



Family finance: How money can impact a marriage

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Justin Dux and Elizabeth Mills had been dating for six years when they began talking about marriage in 2006. But something big stood between them and a walk down the aisle: Dux's stack of credit card bills.

The debt started to accumulate a few years earlier. While Mills was away at college, Dux bought into a rental home with a partner — an investment that didn't work out quite as planned. Meanwhile, he hopped through a series of jobs, from painting houses to working for a cable company to a few business ventures. His income fluctuated wildly: from \$55,000 in his best year to \$24,000 two years later.

The result was about \$12,000 of debt that he was at first afraid to reveal to Mills.

When she learned how much he owed, she was not judgmental, despite having just \$6,000 in college loans and no credit card debt. She was, however, reluctant to start a life together with such a burden.

"I knew what his income was, and I realized how long it would take to pay that back," Mills recalled. "Experience was showing that he wasn't going to be able to make the money that he needed to overcome that debt."

Their story has a happy ending. Dux was able to pay most of what he owed by selling off his share of the rental house, and the St. Paul, Minn., couple celebrated their first wedding anniversary last month. And learning to talk about their feelings and viewpoints regarding spending and debt bodes well for their future.



In this photo made Thursday, July 15, 2009, Elizabeth Mills and Justin Dux pose for photos outside their condo in downtown St. Paul, Minn. (AP Photo/Janet Hostenetter)

Experts say couples that deal openly and honestly with money issues early on have tackled one of the toughest topics in a relationship.

"I don't know that I would say that finances are the number one cause of divorce, but they're right up there with the top causes," said Gary Nickelson, president of the American Academy of Matrimonial Lawyers, who has practiced family law in Fort Worth, Texas, for 27 years.

There are dozens of reasons money issues can come into play in a relationship, from uncontrollable factors like job loss during the recession to secret spending.

Such spending and the resultant hefty debt, in particular, are surprisingly common. A study published in the American Journal of Psychiatry estimated 5.8 percent of the adults in the U.S. are compulsive shoppers.

Often, spouses looking for help bare their souls in anonymous places like the forums of money management Web site Wesabe.com. "My wife has a long history with overspending," one recent post began. "Twice in the past, she has run up over \$10,000 in credit card debt without my knowledge." Another came from a woman who admitted she ran up \$30,000 on her cards. "If my husband finds out, he will divorce me."

"As the Wesabe community has grown, it's gotten to be fairly frequent that this comes up," said Gabriel Griego, a vice president of the San Francisco-based site. "It is revealing that this probably goes on more than any of us realize."

Indeed Nickelson sees this a lot in his practice. "I see a lot of folks who have huge credit card debt," he said. "There are people out there who have absolutely destroyed their relationships based upon their spending."

People posting such stories on sites like Wesabe typically seek advice on how to deal with the situation, which other members offer enthusiastically. Two avenues are typically suggested for addressing such issues: an honest accounting between spouses, and counseling in cases where the spending habits hint at deeper problems.

Dux said revealing the size of his debt meant first getting past his feelings of shame and embarrassment, even though most of it didn't arise from frivolous spending. "I didn't get the judgment that I thought I would," he said. "It was kind of a relief."

Dealing with the debt was a learning experience for Mills as well. "It was really a gateway to talk about what we wanted in life and our future," she said. "I was able to firmly state my belief that I don't want to be in debt, that is something that is not comfortable for me and our life together."

That type of talk is healthy, said Linda Schwallie, president of the American Association of Marriage and Family Therapy, who practices in Green Bay, Wis. "It's more than simply communicating and negotiating about financial issues," she said. "At a deeper level, we're talking about issues of trust and intimacy and attachment."

For many couples, money can come to symbolize a host of other factors in a relationship, like love, power, control or success, said Scott Johnson, a therapist and director of the doctoral program at the Family Therapy Center of Virginia Tech. Even more important than creating a budget or meeting with a financial planner, a key to handling money issues for couples is reaching an understanding about how each person views money and finances, he said.

The recession, particularly the spike in unemployment, has accentuated financial issues for many families.

"If you lost a job, and you have commitments to kids, then the issue is money," said Johnson. "But how you handle it is an issue in the relationship."

Getting things out in the open has worked, so far, for Dux and Mills. She now works at a public radio station, while Dux decided an education would help his future prospects. He is a full-time student working toward a degree in business education, and also has a parttime job.

"I'm not saying I have all the answers, but usually when we talk it out, it seems to make sense," she said.

That hard part, said her husband, is not taking the conversation personally. "It's easy to look at your balance sheet and say, 'That's me, it's my fault and my mistakes.'" He said owning up to those mistakes and learning from them has helped strengthen their relationship.

Couples trying to work out financial issues may want to start with these steps:

- Set aside time to talk about your finances when there are no distractions — no children, no television or other outside interruptions.
- Be honest about spending habits, credit card debt and other things you may be inclined to gloss over. Take out the credit card bills and bank statements so that you can accurately assess where you stand.
- Discuss whether you want to maintain some separate accounts and credit cards or merge all of your finances. There are pros and cons to each. Joint accounts make it easier to pay collective bills like mortgage and utilities. Separate accounts allow each person to maintain their own credit history, but can also make it easier to hide problems like overspending.

- Try to plan strategies to meet short-, medium- and long-term goals, from paying off debt to taking a vacation to saving for retirement.
- Seek help from a financial planner or other professional if you're having trouble figuring out how to meet your goals.
- Revisit your plans to mark progress and readjust strategies a few times a year.

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