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YOUR MONEY

## Money Talks to Have Before Marriage

By [RON LIEBER](#)

Divorce tends to be emotionally gut-wrenching for the people who go through it (not to mention those around them). But most couples don't realize that divorce can also be among the most ruinous financial moves anyone can make.

Sure, you could bet big and lose on a single stock or money manager. Or your small business could go bankrupt, taking your life savings with it. But divorce and the costs that often come with it — from legal bills to the sudden need for an additional residence — affect far more people.

The risk that any marriage will end in divorce is about 45 percent, according to [David Popenoe](#), a professor of sociology emeritus at [Rutgers University](#). The chances fall to about 40 percent for first marriages and decline further for college-educated couples, people from intact families and couples who share the same religion.

Given the various financial complications, I've long wanted to devote a series of columns to divorce and money. This week, I'll start with a topic that could save some marriages if more people made it a priority. It's crucial to air and resolve financial disagreements beforehand.

"It's almost impossible to be hooked up to somebody who has the same balance of spender and saver as you, or expansiveness versus conservativeness or financial circumstances," says Gregory A. Kuhlman, a New York City psychologist who runs [marriage success training programs](#) with his wife, Patricia Schell Kuhlman.

He adds that the mix gets even more volatile with second marriages, when couples may have children, ingrained financial habits and savings or other assets that necessitate the discussion of a prenuptial agreement. "Success in marriage is only partly attributable to compatibility. It's about how you manage those differences and whether you have a style for doing so that is successful."

What follows is a list of four financial issues that ought to be near the top of the discussion list before getting married. Please add to the list in the comments of the online version of this article.

ANCESTRY When Lisa J. B. Peterson started her Boston-based financial planning firm, [Lantern Financial](#), she knew she wanted to focus her practice on young professionals. She quickly realized that many of them could use premarital financial counseling and built [a program called Harmony](#) around their needs.

One of the first things she asks clients about is what she refers to as their financial ancestry. "It's looking back at your own personal past," she says. "How did your parents deal with money, how does that impact how you deal with it, and how might that impact the couple's relationship?"

Because so many of our money behaviors are learned, she asks couples to share their earliest money memories — whether their father hid money from their mother or how either parent fretted over the funds available. This can be a particularly intense discussion for people whose parents were divorced, and the stories are sometimes accompanied by tears. “Money is so emotional, and people forget that,” Ms. Peterson says. “You think that it’s just numbers.”

**CREDIT** While it’s about the least romantic subject imaginable, your credit history holds a chunk of your permanent financial record. It follows naturally from the ancestry conversation, and Lantern Financial pulls [credit reports](#) and scores for its clients.

Molly Milinazzo and Scott Donovan, an engaged couple who live in the Dorchester section of Boston and are both 24 years old, were relieved to discover that their scores were within about 15 points of one another when they went through the Harmony program in May. “A lot of people end up surprised, and it’s best to keep those kinds of surprises at bay,” Ms. Milinazzo says.

Full disclosure on the credit front is useful for two reasons. First, a credit report is, in part, a catalog of past mistakes and overall habits — [loan](#) payments you missed or department store credit cards you didn’t really need. That in itself is a good starting point for a discussion about what you’ve learned (or still need to learn) about handling money.

There’s an immediate practical side to this, too. If there are errors or low credit scores that a couple can improve, there may still be time to make the fixes so that the couple can get the best rates on a loan for their first home a year or two later.

**CONTROL** Figuring out who will pay the bills each month may not seem to be an important conversation or assignment. But it gets tricky when both people want to take it on. “People understand that in a relationship, money is control,” says [Jeff Kostis](#), a [financial planner](#) in Vernon Hills, Ill., who walks engaged couples and newlyweds through a checklist of questions. “If you’re not paying the bills, you don’t know where the money is going, and you feel like ‘He doesn’t want me to go out with my friends’ or ‘She doesn’t want me to play in the fantasy football pool.’ ”

For two people who have both been on their own for a while and don’t want to give up doing the monthly financial chores their own way, Mr. Kostis suggests, at a minimum, regular household meetings complete with Quicken or other spreadsheets so that the person writing the checks can keep the other one up to speed. With more stubborn couples, he might suggest handing the controls back and forth at the beginning of each year.

Mr. Kuhlman, who explains the counseling approach he and his wife take with clients at [stayhitched.com](#), says it shouldn’t be surprising that control issues come up constantly when talking about money. “It’s concrete, you can see it,” he says. “It’s not ephemeral or less measurable, like affection.”

A few things that he suggests couples discuss early on: If one person is making most or all of the money, does that person get to make most or all of the financial decisions? If you’re the car aficionado or have researched all of the local school options for the children, do you get to make the decisions about those things? “These are the kinds of things that don’t come out when you’re dating,” he says.

**AFFLUENCE** Here's another question that tends not to come up during courtship: Just how rich do we want to be one day? Mr. Kuhlman refers to this more politely as the "desired level of affluence." "Are our career paths going to be something that pulls us together? Or, more often, are they things that will tend to pull us apart, where we'll really have to be proactive to make sure it's under control?" he says.

Mr. Kostis might put it a bit more bluntly, say to a spouse of an aspiring [investment](#) banker or corporate lawyer: Are you O.K. with acting essentially as a single parent, with your partner working 80 hours a week until the age of 80? "Not that there is a right or wrong answer," he says. "It's just about understanding, going into the marriage, what that would really mean."

He adds that people in the financial advice business often joke that they spend half their time talking about money and the other half acting as marriage counselor. "But it's the same communication style," he says. "You're giving people permission to be honest without having someone jump down their throat for giving the answer that they really want to give."

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