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Communication is key to family financial bliss

By **Greg Kratz**

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Of all the "heated discussions" my wife and I have had during 14 years of marriage, the vast majority have originated with a disagreement over finances.

We still don't always see eye-to-eye when it comes to our family economy. But we realize that we've both been right at times, and we've both been wrong at times, and we're getting better at coming to a consensus.

Which isn't to say that the learning process has been easy. And that brings us to this week's question.

A reader named Paul sent me an e-mail in which he wrote that he is 70 years old and always has handled his family's finances, from paying the bills to managing the budget. However, he wrote, those finances have been "an open book."

"We have always shared buying decisions," Paul wrote. "Our accounts have always been joint or in a trust together. My wife and I have always been frugal and so there wasn't much need for a strict budget, just a little common sense.

"Here's my question. What can be done if a husband controls all the family nest egg money in his name, has only a small joint account for expenses and will not share any information with the spouse about the savings account? How can the spouse get the husband to share this control (money flow) without creating problems in the marriage? Is this a subject for a marriage counselor, attorney, financial adviser or maybe your readers? I can only imagine how many couples are experiencing this dilemma."

I'm sure you're right, Paul. And I'm also sure that the answer to this situation will vary from couple to couple.

However, for some basic ideas, I contacted another guy named Paul — Paul Winter, principal of Five Seasons Financial Planning in Holladay.

Winter is not a marriage counselor. However, he says communication and trust are important in all facets of a marriage, especially with regard to money matters.

"As your reader states, financial issues are the predominant reason for marital arguments and divorces," Winter says. "In the case of divorce, death or a

disabling illness, the spouse who is left in the dark about the couple's financial situation may well experience considerable financial and emotional stress, and they may become vulnerable to fraud, mismanagement or poor advice."

Since women generally live longer than men, he says, every couple should sit down together on a regular basis and "discuss calmly, in a neutral setting, their financial situation."

"The ultimate objectives for this conversation should be to form a budget, to track spending, to formulate plans for retirement or financial goals and to raise money-wise kids," Winter says. "The couple can then reward themselves for periodically discussing these financial issues with dinner out or a movie."

Making time for such conversations can be difficult. But it is important that financial issues are discussed before a crisis arises, he says.

Winter suggests that such a conversation cover the following basic areas:

- What memories each person has about money as a child.
- What money meant to their families when they were growing up.
- How their parents dealt with financial issues.
- Their feelings about debt.
- What they would do with a \$100,000 windfall.
- What money means to them (security, etc.).

"Hopefully, by starting with these generalities and sharing feelings, the uncooperative spouse (in Paul's e-mail) will warm to the subject, and he or she will feel more comfortable about being forthcoming," Winter says.

A spouse who is being kept in the dark also could take steps to educate herself by reading newspapers and financial magazines or taking classes. Winter says another option would be offering to organize the family's documents in case of an emergency.

"The spouse could also offer to take care of periodically checking their credit scores, something that all couples should do anyway (and now can be done for free)," he says. "The idea here is for the spouse in the dark to impress upon the other that he/she wants to participate in the financial part of their lives together and is willing to make a contribution."

If all else fails, he says, "outside help is always available in the form of counselors or financial planners who specialize in this area."

I like Winter's advice — especially planning a conversation to get basic feelings about money out on the table. In fact, I think I'll talk to my wife about holding such a discussion during an upcoming "date night." I'll let you know how that one turns out.

Meanwhile, if you have some ideas on this topic, let me know. Or, if you have a financial question, please send it by e-mail to gkratz@desnews.com or by regular mail to the Deseret Morning News, P.O. Box 1257, Salt Lake City UT 84110.

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