CHAPTER ONE

MARRIAGE, MONEY, AND REAL LIFE

The heart has its reason, which reason knows not of.

BLAISE PASCAL

We've met couples who've had great success with money but lost at love. And we've met couples who've lost lots of money, but their love was stronger than ever. Then there are the couples who have had success with both, or with neither. Have you ever wondered what the difference is between these couples? We have.

We believe we've identified the key difference. It has relatively little to do with luck or intelligence, though it has something to do with the answer to another question: Why do smart people sometimes do dumb things with their money? It seems that nearly every family has some story about a silly purchase they've made. There's the one about Ron, who's retired from a very successful career in sales. Ron and Marie are the best of friends and have been married for forty years. Ron's kids and grandkids have all heard the funny story about when Grandma and Grandpa were newlyweds and Grandpa bought a vacuum cleaner for $249.99 from a door-to-door salesman. That was in 1962, when Ron made only $400 per month. Furthermore, they had hardwood floors and not a single rug in the house. "Grandma was so mad at me she could hardly talk to me for a month!" recalls Ron.

Or take Linda, a very smart and savvy teacher who decided to go ahead and visit her girlfriend in Boston even though she and her husband didn't have the money. During her visit, Linda and her friend went shopping, and Linda decided

Understanding these invisible forces and knowing how to manage them are essential to winning at money without losing at love.

to buy a very expensive stereo system for her husband. They couldn't afford the trip, so why did Linda make things worse by buying a stereo?

Why do couples carefully go through their budget in order to figure out how much house they can buy and then let their real estate agent show them houses $5K to $10K more than they had decided they can afford? Have you seen this? Have you done this? Have you become totally obsessed with the house that "is just perfect" and "feels like *home*," even when you'd already decided it was more money than you felt comfortable spending?

Why do we seem to lose our minds when it comes to certain money decisions? Odds are that if you don't have a story to tell, your partner does. Why do smart people sometimes do un-smart things? It's as though there are some invisible forces at work in our lives. Actually, there are. Understanding these invisible forces and knowing how to manage them are essential to winning at money without losing at love. But you won't find these invisible forces mentioned in traditional models of economics.

A Simple Model of Money Decisions

In a most basic model of economics, money behavior can be thought of in four parts:

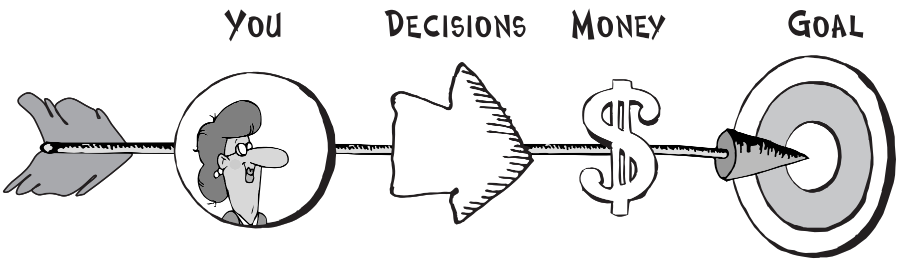
1. The first part is the person: *you*. You are an individual who wants to reach some particular goal.
2. The second part is the *decisions* you make. How are you going to handle your money? Mainstream economics tends to assert that we make decisions rationally.
3. The third part in this model is your *money:* whether you have a lot of money or a little, whether your income is consistent or erratic, whether your assets are liquid or not.
4. The last part is your goal.

For example, if your goal were to go to a movie, you would decide which movie you wanted to see, go to the theater, buy your ticket, and watch the movie. If we were to draw this simple model, it might look like Figure 1.

Real Life Is More Complicated

The problem is that real life doesn't always follow a simple model. There is often more going on than what is pictured in the figure. In real life, if you wanted to go see a movie and you asked your partner if he or she would like to go with you,

FIGURE 1. A SIMPLE MODEL OF MONEY DECISIONS.



your partner might respond in a way that baffles you. Your partner might say something like, "That won't work because I'm planning to take the kids to the amusement park on Saturday while you are away camping." You might reply, "Um, OK," but you'd be thinking, "Huh?" If you were to ask what one thing had to do with the other, your mate might even criticize you for not planning ahead. Later, when the situation had calmed down, you might find out that your mate was thinking that your plan would require money for the movie, stuff to eat at the movie, and a baby-sitter. Fifty bucks, from top to bottom, and your partner was counting on using that money to take the kids out while you were away on the weekend. In real life, simple things can get complicated pretty quickly.

These baffling interchanges happen all the time to couples, and money tends to have its fingerprints all over them. Money is such an integral part of our lives that it is bound to be mixed up in the interactions between partners. "Want to go to the movies?" "We can't afford it." "The truck needs a new transmission; maybe we should just buy a new one." "Why'd you buy generic ketchup? I like Heinz." "I'd like to cut back to working part-time." "But we'd have to sell the house." "Let's increase our savings for retirement." "But that means we can't afford to go anywhere for vacation." The sheer number of decisions that revolve around money makes it unlikely that two people will always agree about what to do with the stuff.

Why Money Is So Challenging for Couples

Money issues have the potential to ruin or define a marriage like nothing else we know. That's because money is not simply about money. If it were that simple, we could just give you some sound financial advice, and you'd have no trouble following it. Money is complex because money and finance symbolize so much about how we view life, what we think is important, and how we work together—or don't—with loved ones. Let's look for just a moment at that "how we work together—or don't" part.

