Who's the CFO in your relationship?

Wednesday, July 27th, 2016 | Helen Burnett-Nichols

Do you count organizing your monthly budget and paying your household bills among your hobbies? Or perhaps you're beyond excited at the thought of putting money aside every month for that next big purchase?

If you answered "yes" to these questions, then you'd probably do a good job in the role of household Chief Financial Officer (CFO): the person who takes charge of the finances for your family or couple.

Even if you're the sole budgeting enthusiast and your spouse is happy to leave you to it, starting out with a joint plan for how much to save and future financial goals is essential to your household's money management success.

Start by collaborating

Ideally, says Janet Gray, an Ottawa-based money coach, couples should be on the same page with respect to the strategy around household finances — like a joint CFO role — before someone agrees to take on day-to-day tasks.

Begin by having a "top-level CFO meeting" with your spouse to go over your money plan before deciding on the specifics of who pays what, Gray suggests. Be sure to discuss your vision for your money in the future and attach a timeline and dollar amount to your short, medium and long-term goals.

For Calgary-based Bridget Eastgaard from Money After Graduation, her role as a personal finance blogger led her to take on most of the financial planning and decision-making in her family, but her husband is still very involved.

“We approach things jointly. We just figure out what are the best goals for us as a couple, and then how to maximize our registered accounts in order to achieve those," she says.

Winnipeg-based Andrew Daniels, who writes about money management at familymoneyplan.com, says he became his family's CFO due partly to his passion for finance, and also because his wife's job commitments meant she had less time to take on day-to-day money tasks.

Even though he's the one paying the bills, Daniels says “we still share all the decisions."

The couple put a money management system in place, in which they allocate pre-planned percentages of their income to different accounts, each for a different purpose, such as needs, savings and big-ticket items. If there's no money in an account, Daniels says the purchase has to wait, or both spouses have to agree to adjust the system.

He says this joint plan “took the evil money person out of the equation" — the need for one person to always say "no" to purchases.

Keep everyone informed

After a strategy is in place, the person taking on the day-to-day CFO role within the family needs to keep their partner up-to-date on the finances.

“If you're going to be the CFO, the biggest thing you can do is keep an open line of conversation of talking about money with your family, especially your significant other. And don't take the burden on alone, because it's a family burden," says Daniels.

It's also important for the less-involved partner to have a grasp on the finances in case family circumstances change.

Eastgaard and her spouse track expenses through a shared Google® spreadsheet. By paying bills and making debit purchases through a joint chequing account, they can both log in and see exactly where the money is going.

She says: “We just kind of do weekly check-ins to make sure everything is updated and then a monthly sit-down for planning for the next month."

Adjust as necessary

It might take some time to figure out what kind of "CFO" or money management approach works best for your family. Try different options and evaluate the results. Transparency will be the most important part of the equation.

“As long as both people in the partnership or the couple are happy with how things are being run and they both feel like they're not being left in the dark, then I think it doesn't really matter who has more control or less control," Eastgaard says.