

## *Financially Speaking*

With Trisha Arndt

### To Love, Honor and Invest...

One of my long term clients loves to tell the story of their first meeting with me. They humorously describe sitting down across from me and telling me about how he stayed up at night fretting about their finances while she believed in living for today and not wasting energy (or, in her opinion, money) planning for tomorrow. They laugh about how I calmly looked back at them and said that, “We are going to have to work on that” – not knowing which one of them I planned to work on.

The truth is that both of them needed to work on finding a common ground that would make them comfortable and help them enjoy the rest of their lives together – both today and in the future. I’m happy to say that they have done that and nearly 8 years after that first meeting they find their initial financial differences something to joke about.

If only every marriage could be such a success story.

If Jerry Springer were your only source of information you’d believe that cheating spouses, bizarre personal habits and eccentric in-laws cause most marital problems. In fact, fighting over money is responsible for a vast number of marital squabbles – it just doesn’t make for great television ratings.

Most marriages start off by planning a wedding, with the focus on seating charts and flower arrangements versus discussing the “vulgar” subject of money. Besides, it’s a lot more romantic to talk about honeymoon plans than financial plans. Unfortunately avoiding the topic can lead to serious problems. Unspoken and unresolved disagreements about money management can fester to put a tremendous strain on a marriage.

When you marry you enter into many levels of partnership, including a financial one. Do yourself and your financial partner-for-life a favor, talk about money issues sooner rather than later. Ideally people should have some basic conversations on the topic before the ‘I Do’s’ are said. It’s as important that you understand your partner’s money beliefs and financial history as it is that they understand yours. While it’s not ‘speak now or forever hold your peace,’ communicating early on keeps you from later discovering something completely unexpected.

A few years ago a very good client asked me to speak with a friend of his. She was a nice young lady who at the time lived with her husband near Cross Plains. She really wanted to meet with me without her husband, something I generally recommend against. It turned out that she had a secret spending problem and had been hiding nearly \$30,000 in credit card debt from her husband. Unfortunately I couldn’t suggest a magic bullet to make the debt go away. I learned a few months later that her husband had discovered the debt and filed for divorce.

Since opposites attract it's not uncommon for a saver to fall in love with a spender. Or, for someone who buys savings bonds to connect with someone who day trades technology stocks. Recognizing and understanding these differences is the key to forging a solid financial relationship.

After over a decade of working with people's finances I have learned that there is often a lot more to helping people with their money than helping them pick a good mutual fund. Often my job initially is to act as the intermediary that people can sound their feelings to and then find the common ground between them and help make it grow. In some situations my job feels more like one of a marriage counselor than that of a financial counselor.

What I have found is that most people do have shared financial goals – even if they don't realize it. If I ask each person separately to give me their financial “wish list”, i.e. owning a home, paying off student loans, buying a new car, early retirement, etc. it is amazing how often those lists overlap. What most married couples that I work with disagree on is not what the goals are, but how to achieve them.

Once you can agree on some basic goals you can use that as a common ground to come back to in those inevitable times that you do disagree. This is where one of the key skills to a successful marriage comes in – compromise. Perhaps you are willing to buy a vehicle with a few less gadgets in exchange for leaving room in your budget for a weekly dinner at your favorite restaurant. Or you agree to start contributing half of your raise to your retirement plan in exchange for the other half being set aside for that big vacation you've been wanting to take.

Getting married is a lot easier than staying married. The same is true when it comes to merging your personal finances. It takes work to keep things running smoothly. The good news is that many of the most common marital money problems can be avoided with good communication and the shared belief that you only want the best for each other. It's not always easy to talk about money with your spouse but it beats throwing chairs at each other on Jerry Springer.

If you have a question that you would like answered or a suggestion for a topic that you would like to see in a future issue, e-mail [trisha@wealthstrategies.biz](mailto:trisha@wealthstrategies.biz).

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