

Yours, mine, ours?

My husband and I have a good relationship, but we sometimes fight about money. What's a good way to talk about finances?

We all have different approaches to spending and saving, so money can easily become a flashpoint for couples. It's often just about style: if you tend to be frugal, you may be drawn to the Romeo who drops \$150 on roses on Valentine's Day. That lasts until Romeo is spending "your" money, and then the fighting starts.

Pinpoint your style

First, you each need to identify your personal money style and the contributions you make to the relationship. Rather than focusing solely on income, include acts of service, such as taking care of the home or the kids and looking after family investments. Watch for polarization: has one partner become the Supply Queen, responsible for spending to provide for the family's lifestyle needs, while the other is the Treasury Guard, viewing each expense as an attack on the family's long-term security?

It may take some imagination and emotional self-discipline, but try not to discount your partner's contributions; instead, for at least a month, do your best to consciously value them. Your partner may nag each time you spend money, but rather than putting up a wall of defence, thank him for caring so much for your security. Then try changing roles for a month. Let the Treasury Guard buy the groceries, pay the household bills and decide on entertainment while the Supply Queen does some research on retirement planning.

The rewards can be tremendous, as illustrated by a client of mine who used this exercise to come to terms with the idea that the beautiful well-appointed home his wife created for their family was balanced by a corresponding decline in their bank account (which they could afford).

He once referred to her as a spending addict; today, he describes her as "the colour in my life."

Crunch the numbers

Most conflicts are about perception, so the next step is to start shining some light on your financial facts. Software such as Microsoft Money or Quicken makes it easy to keep record of your assets, debts, credit cards and bank accounts. Download or enter your bank and credit transactions for the year, then run the reports. (If you aren't particularly tech-savvy, a notebook, pen and calculator work just as well.) How much are you spending, and on what? Are you saving for

retirement or to meet your other long-term financial goals? This project will take some time, but it will be well worth the effort.

Break it down

Now you're in a position to have fact-based conversations and make some enlightened decisions. For example, ask yourselves if your lifestyle spending is compromising your debt repayment or emergency savings. Should you commit to sitting down together once a month to pay

bills and review finances? Every couple is unique, so you need to find what works best for both of you. But if you still can't agree, consider the "yours, mine and ours" solution. Determine your total household expenses - everything from mortgage payments and property taxes to education savings plan contributions for your children. Open a bank account for these expenses and figure out how much each of you will contribute every month. (If yours is a single-income home, work from the assumption that you contribute equal funds since you're both contributing value. Otherwise, you run the risk of the breadwinner making all the spending decisions.) All income not required for shared expenses goes into separate individual accounts. Then save, spend and invest as you like - and never have another fight about money. ▽



Financial expert

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