

'Til debt do us part

Understanding your partner's money personality might improve your relationship and your bank account, **Kylie Walsh** discovers

The global financial crisis is taking its toll on Australian relationships, according to a recent survey. The most significant results reported from the 2008 Relationships Australia/CUA Relationships Indicators Survey indicates that money stress has more than doubled in two years. In the 2006 Relationships Indicator Survey, "Financial insecurity/difficulties" was identified by 18 percent as an issue that negatively impacted on their relationship. Only two years later that figure has skyrocketed from 18 percent to 40 percent, demonstrating the growing financial pressure couples are experiencing within their relationships.

All couples argue about money at some time but when the arguments are ongoing and not resolved, the consequences can be serious for a relationship. But spending time talking about money, learning your individual beliefs and understanding how this impacts on spending is the first step towards an equitable resolution, according to Coorparoo-based financial coach Jody Fenton, author of the new e-book *Marrying Money*. Like most areas in a relationship, the solution comes down to understanding the other person.

"My husband and I have completely different money personalities and it took a few years to work out how to maximise our strengths in this area. After working with many couples over the past year, I realised not enough information is available to help couples bring about open and honest discussion about how to handle money," says Jody.

Understanding your (and your partner's) unique money personality is the key to making money work in your relationship. If you don't understand how each other relates to money, you won't understand why you and your partner may be frequently fighting over it.

Jody, the founder of Boutique Money Management, has practised what she preaches in her own relationship and worked out a strategy to help her husband Dan, a "philanthropist" (see personality types described in the panel at right) to become a better saver. "The easiest way for anyone to learn how to save is to find something that they really want and then help them work towards it. As discussions started about us moving in together, I had to work out a way to find out whether Dan and I would kill each other within the first few months of living together before we made that commitment. I also needed to work out how I was going to get him to learn how to save, as once we had joint bills to pay I knew I was going to worry about what he spent his money on. As my feet got itchy for the next holiday, I decided a joint holiday was the answer. I then included him in every part of the holiday planning process so that he knew he was a part of this great holiday as long as he saved the money to get there," Jody said.

After a few heated discussions around the topic Jody decided to show Dan exactly how much money buying coffees and lunches each day was costing them – \$20 per day. "At almost \$5,000 a year it wasn't a small amount. I then listed all the things we could do with the \$5,000, the first being tickets to Europe which is something I knew he really wanted to do. He finally understood what I had been trying to explain – that the cost of

spending this money on lunch each day had nothing to do with the physical money being spent but rather the other things we could be doing with that money."

Jody and Dan also decided they would introduce allowances in a bid to achieve their financial goals as a couple. "It was a very interesting conversation and one that took a few goes before we settled on the final outcome. To this day we still have allowances which are now paid weekly not monthly, as Dan tended to find that with a monthly allowance he usually had two good weeks and two not so good weeks. Dan's allowance is slightly larger than mine as I just don't spend money the same way he does but I'm comfortable with that. Dan is happy that I visit a beautician, have a more expensive haircut and also buy make-up for example," Jody said.

According to Jody there is no right or wrong outcome when assessing what type of money personality you or your partner have. Once you determine your differences you just need to work out easy ways to manage these differences to make the most of your joint finances. The table below provides a guide to possible solutions.

What money personality are you?

A philanthropist

Is always shouting the coffee or drinks. They always seem to have something to give someone in need. This money personality needs to start writing some financial goals and monitor what he/she is spending money on for a few weeks. This way they can ensure they are spending on things they really want to, rather than it slipping through their fingers by spending on others.

An investor

Contrary to what you might think, this person always seems to be having a good time and likes to invest in enjoying life. They return any shout at the bar, and are always the ones suggesting going out for expensive dinners and other exciting social events. This person can be helped with a spending plan to stick to. Then they have the freedom to enjoy life but still have room for savings and investments too.

A shopper

Is never sure where their money went because they spend without thinking. Having a separate billing account and direct debiting bills will help this personality keep on track. Limiting credit card expenditure will also help stay out of the red when unexpected bills come in. Try decreasing your credit card limit to \$2000 instead of \$10,000!

An accumulator

Doesn't spend money unless they absolutely have to. This person needs to have their financial goals but also to include money for fun things in their spending too. You and your partner should enjoy spending money sensibly.