

## **Love and Money:** Families who discuss finances openly are more likely to stay together.

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**D**uring uncertain economic times like these, levels of financial stress are sure to be even higher. Families find themselves having to readjust their expenditures and their expectations as a result of the economic downturn. Relationships become strained under the pressures of plunging stock prices, falling home values, and rising unemployment. Times are tough enough without money squabbles adding to the tension. Ginita Wall, CFP® and founder of the San Diego, California based financial planning advisory firm *Plan for Wealth*, suggests making money talks a regular part of every relationship. Don't leave discussions about finances to chance. "Schedule meetings to talk about money," says Wall. "Discuss your financial situation, dreams, and goals, and generate ideas to improve your future. Then do something fun, like watching a movie, afterwards."

When talking about finances don't sling the blame. Talk about your financial circumstances and accept where you are. Explore what you need to do now and re-examine the ways you spend. If you've always operated in a certain way, maybe that way has to change. Most of us are due for a change. Discussions that start out with "If only we had..." are not healthy discussions. Don't second-guess past decisions. Statements like, "If only we hadn't taken that vacation and put all the expenses on our credit card," or "If we had paid down our credit card bills with our tax refund instead of buying a new computer," should be considered off limits.

Your family discussions should focus on actions that you

can commit to right away and without too much disruption. Drastic changes are difficult to make and may lead to resentment. If you declare "We will no longer eat out!" and you don't participate in planning and preparing the family meals, this can lead to some disputes. Consider making modest changes that you can easily keep. If your family is very devoted to eating out three times a week, then consider cutting back to eating out just two times a week and make that one home meal preparation part of family time. This can save you up to \$120 per month and help the family spend more time together.

Many couples already know they are spending too much—whether it's dining out, buying clothes, collecting golf accessories or jewelry. Cut back in those areas. Keep track of everything you spend for at least one month. This will give you a good idea of where you can cut back. In other words, deal in reality, not unreality. People often don't know where their money goes. When they see how much they've been spending, they say things like, "I had no idea we spent that much on eating out." Remember you're not sacrificing your lifestyle forever; you're just tightening your belt for a while.

Involve children in finding ways to save money, as long as their roles are appropriate to their age. If you have to economize, explain the situation and ask the child to think of areas in which to economize, too. Otherwise, they might feel like they are being punished. Kids can learn some money management skills at the same time.

A recent decade-long study of San Francisco families found that their happiness depended more on how open they were in discussing financial issues than on their level of income. The worst thing couples can do is to continue to fight about finances and decide to divorce. That is sure to cause more financial distress than anything. Work together toward a solution.