May We Have the Envelope, Please?

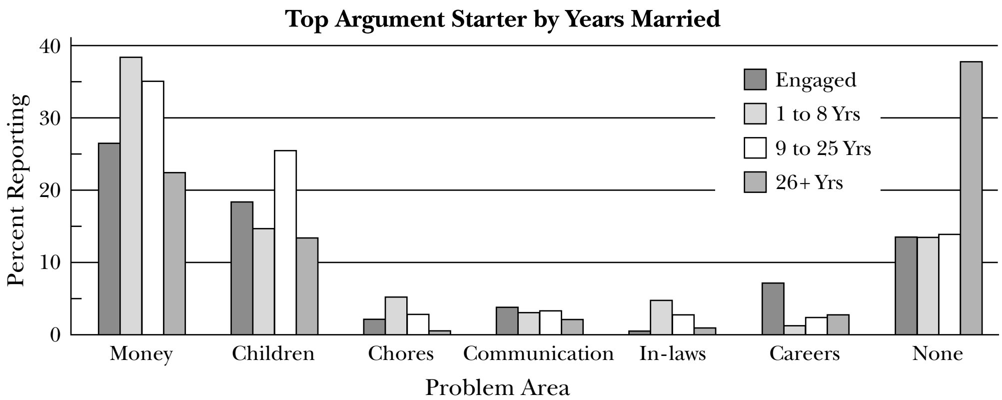
And the winner is . . . money. The topic that is consistently reported to be the number one problem area for couples is not jealousy or sex or chores, it's money. So if you and your partner don't always see eye to eye when it comes to money, you're not alone.

In 1991, Ragnar Storaasli and Howard Markman published a study out of our lab at the University of Denver, which reported how couples rated their top problem areas. In that study, couples were tracked from before they married to long after the wedding bells had rung. People before marriage, people after marriage, people with lots of money, people with little money—all rated their number one area of conflict as money.

In another study from our group, coauthors Scott and Howard devised a nationwide telephone poll that asked people all sorts of questions about their relationships. (You know those guys who call just as you are sitting down to dinner? Yes, that's us!) Among the many questions people answered was this one: "What is the number one thing that you and your partner argue about most?" Figure 2 shows how people responded.

You can see how couples responded, grouped by how long they had been married. The top argument starter for every group, from engaged couples to people married up to twenty-five years, was money. Those who had been married twenty-six years or longer reported that "nothing" started arguments. It's

FIGURE 2. TOP ARGUMENT STARTER BY YEARS MARRIED.



not that they don't argue at all but that on average they argue much less than younger couples. That's understandable, because in studies like this, those who have been married a long time are "survivor" couples who have made it through life's ups and downs that other couples will not make it through. Maybe they were more compatible to begin with, but we think a more likely explanation is that they learned how to work through their differences over the years. That's encouraging news: if other couples have learned to conquer money challenges, then so can you!

Is it fair to conclude that money is the number one cause of divorce? Nope. Surely money and the conflicts surrounding it are the major catalysts behind some divorces. But although this conclusion is often reported, it simply isn't justified. Here's why. Money is the most common conflict area for couples whether they remain happily married or get a divorce. Couples who stay together have money issues. Couples who don't stay together have (and likely continue to have) money issues. The difference between those who stay together and those who don't isn't *whether* they have money issues. The key difference lies in *how* couples manage their money issues. So money per se doesn't cause divorce, but it is the most difficult topic of all for the average couple.

You Are Not an Island

If you don't disagree with me, how will I know I'm right?

ANONYMOUS

Another reason that couples struggle with money is that, compared to singles, couples have additional responsibility and vulnerability when it comes to the financial domain. You get to carry the weight of knowing that your decisions will affect your partner. You also get to know that you're vulnerable to the decisions your partner may make.

Suppose your best friend comes to you and says, "I've decided to quit my job. I don't want to be an advertising executive anymore. I don't want to spend the limited time I have here on earth trying to convince people that they should buy Squirt instead of Mountain Dew. I don't want to be focused on carbonated beverages for the rest of my life. I want to be a teacher. I want to give something to the next generation besides a major sugar high!"

"So what are you going to do?" you ask.

"I'm going to move back home," your friend replies. "I'm going to live with my folks for the next two years while I earn my master's degree in education. They've said they'll let me live there. It won't be easy, but I want to follow my dream."

"Wow!" you say. "Good for you. I'm really proud of you. Not very many people would have the courage to give up such a great-paying job or sacrifice their independence for a bit and live with their folks. Not too many people have the guts to follow their dreams. You're taking responsibility for your future. That's awesome!"

This is all well and good. Good friends are supposed to support you in your life. If they didn't support you in your dreams and aspirations, you'd call them something else. Or you'd stop calling them at all!

Now, suppose that in this case your best friend is also your spouse. This sheds a different light on things, doesn't it? Your spouse comes to you and says, "I've decided to quit my job. I don't want to be an advertising executive anymore. I don't want to spend my few days here on earth trying to convince people that they should buy Squirt instead of Mountain Dew. I don't want to be focused on carbonated beverages for the rest of my life. I want to be a teacher. I want to give something to the next generation besides a major sugar high."

