

## The Best Ways to Prevent Money Arguments With Your Spouse

Follow these tips to head off financial conflicts

By Daniel Bortz

Are you fighting with your spouse over money? If so, you could be doing more damage than you realize.

Twenty-seven percent of Americans say disagreements over finances are most likely to erupt into an argument, ahead of arguments over children, chores, work, and friends, according to a recent survey of married or cohabitating couples by the American Institute of Certified Public Accountants.

Fights with your spouse are never easy, but evidence shows that arguments over money can be particularly distressing. A 2011 study by Jeffrey Dew of Utah State University found that married couples who disagreed about money once a week were twice as likely to divorce as those who differed less than once a month. This is partly because money arguments encompass more than just finances. "Money doesn't just represent money; it represents love, power, control, self-esteem, freedom," says Olivia Mellan, a money coach and author of *Money Harmony: Resolving Money Conflicts in Your Life and Relationships*.

"Money decisions are such personal decisions, which is why they can lead to nasty fights," says Scott Palmer, who co-authored the book *First Comes Love, Then Comes Money: A Couple's Guide to Financial Communication* with his wife, Bethany.

When it comes to money, many couples are blinded by their own views on spending and saving, and often can't see or understand their partner's perspective. "We always think our own way of looking at money is the best, and it creates a tug-and-pull inside the relationship," says Bethany Palmer.

Communication is key to resolving money issues, experts say. Gaining a better understanding of your partner's

financial habits will enable you to prevent arguments with your spouse over money—or at least quell them before they escalate. U.S. News spoke to experts for their recommendations:

**Be financially transparent.** Financial transparency is the foundation of good communication, says Bethany Palmer. "If you're not open with your spouse about your finances, it's very hard to have an intimate relationship," she says.

**Being honest about your finances from the start—including any debt you carry, for example—will enable you and your spouse to avoid financial infidelity.** "If both parties aren't on the same page, it leads to secrets, which can undermine a marriage," says Matt Bell, author of *Money & Marriage: A Complete Guide for Engaged and Newly Married Couples*.

### Exchange information.

Jean Dorrell, a certified estate planner in Summerfield, Fla., who counsels couples about money, recommends that couples share credit reports and tax returns—that way, nothing is kept secret. This ideally occurs before they tie the knot, but it can still be effective if done at the beginning of the marriage. "When you fall in love with somebody, you don't think about going, 'Oh, by the way, how's your credit score?' But it's a conversation you need to have," Dorrell says.

If your partner has significant debt, Dorrell suggests you consider signing a

prenuptial agreement so that you're not legally responsible for paying off their debt in the event that you divorce.



### Establish a budget.

Creating a budget for you and your spouse will take the guesswork out of your money arguments. "A budget gives you factual information," says Bell. "A lot of arguments around money have to do with assumptions and emotions. But if you have a budget, you can take a look strictly at the numbers, which will enable you to have a fact-based discussion about any disagreements."

Even if one spouse doesn't stick exactly to the budget, having one in place creates an expectation of how much each of you should be spending. Just be sure to allow some wiggle room for discretionary purchases, suggests Lynn Mayabb, a certified financial planner with BKD Wealth Advisors in Kansas City. "Everybody is going to have something they want to buy that the other person thinks is frivolous," she says. "Each person needs a certain amount of money



that they don't have to explain where they spent it. If you have a budget that's too constricting, people have a hard time sticking to it."

Understand each other's money personality. Scott and Bethany Palmer believe each person has a money personality—a spending style that dictates their money habits. At the most basic level, someone is a saver or a spender, according to the Palmers. If a saver and a spender wind up together, which the Palmers say often happens because opposites attract, the couple's day-to-day lives are in conflict. The saver wants to make dinner at home; the spender wants to eat out. The spender buys himself a nice bathrobe and the saver resents it each morning when she sees it hanging on the hook. "You would think the biggest arguments about money would be over a big subject like a house or a car, but it's over everyday decisions," says Bethany Palmer.

However, if you take the time to evaluate and understand each other's respective money personalities, you'll likely fight about money a lot less. "We find if couples can understand how they look at money and understand their partner's perspective of money, that will start their relationship off on the right foot," Scott Palmer says.

If both parties are aware of the other person's spending style, the lines of communication are open and each person will have a better idea of where the other one is coming from. "Walk half a mile in your partner's moccasins," says Mellan. If you stop and think how your partner feels about the situation, Mellan says you and your spouse become less polarized.

Discuss family history. The way people approach money is, in large part, related to how their parents treated money, says Mayabb. Was money openly discussed in your household growing up? Did Dad

make all the decisions or was it a team effort? Did you admire your parents' spending and saving habits or did you vow to do the opposite of what they did? Having a discussion about your families' money habits will help bridge the gap between you and your spouse's outlook on money, Mayabb says.

With the potential for money arguments to lead to serious marital problems, consider setting up weekly chats to tackle money disagreements before they evolve into fights.

