



Money Zone: Couples and Money

Just For You: Test Your Money Relationship

Love may be blind, but marriage is a real eye-opener. For a marriage to succeed, both partners must work together financially as well as emotionally, rather than competing against each other. What's the answer? Repeat after us: communicate, communicate, communicate. Talk openly and frequently about your finances.

Here's a quiz to help you determine the areas in which you and your partner may be facing specific challenges. Have your partner answer the questions separately from you, and then compare the answers. The answers may not describe your situation exactly, but circle the one that comes closest to where you are right now. The results may be surprising, and the discussion that follows the quiz will help you talk about financial issues and your financial future as a couple.

The answers don't have to fit you perfectly—just choose the one that is closest to what you feel. It's designed to get you thinking – and talking.

Couples Quiz: Test Your Money Relationship

1. My partner handles money:
 - a. Like a bull in a china shop.
 - b. According to our mutually agreed plan.
 - c. In a way I have never completely understood.

2. My partner and I have discussed:
 - a. Our long- and short-term financial goals.
 - b. Why we never seem to be going anywhere—and whose fault that is.
 - c. The balances in our separate accounts.

3. I understand how to:
 - a. Call my honey and ask for a larger allowance.
 - b. Tell a bill collector: "No! No cash for you!"
 - c. Pay bills, manage accounts, and talk to financial advisors.

4. My partner and I divide the money management tasks in our household:
 - a. By custom.
 - b. By natural ability.
 - c. By sheer neglect.

5. We have established a budget based on:
 - a. Our current spending habits and our future financial goals.
 - b. A document prepared fifteen years ago by a credit counselor.
 - c. Never mentioning the "B" word in our household.

6. I know my spouse's:
 - a. Investment personality and risk tolerance.
 - b. Greatest financial foibles.
 - c. Name.

7. I am confident that:
 - a. I know everything about my partner's financial picture.
 - b. I know where my partner stashes cash.
 - c. I don't feel too confident about the whole thing, anyway.

8. My spouse and I have made a commitment to:

- a. Each other?
- b. Never go to bed angry.
- c. Discuss our finances regularly.

Scoring:

The answers that lead to better communication about money between partners are listed in the following table. If you and your partner have a different answer to the question, this is an excellent opportunity to discuss your feelings with your partner.

1. B
2. A
3. C
4. B
5. A
6. A
7. A
8. C

Now let's take a closer look at each question, and what the statements mean for your relationship.

1. The way your partner handles money. The way a person handles money is influenced by a number of factors, including his or her parents' attitudes about money and whether he or she grew up rich, poor or middle class. For some people, money is a measure of their self-worth whereas others see it as a means of security. Some people splurge as a way to reward themselves whereas others are most proud of their ability to save. Understanding your natural tendencies can help each of you learn to appreciate the other's traits, and perhaps modify your own behavior. Discuss how you each feel about money and from where your beliefs stem and you will be better able to compromise on how money is handled in your household.

2. Your discussion of future goals. Whether or not you share a checkbook, sharing goals is one of the most exciting parts of being a couple. Together, you define and develop the type of lifestyle you will lead. Be honest with each other about your specific desires and priorities. For example, if you are young and you both want to have children, perhaps your spouse would like to go back to graduate school before you start a family. As a couple, reach an agreement about the goals you share, create a time line, and then determine the best saving and investment strategy to realize each objective.

3. Your financial skills. If either of you lacks financial knowledge, make the effort to master the basics and boost your confidence about money issues. Review all your personal finances together. Then learn about the basics of handling money, using the Money Club Zones. Don't be afraid to ask questions and seek guidance along the way. The more you understand financial matters, the more confident and empowered you will feel in other aspects of your life. Knowing how to manage money wisely gives you a sense of control and security that is imperative to building a solid future as a couple.

4. Dividing the money management tasks. Who is in charge of paying the monthly bills, who balances the checkbook, and who files the paperwork? Is one of you in charge of your investment accounts, or do you make decisions as a couple? However you divvy up the financial duties, make sure you each understand what the other is doing. That way, you'll have the skills to manage your finances in case your spouse becomes ill or dies, or the marriage breaks up.

5. Establishing a budget. Without a budget, you may discover that one or both of you is spending beyond your means, which can make it nearly impossible to achieve your financial goals. Creating a household budget is relatively easy, and sticking to it will help you use your income wisely, safeguard your future, and avoid misunderstandings about how money should be spent.

6. Your partner's money style. Everyone has a different money style. Some people are natural born risk takers, whereas others are so afraid of loss, they'd rather sock their savings away inside their mattress. Talk openly with your partner about your attitudes regarding wealth, and how comfortable you are assuming risk with your investments. With patience and honest communication, you should fully understand each other's feelings and be able to reach an accord on the best way to manage your money together.

7. Knowing your partner's finances. Sit down together and review your financial picture. Order a copy of your credit report, and talk about how to improve your credit rating. If you have outstanding debt, pay it off as quickly as possible, even if it means cutting back on certain luxuries or postponing some of your other goals, such as buying a house or leasing a new car. But don't scrimp on your retirement savings!

8. Your financial commitments to each other. Disagreements are inevitable, and couples argue about financial issues more than anything else. By using the tools outlined in this Money Zone, you should be able to discuss your differences openly and settle them fairly. Money is intertwined with trust in a relationship, so the more you can talk about money, the better a relationship you will have.