Now, for some reason, you don't feel like being supportive. In fact, you feel panicked. You reply, "WHAT???? ARE YOU CRAZY?!? You can't just quit! You can't just make a decision like this without talking about it with me. We've got a house, with a mortgage, and two kids to support, and car loans, and what are you thinking?? We'll never be able to live on my salary alone."

Your spouse has incredible self-restraint and, instead of getting defensive, says, nicely, "Well, I talked with my folks, and they said we can move in with them for two years while I go back to school. We can sell the house, and the profit we make will cover the cost of my schooling. Look, I know it won't be easy, but I want to follow my dream."

You love your spouse. You want him or her to be able to follow those dreams, but you don't want to lose your house. You don't want to live with your in-laws, and you don't want to have to make the lifestyle changes that you'd have to make if your partner exchanges an advertising exec's salary for a teacher's salary. When a friend makes a financial decision, it is unlikely to greatly affect your life. When your spouse makes a financial decision, you'll live with it for years to come. That's one of the key differences between friendship and marriage.

A spouse is more than a friend and more than a roommate. A spouse is, among other things, a financial partner. Where you go financially, there your partner will go, and vice versa. If you've become true teammates, then you are much less likely to feel as vulnerable. If you're true financial partners—real teammates—then you won't feel as burdened in your decisions because you're sharing your lives, and you can relax, knowing that what each of you wants matters to the other. If you don't have teamwork going, then you may have good reason to be fearful of what your partner may do.

A spouse is more than a friend and more than a roommate. A spouse is, among other things, a financial partner.

Married couples find that they still bear the responsibilities and vulnerabilities of financial partnership even if they try to keep their money separate. When you're married, the IRS doesn't let you say, "Oh, that's my husband's problem" when he didn't pay enough taxes. The IRS seems to think that a married couple is a unit. The landlord or the bank treats married couples as a unit too.

Marriage is a tricky kind of deal. You can't control the decisions your partner makes, but you get to share in the consequences of his or her decisions. You're both vulnerable and responsible at the same time. Your partner can make decisions independently from you, and, for richer or for poorer, you get to share the consequences of your partner's financial behavior. That's partly why marriage can be so difficult for couples who haven't learned to manage money as a team.

Managing money well as a couple is truly a challenge. Money is tough to deal with because it is embedded within so many decisions and because of the additional responsibility and vulnerability associated with those decisions. However, meeting that challenge is not without its rewards. So far in this chapter, it may sound as though you give up more than you get when you choose to commit your life to another. That may be true in some ways when couples don't manage their money well, but for couples who become true financial partners, the benefits are outstanding.

The Good News About Money and Marriage

The security and synergy of a committed financial partnership actually contributes to long-term financial success. Studies show that married people who behave as true financial partners tend to do better financially. Sure, you can find exceptions, but overall, having a strong foundation in commitment increases the likelihood not only that you'll preserve your bond through the ups and downs on life's emotional roller-coaster but also that you'll be financially secure. So although you do take a risk when you tie your financial life to another in marriage, full financial partnership has its benefits.

For example, sociologist Lingxin Hao studied how family structure affects net worth. She compared families raising children, which tend to be mostly young households. (She was careful to make sure she wasn't comparing apples to oranges—for example, young, cohabiting couples to long-term married couples.) Because the families were young, their accumulated wealth was not high. Nevertheless, in Hao's study, married couples with children had accumulated the most money, with a median net worth of almost $26,000. Remarried couples with children were almost as well off ($22,500). The shocker from this study was the median wealth of cohabiting couples with children: just $1,000. Single mothers typically had no financial assets at all.

Young marrieds do better than young singles, whether the singles are living with a partner or not, and as people age, the gap between marrieds and singles becomes a chasm. Economists Joseph Lupton and James P. Smith looked at the net worth of couples on the verge of retirement. The typical married couple had accumulated about $410,000 ($205,000 each), compared to about $167,000 for the never-married and just under $154,000 for the divorced.

By and large, marrieds do better financially than singles. But does that mean that financially successful people get married or that marriage makes people financially successful? Linda Waite and Maggie Gallagher, in their thoughtful book *The Case for Marriage,* argue that people who choose to get married do not display any more financial acumen than those who choose to stay single. In other words, the difference between the two groups isn't just a selection effect; it's a real difference. Marriage itself has the power to alter people's financial destiny.

What Is It About a Healthy Marriage That Promotes Financial Success?

For the purposes of this discussion, we're defining a healthy marriage as one in which both individuals, at the very least, trust the other, are committed to the long-term success of the relationship, and enjoy connection and passion within the relationship. We've found three primary reasons why a healthy marriage contributes to financial success:

1. A healthy marriage provides for healthy checks and balances.
2. A healthy marriage allows for the pooling of resources.
3. A healthy marriage provides security for long-term investment.

Checks and Balances. It can be incredibly frustrating to have someone nagging at you to save more, someone who has the audacity to tell you that you can't spend your money when and how you want to. Yet it isn't without its positive side. In fact, the "constraints" of marriage actually help people stick with what's good for them. Take a look at how single Shelly and married Veronica differ in their handling of similar decisions.

