



Getting Married: Opposites Attract - Why and How the 'Hand and Glove' Work Together

Chapter 3

Getting Married

- The issue at hand in marriage is one that is legally and emotionally binding.
- Just as you are “single,” marriage is another phases in your life, one in which you will face a whole new situation and one in which you will have to be prepared to navigate through.
- This time, however, you will not be alone but dealing with another individual, their preferences, and their habits.
- Note: Marriage is a legally binding contract! And for that matter, so is divorce.

An eye opener.....

- In this chapter, Bodnar opens up with three couples and the over riding question for her in each of these situations was not: “Can these marriages be saved?” But, “Should these marriages take place?”

The Marriage Landscape and Gender Differences

- As we understand the landscape of marriage, let's face some realizations and further explore the gender differences between women and men.
- Both men and women say cash is the number-one item they are most likely to hide from their spouse.
- Women are more likely to maintain a bank or brokerage account to which their spouse doesn't have access.

The Marriage Landscape and Gender Differences

- Often times, women assume that their fiancées or husbands will think the same way they do, handle money the same way, and have the same goals in wealth and in philanthropy.
- Or, concerned about making the marriage work, women are reluctant to address nitty-gritty details that make it seem more like a business relationship than a love match.

The Marriage Landscape and Gender Differences

- For the sake of keeping the peace in the relationship or preserving the marriage, women are often inclined to not make waves.
- But ignoring fundamental differences can be perilous and detrimental in your quest to be a “Money Smart Woman” or a “Money Smart Couple.”

- Just as you are learning and developing skills in single life, let's learn some skills that will help you navigate through courtship and then through a healthy, lasting, "money smart" marriage.....

Getting Money Out into the Open

- Merging assets and combining money-management styles that often conflict are among the greatest challenges married couples face, yet they're often ignored, especially during the stages of courtship.

Getting Money Out Into the Open

- Often times in marriage, the situation is aggravated by the fact that when it comes to money, as in so many other aspects of our lives, opposites attract.
- It is proposed that this very reason is why it makes “Money Smart” sense to get these issues out in the open.

Getting Money Out Into the Open and the Facts

- Money issues are the leading cause of divorce in the U.S.
- “Money is the glue that holds couples together, whether they’re married or divorced.” Says one marriage and family therapists.
- Getting financial issues out in the open with a finance or husband is especially critical if you have already taken pains to lay a foundation of financial independence as a “Money Smart Woman.”
- Remember to “Think Single” while you are in a relationship.

Getting Money Out into the Open

- Remember: you don't want to jeopardize what you have worked so hard to build and you want to let your fiancée (husband) know what you have accomplished.
- THE TRICK: Address the subject in a way that is not threatening to the relationship or with your own financial well being.

Getting Money Out into the Open

- Talk about money early on and be willing to compromise.
- Don't be afraid to take the initiative. Your relationship will be stronger if you make the effort, and so will your finances.
- If you neglected to have "the talk" before you married, and now you're muddling through financial issues, it isn't too late to re-group and get together to form a lasting plan that works
- So, the bottom line, go back to the mantra of this class: Early, Regularly, Aggressively.

Work as a Team

- As you get your finances out into the open, talk specifically about spending plans, net worth, financial goals, debt, debt reduction plans, etc.
- Work together to fix any problems that may arise.
- QUESTION: What are some of the issues you wrote down in your assignment? Also, what are some of the tools that you would use to 'get on the same page' with your partner?

Diffuse the Hot Spots

“Hand and Glove”

- **Communication** is key and so is **compromise**
- It's ok to have **different goals**, so long as you don't assume that your husband's are the same as yours. If you dream - dream out loud. Express yourself and let him share his dreams! Work to bring the hand and glove together.

Diffusing the Hot Spots - Counseling

- Engage in **pre-marital counseling** if you feel you need it: Finances are a key element in the premarital counseling program of the Marriage and Family Therapy Clinic at Colorado State University.
- They are also a key element to the College of Human Sciences Alabama Community Healthy Marriage Initiative.
- Again, what tools would you use while trying to work with your future spouse, etc. on finances?

Diffusing the Hot Spots....

Spending Too Much

- **Spending too much:** Write down your goals and work out the numbers to see whether you're on track towards achieving them.
- Allow each of you a “slush” fund to spend as you wish, no questions or recriminations. Just build this into your spending plan.

Diffusing the Hot Spots... Passing the Buck

- Take turns managing the checkbook, or having regular conversations so that the spouse who doesn't keep the books at least knows what's going on
- It might be a good idea to trade off working the household books each month
- Try not to find fault in the way your spouse's behavior

Diffusing the Hot Spots.. Taking Risk-- Or Not

- Often, though not always, it's men who are the risk-takers-- sometimes to a fault-- perhaps because they feel more confident in their ability to earn back any losses.
- You can come to terms with different tolerances for risk if you both realize you don't have to put all or nothing on the line.
- To control an impulsive, even reckless investor, set a limit on how much he or she can risk - say 10 percent of your assets.
- You might even want to consider a financial planner to assist you in navigating through these issues.

