

# Bridging the spender-saver divide

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A few years back, Valentina Naranjo Velasquez and her husband Gary Verrinder found themselves in a place that is probably very familiar to a vast majority of Canadian couples: They began to fight about money.

Their story, as told by Ms. Velasquez, is common: The Kitchener, Ont., couple, who together earn about \$130,000 a year, was constantly short of cash. "I felt for me it was always, 'Well, where's the money?' or 'Where did the money go?'"

"It was very stressful."

Ms. Velasquez, 29, and Mr. Verrinder, 42, also had different attitudes toward money: He was a spender, she was more of a saver.

"And when he spends, he spends big," she says.

Theirs is the story with which many Canadian couples can identify. A national survey by Credit Canada and Capital One Canada last year found that 86 per cent of couples say they argue about money and 48 per cent say they don't believe their spouses have the same philosophy when it comes to managing money.

Opposites attract: So say therapists and personal-finance experts, who see the saver-spender divides in a large number of couples. These couples have opposite approaches to money, and can develop strong frustration and resentment toward their spouses.

"I deal with a lot of women across the country, and the perfect emotional financial storm happens when there's misalignment, there's a lack of trust and there are differing financial values," says Patricia Lovett-Reid, senior vice-president with TD Waterhouse Canada Inc.

"I have seen many couples who actually don't understand each other's spending or saving personalities until a year or two into the relationship and then – wow – fireworks," says Alison Griffiths, a personal-finance author and host of television show *Maxed Out*.

"But I don't believe that finances are like leopards and spots. I do believe that people can alter their financial personalities."

That begins by having a conversation about money, experts say, preferably with a third party who can cut through the intense emotions. "When those conversations start, there is a floodgate of emotions that get unleashed," says Karin Mizgala, a financial planner who also is co-founder of the Women's Financial Learning Centre in Vancouver.

"Typically when the conversation happens, it's a fight. There are pent-up fears and insecurities on the part of the saver, who sees that his or her financial well-being may be jeopardized by their partner. On the spender's part, there can be a real sense that they don't want to be told what to do, that they're tired of having every move being watched."

Those conversations should also touch on how each spouse was raised and what influenced their attitudes about money, says Ed Santana, a psychotherapist and executive-director for the Ontario Association for Marriage and Family Therapy.

“When they understand where the other person is coming from and when they [learn] some of their choices about money, [their fight] becomes less personal,” he says.

Mr. Santana and financial experts also agree on some of the ways to bring together spenders and savers to find the middle ground.

The first step: Figure out exactly how much the household spends and what the money goes toward. The next: Find common goals and let each other know individual goals. Whether it’s getting out of debt, or saving for a house, a car or a vacation – setting up a budget and a financial plan to meet those goals can help couples stay on the right path.

It’s what Devon Beaton and Kristin Campbell of Calgary did. The couple – she’s 20 and he’s 22 – are engaged and had planned to get married this past summer. But first they had to sort out their financial differences – he was a saver and she was a spender.

The difference has caused friction at times, she says, but they have learned not to fight and to talk it out. “I think we’ve both kind of rubbed off on each other,” Ms. Campbell says. “We’ve both grown to accept each other. He tries to not be a penny pincher and I try not to spend as much. It’s a compromise.”

The couple talks regularly about what they can and can’t afford. In the “can’t” category: the summer wedding. When they realized they would have to go into debt for it, Ms. Campbell says, they decided to postpone it.

Ms. Lovett-Reid advises that couples also rotate financial responsibilities, so that each has an intimate knowledge of the household finances.

“If there’s a dominant person in the family that handles the money, then switch it for six months, and the other will get a far better appreciation and understanding of how much money is coming in and where it is being spent,” she says.

In the case of Ms. Velasquez, getting involved with the family’s finances was a huge breakthrough. The couple may have had different attitudes toward money, but she says that she wasn’t really taking any responsibility for the finances.

“Things are really good now. I’m more involved. We keep track of everything we spend. We probably talk about [household finances] every week.

“We definitely talk about it more without fighting about it.”

The couple followed a lot of the experts’ advice – they went to a third party, the Meridian Credit Union, where financial consultant Amie Daminato worked with the couple to come up with a budget plan, a savings plan and a financial wish list.

Ms. Velasquez says having financial goals – such as saving for retirement and their child’s education – has made the couple focus on what’s really important.

And a few months ago, when the couple’s car broke down, they realized just how far they have come.

“It wasn’t, ‘Oh my God, how are we going to pay for that.’ It was, ‘Oh, we have money in savings.’ It wasn’t stressful at all.”