Twenty-seven-year-old Shelly came home from work, dropped her briefcase on the floor, and picked up the mail, mostly a stack of catalogues. She headed to the living room, armed with her cup of Starbucks and her new catalogues. She turned on her stereo, sat down on the sofa, and began to unwind. This was her favorite part of the day. She flipped through the golf catalogue quickly. She wasn't a golfer, but she might want to pick it up someday. She looked through the catalogue of "old-lady clothes," as she called them. "Hey, that's kind of cute. Oh no, did I really find something I liked in there?" she asked herself. She muttered something about soon wearing plaid shorts, black socks, and white orthopedic sneakers, and tossed the catalogue onto the floor.

Shelly picked up another catalogue. This one carried fine china, stoneware, and other kinds of dishes. She wasn't interested in dishes, but as she turned the pages, one pattern seemed to jump out at her. "Ooooh," she exclaimed. "Those are incredibly pretty. I like those. That's what I'm going to spend my bonus on." She picked up the phone and dialed the 800 number. Her dishes would arrive in five to seven business days.

Across town, Veronica, too, was relaxing after work, flipping through a dinnerware catalogue that had come in the mail. Veronica owned a small consulting firm. Her business was both her career and her hobby. She had created a stylish home for her family, but things like dishes hadn't crossed her radar screen since their wedding twenty years ago. She'd never been one to care much about dishes, but when she saw *this* set she was bitten by the I-gotta-have-it bug.

She had her own "mad" money, but she wanted the $300 purchase (for a sixty-piece service for twelve) to come out of the "Household" budget. Ryan and Veronica had an agreement that the Household budget was to be managed on a "consensus" basis, meaning that they both had to agree before that fund was used.

Veronica went downstairs and shoved the catalogue under Ryan's nose. "Pretty dishes, aren't they?" Ryan had never cared one bit about dishes. Not his thing. Certainly not when he was watching basketball and Stanford was three minutes away from making it to the Final Four. As she walked back to the kitchen, Veronica mentioned that she might like to buy the set.

After the announcers had finished ruminating about the game, Veronica grabbed Ryan for a talk. "Hey Ryan, I've been thinking that I'd like to use some Household money to buy some new dishes."

Ryan was watching Veronica "fix dinner." She was microwaving two frozen burritos on paper towels. He was having trouble seeing the need for new dishes. In a good-natured tone, he asked, "Dishes? What do you want dishes for? You don't even cook."

Veronica, tossing a hot burrito from one hand to the other, replied in her sort of serious, sort of joking tone, "Well, when I heat up my Pop-Tarts, I put them on a plate."

Ryan leaned over the counter, kissed Veronica on the forehead, and said, "That you do." He thought buying dishes was a waste of money. However, Ryan was a fair-minded kind of guy. He knew that Veronica could point out his exercise equipment in the bedroom that he used primarily as a clothes rack. "How much would these dishes cost?"

"$300."

Ryan, a bit startled, said, "$300! Holy cow. Do you know how much we'd have if we invested that money instead of spending it?"

Veronica replied, "Yes, I do. (She knew Ryan would ask this question. After all, she'd been married to him for twenty years. So she'd done the math.) We'd have $820 in ten years if we invested the $300 at 10 percent."

"$820!!" Ryan gasped.

"Yes, but these dishes are a particularly good deal. See, I figure that I use a plate, on average, twice a day. So that's two times 365 days times ten years. That is seventy-three hundred uses for only $820. That's only eleven cents per use. You're getting a happy wife for only twenty-two cents per day!! What a deal!"

Ryan smiled. He knew Veronica was a master at rationalizing. (After all, he'd been married to her for twenty years!) He had actually come to find these conversations somewhat entertaining. "So you're saying you'd be happy every day for the next ten years if we get these dishes?"

Grinning, Veronica said, "Well, I'd be happy with the dishes!"

"Since all you want is to have a pretty plate for your Pop Tarts, why don't you just buy one plate? Besides, I thought we were going to remodel the bathroom."

Veronica scowled in mock frustration. "Don't you have another game to watch or something??"

Ryan went back downstairs munching on his burrito, and Veronica put the catalogue in a drawer. She'd decided to think on it a bit more. She knew she could order the dishes if she wanted to. Ryan would be OK with it. And even if he wasn't, she could use her own money, or she might have a serious discussion with Ryan and get him to agree to using the Household money. But somehow her I-gotta-have-it feeling had subsided somewhat during the discussion, and she didn't want to waste the money. She had forgotten for a moment that she and Ryan were trying to save up to redo the bathroom, and really she wanted a new bathroom more than she wanted new dishes.

◆ ◆ ◆

When you're single, you make your financial decisions by yourself, and you affect no one but yourself. You are independent. When you're single, "me" is your entire identity. But all that changes when you commit to someone for the long haul.

Shelly didn't have to discuss her purchasing decision with anyone. That's the positive side of the coin. On the negative side, she didn't have a lifelong partner to listen to her even if she had wanted to talk. Veronica didn't *have* to talk with Ryan either. She didn't need to get permission. Yet she knew that her identity had two facets. She was still fully herself, but she was also part of an "us." Married people face a lifelong challenge: delicately balancing their independence with interdependence. True financial partnership costs a bit of au-

Married partners ask a three-part question: What's best for me, my partner, and our relationship as a whole?

tonomy. For married partners, the question is not simply at any given moment "What's best for me?" but a three-part question, day in and day out: "What's best for me, my partner, and our relationship as a whole?"

