

# WORK & WEALTH

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## Recessionproof Your Relationship

The bad economy has soured many a good partnership. Here are 9 ways to manage the bills and stop the blowups and blame games for good BY CHRIS TAYLOR

**N**ikea and Daman Johnson, both 32, had built an enviable life for themselves. The couple worked in the glamorous L.A. entertainment world—she as a development executive, he as a budding TV writer—and were blessed with two daughters, Ramla, 13, and Selah, 19 months. Then the recession hit. In March 2008, Nikea's company folded, taking her \$90,000 salary with it. Suddenly the family had to rely on Daman's income of about \$50,000. Plans such as enrolling their daughter in a top private preschool are on hold indefinitely.

Nikea is now home with the kids, adjusting to the transition from the boardroom to the playroom. "As an independent woman, I've always earned my own money," she says. "Now I have to ask for \$40 because we're down to ten diapers. It's like going back to *Love Lucy* days." Daman, the primary breadwinner, is concerned about securing a higher-paying position and often comes home moody, says Nikea. Yet, with a shortage of cash, there are fewer options for relaxing and reconnecting with each other. The fun trips to California wine country are now a distant memory.

Even in a good economy, money is a leading cause of relationship tension. According to a 2009 international survey by Paypal, 43 percent of U.S. couples and almost a third of all couples surveyed say the recession has fueled more arguments, mostly about money and household chores. If either partner is having financial concerns, talk about them sooner rather than later. "Don't wait until you are head over heels in debt," says Michelle Dasher, managing editor of adult finance publications at Credit Union National Association, Inc. "Things are stressful, but with people trying to save more than they have in years, communication can actually bring couples closer together and make them feel in control of their finances."

To recessionproof your relationship, the association advises that you set SMART goals: specific, measurable, attainable, realistic and time-oriented. Remember, the economy is the source of the stress, not your partner. Whether you're a committed couple just moving in together or a long-married duo with a mortgage, two kids and a golden retriever, there are financial fixes you can make, as well as emotional lifelines to take hold of to ensure that your relationship and finances not only survive but thrive.

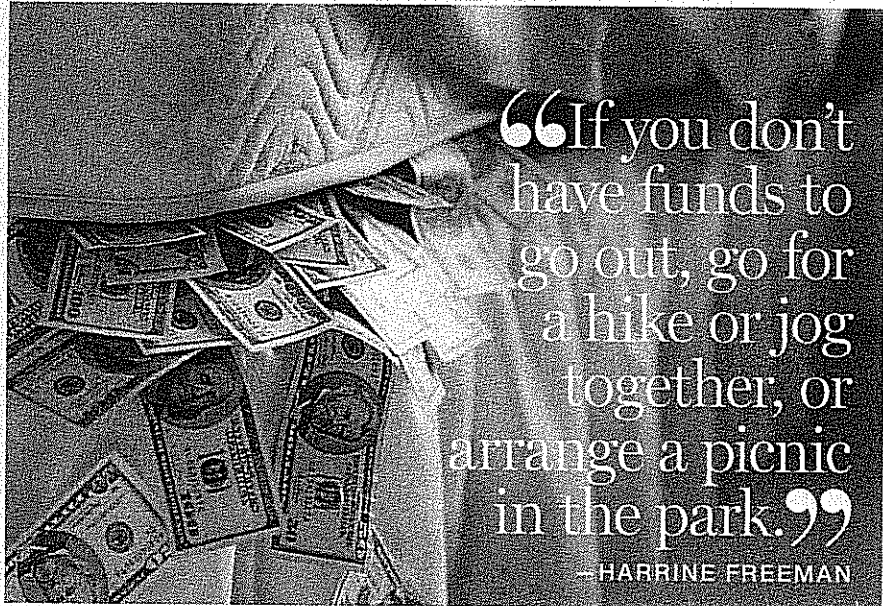


## Come clean about your finances

This is especially true for new couples, since you may not have aired all your financial misgivings. If old student loans remain unpaid or your credit card debt seems to be getting higher, not lower, it's time for a change. Both of you have to swallow hard, admit the state of your finances (no matter how grisly), and move forward. By being up-front about past money matters, you and your man can tackle pressing problems like how to handle the mortgage, cover out-of-pocket medical costs and save for emergencies. Discuss one item at a time, then plot out your plan to deal with it. "Put the brakes on and be willing to make changes if the money isn't there," says Marilyn Logan, author of *I Can't Afford to Marry You: A Guide to Understanding the True Cost of Love* (Salo Publishing). "Financial disease can be remedied with the right medication."

### IF YOU DO ONLY ONE THING:

Give each other permission to bring up any financial embarrassments, without the fear of being berated. Read *Talking Money* by Jean Chatzky (Business Plus) to find the right words to use.



“If you don't have funds to go out, go for a hike or jog together, or arrange a picnic in the park.”

—HARRINE FREEMAN

## Maintain togetherness

The Johnsons know all the joys of parenthood. But they also know the challenges, such as finding a few moments for couple time. "Especially now, you need to take time out to enjoy each other's company," says Freeman. "If you don't have funds to go out, go for a hike or jog together, or arrange a picnic in the park." Realize that you and your partner are a team in facing this rough economy.

### IF YOU DO ONLY ONE THING:

Read *Cheap Dates: Fun, Creative and Romantic Dates That Won't Break Your Budget* by Steven C. Smith (Prima Lifestyles).

