

Happily ever after? Couples fight five times a year about finances

New survey reveals some old habits; reliance on parents a red flag, however

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Mar 9, 2013



Sure, it starts out like this

It doesn't take long for the glow of marital bliss to give way to the harsh reality of managing family finances.

A recent survey of 2,135 married people by TD Ameritrade Inc. and online financial planning firm LearnVest found that money — and the management of it — is a significant source of fear and loathing among married couples across different age groups.

Not surprisingly, money is barely a factor for people when initially considering “the perfect partner.” It was cited by only 5% of respondents as a factor they considered. Another 3% cited potential earnings of someone else as a consideration. The far more important concerns for people were personality (20%), character (18%) and looks (17%).

That said, the survey also found that bad financial habits were a real turnoff for potential marital partners. Lack of motivation to get ahead was flagged by 66% of respondents as a potential deal breaker. Sixty five percent chose reliance on parents for financial support and having significant credit card debt as major red flags.

One reason financial issues are becoming a bigger source of friction earlier in marriages is that couples are tending to marry later in life and thus bringing more financial baggage to the relationship. The median age of first-time marriages is now nearly 30 years.

“Many people aren't getting married right out of college anymore and they have more financial history,” said Carrie Braxdale, managing director of investor services at TD Ameritrade. “It's OK to have different approaches to money, but the important thing is to come to a mutual understanding about what the parameters will be once you are married.”

Couples could be setting themselves up for disappointment by not having those financial discussions. Thirty eight percent of respondents said they are only somewhat, slightly or not at all aware of their

partner's debts, and 21% said they sometimes hide their spending from their partner. Forty percent of those surveyed said they do not completely trust their partner to manage their combined finances.

The survey found that the average couple discusses money issues less than twice per month and has fights over money and financial issues five times per year on average.

Ms. Braxdale has several suggestions for couples to ease the financial distress.

First of all, have the money talk before you tie the knot.

“While discussing money may not be the most romantic of gestures, it is important to not only have those financial discussions early in a relationship but to continue having them throughout your marriage to help avoid financial surprises and minimize financial arguments,” Ms. Braxdale explained.

Other recommendations include creating a budget and setting saving goals, discussing the amount and type of debt each partner brings to the table and drafting plans for paying it off, and understanding your investments and how to meet each other's long-term goals.

Ms. Braxdale's last suggestion is not to leave the family finances to one partner. The survey found that women tend to control the day-to-day expenses and the household budget, while men are mostly responsible for investing decisions, retirement savings and tax returns. A couple is more likely to avoid conflict if both partners share the responsibilities across the entire spectrum of financial issues.