Asking (and answering) the more complicated three-part question leads to better decisions. Veronica was able to remain connected with her partner and to reconnect with her larger material goal of remodeling the bathroom in the future. Interestingly, it is this very process of interaction, even if heated at times, that often helps marrieds settle for *more*.

What at times may feel to you as though you're being hassled by your partner might actually be part of the key to success in life. This is why most researchers believe that men's health, on average, is so much better in marriage. Their wives get after them about their choices and habits, and literally add years to their lives. The same is true with money. Sometimes, that challenge from your partner about how you are handling money can be the basis of a secure financial future.

Pooling of Resources. True financial partnership requires an interdependent relationship, whereby two independent individuals *choose* to both support and rely on the other. When you combine interdependence with a long-term commitment, then you create an environment that allows for the pooling of resources: money, labor, and time. Pooling, in turn, allows you to lower expenses and raise income, both of which are conducive to financial success. As Waite and Gallagher explain in *The Case for Marriage:*

> Husbands and wives usually need only one set of furniture and appliances, one set of dishes, one lawn mower. They share the heat and light, and each person's use does not diminish the amount available to the other person. Similarly, by pooling their labor, married people lower not only their expenses but also the amount of work that each has to do. Cooking for two is only a bit more time-consuming than cooking for one, for example, and . . . paying the bills for two may take up no more time than paying the bills for one.
>
> This kind of pooling means couples can have the same standard of living for much less money or effort than can an adult living alone. . . . Government poverty guidelines, which are based on actual expenditures of individuals and families, suggest that two people sharing a household, meals, furniture, and a bathroom need only about 30% more income to avoid being poor than one person does.

Theoretically, any two people living together could benefit from pooling. Roommates, for example, do tend to benefit by sharing rent and electricity. The data show a difference, however, between two people who are simply sharing living quarters and those who are committed financial partners. Roommates, for example, don't tend to benefit from pooling in buying groceries, furnishings for the home, insurance, or other such expenses. Sociological data show that roommates and cohabiting couples tend to choose to preserve some degree of financial autonomy but, in so doing, lose out on the economic benefits.

Although married couples are bound by law to be financial partners in many ways, they don't have to live in ways that allow them to benefit from pooling. They can choose to bear all the costs of partnership but enjoy none of the rewards. Many live that very way, and it's not a good path to be on. We believe that the advice in the rest of this book can keep many couples from going that direction. What is the best-case scenario? Two people walking hand in hand through life, with a sense of security in the future of "us," teamwork that permeates all their major decisions, and cooperation in a financial partnership based on respect and knowledge.

Security for Long-Term Investment. Because marriage is a long-term commitment, married couples tend to operate from a long-term perspective. Again, financial partners don't have to benefit in this way, but the opportunity is there. We ran across a study that looked at couples who were happier in marriage compared to those who were not. The less happy couples spent more money on fun stuff like stereos and TVs. Nice things, to be sure. The happier couples spent more money on things like appliances and homes—things you just don't buy with someone you aren't planning to be with into the future. Even the buying behavior of happier couples portrays a fundamental security in the future of the relationship. You're not going to buy a Maytag washing machine with a twenty-five-year guarantee with a partner who doesn't come with even a two-week guarantee.

Because married people plan to live their lives together, they are more likely to plan *for* their lives together. They are more likely to reap the financial benefits that come from making wise decisions, pooling resources, and a long-term perspective toward investment in their future. Smith, the economist we mentioned earlier, found that during a five-year period, couples who stayed married increased their assets by 7 percent per year, whereas the assets of individuals grew by only about 3.5 percent. Those who divorced during that five-year period actually lost assets.

◆ ◆ ◆

Learning to manage money well in marriage is worth the effort because a healthy marriage contributes to financial success. However, it isn't easy. As we said earlier, money is tough for couples to deal with because it is embedded in so many deci-

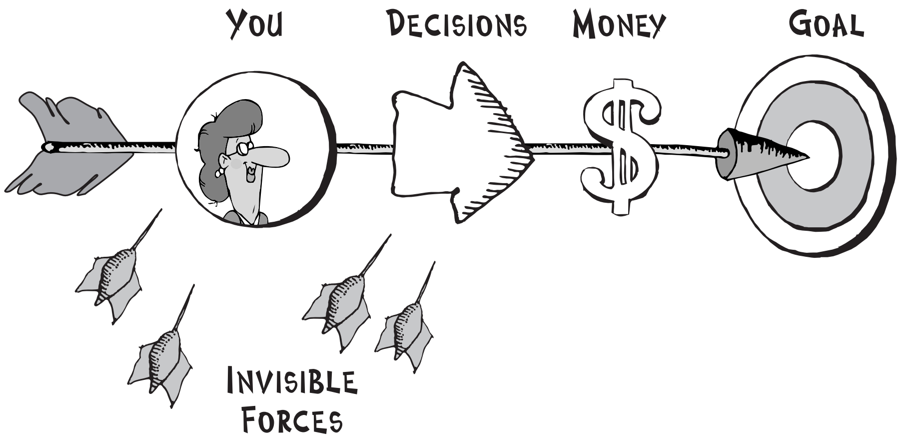
sions and because of the additional responsibility and vulnerability associated with those decisions. And as you may have guessed, there are reasons that most couples don't see, reasons that we're calling "invisible forces." These forces are the new element in our model of money and marriage, and handling these invisible forces well is the key to successful money management for couples.

