

'Til Debt Do Us Part

According to MOSAIC Credit Counsellor Heather Cudmore, most surveys indicate that money is one of the top three reasons that couples separate and divorce.

Couples today face a number of challenges around money. Both parties enter into marriage with their own perceptions and methods of how money should be managed, their own lifestyle expectations, and their own priorities and goals for the future. In addition, many of today's couples are marrying after establishing their careers; they enter into marriage having potentially already attained assets that then get melded together. Couples today also face the challenges of an unstable, highly competitive job market and a consumer-driven and credit-laden society.



Further, couples who enter into a second or third marriage or relationship add to the complexity of managing a joint household run by combined finances.

Regardless, money issues transcend marital circumstances. Whether you're married once, twice or thrice, whether you have blended families, common-law families, extended families, it all comes down to communication. "Before getting married, couples often discuss common ground around religion, children, household chores," says Heather, "but rarely do they talk about finances and how they will manage their money." Some examples of questions that couples should be discussing include:

- What are our short-term and long-term financial goals?
- How much money do we want to put in the bank each month?
- Do we want to rent or own? How long until we go from renting to owning and how are we going to get there?
- What are our priorities in terms of lifestyles? Entertainment? Dining out? Vacations?
- Is investing important to us?
- Will we have one car or two?

How are we going to support our children financially, and what will be our spending habits and priorities in raising our children? Are we going to make education savings a priority or do we expect our children to finance their post-secondary studies?

Heather recommends that couples register for a marriage preparation course that explores the issue of finances. Heather also recommends a card game that targets habits and attitudes about money called "Money Habitudes" created by Executive Coach, Speaker and Business Woman Syble Solomon. "It's a fun and easy way to determine your money behaviours and those of your partner, as well as issues that arise because of differing behaviours and ways to negotiate common ground."

For Couple Financial Wellness, Heather Suggests the Following

- Communication around money and finances is not a one-shot deal before getting married. It's important that couples continue to discuss money and household budgeting on a regular basis. "Book a time," says Heather, "it doesn't have to be every day, but maybe weekly, then graduate to every two weeks, and then maybe you'll get to the point where you can do it monthly. With every major change in your life, you need to look at your finances. When you buy a home or a car, have a child, send a teenager off to university, you need to look at where you're currently spending money, how this change will affect your finances and how you will manage your money for this period of time."
- Finances should be a shared endeavour. If couples divide responsibilities, both parties still need to be capable of doing both the bill paying and investments. "It becomes a huge issue," says Heather, "when one person is handling the finances and the other is carefree. The person who isn't handling the money doesn't understand the ramifications of spending and doesn't take responsibility for financial outcomes."
- Limit your number of credit cards. Have at least one individual card that is not a joint card. This establishes your credit rating and also provides you with one card in case of an emergency. In a joint credit card situation, if your partner runs up the bill, you would be held responsible for that bill. Should there be a death of one of the card owners, the card would be frozen and could leave you in an emergency situation without a credit card. "Make sure," says Heather, "that if you do have more than one card, you use each card at least once every six months or your credit card company could elect to close the card, lower your limit or flag it for not being used."

Make sure you pay off your credit cards before the due date. If you have good bill-paying habits, you can wait until the end of the month. However, if you have poor bill-paying habits, pay it as soon as it arrives in the mail.

Do not use your credit card unless you have money in the bank to pay the bill when it arrives.

- Couples should also have separate bank accounts, again to establish a credit history, and to be able to access funds should something happen to their partner.
- Consider purchasing your home with a mortgage based on one income. Also, establish an emergency savings fund. This eases a couple's financial burden as they face changes such as job loss, having a child or emergencies.
- Use a money calendar. Each month sit down together to review your calendar. Plan for the following month and mark in your calendar how you will be spending your money during that month.
- Take a team approach to managing your money. It shouldn't be confrontational. Recognize that you are two different people looking at things differently. You do, however, have to come to some common ground; money is not an issue where you can just agree to disagree. While incomes or the assets you bring to a relationship may vary, you need to discuss what you each think is fair.
- Make sure you have a Will to protect your financial assets and wishes.
- Consider personal counselling. Couple finances can become complicated. If you and your partner are having difficulty finding common ground or managing your finances, a professional can help.

