profile for this series split up a few weeks later. At least one partner within each couple said the breakup was due, in part, to the conflicts that ignited once they began to dig into their finances with the help of a financial planner. (USA TODAY chose two other couples to replace the ones who split up.) A couple's efforts to gain control of household finances can be perilous work, with each partner tugging and pushing, like two people clinging to opposite sides of a raft. Fear of sinking can paralyze them.

That's why planners urge couples to recognize their specific challenges and tailor a plan to tackle them. This can help move a relationship closer to financial harmony.

Some of the issues that have complicated couples' finances in recent years, for better or worse:

- 1) **Marrying later.** With later marriages, many people bring more assets and debt into a relationship. A result is "two very strong opinions" about managing money, with each partner having managed his or her own money for years, says Sheryl Garrett, editor of *On the Road: Getting Married*. "If you wait until 30 to get married, you've been in a series of jobs, accumulated benefits, maybe 401(k) assets; you might even have a house," Garrett says. "It makes things more complicated." The modern young couple looks something like Bryan and Marci Harman, who married in October. He was 32; she was 25. Now, they have three houses, four retirement plans and six bank accounts. Each owned property before marriage. They're now trying to sell his former house and rent hers. Meantime, they've bought another house in Cincinnati, where they moved this year to be near her family and escape the steep cost of living in the Washington, D.C., area. "The main concern for us is making sure that we have money every month" for the three mortgages, says Marci, who, by mutual agreement, takes charge of the joint finances. "That's added stress. Other than that, it's just trying to put together money for the future."
- 2) **Two-income families.** The high number of households with both adults working has created "a vicious cycle of stress," says Bryan Clintsman, a financial planner in Southlake, Texas. "We tend to have a craving for more and more stuff. This creates more spending, which causes people to work harder." As health care costs escalate and employers cut pensions — shifting the burden of retirement saving onto employees — couples face pressure to work harder and longer. The tension between work and family life can bedevil two-income couples such as Thuy and Thai Nguyen, of Woodbridge, Va. The Nguyens are considering selling the family's beauty salon so Thuy can focus on their two kids, Dylan, 7, and Sydney, 3. But they're concerned about the consequences of only Thai working full time. "I'm kind of worried about giving up the income," says Thuy, 36, who works at the salon five days a week, 10 hours a day. "But I want to spend time with the kids while they're young." The two don't agree on everything. But they talk through financial decisions and agree in this case, because "the kids are the most important things" in our lives, says Thai, 39, a software engineer.
- 3) **Balancing financial control.** With more women earning paychecks, more of them want joint control over money matters. In 2004, wives earned more than their husbands in about one-fourth of dual-earner families, according to Census data. In 1981, that was true in only about one-sixth of two-income families. The greater a woman's education level and earning potential, the more bargaining power she tends to have in household decisions — including financial ones — according to research expected to be released this year by economists Jennifer Ward-Batts of Claremont McKenna College in California and Shelly Lundberg of the University of Washington in Seattle. It's still more common to have one person take the lead on finances. In the FPA poll, 75% of planners said men make the majority of the family's investment decisions. About one in five couples make these decisions jointly, the planners' survey showed. The person who makes the investment decisions — and thus controls the bulk of family assets — tends to manage the couple's long-term financial goals. The other partner may take on short-term tasks, such as paying monthly bills. Nearly 60% of FPA planners say women tend to pay the bills. In general, women know less about investing but make fewer mistakes, such as holding a stock for too long, when they do invest, according to 2004 research by Merrill Lynch Investment Managers. Men tend to enjoy investing more but are also more likely to invest without research. When both spouses help make financial decisions, they're more likely to reach their goals, says Carrie Schwab Pomerantz, chief strategist for consumer education at Charles Schwab. The couple may be able to attain better investment returns as well, according to Pomerantz, if one spouse is conservative with investments while the other takes risks, because, "You balance each other out."
- 4) **Non-traditional relationships.** More unmarried couples, including same-sex partners, are setting up house. The number of unmarried couples living together shot up 72% from 1990 to 2000, to about 5.5 million, according to Census figures. Roughly one in nine of these households are unmarried same-sex partners. This has raised thorny issues about how to combine assets and divide them if the pair ever split up. [...]
- 5) **Divorce and remarriage.** Couples who married in recent years have a 40% to 50% chance of divorcing or separating during their lifetime, according to the National Marriage Project, a research organization at Rutgers, the State University of New Jersey. How often is money an issue in divorces? Nearly 40% of financial planners who have worked with divorcing couples say it's frequently a "key factor" in couples' decisions to split up, according to the FPA's survey. "(Divorcing) couples can't agree on spending styles, earning capacities and what to spend money on," says Susan Pease Gadoua, a divorce therapist in San Rafael, Calif. Most people who divorce end up marrying a second and sometimes a third time. Those couples bring assets from former relationships. And that complicates the issue of which assets are his, hers and theirs. Couples who have been married before tend to be "more suspicious" of each other and are increasingly doing "marital due diligence" before the wedding, says Thea Glazer, a financial planner in San Diego. "They conduct background checks on each other to make sure there are no outstanding liens" that could hurt them financially later on. Those who remarry are more likely to draft prenuptial agreements, spelling out who gets what in case of divorce. And planners say those couples tend to make financial compatibility a higher priority the second time around. Both Ken Miner, whose first marriage ended in divorce, and his fiancée, Kris Prueter, 42, are savers. He says they have "complementary" financial habits — she plans to handle the daily financial tasks, while he will take charge of investments — and have discussed money extensively during their five-year courtship. The couple plan to live together with two kids from her first marriage and one from his. "Coming out of a marriage that was unsuccessful, it provided me with an opportunity to educate myself as to what I was looking for in a long-term partnership," Miner says. "Fiscal compatibility and financial responsibility were in the top five."

