

# Financial Questions for Couples – A Discussion Guide

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Money can be a sensitive subject and one many couples avoid talking about until financial issues arise. When couples talk about money early in a relationship, it often brings them closer together because the discussions are based on their life goals and dreams.

It's not uncommon to have different views and values about money and that's ok. Your financial goals may differ from those of your partner, but it's important to remember that the objective of the exercise is to get a clear understanding of where you both stand. And it's that ability to see things from your partner's perspective that will help you build a plan and find solutions together. This will create the foundation for a successful marital and financial future.

Here is a guide to discussion topics you should go through as a couple. Start by speaking about broader goals, dreams and desires. It's best to tackle one discussion topic at a time to avoid getting overwhelmed or off-track.

## **1) What are your life goals, what does retirement look like to you?**

Our life goals directly affect how much we save and our perspective on saving. For example, if your partner's goals are more modest than yours, they might not be motivated to sacrifice spending now to save money for later. More than just aligning your spending and saving preferences, this question will bring you closer together as you begin to align on shared goals and dreams. This is the time to discuss your plans for the future – a family, a home, vacations and retirement.

## **2) What is your current financial situation?**

You'll need to have an open and honest discussion about your current financial situation. This can get tricky because there is often shame attached to financial mistakes and personal debt, so people often avoid sharing these details with their partner. However, it is important to put everything on the table up-front so that together you can find the right solutions.

Each partner needs to be completely honest about any personal debt they are carrying, as well as the amounts. While this is never an easy topic of conversation, it is a big step in your partnership together and in planning how to pay off your debt as a couple. Now is also the time you'll discuss individual and shared assets you have. This will give you an accurate starting point to begin building your financial plan and future.

## **3) Should we combine our finances or manage them separately?**

We usually recommend couples combine finances. It's typically the most effective way to work toward your shared goals and priorities. However, if you find you are just too incompatible financially, keeping things separate can be a way of heading off future problems. If you choose to go this route, you will need to create a coordinated budget so you each contribute to the household. There will also be financial goals that you'll want to plan and save for together (such as a home purchase or shared vacation).

If you decide to combine finances but still want some discretionary spending freedom, consider opening your own savings accounts. Together you can budget how much each month you contribute to these accounts, giving each partner the flexibility to save or spend that money however they want.

#### **4) How much do we need to save to reach our goals?**

Now that you have a clear vision of your goals and financial situation, this is where your financial plan comes into play. This is why we like the idea of combining your finances. Having shared financial goals means you can save for them together, making it easier to reach your objectives. But however you choose to move forward, now is when you'll need to create a **budget** that will allow you to manage your monthly expenses, pay off any existing debt and save for your future.

#### **5) Who will be responsible for the family's financial planning?**

There are different levels of responsibility and planning on which a couple can agree. You may assign one person to manage all the financial planning or perhaps one partner manages the long-term planning while the other manages current bills and spending. However you decide to split up the financial planning, nobody should have complete control over the finances. Both partners should know how much money is coming in, how much is going out, where money is being invested and how much you are saving.

Having open money discussions up-front as a relationship-building exercise rather than waiting until it is a problem will set the stage for an open and honest partnership and help you avoid the vast majority of money issues facing couples.

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