

Love, Marriage, and Money: Should a Couple Combine Their Finances?

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My wife and I have been married for nearly four years, and we dated for six years before that, so it came as a surprise to some other couples this weekend that we do not combine our finances together. Instead, we each maintain responsibility for a specific set of our shared bills and our savings goals (generally, I manage savings and investments and a few bills; she handles most of the other bills). Unfortunately for us, this was not a decision we hit upon easily; it took a lot of negotiation, some uncomfortable choices and discussions, and a bit of arguing to find a balance that really worked for us.

The truth is **I can't tell you whether or not you should combine your finances with your significant other**; it has a lot to do with individual comfort levels, trust, and many other marital issues that one could write books on (and many have). However, it *is* a decision that all couples face, particularly if they choose to marry or agree to a long-term commitment: should we combine our finances or not?

Here are eight tips for making the decision - and the subsequent planning - as painless as possible. I wish I had done these things with my wife much earlier than we did.

Have a serious but respectful talk about your basic personal finance values and expectations. If this sounds uncomfortable, here are [some tips for making financial talks with your spouse much easier](#).

Lay your fears on the table - and calmly listen to each other. My biggest fear was that my wife would feel more inclined to spend frivolously if we combined our money. It turned out she felt the reverse - my spending would increase, too. There was some truth to both beliefs and this was a major part of why we decided to keep our money separate.

Clearly lay out what is expected from each of you. What is each person responsible for? We found it easiest to lay most of the bill paying on my wife, and most of the saving and investing onto me - that way, when we talk about our finances, it is understood that she handles many of the monthly bills, but I handle our savings and usually figure out how to handle major purchases.

Don't get mad if your significant other says something you don't want to hear. If your partner expresses concern that you spend too much, there's probably a reason for it. Instead of getting defensive, ask yourself if he or she is right, and even if not, *compromise a little*. This is generally good advice for any financial arrangement.

Make a list of everything you both need to cover in a given month - and make sure it is covered. This way, there's no situation like "who paid the cell phone bill?" You're just making sure that nothing falls through the cracks. Don't forget to include at least some savings on that list.

Discuss your overall goals - even make a list of them. This was a major difference between myself and my wife when we were first married. My biggest goals revolved around retirement

and I was dumping huge amounts into a 403(b) so that I could retire at 59 1/2 (or even earlier) and live very nicely. My wife, on the other hand, dreams of a wonderful home in the country with an acreage, a small barn, and some woods to wander in, which is going to be expensive. Right now, we're working towards both, and to do that we decided that we needed to trim a lot of fat from our budget to make it happen.

General investment concepts should be discussed. I discovered that I am a *far* more conservative investor than my wife, and as a result of our discussion, we ended up making numerous changes to our investments, balancing some risky ones (foreign small-cap stocks) with some safer ones (bonds). The volatility still makes me nervous, but the low potential growth of my investments made my wife believe we'd never get ahead.

By this point, it should be pretty clear how compatible your financial views are, and a decision on whether to combine your money should be quite clear. For us, it was clear that it worked better to keep them separate, at least for now.

Regardless of how you arrange things, you should have a discussion about your money at least monthly. This can be as simple or as detailed as you like, depending on your comfort level, but there should be at least some time set aside regularly so that each person can be as informed about your shared finances as possible.

<http://www.thesimpledollar.com/2007/03/12/love-marriage-and-money-should-a-couple-combine-their-finances/>