

Let's Talk: Money and relationships

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Hi there! My name is Erica Hanlon. I'm a licensed professional counselor, life coach, and a wife to my husband Brendan for the last 13 years. And during that time, he and I have shared all of our money, and why am I talking about this? Because today's video is all about relationships and money, and how you can have those difficult conversations without them being quite so difficult.

Now you've probably heard things like, "Communication is critical to a healthy relationship." And we stand by that statement, but what's interesting is what happens when that communication is about money. How does the conversation tend to go? Larry Burkett, who's a noted financial author, says that money is either the best or the worst area of communication in a relationship. And here's something to consider. Money fights are often not about the money. They are usually about something else. They're usually about things like communication, equality, respect, and teamwork.

Have the conversation

So when it comes to financial security within your relationship, a lot of times what you need is not like fancy software, or a very specialized Excel spreadsheet. All you really need is pen, paper, a table to sit down on, and your partner. And you need to be able to approach that conversation with curiosity, and not with judgment.

Here's what's really interesting. While communication around money is so, so important, a lot of us don't know how to talk about money. We've been told that talking about money is tacky, or you just don't do it. And lots of people actually never talk about money with their partners before they get married. And some people report that they've never had a money conversation in their lives ever, ever, ever. So you can imagine here it is, you've got shared finances, or you've got shared bills, you kinda need to get on the same page, and you don't even know where to start. And maybe all you do is associate money conversations with things like awkwardness and fighting, but it doesn't have to be that way. If you can come to the table with openness, and not judgment, and a willingness to get on the same page, you're already ahead of the game.

Make sure the time is right

So what goes into a successful financial conversation with your significant other? Well, first and foremost, try to find a good time . If you are feeling stressed about work, or the kids, or the house is

a mess, and you're already in a negative headspace, this is not the time to sit down and have that conversation. And try not to bombard your partner with the conversation. Maybe you're all ready to go, you really want to talk about money, and get on the same page, and your partner isn't ready. That's okay. Maybe get something on the calendar. Set a time where you're gonna sit down and you're going to talk about money. That's a great place to start. I already mentioned about coming to the table with openness and curiosity, but it's important to remember that a lot of times we are attracted to our opposites. So me, for example, I tend to be a little bit of a spender. I like to spend money on things, and my husband likes to save. He likes to have a lot of money in the account. So, while we do tend to be attracted to our opposites, and that can be a recipe for conflict, it can also be a great opportunity to kind of learn how to do things in a different way, and balance each other out.

Identify goals together

Okay, so now you've set the time, you're sitting down, you're having the conversation, and you have an open mind, you know you probably married your opposite, but that's okay. Now what do you do? So, it's important to go through your finances. Where are you spending money, and how do you want to spend your money? And this is where things can get really fun. Like, yes, sometimes the numbers may not be what you want them to be, but instead of focusing on the negatives, focus on the positives. Try and find shared goals that get you both really excited. That you can both get on the same page with. Maybe those are short-term, mid-term, and long-term goals about where you want to be in the future. And here's something else that's really important. Make sure that you are being honest. There's a term called financial infidelity, which is where you lie about how you spend your money, or you lie about your financial past, or you have financial secrets. And financial infidelity has been linked to divorce. It actually triggers a lot of the same kind of feelings we have if somebody is unfaithful, and that they cheat on us. It's a different kind of infidelity, but it actually triggers many of the same problems. So this is a great chance, remember, to sit down, find out what your shared priorities are, your shared goals, get excited, but remember, be honest.

Set financial guidelines

So my husband and I used to have these friends, they were a married couple, and one day the husband came home and he'd bought a new car without talking to his wife about it ahead of time. And you can imagine, there was a big fight. Probably would've caused a big fight in my relationship too. Daniel Shapiro is a financial expert who actually recommends that couples set guidelines ahead of time about how much money demands what kind of conversation. So he actually talks about putting these guidelines into three different categories, or buckets.

The first one is the inform bucket. So these are maybe lower ticket items. You and your partner decide how much money is sort of the cap for the inform bucket, but in the inform bucket you're able to make a decision financially individually, as an individual, and then inform your partner about it afterwards.

The second bucket is the consult bucket. Now, this is a slightly higher dollar amount. You, again, and your partner, decide how much money are the bottom and top limitations for the consult bucket. But in the consult bucket, maybe you wanna buy something, so you talk to your partner about it ahead of time. They get a heads-up, you discuss it, but ultimately, you're able to make the final decision yourself.

And then the third bucket is the negotiate bucket. And these are your highest ticket items. So you and your partner would decide after this amount of money, it has to be a negotiation. So at that point you would go and you would talk to your partner, and you both have to agree on it. One person can have veto power. If that person has veto power then you do not move forward with the purchase, and that is the negotiate bucket.

Now what do you do when in doubt? What should you do? And Shapiro suggests following the A-C-B-D rule. Always consult before deciding if you're not sure.

Find help talking about money and relationships

So what happens if you implement some of the strategies in this video, and yet you and your partner are still kinda spinning your wheels in your relationship or with your finances. Well, it's always a good idea to bring in a neutral third party who can help you navigate some of those issues. Maybe it's a financial expert who can play the bad guy as opposed to it being either you or your partner, and they can help you make a plan to achieve your goals in a way that's going to really work for you and your relationship. Now, if you find that the communication struggles are ongoing, a marital or relationship therapist, or coach is always a great resource to help you work on communication issues related to equality, respect, and teamwork. We hope this was helpful, and that you're able to meet both your relationship and your financial goals.

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