A New Model of Money Decisions

In our model, we still have the same four parts: you, your decisions, your money, and your goal. However, as Figure 3 illustrates, we now reveal the invisible forces.

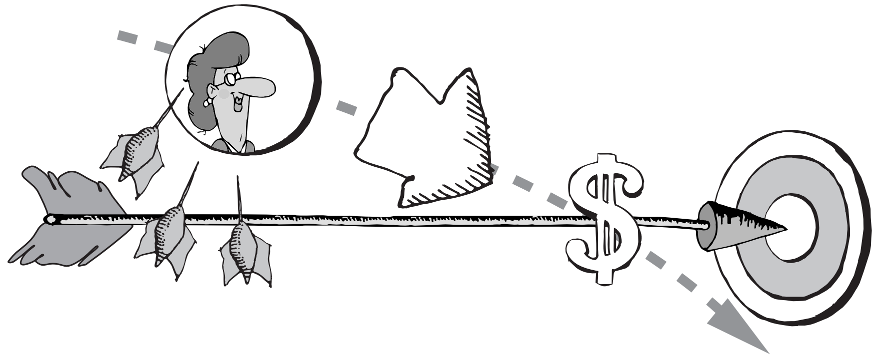
In Part One of this book, we'll explain these forces—what they *are* and what they *do*.

FIGURE 3. A NEW MODEL OF MONEY DECISIONS.



Essentially, as Figure 4 shows, these forces have the potential to push us out of alignment with the direction we want to go in life. When we're off track, we feel that "something is wrong," and we then make decisions that overcompensate for the uneasiness we feel. When we're out of alignment, so are our decisions, and so is the impact on our money, our relationships, and our ability to reach our goals in life. It is the invisible forces that explain why smart people sometimes do un-smart things. It was an invisible force called "the deep desire to protect his wife from severe allergies" that led Grandpa Ron to buy an expensive vacuum cleaner. It was an invisible force called guilt that led Linda to buy a stereo. It is the invisible forces that explain a whole lot about money and marriage.

FIGURE 4. INVISIBLE FORCES CAN PUSH US OFF COURSE.



Now here's where it gets really interesting. What happens when we decide to partner through life with another human being, as in Figure 5? It gets downright complex.

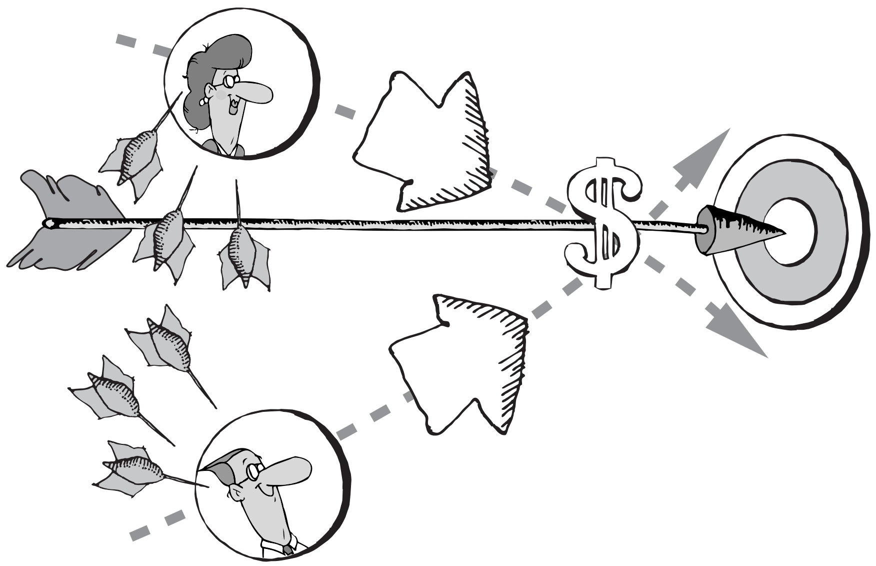
Kind of a dizzying mess, isn't it? We're just getting started! Couples find that their relationship with each other and with money can get confusing at times. Maybe a lot of times. There are a lot of invisible forces at play within a relationship. Oftentimes these invisible forces push couples off course, and they don't even realize what's happening. Take Abby and Ken, for example.

Abby and Ken, as typical newlyweds, were eager to please one another. Abby, seeing how anxious Ken could be about conserving money, went the extra mile to find bargains. Ken applauded her efforts and would say, "I appreciate the way you can pinch a penny until it screams." Abby was delighted.

There were some areas that Abby didn't want to cut out of the budget. If Hallmark had had a poster child, she'd have been it. She loved to browse through all the cards, reading each sentiment and selecting just the right card for the right occasion. Ken, of course, was her favorite beneficiary. After two years of dating and almost nine months of marriage, Ken had quite a collection of cards from Abby. Abby would have purchased small gifts for Ken as well, but she knew money was a big concern, so she'd select a card to say "I love you," and think to herself, "I'm doing so good here, this is only $2.25."