Married? 7 money tips you must know

(by Nasreen Haque from: <http://in.rediff.com/getahead/2005/dec/01marriage.htm>)

Managing finances is furthest from the mind when wedding bells are tolling. But, once the honeymoon is over and couples start the business of day-to-day living, money begins to matter. And if you aren't in step with your partner when it comes to spending, savings and investment, money can become a major marital issue in a marriage. Here are seven tips on how couples can avoid arguments over money and plan for a secure future together:

- 1) **Set common objectives:** Once married, you have to plan a common future with your partner. Agree on the broad goals: buying a home, children's education and marriage, and retirement. Once you've agreed upon this, you can work out the details -- how big a house you want, how big a loan you can afford, and how much to save for the down payment. You may not see eye to eye with your spouse on many of these details, but they can be easily ironed out in pursuit of common objectives.
- 2) **Share information:** In many cases, it's usually one partner who plays the primary role in managing finances. Nadish Bhatia, group accounts director, takes the investment decisions for his family because his wife Deepika, who works at Mumbai's National Centre for Performing Arts, "is just not inclined towards it and believes that I will do a better job of it." Regardless of who takes the decisions, both partners must discuss all investment and spending decisions and be equally aware of the shape of their finances. Take the case of Ujjal and Aparna Bhattacharya, who have been married for five years and work in software and production engineering respectively. While it's Ujjal who takes most of the financial decisions, he keeps Aparna in the loop as he thinks it fosters mutual understanding. Responsible spending and accountability is a must for married people. Tell your spouse when you're spending something. You don't need to show him/ her your purse before you step out, but returning home with an LCD TV or a diamond ring one fine day without informing your spouse is a no-no.
- 3) **Bank on togetherness:** Do you need to keep separate bank accounts or go in for a joint one? Separate accounts are good for couples who want a degree of independence and not be in one another's way all the time, which can be a liberating experience. But a joint account has distinct advantages. For one, it creates a sense of togetherness and unity, which is vital for a successful marriage. There are some practical advantages as well. For instance, both partners can operate it to spend on household expenses. And, since all the records are in one place, it's easier to keep tabs on spending. It's also helpful when either partner is irresponsible with the finances. You can immediately find out if your spouse has spent huge amounts and curtail such spending. Most couples we spoke to swore by a joint account for household expenses. Another option is to take the middle path, and have separate accounts and a joint one for some expenses. You and your partner can decide on how much each puts into the joint account, depending on how much you earn and your monthly expenses. This way, you have a degree of independence while retaining that sense of togetherness. Suparn Verma, debutant director of the just-released film *Ek Khilaadi Ek Haseena*, shares the household expenses with his wife Radhika, an HR consultant. The two put in a predetermined amount into a joint account that's used to meet expenses. "One of us may put in smaller amounts sometimes, but that's never been an issue between us. It's a marriage after all, not some business relationship," says Verma.
- 4) **Manage differences:** Often partners may have different investing styles. While you may be a high-risk, high-return investor, preferring to invest in stocks, real estate, company deposits and the like, your partner could be conservative and prefer safer options like bank and post office deposits. Devang Shah, Mumbai-based certified financial planner, points out the example of a client who favoured the stockmarket, while his wife was into art. Says Ujjal: "I go for the stock market when I want to invest, while my wife likes to play safe with LIC policies and fixed deposits. Of late, however, she has taken an interest in stocks and asked me to invest some of her money in them." "It's not like it's your money or my money. It's our money and we are working towards making it grow. Ideally, there should be openness between partners. When one partner comes up with a smart idea, the other should be open to consider it. There shouldn't be any ego hassle," says Bhatia. "If you are able to complement each other financially and can help your partner in turning his or her dream into reality, then it's simply great!" he adds. If conflicts do arise, the smart thing to do is to keep separate investment kitties. Shah says men and women may have unique investing styles. "Women have a holistic approach to financial planning, while men are keen on making fast gains," he says.
- 5) **Talk while you spend:** While partners look at many factors to figure out whether they are compatible or not -- physically, temperamentally, mentally -- financial compatibility is the last thing on their minds. Aparna, for example, feels that Ujjal sometimes spends too much. She balances it by saving a bulk of her earnings in low-risk options. Says Shah: "Both partners should understand the financial decisions taken by them as a couple, since their implications are felt by both." He encourages his clients to visit him along with their spouses. An open talk with the financial advisor, he says, will "spur healthy discussions at home."
- 6) **Stick to a budget:** There are many advantages of having a monthly budget. The most important is that you can keep expenses in check and find out when you are straying from your financial roadmap. It also helps you stick to your savings target, since your spending has already been predetermined. Network engineer Yezdi Rabadi and his fashion designer wife Amrita meticulously maintain an account of their monthly expenses and stick to a budget. "We fix a ceiling for our expenses. Though we exceed the figure more often than not, it allows us some kind of control over our money," says Rabadi.
- 7) **Plan your estate:** Estate planning is important for couples, says Shah. Make sure you have a will. Most people avoid making a will or procrastinate over it, causing problems for their successors. In addition, name your spouse as a nominee for every investment you make individually. "Put your will in place and decide on a power of attorney for your spouse in case of untimely death. Most importantly, plan all this when you are in the best state of mind," says Shah.