

Relationships & Finances

[Host]

Hello everyone, thank you for joining us for a new podcast episode For Her. My name is _____, and I'll be your host for today's segment. In this episode, we will be discussing an important and sometimes controversial subject, which is our relationships and finances. Finances in our relationships creates interesting dynamics. For some, it's very simple with clear responsibilities, while for others, it's the worst and most stressful part of their relationship.

To provide some expert knowledge on this topic, my guest today is _____, and she is _____! Thank you for joining us _____!

[Kiran]

Thank you for having me [Host]!

[Host]

Have you ever been part of a conversation that goes something like "Hey! I get the car for my girl's weekend. I contributed more while buying it?"

Or "What! Have you ever really taken any financial responsibilities in our relationship?"

[Kiran]

I sure have. I've also seen these types of arguments in movies and on tv.

[Host]

Me too. It's interesting, however, that the real-life scenario is not any different. Money is constantly one of the biggest stressors in relationships. Hey, I know you are thinking like, I'm a strong independent woman and nobody, including my partner, can suppress me in any way. But trust me, it's super important to have the money conversation crystal clear with your partner.

[Kiran]

That's so true. In previous generations, this was likely not a conversation that occurred as much because we, the women in our country, are growing so much more in our careers and becoming much more financially independent than ever before.

[Host]

Exactly, and because of that, having money discussions with your spouse has been added to a task list that maybe your mom or grandma didn't have.

In today's episode, we're going to be talking about how to navigate your finances, and how to get the money conversation rolling no matter what stage of a relationship you are in.

Well, now, _____ my first question is, "Why should I even be bothered about this?"

[Kiran]

Great question _____. Top of mind, I can say that no matter how like-minded two people may be, you come from two different families and two different upbringings. That's why the money mindset has already been developed in distinct ways. So, you really need some tough, honest conversations around it to work your finances out towards a unified goal. In addition, it helps you keep you financially secure and safe if you have planned properly and are both excited about the same outcome and goals.

[Host]

That's so true _____. Another reason it's important is that we have a tendency in relationships, at times, for a specific person to do specific work. For example, cooking for the wife and grocery shopping for the men. Due to using that skill less, the ability of the other person to do it gradually declines. In the same way, if you are not involved in the financial management of your home, your financial management abilities will also decline over time, and you may find yourself in deep water in the future.

Planning your money with your spouse gives you a transparent view of your financial capability and, in the case of conflicts or divorces, it will not be much of a problem to sort the financial component out.

It's clear that money plays a huge part in any relationship. Do you have any advice, _____, about what you should do at what stage of a relationship?

[Kiran]

Yes, I most certainly do! But, before that, I'd like to give a little disclaimer that you don't have to follow anything that I'm suggesting. There's no wrong or right way, so, you do you!

The first stage of a relationship is dating. At this point, you won't typically have any joint financial ventures. But what people don't take into account is that you can actually use this stage of your relationship to determine if your partner is financially responsible and thus suitable for you or not.

It seems like a great time to bring up some more basic money conversations and to ask daily life questions related to money. At this point, you can also probably already notice the simplest thing like if they are agreeing to split the money while on a date. Are your dating expenses being shared between you two?

It's the time do think about how much money you make and whether you are you being compelled to spend somewhere that you can't afford but they can? Are they ready to take the backseat and fit your lifestyle in that case?

Always remember, while dating, you might be in very different phases of your life. One of you might still be in college but the other one might be earning, have a home and a car as well. Of course, the spending abilities will not be the same in that case. So you have to keep that in mind when having these types of conversations.

The important thing is that having open, honest conversations about money and expectations can clear the air and help you choose the right person to actually make it work.

[Host]

Great advice, _____. Now let's talk about the second part of a relationship - a live-in relationship or marriage. Now, this is the main time when you have to have your financial expectations sorted. Do you have some tips at this point, _____?

[Kiran]

Well, sometimes couples think "Oh! My parents didn't have to put any effort into these types of sometimes difficult discussions. Their life is going fine. So why bother?"

First things first, I strongly advise you to never make this mistake. Just because your parents never had any problems that doesn't mean that you won't! I think it's imperative to plan how you two will approach things together. What do you think, _____?

