

MONEY TALK *life*



We just can't
agree over money

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Most couples will face a knotty financial problem that will test their love for each other. If arguing about money is upsetting a great relationship, here are some things to consider.

It was a motorcycle that never ran properly, and it was regrettably a symbol of Rhodina's marriage, which also sputtered fitfully along until it eventually stopped working.*

Rhodina's husband came home one day with \$500 worth of vintage motorcycle parts — a project which would eventually balloon to \$1,500 — without telling Rhodina. According to Rhodina, he often made purchases, like impromptu vacations with the guys, without consulting her. But with a toddler and a new baby, the motorcycle was such an indulgent purchase. She was a bit shocked.

He said he made his own money and he could make his own decisions on how to spend it. *She said* he had an oversized sense of entitlement. Unfortunately, Rhodina stayed on this emotional ride for another 10 years before jumping off and becoming one of the almost four in 10 Canadian couples whose marriage has ended in divorce.¹

Money fights are often cited as one of the top reasons marriages end, but it doesn't take divorce proceedings or even a marriage certificate for financial problems to take a toll on relationships. Arguments over money, or simply the fear of provoking conflict can delay or leave plans about money unfocused and hijack opportunities. On the emotional side, it can lead to resentments, frustration and dread every time a financial decision has to be made.



“He regularly gives money to his sister without discussing it with me.”

Most couples will face a knotty financial problem that will test their love for each other, but most couples will also stick together and get through it. Fixing a relationship fraught with financial conflict can mean not only a better wealth plan but also a happier, more fulfilled partnership. It may be a tough road, but one thing couples should learn is that fights over money are usually about much more than money. If arguing about money is upsetting an otherwise great relationship, here are some things to consider before the conflict does damage in the long term.

Money fights are rarely about the money

Gary Drenfeld, social worker, marriage counsellor and author of the book, *Marriage Rescue: Overcoming Ten Deadly Sins in Failing Relationships*, says it doesn't matter how much money you have, everyone — the rich and not so rich — can have conflicts about money. Many have come through his office door looking for help.

What many of them have in common is that money disagreements often exacerbate other problems a couple or an individual may have. For example, if

one partner wants to put the tax refund into an RSP while another wants to use it for a trip to Costa Rica — there might be other forces at play other than how money is being spent.

“She makes more money and thinks she has more say over how we spend it.”



Both choices are equally valid but being highly critical of someone can call into question reasonable choices about using money and show a lack of respect and trust for a partner's decision-making.

Treva Newton, VP, Tax and Estate Planner, TD Wealth, doesn't usually see open conflict when she works with couples, but there are occasions when she can feel there are unresolved issues just under the surface. She sometimes witnesses a client asking about a financial idea that is obviously a complete surprise to their partner.



“He spends as fast as I earn it and we can't get ahead.”

Newton remembers a client who expressed frustration over her husband's private bank account, indicating that she didn't even know how much money her husband had, suggesting the disagreement wasn't about money but trust.

Trust can be built. Newton says planning together makes for better communication around money, so couples can try to budget together and come up with agreed-upon amounts for each other's interests. They can also agree on a financial line in the sand; for example, spending anything above that value has to be the subject of discussion with their significant other.

Recognize your partner's view

Direnfeld says people often lack the skills to tackle areas of conflict within the family whether they pertain to money or not. Anger often comes too quickly, there can be an unwillingness to listen to someone's view thoughtfully, or people can be unaware of emotional triggers that can push a constructive discussion into a screaming match.

"I'm better at managing money than she is."



But Direnfeld says the skills needed to speak effectively in stressful situations can be developed so that it becomes easier for couples to talk about hard topics and get decisions made without hurting anyone's feelings. He says what's needed is a realization that a partner may have a perfectly valid opinion that's the opposite of yours. He says the conversation should never be framed in the context of shame or blame around a problem.

"One of the easiest ways to start the conversation is with this line," Direnfeld says, "I think we have different approaches to handling money and what we think money is for. Can we talk about our differences? I notice you don't like to spend, (as an example) and you notice that I do like to spend. That creates a lot of tension between us. I just want to understand our differences."

And if all this doesn't work, it might be time to enlist a professional like Direnfeld to help encourage better ways to discuss tough topics and perhaps rescue a deteriorating relationship.

Pick your battles

Newton says that some problems between couples can be headed off by being better informed of the actual validity of the financial goals each partner is fighting for or against. You may want to find out first what the implications of a particular financial strategy are before you dig in and decide whether it's worth damaging your relationship. What one or both individuals want may not be advisable or feasible.



“He resents me giving money to our kids.”

“I often hear, ‘I read in the newspaper . . .’ and this tidbit of financial information that they have come across just isn't meaningful to their situation,” says Newton.

She says if couples have trouble agreeing, a meeting with an advisor can help clarify the issue and help chart a course of action that's amenable to both people.

Newton gives an anecdote about a couple who were pulled in different directions over their adult children. The husband wanted to pass on shares of a stock which he had inherited from *his father* to his children as part of estate planning. However, his wife was pushing for another strategy. The accountants said it would be more tax efficient to make the kids beneficiaries of an insurance policy and donate the shares to a favorite charity.

The husband disagreed. He had an attachment to the shares because it meant a continuing legacy from his father and he wanted that to be passed on to his children, even if, ultimately, it would cost his beneficiaries money.

It was a classic case of head versus heart but Newton found a compromise — half the shares were designated to the kids along with half the value of the insurance policy. In this way, a better tax strategy was enacted while the husband still had the satisfaction of seeing his father's shares passed down to family. But without a professional to suggest options, the family may have been left with continuing acrimony around their estate planning and family needs.

“I can't stomach
her high-risk
investment style. “



It's often emotion that brings a young couple together, says Direnfeld. Ironically, when the relationship matures and a couple has more money — and more money issues — it's emotion over differences that can rub each other raw.

“If you want to keep it out of the hands of the marriage counsellor, don't put your differences into this all-or-none context where the issue is either good or bad. That's when people get hurt. It's just a difference of opinion,” he says.

Newton says couples who can't agree about money should take stock of their financial goals and see if they're on the same page, or if their ideas are helping or hurting their plan. She says if you don't know your own opinions or don't have

a financial plan, consider sitting down with an advisor. Taking a closer look at your finances and goals will help clarify the ideas on the table and maybe make your partner's ideas more understandable.

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¹Marital Status: Overview, 2011, Statistics Canada, Nov. 30, 2015, accessed Jan. 22, 2019, www150.statcan.gc.ca/n1/pub/91-209-x/2013001/article/11788-eng.htm

*Name has been changed.

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