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Money and Relationships

Are you a spender or a saver? Is your partner a spender or a saver? What happens when your spending habits are not the same? Most couples have different opinions about spending and priorities from time to time. That's to be expected. The challenge is learning how to talk about differences. When couples don't talk about money, whether large amounts or small, misunderstandings can occur.

Money discussions are rarely just about money. They're about values and what you want your money to do for you. First, you need to understand your own relationship with money. You can start by asking yourself these questions:

- **What are my money goals?** You may be saving money for a home, new car, or family trip. How do you prioritize these goals?
- **What are my values around money?** If you value sharing, you may like to give gifts or donate money. If you value security, having an emergency fund may help you sleep better at night.
- **What are my money habits and behaviors?** Are you carefree and spontaneous? Do you track your spending?

Our earliest messages about money—how to use it and how to talk about it—usually come from our own parents. What messages about money would you like to model for others in your family?

Starting the Money Conversation

In survey after survey, couples report the number one thing they argue about is money—even more than kids and housework! Instead of arguing, there are some steps you can take to start talking about money, before it turns into a fight.

- How often should you talk to your partner about money? A monthly check-in is a great place to start so you can look over bills. Also check in if a big expense comes up during the month that might throw off your budget.
- Where should you talk to your partner about money? A comfortable place without distractions. Make it fun. Include a treat or do something you both enjoy after the check-in.
- What money topics could you talk to your partner about? Here are some ideas:

- **Look at your budget** to compare income to spending. Some months will be more expensive than others because life is full of ups and downs. If you had a costly month, you can talk about where to cut back next month.
- **Talk about financial goals** and how to prioritize. We all only have so much money to work with. Figure out what feels like a good compromise for both of you.
- Every four months, **get your free credit reports** to share with each other.
- Early in the **new year**, talk about taxes, insurance, and annual expenses, such as back to school time or holiday spending.



Handling OUR Money

Two-income households have options around managing their money. Some decide to open up a joint checking account and pool their money together. Other couples keep their money separate and both chip in for bills. There's no right or wrong. What's important is that the couple talks openly about their plan and both feel comfortable with their arrangement. Some common arrangements include:

- Each person puts an equal amount in a joint checking account to cover household expenses and goals. Both keep the rest of their money to spend how they want—like a personal allowance. This could be tricky if one person makes a lot more than the other.
- Each person contributes a set percent, such as 70-80% of their paycheck, to cover household expenses and goals. What's left is spent or saved as each person decides. Putting in an equal percent can help if one person gets paid a lot more than the other.
- Each person deposits their entire paycheck into the same account and the money is used for both household and personal expenses.

Every couple is different. What works for one household may not work for another. Experiment to come up with the right mix for your family.

For More Information...

Visit our website for more financial education resources.

finances.extension.wisc.edu/

Contact your local Extension Educator:

counties.extension.wisc.edu/

For help with balancing your monthly spending plan, contact the nonprofit National Foundation for Credit Counseling (NFCC) at www.nfcc.org/ or 800.388.2227.

Money Topics to Think About

It can be helpful to explore some general money questions together. The examples below can help couples practice having money talks when it's less personal or less stressful.

Answer the questions below by yourself, and then share with your partner to compare responses:

- **Imagine** someone got a raise or big bonus. What would you spend that money on?
- **Imagine** your household had a cut in pay. What is the first expense you would cut back on?
- **Imagine** you had an extra \$50 this month to put into savings. What would you save for?
- **Imagine** you've been with your partner for several years. They have just been offered a promotion in another city many hours away. Right now you live close to your family and have many friends. What would you do? What will help you make this decision?

As you share your responses to these examples, remember, that the key to all conversations is respect!

To \$um It Up:

- \$ Set aside time for regular money meetings to talk about your finances.
- \$ No judging a person's spending decisions. We all need a bit of wiggle room within our budget to reflect our values.
- \$ Decide and agree on how to handle your money together.
- \$ Have a plan to talk about money disagreements—because they will come up!

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