



Common Cents for Couples: How To Manage Money Together

For some couples, February might be a month for romantic connection celebrating Valentine's Day. Even if you don't celebrate, one thing is certain: cohabitating couples will enjoy a more harmonious relationship when they align on money matters.

Finance may not be the most romantic topic, but it's inarguably an important one. A 2021 Fidelity Investments Couples & Money Study found that 1 in 5 couples cite money as their greatest relationship challenge and 44% of partners admit to arguing about money occasionally. Building up emergency savings, paying off debt, and saving for milestone events (like college or a new home) topped the list of concerns.

What's the best way to foster financial unity at home? We've come up with some suggestions

SKIP THE CANDY, TALK CANDIDLY

If you want to be successful in managing your money, you must find comfort in talking first. Being transparent about your earnings, debt, and money philosophies may feel uncomfortable, but full disclosure is critical when it comes to making joint financial decisions, like whether you want to merge finances or how you want to tackle bills. Make regular check-ins (versus a one-time event) so that when financial

hurdles happen, you'll already have a baseline sense of how your partner will want to move forward.

CREATE JOINT FINANCIAL GOALS

What do you want to achieve as a couple? Do you need to create an emergency fund or start saving for a home? Do you need to budget for an upcoming vacation or pay off a credit card this year? Narrow down the primary financial priorities you can tackle in tandem, and then decide how you want those goals to be reflected: as a shared document you periodically refer to? As a vision board? As categories within a financial app? Everyone has their own preferences; the importance here is finding common ground.

ORGANIZE ACCOUNTS

If your money philosophies are aligned and you generally see eye-to-eye, congratulations! Who spends what is half the battle. On the other hand, if fully merging finances is a pain point, consider keeping three accounts: one for you, one for your partner, and one for joint spending. Decide what beyond just your house payment and utility bills falls under the shared category. Take time to fine-tune what constitutes "mine," "yours," and "ours," (and how much you want to budget within those categories) so that discretionary spending doesn't feel like something either of you need to defend.

TRACK YOUR SPENDING & SAVING

Once your accounts are organized accordingly, there are several options for syncing up finances. Check with your financial institution to see what tools they have available, or consider one of these three popular options all offering free versions:

1. Mint: tracks income, savings goals, and your credit score, and also syncs with your credit cards and checking/savings accounts.

2. Honeydue: Ideal for couples who appreciate the ability to chat about bills and transactions within the app (versus later at the dinner table).

3. Goodbudget: A good option for curbing spending. Acts as an "envelope system" in which you can only spend the amount that's in each designated envelope.

PLANNING FOR YOUR FUTURE

Do you need a little guidance when it comes to planning your finances or creating a realistic household budget? Call us at 847.697.3281 and ask to speak to a Financial Services Representative. They will be glad to help you or refer you to our partners at GreenPath Financial Wellness. GreenPath's caring, qualified counselors are ready to connect with you, and the call is free and confidential.