



FINANCIAL COMMUNICATION in MARRIAGE

Where to find sound financial advice

lds.org/topics/finances

Financial Calculator for Budget Planning

Free On-line Personal Finance Course

Created by the BYU Marriott School of Business

Contains beginning, intermediate, and advanced financial
training

What shaped your relationship with money?...

How did your parents manage their finances?

How did your lifestyle growing up affect your attitudes about money as an adult?



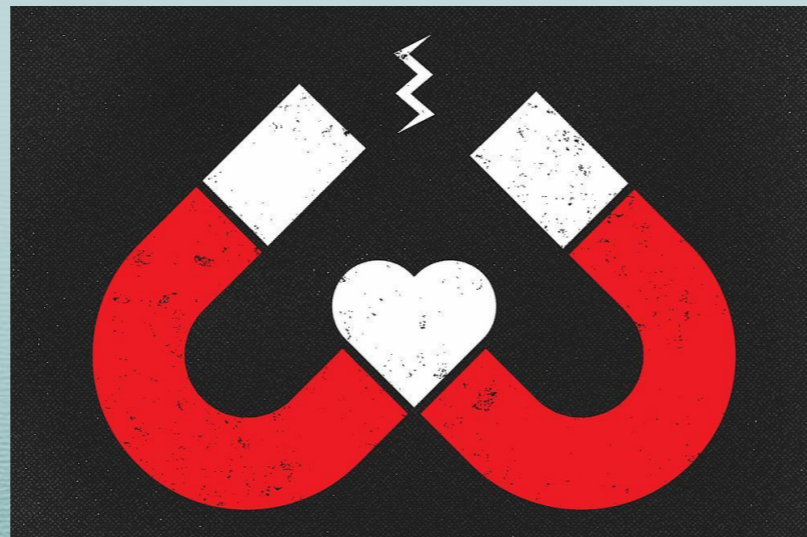


Financial issues are the most common source of marital conflict

Money conflicts are **NOT** about arithmetic;
they are about values.



Therapists and financial planners agree that with marital finances, opposites often attract.