Diffusing the Hot Spots Pool Funds and Assets or Not

- There is no right or wrong...Determine what works for you and your partner.
- Even if you maintain separate accounts or take on different tasks, you need common goals and open discussion in order to be full partners.
- It is prudent to stay on top of your money issues in the event you encounter a troublesome time like death, accident, etc.
- Remember, there's no right or wrong way to do these things- just the way that makes you individually and as a couple feel comfortable. The goal here is to determine what works for you as a couple.

Handling Credit: Keep Your Distance

- The moral here is you both need to be fully aware of your intended's credit habits and history before you agree to marry.
- It may sound hopelessly unromantic, but it can be just as important for each prospective spouse to see the other's credit report as it is to take a blood test before you get a marriage license
- Follow the old motto: Single, straight, and solvent

If One's Credit is Bad

- Make all credit purchases in your own name and with your own accounts
- Whatever you do, don't add your name to your husband's accounts if his credit is tarnished. Likewise, do the same if yours is not up to an equal standard.
- Use your maiden name or your first name and new married name
 - Susan Smith not Mrs. John Smith

Credit: Seek Outside Help

- As budget busters go, debt is a sledgehammer. And it often breaks up relationships as well.
- Seek help from a reputable credit counselor if you need to pursue this venue. Be sure to determine if the organization you are working with is reputable

Financial Guideposts - Think Taxes

- Think Taxes
 - Although the so-called marriage penalty is history, you could owe more tax when you first file as a married couple. Check in with your accountant if you have one on what will work best for you.
 - Generally, couples are better off filing a joint tax return.
 - Also consider reducing your deductions to “0” when you marry so that more is coming out of your paycheck and you will not have to write a check on April 15th.

Financial Guideposts - Beneficiary Designation

- Name your spouse as the beneficiary on all of your important forms such as 401K plans, IRA's, insurance, etc.
- What is a beneficiary?
 - On your insurance policy, IRAs and other retirement plans, and company profit-sharing plans.
 - Note: This task should be in your life folio as a "to do" item for when you marry.

Financial Guideposts - Review Insurance Coverage

- Review your insurance coverage. Marriage is a “qualifying event.” This includes: health, life, disability, home owners, auto, renters, etc.

Financial Guideposts - Student Loans

- Don't merge your student loans with your spouse's. Remember the tax laws on deductions for student loan debt. Share this data with your accountant, etc.
- If in the event, you experience a divorce and you entangle your debt, you might not ever be released from this obligation.

Financial Guideposts - Monthly Get Together and Counselor

- Schedule a monthly get-together to review where you stand on your monthly expenditures.
- Schedule a yearly get together to review debt reduction plans, net worth, giving plans, etc.
- Consult a counselor
 - Get a third party's perspective and advice about your finances, if you feel you need it, by visiting a fee-only financial planner

Savings Marriages

- In each relationship, communication and mutual respect would go a long way toward making a successful marriage
- As a “Money Smart Couple” -
 - Go back to the ERA

Working for Parity in Philanthropic Decisions

- Just as you work together on the wealth side of your life, discover and work with your future mate in your philanthropic endeavors.
- Begin early to identify your respective philanthropic interests.
- Set aside a certain amount of time, talent, treasure toward supporting your philanthropic goals.

Marriage and Philanthropy

- As your family grows, work towards teaching the art of philanthropy to the next generations of donors

Don't Stop Now!

- Discuss your financial goals and compare your credit habits--and possibly your credit reports--before you marry.
- Identify your money-management styles to pinpoint areas in which you might disagree. Remember there are a number of "money personalities" that might be pertinent to understanding your partner's habits.
- Track your spending--whether on paper or electronically--in a way that works for both of you.

Don't Stop Now!

- **Pay off** your credit-card debts before you marry so that you can start fresh.
- **Adjust** your withholding so that you don't owe more income tax when you first file as a married couple.
- **Reverse** your financial roles occasionally so that neither of you is left out of the loop.
- **Update** your beneficiary forms when you marry to protect your spouse, etc.

Don't Stop Now

- Discuss your financial and philanthropic goals and work together to establish and accomplish these.

8 Rules for Fending off Fights

- Talk about money openly and matter-of-factly during your courtship and certainly in marriage.
- Settle the issue of joint versus separate checking accounts.
- Designate which spouse will pay bills, balance the checkbook, and handle investments.

8 Rules for Fending off Fights

- Don't begrudge your spouse small indulgences
- Consult with each other on purchases above, say, \$500 or more
- Don't criticize your spouse about money in front of others
- Coordinate your responses when your kids ask for something
- Discuss your goals regularly - monthly, quarterly, annually and by decades. "ERA"