

Talking Money with Your Honey: It Just Makes Cents

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By Naomi Inman

Ben and Millie are a young couple that met in college and quickly fell in love with one another. They decided they both had found *the one* and got married. While Ben and Millie are otherwise a great couple who communicate well, they recently encountered financial difficulties when Ben lost his job while the couple was preparing for their first baby. Ben loves to eat out frequently and doesn't mind splurging on purchases from time to time. Millie tends to be more frugal—opting for free activities and cheaper options when she can.

Ben and Millie had been doing well financially, but they find themselves stressed and frequently arguing about money now that finances are tight. They hadn't discussed their expectations for finances before they got married and it has become a point of contention for the two. Many other young couples fall in love quickly and can't wait to get their lives started together but fail to adequately discuss their finances and expectations surrounding money before they commit to a serious relationship.

Although it may seem crazy to some, there are couples who don't even think to talk about money before they commit to one another for *life*! Discussing finances with your future spouse is really important. By talking about finances before you commit to one another, you ensure

that the two of you are on the same page about your expectations for how you will handle your finances when you are married. If you are preparing to get married, you should consider the following things and discuss finances with your partner before tying the knot.

Review Your Finances Before Marriage

It may not seem like a big deal to young couples, but the financial aspect of marriage can be hard to handle. Navigating finances can be even harder for couples if they only discover different financial expectations once they are in the middle of trying to solve financial problems. It's crucial that couples review their finances with one another *before* they decide to get married.

In one study, researchers studied couples where the husband was away for

active military duty. Interestingly, they found that there was an abnormally high rate of ambiguity about finances for couples who had one spouse away from the household for long periods of time. When the husband was back from military duty, the couples typically resorted to avoiding talking about any expectations or problems about their finances. Once the husbands returned to duty, the wives continued to handle finances. However, there was still uncertainty about what financial expectations were for the couples.

How awkward it must be for these couples to not know how to talk about money with their partner! This is just one example of how financial expectations can be muddled in marriage when couples don't talk about money early on. This problem could have been easily avoided by these couples if they had simply talked about finances before they got married.

Couples that display good financial management usually start to save early, have a plan for the unexpected, and communicate well. Talk about financial expectations with your partner, including:

- how you will handle financial issues
- how each partner will contribute to finances
- what your couples' savings will look like

- how partners will invest their money
- what budgeting and spending money will look like
- how you will share money
- if either partner has debt or other financial responsibilities

Not only is talking about finances continually important in any marriage, but having explicit expectations for how you and your partner are going to manage money together is correlated with both higher financial and relationship satisfaction. Sharing financial values can also benefit couples' financial satisfaction.

Money Management in Marriage

There are a lot of different ways that couples can choose to manage their money in marriage. The three main options for managing money in marriage are: combine finances completely, combine most finances but still have independent finances, and to keep all finances separate. Money management also includes things like determining how you will budget, what things are prioritized for spending, retirement plans, and saving/investment strategies.

Most couples pool their money. That being said, it is becoming increasingly common for married couples (mostly millennials) to keep their finances separate—especially those with a lot of debt. Unfortunately, couples who keep their finances separate during marriage are more likely to be less happy with their relationships and to separate. Some research suggests that having an attitude of sharing money, rather than one spouse having “ownership,” is linked to higher levels of marital and financial satisfaction.

At the end of the day, every couple is different and will have different priorities. There is more than one right way to manage money in marriage! Ultimately, coming to a consensus with your partner before committing on how the two of you will manage your finances can help avoid tension and conflict surrounding money in your marriage.

For couples pursuing marriage with their significant others, make sure to discuss your finances and financial expectations for marriage. It may be awkward for some people to approach the topic of money because of how rarely people talk about money in our society, but it's not as hard as it may seem. Here are some topics you may want to discuss with your partner:

- **views on money**
- **spending/saving habits and budgeting**
- **dividing up expenses**
- **credit history and debt**

- **risk tolerance and financial goals**
- **ongoing financial obligations**
- **net worth and desired lifestyle**

- **future plans for family (how many kids you want, will you use daycare, will you pay for your children's educations, etc.)**
- **combining physical and financial assets**

- **wills, trusts, and life insurance**
- **retirement plans**

Figuring out finances with your special someone can help avoid tension and uncertainty in the future. Additionally, it can also help address one of the worst outcomes for financial issues for married couples: divorce.

Benefits: Marital Satisfaction & Avoiding Divorce

There are a lot of benefits to discussing finances before marriage that are supported by research! Talking about finances before committing may actually improve both marital and financial satisfaction. Many research studies have demonstrated the correlation between better financial communication and higher marital satisfaction. Communication about all different aspects of marriage significantly contributes to longer-lasting marriages. One study even found that communication can act as a moderator for negative outcomes for newlyweds. In other words, talking about issues helped couples cope better with financial pressures and avoid poor sexual outcomes.

In a recent data analysis pulled from the Couple Relationships and Transition Experiences (CREATE) longitudinal study, it was found that talking about finances before engagement or marriage resulted in higher financial satisfaction. The same was also true for the inverse; waiting to discuss finances until after becoming engaged or married resulted in lower financial satisfaction—particularly for husbands. This may be due to external social pressures and gender roles that men feel obligated to fulfill. Communication is *incredibly* powerful!

Financial issues are also commonly linked to divorce. This is another reason that shows why it's so important for young couples to talk about finances before they get married. Disagreements about finances have been shown to be the only disagreement type that is a predictor of divorce for husbands. For wives, finances were one of two disagreement types that predict divorce for wives (the other disagreement type being about sex). Needless to say, fighting about money is a common challenge for couples and the end result could be dire.

Financial strain puts a lot of stress on couples, but communicating with your partner can boost resiliency in

couples facing financial issues and lead to better marital satisfaction than if you don't communicate. However, despite being conflict-inducing, economic uncertainty may also strengthen marriages and raise marital quality if couples can work through the stress. Communicating and working with your partner about finances is directly correlated with better marriage outcomes and can even help avoid divorce!

Start Today!

Although Ben and Millie failed to talk about finances with each other before they got married, they can still talk about their finances now... Better late than never! If you're already married and you and your partner haven't talked about your finances in-depth, that can always change. Don't be afraid to open the conversation with your partner about your finances and get on the same page, if you haven't already.

At the end of the day, an imperfect conversation is better than a non-existent one! As research shows, it's clearly important for couples to discuss their finances—especially before committing to a serious relationship—to avoid conflict, financial stress, low financial satisfaction, and, ultimately, divorce.