## Keep your emotions in check

The next time he "runs an errand" and comes back with a \$1,500 flat screen TV, or he's upset because you spent \$300 on multiple pairs of shoes, breathe. Let the emotional temperature get back to normal. Don't allow the toxic brew of guilt and shame to break your bond.

### IF YOU DO ONLY ONE THING:

"When things get overheated, call a time-out just like you would for your kids," says Lee Baker, a financial planner and owner of Apex Financial Services in Tucker, Georgia.

## Perform triage on your resources

When a trauma patient is wheeled into the emergency room, Job One is to stop the bleeding. "Sit down with a pen and paper and do a budget together, even if it's the first time ever," says Baker. "Nobody likes it, but you've gotta do it."

### IF YOU DO ONLY ONE THING:

Manage your money at Mint.com. Download, categorize, and view your finances at a glance. ▸

## Get the kids on board

If there's tension in the house, kids feel it. "Let them know you'll always take care of their needs, but there might not be funds for another pair of sneakers or MP3 player," advises Harrine Freeman, author of *How to Get Out of Debt: Get an A Credit Rating for Free Using the System I've Used Successfully With Thousands of Clients* (Adept Publishers).

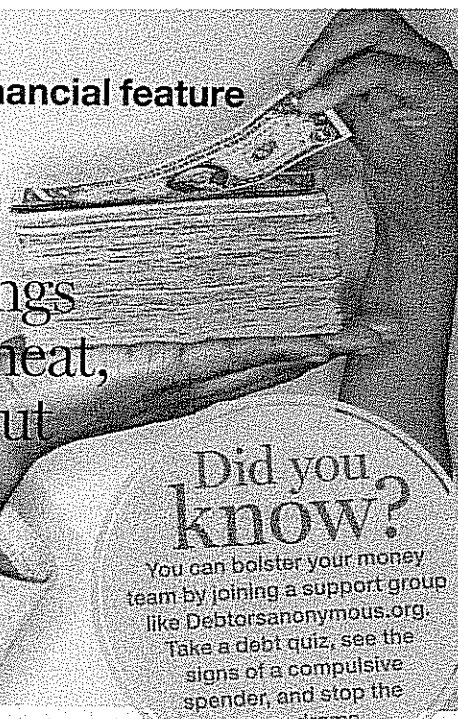
### IF YOU DO ONLY ONE THING:

Be honest with your children. Let them help by turning off the TV or unplugging phone chargers.



“When things start to overheat, call a time-out just like you would for your kids.”

—LEE BAKER



**Did you know?**

You can bolster your money team by joining a support group like Debtorsanonymous.org. Take a debt quiz, see the signs of a compulsive spender, and stop the money drama.

**Select a bill payer**

This doesn't mean sitting back and letting one spouse take care of everything. You'll still go over all your bills together, but it ensures that bills get paid on time. If bills are paid late, it can cause a hike in interest rates, late fees and over-the-limit charges. Apply this rule to the oversight of assets as well as debts.

**IF YOU DO ONLY ONE THING:**

Make the chief bill payer the one who's least likely to stash a new bill in a drawer and pretend that it doesn't exist.

**Get some support**

A natural instinct is to hide fiscal woes. Wrong move. Logan says to share struggles at extended family gatherings, and set up support groups. “If a whole family is having a money conversation, it feels welcoming. You're not singling anybody out,” she says.

**IF YOU DO ONLY ONE THING:**

Arrange for a money expert from a local bank to come in and give a seminar.

**Make money meetings a priority**

Laletrica Mathis and Thomas Harvey aren't yet married, but they've already experienced a lack of communication about money. They'd both been counting on income from deals gone sour, but neither wanted to admit it. “You're embarrassed, but you don't want to say, ‘I screwed up. How do I fix this?’” says Mathis. That's why regular money meetings are a must. It'll make sure finances get addressed and will keep everyone honest.

**IF YOU DO ONLY ONE THING:**

Sit down at regular intervals to create budgets and discuss bigger expenditures as a family.

**Set up his, hers and ours accounts**

Having completely separate bank accounts can lead to uncontrolled overspending, while completely commingled accounts can make couples feel as if they have to “check in.” “Some spouses are very reluctant to share all their accounts, because of a partner's bad spending habits,” says Freeman. Consider a hybrid strategy of having one pot of savings in her name, one pot in his, and one mutual pot for household expenses.

**IF YOU DO ONLY ONE THING:**

Consult with a financial adviser to get both of you in sync. For a planner near you, search [Wiseradvisor.com](http://Wiseradvisor.com) or [Plannersearch.org](http://Plannersearch.org).

*Love & Money*  
**CHECKLIST**

Get back in control. Tackle one topic weekly. In 12 weeks, reap the rewards of your hard work

- We've agreed to value and respect each other's point of view and compromise when discussing money.
- We've shared with each other our money histories, including credit card, loan and financial accounts.
- We've identified a system for tracking our spending.
- We've identified and plugged our spending leaks.
- We've set up automatic transfers to pay debts and build savings.
- We've looked at ways to increase income.
- We have started an emergency savings fund.
- We've each ordered our credit reports and credit scores.
- We've discussed and decided what financial accounts to keep separate and which accounts to merge.
- We've established or reviewed our insurance policies.
- We've reviewed and updated our beneficiary forms for insurance policies, IRAs, pensions and 401(k)s.
- We've established or updated our wills.

Source: Adapted and reprinted with permission from Credit Union National Association's "Anytime Adviser—Couples & Money Coach" checklist.

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