

Talking about finance can temper the flames among couples

BARBARA BALFOUR

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Thanks to the ever-rising cost of living, record-high debt levels and new statistics that show one in five Canadians commits 'financial infidelity,' some couples may be feeling less than romantic this Valentine's Day.

And while those who are taking their financial predicament into account may be dialling back on the long-stemmed roses and fancy dinners, the holiday for lovers often underscores deeper issues for couples that have different approaches to managing money.

"In every couple, one is a spender and the other is a saver," says Janet Gray, a money coach and certified financial planner (CFP) with Money Coaches Canada in Ottawa. "I've seen situations where the spending of one has led to bankruptcy for the couple, or where trips had to be cancelled because of debts brought into the relationship."

Not communicating money goals and values on a regular basis can lead to secrecy, resentment and blame in a relationship. It's also the root of most of the financial mistakes couples make, Ms. Gray says. Although advisors have the objectivity to facilitate those difficult financial conversations, just getting couples to talk about money can often feel like navigating a minefield. That's because for most people, money is an emotional topic.

"People will often talk more openly about their sex lives than their finances," Ms. Gray says. "And as [couples are] managing careers, kids and social engagements, the years go by and they forget to have the conversation about this important thing called money."

Having that open and honest conversation can be extremely difficult for couples in the beginning, says Cindy Marques, a CFP and financial-literacy advocate in Toronto.

"It's not unusual that one partner is unwilling to co-operate and claim they feel nagged or hounded by the other, and this can be quite frustrating to both sides," she says. "In some cases, this unwillingness stems from a sense of fear or shame, especially if they're dealing with a lot of debt. But no conversation can be productive if it starts with blame or demands."

Most of the time, couples fight about finances because they don't agree with what the other person is spending, saving, or how they're investing, says Saskia Vermeulen, principal and senior advisor at Southlands Financial in Vancouver.

In her work with couples, she helps them determine which member is best at managing their money (spoiler alert: not always the one earning the majority of it); whether they should have joint accounts or one only for paying bills; and how they can find a balance between living for today and saving for tomorrow.

When asked about their most significant asset, most couples talk about their home, Ms. Vermeulen says.

“[But] in fact, almost every couple’s most significant asset during their working years is their ability to earn an income,” she says. “It’s important to protect this earning power from being compromised or destroyed entirely due to early death or illness.”

Planning for those situations can help prevent financial strain and relationship problems in the future while complementing the couple’s short- and long-term financial goals, Ms. Vermeulen says.

When it’s time to talk to couples about retirement, Melissa Harrell, associate advisor with Howe Harrell and Associates at Quadrus Investment Services Ltd. in Winnipeg, brings in a marriage counsellor or behavioural psychologist to talk to them about the mental and physiological impacts of this life stage.

“It’s a crucial time for individuals, so we bring in outside professionals to prepare them as a team,” she says. “We emphasize to them that they are a team earning together, regardless of the income both are bringing into the house. As a couple, you have many tax-saving opportunities, much more purchasing power and much more investment power. Being on the same page helps open yourself up to strategically saving more money and reaching your goals quicker.”

And while the best way to face any mismatch about money is to talk about it, a huge mistake in communication is to discuss matters when tensions are high, says Galen Nuttall, financial security advisor at Freedom 55 Financial in Belleville, Ont.

“When an unexpected bill hits, or a decrease in income suddenly occurs, the communication just isn’t going to be solid,” he says. “It’s better to wait a bit and talk about it later, when there isn’t as much of a charge around the topic.”

What’s even better is bringing the romance into the discussion about finance by turning it into a date, says Ms. Gray, who advises her clients to meet with each other for 60 minutes once a month, just the two of them, over a cup of coffee, maybe even a glass of wine – and away from the distractions of the house.

“Set the timer. Keep it top level and no blaming. It’s all about, ‘Here’s where we came from last month, and here’s where we see ourselves next month. Are we on track?’” she says. “You see a lot of ‘Aha’ moments arise when you peel back the onion that is our relationship with money.”