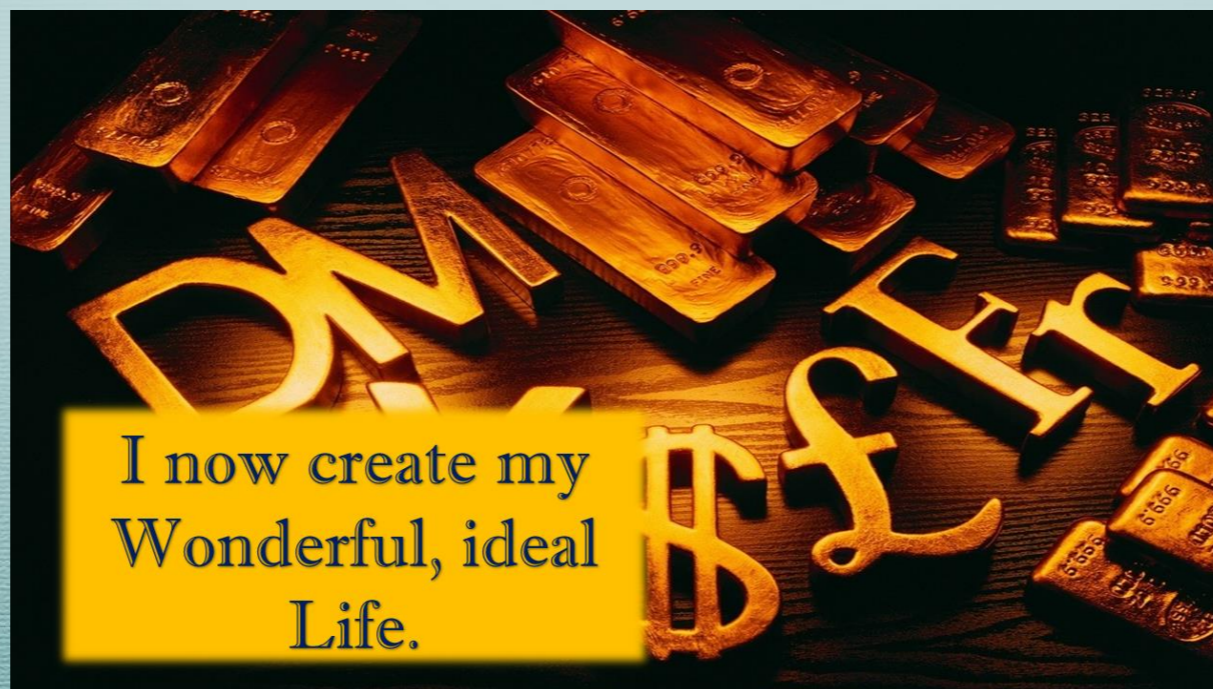


Why is communication between spouses about finances so difficult?

- Requires continual attention
- Can feel like moral issue, right/wrong
- Must align priorities
- Divide responsibilities
- Joint accountability/trust
- Adjust to 1 or 2 incomes, schooling, experience, inclination



**Money is a tool for
accomplishing life goals.**



I now create my
Wonderful, ideal
Life.

What can money represent?

- ❖ **Competence**
- ❖ **Status**
- ❖ **Acceptance / inclusion**
- ❖ **Power / control**
- ❖ **Love / affection**
- ❖ **Stability / security**
- ❖ **Independence / freedom**



What are your earning motivations?

“I work so I can.....”

- ❖ Have Fun
- ❖ Be Secure
- ❖ Get ahead
- ❖ Have a certain lifestyle
- ❖ Feel good about myself
- ❖ Have control over my life
- ❖ Take care of my responsibilities



Pre-purchase questions:

requires **HONEST** self-examination

1. CAN WE AFFORD IT?
2. DO WE NEED IT?
3. DO WE REALLY WANT IT?
4. **WHY DO WE WANT IT?**



Common types of opposite spending habits:

- Impulsive vs. planned
- Needs vs. wants
- Spend vs. save
- Habitual vs. calculated
- Separate vs. together
- Secretive vs. open
- Sensitivity to debt
- Risk tolerance vs. worry
- Positive vs. negative outlook







FINANCIAL-VALUE TRADEOFFS ARE COMPLEX

- Frugal living vs. comfortable safe environment
- Enjoying life now vs. saving for the future
- Hard work vs. money obsession
- Comfortable standard of living vs. debt
- Providing for children vs. teaching independence
- Entrepreneurial risk vs. predictable lifestyle
- Intense business travel and responsibility vs. family time
- Education vs. marriage and starting family
- Affordable housing vs. good schools
- Earning money now vs. acquiring skills



6 Ways to Resolve Financial Conflict

1. Merging the Finances

Wrong-united we stand, divided we bank.

Right-it's yours mine and ours.

2. Dealing with debt

Wrong-it's your debt, you deal with it.

Right-it's our debt, let's decide how to pay it off together.

3. Keeping spending in check

Wrong-I'm a saver, you're a spender. That's the problem.

Right-we both spend, but with different priorities. Let's make a budget.

4. Investing

Wrong-you're a risk taker, I'm risk averse. Hands off!

Right-make financial goals together and consult an outside source to plan how to attain them.

5. Financial transparency

Wrong-what my spouse doesn't know won't hurt him/her.

Right-financial secrets can ruin a marriage.

6. Emergency planning

Wrong-things will just work themselves out

Right-anything could happen, let's plan for emergencies

Teaching Kids Money Skills: 5 Golden Rules for Parents

Golden Rule #1 - Make it fun!

Golden Rule #2 – Look for teaching opportunities

Golden Rule #3 – Be patient

Golden Rule #4 – Keep at it

Golden Rule #5 – Mistakes are good

Online source and tool: kidbudget.com



Although the urge to help when your children are in distress is almost irresistible, it should only be done in a way that results in stronger, smarter and more independent individuals. Helping your adult children become money smart, autonomous and self-sufficient is the best financial gift you can give them.

Washington Business Journal

Finances and Adult Children

1. Think long and hard before ever cosigning a loan
You are responsible for the debt, your credit report may suffer, and your relationship may suffer. Consider other options
2. Help them gain skills and education
3. It's OK not to treat children equally
4. Make all decisions with your spouse
5. Do not risk your own financial future
6. Get it in writing
7. Avoid funding large expenditures
8. Let them know your expectations when they are young

