

# For Love and Money: Real Talk on Finances in Relationships

## **00:06 Megan:**

Financial wellness includes the ability to manage money in a way that gives you peace of mind and empowerment to make your own choices. At Golden 1, we're here to help with unbiased financial guidance. As a not-for-profit, member-owned credit union, our main goal is to help you reach financial well-being. Join us as we discuss why financial knowledge matters and how to apply it to your financial journey. Together we can be golden!

Hello! Welcome to the Golden 1 Financial Wellness podcast. I'm Megan

## **00:40 Daniela:**

and I'm Daniela! Thank you so much for joining us today as we talk about money in relationships.

## **00:46 Megan:**

Money comes with a great deal of emotions and is often tied to goals and expectations we have for ourselves and our loved ones. Our feelings about money are often shaped by our life influences, upbringing, and our environment. With so many facets it's no wonder that our perspectives and values around money are so different. When we enter relationships, we share our goals and dreams, but tend to avoid straightforward conversations about money. According to an article by Harvard Business school, those who do share their savings goals and discuss money tend to save four times more than those that don't. Saving money plays a big part in our goals. So, let's talk about money and how discussions on this topic can help us discover ourselves as well as develop our relationships. Afterall, sharing is caring!

## **01:45 Daniela:**

It's important to have money conversations at all stages of relationships, but we want to be tactful in the beginning. I'm not advising you to go on a first date and say "Hi, I am Daniela what's your name, income, and credit score", but if we're not on the same page regarding attitudes and habits surrounding money it can cause some bumps in the road. How you approach money is a value, and value alignment is important in a successful relationship even if you come

from different paths. The key here is to be honest, listen, and work together to reach a compromise that both of you can be happy with.

People can be sensitive about money, especially if they've made mistakes in the past they're not proud of. Getting to know your date's financial situation should be gradual and when the time is right. In the beginning it's probably best to keep things simple like figuring out who is going to pick up the tab or if it's best to go halves. When things get a little more serious, then you have a conversation about each other's short- and long-term goals and how money is going to impact the choices you and your partner decide to make. Are you going to buy a house, have kids, get married, or retire early? Each of these things takes a considerable amount of financial planning. Getting to know each other's financial situation- like how much student loan debt you have or what you like to splurge money on can help you and your partner get a good grasp on spending habits as well as how to plan for future life events.

**03:15 Megan:**

I recall when my husband and I decided to merge our finances together. We gathered all of our bills and literally put everything out on the table. We calculated just how much combined income we had, how much we both owed each month, and just how much would be left once all of the bills and necessities had been paid. Laying everything out like this helped us realize some things that didn't occur to us before. We had a lot more debt than we thought we had. So, together we made a plan to pay down that debt before we embarked on other financial goals- like buying our first home. Creating a saving and spending plan together ensured that we were on the same page and working towards the same goals.

**04:01 Daniela:**

And I am sure these conversations and sit downs around the table continued after you got married too.

**04:05 Megan:**

They sure did! Married or not married there are a lot of money discussions to be had when you start to combine finances. One of the biggest decisions to make is where to keep and manage money! There are a lot of directions we can take here, but for most it comes down to three different options: one- keep everything separate and split the bills, two- merge everything

together and share all income and expenses, or three- create a joint account that both people contribute to for shared expenses while also maintaining separate accounts. Be mindful about you and your partner's feelings regarding these options. Some individuals need complete transparency and would prefer a joint account in order to build trust and feel safe while others may feel more strongly about maintaining their independence. This is a personal decision so make sure to consider -the pros and cons of each option and decide which one really works for you and your partner's comfortability.

**05:10 Daniela:**

If you decide to maintain separate accounts, then you've got to decide who's going to pay for what. Sometimes couples split these expenses down the middle while others are more comfortable paying bills in proportion with their income. One of the good things about this arrangement is that you are responsible for your own spending habits and are less likely to argue about your partner's. But, it can be difficult to track who owes what each month and can get a little more complicated if your house hold dynamics change- one of you goes back to school, you have a parent move in, or you have children.

