



Money Matters

Sound Financial Partnership is a Key to Managing the Company Called “Us”

Manage your money so that it doesn't manage you!

This first principle sounds like some cheesy line you would expect to see pop up on a PowerPoint slide in a corporate training seminar. Or, at one of those things where you pay \$150 to hear a basketball coach tell you how to run your company better! But, this one is simple and true. When you manage your money effectively, you have more options for how to respond to life's surprises. You also have more flexibility to live your dreams and your sense of calling in life. Conversely, there is nothing sadder than someone stuck in a job they hate simply because they can't afford to do anything else. For couples, this takes constant and healthy communication. The utmost in integrity has to be there, too. Shared visions, commitment to sound money policies and a willingness to work together creatively must also be there. Are you willing?

Budgets are the starting place (but ONLY a starting place)

Couples need to budget in order to know how to make financial decisions. That is, unless you just make so much money that it doesn't matter how you spend it. For the 99.9% of you still reading, this means that you DO have to be careful how much you spend. But, most couples who come in front of me for marriage work confess that they get lost with budgets quickly. I suggest that *budgets* only lead us to *spending agreements* in married life. It isn't the budget that will control your spending. A budget is only a blueprint for what you want to do. An agreement that you will both live up to is what will govern how you actually spend. Move beyond budgets to action plans and promises. Make them realistic. Make them sacred. Make them now.

Spending policies have to be negotiated early...and then followed with integrity

So, you're willing to sit down and negotiate some spending agreements. Now, what are they? Each couple may have unique needs, but there are some general patterns. 1) What is important for us to save for? 2) Will those savings be so important that we “pay ourselves first” for them? 3) How much un-accountable money (allowance) can we each get? 4) What is the most money I can spend without having to talk first with my spouse? 5) Can either of us access a savings account for a purpose other than it is designated for without first consulting the other? There are more: Who carries the checkbook? (this one is a trick question—a lot of money experts argue that neither should carry a checkbook nowadays with identity theft running rampant!) Who balances the records? How often do we sit down together to look at our total financial picture?

Saving for retirement — now and later

Newlyweds seem to find any mention of “retirement” to be irrelevant. They're just starting out and there are wedding expenses and maybe even school loans to pay for. There's a house to save for...and retirement seems so far off. Let me break the news to you gently...unless you're gambling that you'll be the next Bill and Melinda Gates, retirement saving starts now. Sit down with your HR office and let them show you the charts for the person who starts saving late in life versus the person who starts early! Saving for college for your

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little one? Some money experts even recommend that retirement savings **MUST** be a higher priority than college. Take it seriously, and take it soon!

The dramatic power of money to invite outsiders into the privacy of YOUR home!

Divorcing persons in our country perceive money to be the number 1 cause of marital strife. While the interpretations of such responses should be delved into more deeply, let's follow their thought. There is a unique power that money troubles can bring to bear on a marriage. For one thing, you as an individual are subject not only to your own challenges with money, but you are also subject to your spouse's spending habits as well. And, when you owe someone money it feels as if your creditors have moved in with you. Money secrets violate integrity issues between spouses, too. A spouse who finds she has been misled may start to wonder if there are other areas besides money she should question as well. Managing money reduces the power that others have in your personal life. Managing money helps a couple to feel independent and fulfilled.

Congratulations! You just married each other's assets—and the liabilities too!

One really sweet bride voiced a concern that her fiancé' was about to "marry" her old student loans. She was feeling guilty about him having to share in her debt. Another was stressed because she still had car payments and her fiancé was driving a car that was already paid for. Such fairness concerns are encouraging. But, perhaps misplaced too. When we marry our spouses, we marry more than their families. We marry their financial pictures, too. No matter how a couple may manage their books, they are still dealing with a finite pool of resources. They need to work together to manage the demands on those resources so that their collective vision can come true. The time for surprises is before the wedding. After the wedding, it's time to get down to the ongoing negotiations for how to manage a company called "Us"!

Newer couples may be the wealthiest they'll ever be

Okay, so this is a philosophical point. But give it a try. When I get a young couple in pre-marital counseling, I've often got a blank financial slate. Most of my couples have not yet bought/rented the place they plan to live. They're driving cars that are still not overly expensive. Now is the time for them to fold together two financial realities and emerge with a new unified one. Together, they have a chance to negotiate and to dream. They still have the chance to avoid living in too much house, driving too much car, and maybe even having too much wedding! When they can set up their lives realistically, they live on less than they make and move toward what's important to them. That's financial wealth by most of the world's standard!

Americans recently spent more than they made

In a year recently completed, Americans averaged spending \$.01 more than they earned per dollar. This is the first time this has happened since the Great Depression. You don't have to be a mathematical or financial genius to know that this cannot work. You can do better! But, it'll take your best communication and creativity to live above consumer greed. Talk with your partner and figure out how to tame the consumption beast!

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