Then came that fateful day. Abby gave Ken a card to celebrate their thousandth-day anniversary. She gave him the card, and he thanked her for it. Then, he added gently, "You know, I'd be just as happy if you told me you love me and saved the

FIGURE 5. INVISIBLE FORCES AT WORK IN MARRIAGE.



$2.25. Spending $2.25 for a piece of paper that I'll read once seems like a waste." Abby simply said, "OK." But that wasn't what she was feeling. Abby's feelings were hurt. Giving cards was her special way of expressing love for Ken, but his concern for money felt to her like rejection of her love. Furthermore, Abby felt that Ken had chastised her for being wasteful, when she'd been trying to be frugal. Double ouch.

This is a great example of invisible forces beginning to push a couple off course. It doesn't seem like a big deal, does it? But it was. Was Ken was being insensitive or ungrateful? No. Was Abby being overly sensitive? No. The situation was not that simple. For them, just like so many other couples, aspects of money represented many of the deeper themes in life. Where money intersects most deeply with our emotions is a complex and vulnerable place. Money, like nothing else we know of, is the screen on which couples project all their deepest fears, hopes, dreams, and hurts in life. You can learn a lot about your relationship and the deeper longings of each other's hearts if you are able to understand what money symbolizes. We'll go more deeply into that topic in Chapters Three and Four.

Back to Ken and Abby. In this one key story in their lives, Ken was merely being practical, but Abby was operating on a deeper level that Ken completely missed in his analysis of the situation. Sadly, Ken and Abby did not recognize just how significant this particular day was to their future. It was a day like any other, packed full of many small events and interactions. Without sparks or nasty words to demarcate it, this was the day Abby decided, semiconsciously, to withhold from Ken one of her key ways of loving him. Her emotional wound was small, but it would fester. Ken had no idea, and would have no idea for many years, how much he lost in wanting to save $2.25. Neither of them had done anything wrong, except that they both had failed to detect an invisible force pushing them off course.

On some level, Abby was afraid to say more about how much all this meant to her, because she was afraid Ken would think she was not being mature. Often, when one or both of you are unable to articulate what may be a very good, very deep reason for something you did or want to do with money, it can look to the other as though you're just being immature and less responsible. Of course, sometimes many of us *are* immature and less responsible. That's another subject, and we will get to matters of basic discipline and sound financial knowledge in the money management section of our book. But many other times, some behavior related to money only looks immature because it's not understood.

What You'll Discover in Part One

The first part of this book is focused on helping you understand the invisible forces that can push you out of alignment and off course. We'll also show you how your upbringing, culture, and gender influence how you've come to approach money.

This first part is where you may find yourself saying, "Ah ha, now I get it." But you won't find much "what to do about it" kinds of guidance in the first part. That's what the rest of the book is for.

In Part One, we'll delve into several key concepts to help you understand the invisible forces:

- Basic money dynamics in marriage
- The desire for happiness and how that affects you and how you view money
- A model for understanding how events related to money trigger conflicts about issues
- A description of the powerful hidden issues that can either add fuel to the fires of conflict or become a basis of deeper understandings that can forge a stronger connection and partnership in your life together
- A model for how expectations work
- An exploration of where expectations come from, including the influences of culture, family, and gender

As you can see, Part One emphasizes the importance of understanding how meanings and deeper concerns—the invisible forces—affect your relationship. We believe that having a deeper understanding will best prepare you to reach your dreams for your relationship while accomplishing your financial goals.

What You'll Discover in Part Two

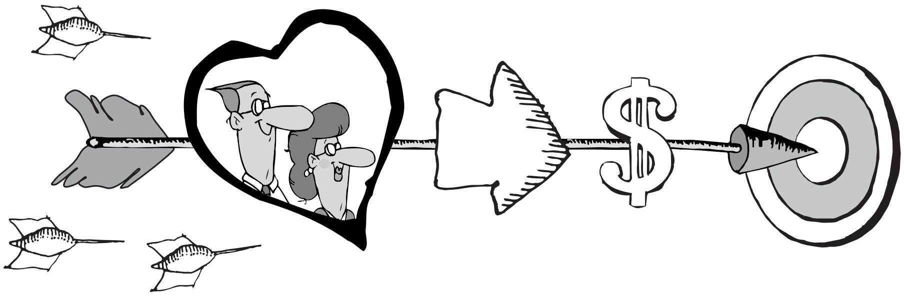
Whereas Part One focuses on understanding the invisible forces, Part Two shows you how to tackle these forces. Some of them you'll learn to disable, leaving them virtually harmless. Others really can't be disarmed. We will, however, show you how you can harness their energy and bring them into alignment with the direction the two of you want to go. This will allow you to *use* the invisible forces, to benefit from their energy for your good instead of letting them push you off course. The result would look something like Figure 6.

In Part Two, we will cover strategies for helping you

- Talk without fighting
- Solve problems together in ways that promote teamwork
- Control the issues in your relationship rather than let your issues control you
- Talk through your expectations and plan for how you'll navigate your lives together

Most of us don't usually think of money as a very romantic topic. Yet as you come to understand and harness the energy of the invisible forces, a fascinating

FIGURE 6. INVISIBLE FORCES ALIGNED WITH YOUR GOALS.



thing tends to happen: the process can draw couples closer together. As you dream together of your future, as you look across the expanse of time and see that your partner intends to be there with you, you'll often find the bonds between you becoming stronger. As you plan how you're going to use your money to help each other reach your goals together, you're drawing closer still. We're not suggesting that balancing your checkbook will become a kind of aphrodisiac, but we have found that couples who learn to master money together often find that they gain a deeper level of intimacy as a result. As couples rest in the depths of this intimacy, they create an environment that fosters economic gain. It is a beautiful path to a prosperous future. This is the path that we hope you'll find as you read through the first two parts and move on into Part Three.

