

4 WAYS TO RESOLVE CONFLICTS OVER MONEY

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SEPTEMBER 18, 2014

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In sickness & in wealth: Achieve financial peace

("In Sickness & In Wealth" is a four-part series from NowU that explores the financial concerns associated with marrying later in life. In the first installment, we looked at premarital agreements. Our second article explored whether you should merge your money and accounts after you marry, and our third story looks at how to solve financial conflicts once your are married.)

SOMETIMES, HER husband is a mystery, admits Elizabeth Berberich , 64, of Surfside, Calif. "It's so funny. He'll only buy tennis shoes once a year — even though he plays tennis every day," Berberich said with a chuckle. "He's walking around on shoes with no soles, but he won't spend money on new ones. I guess walking correctly isn't really a priority of his," said Berberich, who married her husband, Stephen, 14 years ago.

Berberich and her husband are typical of many couples. She's a spender; he's a saver. Sometimes, one's financial peccadilloes irk the other. Mostly, though, they make it work. Their secret: Before they talked about marriage, they talked about money.

"It's important at the beginning of the relationship to look at who you're with," said Berberich, co-author of "Marrying Later in Life: Be a Beautiful Bride at Any Age." "You're delusional if you think you're going to change your partner. My husband won't buy more than one pair of tennis shoes a year; that's just who he is."

Not all couples are so agreeable. According to a 2012 study by the American Institute of CPAs, 27 percent of people who are married or living with a partner said disagreements over money are most likely to catalyze an argument — more than any other volatile topic, including children, chores, work and friends.



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"Money is a very sensitive subject," said Melinda Kibler , a certified financial planner in the Fort Lauderdale, Fla., office of Palisades Hudson Financial Group. "If it's not dealt with appropriately leading into the marriage, and during the marriage, it can be a huge source of conflict that potentially leads to divorce."

A 2012 study by Kansas State University found that money arguments typically are longer and more intense than other marital arguments, and are the number one predictor of divorce.

Arguments about finances can be especially loaded for couples marrying late in life. "Stubbornness can get in the way when you're older," Kibler said. "You've been handling your own finances and making your own decisions for so long that marrying someone with a different opinion can create bigger problems than normal."

Fortunately, even the most vexing financial disagreements have solutions. For couples dealing with financial rifts, here are four approaches to resolving conflict:

1. Make financial vows

Many couples sign premarital agreements dictating the financial terms of their relationship. Such agreements should address not only assets, but also attitudes, according to Tina B. Tessina , Ph.D., a Long Beach, Calif.-based psychotherapist and author of "Money, Sex and Kids: Stop Fighting About the Three Things That Can Ruin Your Marriage."

"Prenuptial agreements tend to be about money," said Tessina, "but I'd like to see a new trend of couples making the following promises: 'I agree not to argue, yell, shout or fight with you. If we have a disagreement, we'll discuss it like a business deal, focused not on who is right or wrong, but on what will fix the problem. If there's any problem we can't solve together in three days, we'll go see a marriage counselor.'"

2. Discuss the past, plan the future



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Because conflict typically stems from misunderstanding, spouses who understand one another's financial history are better equipped to solve financial problems.

"We develop our concept of money when we are children," said Sandy Arons, a Nashville-based financial counselor specializing in divorce planning. "It's very important that both spouses are sensitive to

the other's upbringing; understand that they behave the way they do not because they're trying to be difficult, but because of what's transpired in their life."

Just as important as disclosing your financial past is setting shared goals for your financial future. "He's mad because she's overspending and she's mad because he's cheap. As it turns out, he's saving for retirement, but she doesn't know that because they've never discussed it," Arons said. "When you and your spouse are both up to speed you won't have as many arguments because you'll be working toward the same goal."

3. Compromise

Compromise is key, according to relationship expert April Masini, author of the advice column "Ask April." "When spenders and savers melt down over money, it's often because they each think they're right and superior," she said. "The reality is that there is no right and wrong here."

With that in mind, try meeting in the middle. For a couple with different investment styles, for instance, Masini suggested they "agree to one high-risk proposition in exchange for something that is low- or no-risk. One for you and one for me is a great mantra for co-existence that is happy and healthy."

4. Make a date

Couples who prioritize romance make a point of scheduling regular "date nights." Couples who prioritize financial well-being should do the same.

"There needs to be a monthly financial meeting where you talk about your family finances," Arons said. "The TV is off, we sit at the table, we have paper and pen, we have bank statements and we agree, 'Here's where we are, here's where we want to be and this is how we're going to spend our money to get there.'"

As long as you establish your game plan and work together, financial differences become assets instead of liabilities. "Financial differences can actually enhance your marriage," Tessina said. "A frugal partner can influence a spender to stay within bounds, while the spender can influence the frugal one to loosen up a bit. A financially organized person can help a scattered one learn to be more organized."



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