[Host]

I completely agree. There are 3 financial approaches you can take in the event of marriage or a live-in relationship. These include: Separate accounts, Joint accounts, Or a combination of both.

It's all up to you how you want to go forward. But hey, I'm here to make things easy for you, right? Let's see the pros and cons of these approaches then. If you take the first approach, i.e. "your money is yours, mine is mine", the pros are, that...

A, You get to be independent with your money. You get to live like an individual who doesn't have to answer to anyone about where they are spending their money.

B, You pay for your stuff, your partner pays for theirs, so, that's an even split right there.

And C, in case of separation, there is no money conversation that you have to do. So, it's much easier this aspect. What do you think the cons are of this approach, _____?

[Kiran]

I think the cons of having two separate accounts in a marriage include things like:

A marriage is a partnership. So, if your partner has no idea of where your money is going, transparency could become an issue.

It's good to pay for your own stuff, but in that case, you two might not have any shared goals or long-term planning in terms of money. These are important dynamics to keep in mind.

Maybe I'll turn it over to you now, _____, to talk about the pros and cons of having joint accounts now.

[Host]

Great. Thanks for letting me talk again, _____. You know how much I like talking! Here is what I think the pros are that it's much easier to be transparent about money in your relationship because your partner already knows what's happening with your money – kind of playing on your cons here from the last point. You get to have shared goals, and visions and you can plan your future together and more seamlessly. And the cons are, The spender-saver conflicts can arise because your partner might not be okay with some purchases you make. You also have much less independence, and you might always feel you're being monitored and watched while buying something. That's not a nice feeling. And yes, for some people, there will be no scope of surprise gifts because your partner already has your account details.

So, these two approaches each have their own pros and cons but what if you take the third path, the combined approach? What advice do you have with this approach, _____?

[Kiran]

There's this show I have been watching where a woman who was going to be married asked the hosts what financial approach she should take in her marriage.

Ladies, listen to me carefully, this is one of the best pieces of financial advice I have ever heard.

He advised that you should have 4 accounts. Among them, two should be your separate accounts. One should be a joint account from which the household expenses are incurred. And, the best part, a portion of money from the joint account goes to another savings account. That money is saved for bigger purchases in the future or for any unforeseen circumstance.

Doesn't this advice make so much sense? I mean, it simplifies so many things while giving you the best of both worlds. So, in my opinion, it's best to hit the sweet spot between having separate accounts and joint accounts when you are planning a future together. What do you think of that, _____? Pretty smart huh?

[Host]

Yes indeed, _____. So, just to recap this episode of For Her so far; we have talked about the importance of having discussions about money from early on in your relationship and also about what financial approach you can take when you move in together or get married.

Just remember that this process doesn't start after your marriage. You have to communicate and initiate the conversation before getting married as well.

Here are three important questions you can ask:

- a. How do you define financial success?
- b. What are your long-term goals?
- c. What do you wish you could've done differently in the case of your personal finances? Why do you think asking these types of questions is important, _____?

[Kiran]

I think that, by asking these questions, you get a fair idea of what their finances look like, how they value money and how they envision their financial future. You might also get to know about their financial mistakes as well. And it goes both ways. If you have made any financial mistakes, be transparent about it, don't hide it. Hiding it might complicate the situation even more in the future.

For example, one of my friends didn't even know that her husband had a lot of debt. Please don't ever do this. Be very clear about what you earn, what you own, and what you owe.

[Host]

There can be many deal breakers in the finances related to relationships. These deal breakers are mostly related to home, cars, vacations, etc. More of the discretionary things in our lives. For example, maybe you want to own a lavish bungalow and but your potential partner thinks it's useless and wants to lead a minimalist lifestyle.

These things can affect the way you plan your family as well. How much do they want to spend on children or what kind of life do they dream about having?

It's really important to know these things to understand if you will align or not. Always remind yourself that every little money behaviour counts and can potentially have an effect on your relationship, both now and in the future.

So, ladies, you basically don't have to ask your husband if you can go to that salon to get your nails done or maybe go on that girls' trip. But what about the joint accounts, _____? What would you suggest there?

[Kiran]

In the case of the joint accounts, I think you should have to have mutual consent if you are making a big splurge. In fact, I think there should be a money level after which you have to first let your partner know, like "Hey! I'm withdrawing 10k for the sofa in our living room." This level maybe 10k, 40k or even 100k. You have to choose that for yourselves.