What You'll Discover in Part Three

Money is often elusive. It's hard to get your hands on it. It's hard to figure out where it goes and why it doesn't go further than it does. It seems to slip through our fingers easily. Grabbing hold of money can be as challenging as trying to nail Jell-O to a wall. Instead of helping us get where we want to go, money can sometimes be more of an obstacle.

Once you understand and have harnessed the energy of the invisible forces, you are ready for basic money fundamentals; knowledge of these fundamentals enables you to grab hold of it and actually use it to reach your goals. Hence, Part Three covers solid strategies for earning, saving, and spending your money so that you can reach a financially successful future. Because there is so much that could be said on money management, we can't present everything you need to know about handling money wisely, but we do give you a solid foundation and also advice on how to use resources for continued learning.

In Part Three, you'll find specific, usable, and sound financial advice on a wide range of topics, including the following:

- Strategies for getting out of debt
- Advice for creating budgets that work
- Keys to setting financial goals that you can stick with
- Strategies for investing
- Principles for obtaining insurance

What You'll Discover in Part Four

Our new model for money decisions portrayed the goal as the obvious target. Of course, it's often not all that clear what our goals really are, and at times it can be downright vexing to figure out our partner's goals. But simple models are easier to work with than complex ones, and to begin we wanted to focus on the invisible forces. However, by the time you have worked through the first three parts of the book, you will have disarmed or harnessed those invisible forces such that you'll be ready to dream your dreams and define your goals.

In Part Four, we'll attempt to inspire you to move into your future together by presenting keys to building

- Shared relationship goals
- Shared financial goals
- Commitment you can take to the bank

We'll take you through a process to help you define and write out your goals. When you've finished this book, you can know what you want your future to look like and how you and your beloved can get there—together.

◆ ◆ ◆

We started this chapter talking about different kinds of couples. Some succeed with money, others succeed in love, some in neither, and some in both. There are key differences between these couples. Couples who win at money without losing at love tend to be those who don't let the invisible forces push them off course. Both partners value their love and have learned how to nurture and protect it. They tend to understand how to make their money work for them, and they know what they want it to do. Simply put, successful couples do what it takes. We'll teach you what to do.

Questions You Might Have

Before we move on, there are a few questions you might have that we'd like to answer.

Who Is This Book for?

This book is for anyone who wants to better understand relationships, money dynamics, and sound strategies for improving money management. For the most part, we wrote this book with married couples in mind. That's because married couples are most likely to be thinking of their relationship as a long-term union that includes financial partnership and romantic connection. Likewise, this book could be a wonderful tool for engaged couples to use in beginning to plan for their future together—including a solid start on understanding the financial partnership that their marriage will become. Nonengaged dating or cohabiting couples might also find much that is of use here. Even if you have not made a long-term commitment to one person at this time, it's likely that money dynamics have affected relationships that matter to you. And we can guarantee that money dynamics will affect your relationships in the future.

What About Financially Strapped Couples?

We truly believe that many of the ideas presented here can help less well off couples, middle-class couples, and rich couples alike. Every couple has to deal with money, and in every couple, money isn't only about money. Further, every couple can benefit from knowing how to handle conflicts over money more effectively, and every couple, no matter what their financial condition, can benefit by working together in planning for their future.

Having said that, there are ideas here that are less relevant for those of you who might be struggling more with poverty. For example, although we make the point in Chapter Two that having more money does not seem to make most people happier in life, having more money when you are in poverty can make a huge difference. We also realize that some topics in Part Three are not options relevant to all couples at this point in life. For example, you may not be able to afford life insurance when you are having trouble putting food on the table next week. So, if you are in poverty, we hope that at least some of our ideas here will be very helpful for you. We also hope that nothing we say or suggest comes across as being insensitive to your plight. We wish you all the best in life, and hope that your financial situation finds permanent improvement in the years to come.

Should We Read the Chapters in Order?

Although we've organized this book in the order you find it for the reasons we've alluded to in our discussion to this point, you don't have to read it in that order. This is your book, so you should read it in whatever order works for you. For example, if you are reading about hidden issues in Part One and you want some tools right away so that you can discuss them safely, you can skip to Chapter Eight in Part Two. Just be sure to come back and finish Part One, or you'll miss out on some important ideas. Similarly, you may be at a stage in life where one chapter or another does not seem all that relevant. You might sample from those chapters to make sure, but go on to focus your attention on the chapters that match your desires and needs at this point in your lives.

Are All the Stories About the Couples You Describe Real? Really?

We have included many stories of couples in this book. The things the couples say and do in these stories are derived from what couples have told us, what we've seen in our work with couples, themes developed from university research, or situations we've been through in our own lives. Although we've changed details and names so that you could not recognize any couple here as people you know personally, all of the stories are based *in reality.* You may relate to some of the couples more than others, but if you find yourself saying, "Nobody acts like that," think again. People do. People have.

Let's begin.