**05:44 Megan:**

If you choose to have a joint account, it eliminates the monthly division of money resources. Tracking monthly spending through one account becomes a little easier than tracking it through multiple accounts, it also creates transparency with each other's spending habits- it's difficult to keep surprise gifts a secret. My husband and I have joint accounts- let's just say I know where all of my Christmas presents have come from before Christmas day.

**06:10 Daniela:**

This is why having a mix of individual accounts and a joint account may be a good idea! Having all income go into a joint account to pay bills can help with all of the household budgeting. Then set up separate accounts with a set amount transferred into them each month. This "personal fund" can be spent on any wants or needs you have that aren't a joint expense. This way each

person in the relationship has the freedom to buy what they want, but you still have the ease of tracking your budget.

**06:39 Megan:**

Money discussions go far beyond your monthly saving and spending. It's about protecting what you are building together. So, if you decide to go with this third option it's always a good idea to have your significant other on the account for emergencies or at the very least place them on the account as a beneficiary. In fact, when you start to merge your lives together it's a good idea to update all of your beneficiary information.

**07:07 Daniela:**

You'll want to have some money discussions regarding health, life, and car insurance too. For example, when you're single you likely choose the health care plan that is available to you through your employer, but once you're married, you'll have the option to pick between each other's plans. Be sure to pick the one that best fits your budgetary, coverage, and carrier needs. When my friend got married, he and his wife had to weigh the pros and cons of each other's medical plans. While the monthly premium for his wife's plan was cheaper it didn't have as good of coverage for prenatal care. Their desire to have children in the near future helped them make the decision to opt for his insurance plan even though the monthly premium was more expensive.

**07:50 Megan:**

Over time our relationships change and often times our goals and priorities change too. You and your partner might not see eye to eye on all money matters all the time. In fact, in 2021 a Fidelity Investments study found that 44% of partners argue about money at least occasionally. The good news is, there are somethings we can do to help stifle these disagreements and learn to grow together in the process.

In my relationship I have often found that these money disagreements are not always about money. For example, I know that my husband is a spender and I am a saver. My husband's love language is gift giving. For me, my love language is quality time. Having an open conversation about money helped my husband realize that he doesn't have to spend money

to demonstrate he loves me. In fact, spending money is probably going to bring on negative feelings for me. I grew up with a family that didn't have a lot of money and my parents struggled to keep a roof over our head and food in the fridge. This created some financial insecurity for me. I need a large emergency savings account in place to feel safe. My husband on the other hand feels that a minimal amount in a savings account is just fine. We obviously have very different views about financial security and that's okay. Discussing what the act of spending represented to us helped us find a happy middle ground.

**09:21 Daniela:**

Untangling your emotions about money can help you overcome barriers together. When it comes to a relationship, we have to remember that we are part of a team. Part of being in a team is deciding what is and what isn't up for negotiation. Laying out the priorities of the household can help you both create a saving and spending budget. Knowing where the money is coming in and where it is coming out will help spender's like your husband reign in poor spending habits and will give savers like you a little peace of mind. It may also pinpoint some areas where you can afford to spend and enjoy a little more.

**09:57 Megan:**

We've covered a lot today on relationships and money. Whether you are in a brand-new relationship, or you've been committed for a while, take the time to have a real talk with your partner and work through your feelings about money. Planning your future- even your financial one- can be one of the best things for your relationship.

**10:16 Daniela:**

If the money conversation is a struggle there are a lot of resources to help you navigate this and improve your finances. If you haven't already done so, subscribe to the Golden 1 Financial Wellness podcast on Apple, Google and Spotify to get more financial tips and insights. Plus, go to the Financial Wellness tab at **golden 1.com** to find a ton of other resources like videos, interactive modules and webcasts. You don't even have to be a member to use them!

**10:44 Megan:**

Thank you so much for joining us today. This has been Megan.

**10:48 Daniela:**

And Daniela. Wishing you financial health and happiness — and, as always, reminding you to ...

**10:54 Daniela and Megan:**

Stay golden!

**10:57 Megan:**

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