If you think, if you are a heavy spender and your partner kind of leans to the saver side, you can keep them as your accountability partner as well. That means, you could permit them to log into your bank account anytime and see where your money is going to help you keep accountable to yourself.

And this kind of leads me into another discussion, more revolving financial planning. The next tip is to be consistent about your financial planning. For example, you should sit together once a year or once every 6 months for financial goal setting.

Important topics for this discussion can be:

- How much are we aspiring to earn in this span of time?
- How much are we trying to save?
- How much are we going to invest, and
- What's our spending threshold no matter what happens?

By doing this exercise, you can maintain the relationship you have AND your relationship with money as well.

Now we know all about how we can manage our money while, hopefully, minimizing conflicts. But it isn't always that easy. Sometimes conflicts and arguments become unavoidable. In that case, it's important to sort things out. In these times, you can try a few things.

DON'T RUSH ANYTHING. You don't have to decide anything in the blink of an eye. Discuss things, take time, think about them and then only come to a conclusion.

Make sure you feel heard and make your partner feel the same. If you are not ready to listen to their thoughts and issues, financial conflicts are hard to resolve.

Understand where they are coming from. Your partner might have a different mindset from you. But how you take their input and integrate them into the solution is up to you.

Be very direct with your delivery. You can't really beat around the bush when it comes to money. Be mindful about what you are trying to help them understand. Talk about the impact if needed.

Let's be honest. Money conversations can be awkward. So, when you have come to a decision, make sure you are comfortable with the way forward.

A big no-no, in this case, is building resentment. No matter what you have to do, what steps you have to take, don't allow hard feelings to build up. Because that will not have any good effect on both your future financial decisions and, potentially, on your overall relationship.

[Host]

That's very sound advice [Kiran]! What else should we be careful about in these situations?

[Kiran]

This is a very important one. You cannot ever allow yourself to be in a financially-abusive relationship. There are many subtle things to pay attention to in the financial aspect of your relationship because they may lead to bigger issues down the road.

For example, a key sign of a financially-abusive relationship is when you can't trust your partner with your money. Well, nobody should care for your personal financial well-being more than you. But that doesn't mean your partner can ever, or will ever, sneak things from you financially.

If one person in the relationship is dictating where the money should go, that's unhealthy. You two are in this together and, so, you have the same right to put your opinions and suggestions forward.

The "don't worry about it" facade is another warning sign. Many people make financial decisions and don't bother to tell their partner about that and when asked, they simply say, "Oh! Don't worry about it." Listen to me, YOU DO HAVE TO WORRY ABOUT IT. Because, again, you are in this together, and you don't deserve to be kept in the dark, no matter if it's a deliberate act or an act of innocence.

Maybe a big purchase, like buying a home, is being done and both of you are chipping in. But you realize that the house is not in both of your names. Don't be emotional here. It's really important that you correct these things right away.

No relationship comes with a guarantee. So, if your partner always looks down upon your opinions and asks you not to make a big fuss, just tell them that it's your right to provide input in the financial portion of your relationship.

[Host]

Wow. That was a lot of invaluable advice, _____. Yes it can be tough to navigate money and plan your finances while being in a relationship. No, ladies, it won't be easy. Talking

about money isn't romantic. Rather it takes out a vulnerable side of you. But you have to do it for your future and your sanity. If you think including money in your relationship will complicate things, trust me, it really doesn't need to. Rather, not talking about money will complicate it even further. Planning your finances with your partner is not a *one-size-fits-all* approach, and you have to figure your own way around. But, please, don't ever make the mistake of not doing it. With the person you are comfortable sharing your full dating history with, make sure you can talk about your financial history with them as well.

Because, who knows? Maybe you want an early retirement but your partner thinks that you only live once. Better to figure that out sooner rather than later!

On that note, that's the end of today's For Her session. I'll say bye to you and once again remind you, "Plan your finances, for you and for them."

Thank you so much [Kiran]! Your knowledge, experience and insight was so appreciated. Thank you again!

[Kiran]

It was a pleasure being here today _____!

[Host]

And thank you to all of our listeners! Keep joining us for our every episode and we will continue to bring more informative episodes!

Thank you!