

For love or money

DAWN CALLEJA
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Our honeymoon officially ended the first time I caught a glimpse of my new husband's bank statement.

Don't get me wrong: I wasn't totally blindsided by the state of Tim's finances, but I'd never really wanted to know the gory details. I've always been a saver, socking away a few hundred dollars every pay cheque.

Tim is another story. He's more than a decade older than me and had raised three kids on his own before we got together. He'd lived a lot more life than I had. And all that life experience had come with a hefty price tag. I knew he was in debt — deep enough to cause him panic attacks in the middle of the night.

Turns out Tim and I aren't alone. Young couples today are stuck with more debt than their parents, and their parents' parents, could ever have imagined. According to Statistics Canada, the average person walks down the aisle a good decade or so later than they did in the 1960s — at around 32. And before finally settling down, many of us are travelling the world, buying houses and cars, and generally racking up debt.

The average university student who borrows money for school has \$20,000 in student loans by the time they don their cap and gown. Paying it off is no easy feat: The overall median debt for Canadian families in 2005 was \$44,500 — up 38 per cent from 1999.

The real cost of all that borrowed dough? Two-thirds of newlyweds report fighting over money, and it's the No. 1 cause of divorce in North America.

To make matters more complicated, opposites attract.

"Typically one person in the relationship is more comfortable with debt and has more of it, while their partner is more conservative," says Karin Mizgala, the founder of Vancouver-based LifeDesign Financial, a firm that combines financial planning with relationship counselling. And that means financial advisers are seeing more and more fiscally mismatched couples like Tim and me.

What's most troubling is that couples rarely talk about their finances.

"Most people have absolutely no idea what the other person is doing with their money — no clue," says Gail Vaz-Oxlade, a financial planner and host of *Til Debt Do Us Part* on the Slice TV network. "But if you're prepared to spend the rest of your life with this person, aren't you prepared to spend half an hour talking about money?"

For Ava and her fiancé, the answer is a resounding no. She has a whack of student loans and credit-card debt. He saves like crazy. And in 10 years together, they've never discussed their finances.

"I don't want to put him in a position where he has to pay off my debt," Ava says. "I'd feel guilty — I'm the one who built it up." They're getting married in a few short months and talking about buying a house, yet they still have no idea where they stand as a combined unit.

Admittedly, broaching the topic is stressful — especially for couples who have wildly different ideas about money management. Ms. Mizgala advises breaking the subject into three conversations: the first to talk about your feelings around money, the second to determine how much you're spending each month, and the third to come up with an action plan.

Ms. Vaz-Oxlade, who's written 10 books about personal finance and has seen more than her fair share of financial screw-ups, recommends stripping the subject of emotion.

"You have to run the family like a business," she says. "I call it We Inc. And when you do an analysis of what you're spending, and start tracking the pennies, you can find gobs of money to pay down debt."

Her secret? "I make people live on cash — no debit cards, no credit cards, just a jar," Ms. Vaz-Oxlade says. "If you've only got a toonie and two loonies left in the jar, you're going to say, 'No, we can't buy that pack of gum.'"

The good news, Ms. Vaz-Oxlade says, is that once couples start working together they almost always pay off their debts within a few years. But that starts with realizing that ignorance isn't, in this case, wedded bliss.

Both Ms. Mizgala and Ms. Vaz-Oxlade agree that couples won't get ahead unless they're working toward a common financial goal.

Before I glimpsed that bank statement, I had no idea Tim was sinking deeper into the red, even as I was saving money (and doing a fair amount of spending, too). Accepting that *his* debt was now *our* debt was difficult, but crucial.

After our blowout, we agreed to put all our money into one account. Then we tallied up our monthly expenses to find out where we stood. We realized that by making hefty payments each month, we'd be back in the black in no time. As for spending money, we give ourselves a cash "allowance" every Friday.

I still sulk every now and again, like when I realize I can't afford to buy a \$300 pair of Fluevogs or fly to Chicago for a girls' weekend. But then I remember that in two years we'll be debt-free — and can renegotiate that allowance.

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Phillip Crawley, Publisher

