

Managing money for couples

Combine the expectation of divorce for new couples hovering around 50 percent with a variety of studies that suggest money is the most divisive topic for couples, and you get a formula for disaster. But one expert thinks it doesn't have to be that way.

Jane Honeck, CPA and author of The Problem With Money? It's Not About the Money! (www.theproblemwithmoney.com), believes that while a SmartMoney Magazine survey revealed that 70 percent of all couples talk about money at least once a week, the communication isn't very effective. Honeck has some good advice that can help couples make arguments about money a thing of the past.

"Focusing on an overall vision and money plan will keep both of you moving in the same direction," she said. "Once you have done that, the small everyday decisions about what to spend your money on take care of themselves with little or no effort. When we have clear communication and know why we do something, the 'what to do' with our money is easy."

Honeck's tips include:

Talk — Talk, talk talk. Money like sex is still a taboo topic and we often don't have a clear idea about how our partner thinks or feels about money.

Find Balance — Balance power around money. One person making all the decisions and having all the control is a recipe for disaster.

Find ways for you both to be equally engaged in all money decisions.

Make Decisions — Decide together what is mine, yours and ours. Most couples have their own hybrid system for what works best. Find the one that is best for both of you.

Define Your System — Have a clearly defined money management system all the way from who handles the mail to who sends out the checks. Without a well thought-out operational plan, things fall through the cracks.

Address Problems — When things get tough, address problems immediately (no secrets allowed). Avoiding the issue only makes it more toxic and drives a wedge in the relationship.

Perform Checkups — Schedule an annual money checkup with each other. Things change and just like our physical health, money management needs an annual checkup to keep it healthy and relevant.

Talk a Little More — Talk, talk and talk some more. The most important thing is to have open communication with no blame and shame. We all have hang-ups around money. Treat your partner with compassion.

"At the end of the day, couples need not argue about money," she added. "And it's not just about communication. It's about making a plan, and sticking to it together. Information gives you power over your finances. Not talking about them, not making a plan and not coordinating as a team makes you a victim of your finances. If you control your finances, they will never control you or your marriage."

