

HOW HONEST ARE YOU ABOUT MONEY *with your significant other?*

BY ANNA RICH

I wish, I wish...

I wish I'd been more involved in the family's finances. I wish I'd known how much my partner earned. *I wish I'd kept more control of my own money.*

That's what most divorcing women wish they'd done differently during their marriages, US divorce financial strategist Jeff Landers wrote in *Forbes*.

Lies, damned lies (and statistics)

In a 2011 survey in the US, one in three people who have joint finances said they'd lied to their partners about money; another third said they'd been lied to. So what aspect of their finances were these lies about? Mostly secret stashes of cash, stuff they had bought, and bills. But others hid big buys, had secret bank accounts and lied about debt or earnings. For 16% of those surveyed, 'financial infidelity' resulted in divorce, and for 11%, separation.

In South Africa, money issues are at the root of many divorces. 'That's probably the second most common cause of divorce in SA – a close second to infidelity,' says accredited divorce mediator Chantal Kur. In her experience, 'almost every woman has a secret bank account'.

What money means to us

'When a relationship is in difficulty, money becomes the conduit for resentments and unresolved feelings,' says financial planner Kate Brown. 'How we use money is an expression of our value system... but also our insecuri-



Hands up if you've ever sneaked a pricey pair of shoes or handbag past your partner. We thought so! (Same here.) Do you keep a secret savings fund? And is that really okay? A divorce mediator and a financial advisor offer their takes.

our experts



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ties and, possibly, our ignorance.'

The dynamics of relationships are determined, to a large extent, by what money represents to each person. 'If, for example, money represents security, then watching one partner fritter it away is likely to cause the other anxiety,' says Kate. 'Someone who spends freely may tend to spend more if they're in a relationship with someone who is a devoted saver. And the more the one spends, the more the other saves... And the more the saver saves, the more the spender spends.'

The troubles I've seen

Working at the coalface of couples in conflict, Chantal has also noticed patterns. These are some of the things that typically turn up the heat:

• Money's too tight to mention

Too little money creates pressure that can take couples to breaking point. 'I'm busiest when there's a recession,' says Chantal. That dynamic is heightened if one partner loses their job, leaving the other as sole provider. 'Very few survive that pressure, especially if it's the man who can't find another job. The woman is working, and she's cooking, and she's looking after children – and he's watching TV all day, that kind of thing. From her side, so much resentment creeps in.'

• Income disparity

'Conflict can set in when one partner out-earns the other. This kicks in more often when the woman earns more, particularly in certain cultures. Whichever way round it is, if there's a huge difference in their salaries and there's a forced 50/50 in terms of paying the bills, that's a problem.'

• A lack of teamwork

'Couples don't pool their resources. And because they don't have a joint goal to work towards, one spends on golf; the other spends at the beauty salon, leaving them short.'

Another unhappy scenario Chantal sees playing out is a lack of adjustment of a couple's finances during maternity leave. 'When a woman earns less during maternity leave, her partner doesn't help financially, even though he could. She then has to take out a personal loan to cover expenses. You can imagine how she feels about all that debt when it's "our" baby.'

Nothing but the truth

Kate says it's important to work towards an honest, balanced understanding of the role of money in your life and your relationship.

'You have to confront your own feelings and behaviour. Ideally, a partner's behaviour in relation to money would be contained in such a way that it does not distress the other. Where one conceals financial difficulties from the other to save face, for example, it can exact a terrible toll. It may even contribute to them suffering from depression or serious illness.'

Once you understand how money plays out in your relationship, how do you set things straight? 'You have to have honest discussions with your partner about your attitudes to money, saving and spending, refreshing this discussion from time to time as your circumstances change,' Kate advises.

Tough talks

'If you can't have these conversations, then a competent counsellor or financial planner could help,' adds Kate. 'If one partner uses money to control the other, that person may not consent to assistance, as they'd see the possibility of their power being eroded as their position is revealed as selfish or controlling – in spite of this being far from optimal for the relationship.'

It's about us

'So much heartache could be avoided,' says Chantal, 'if couples adopted a mindset of: "We're in this *together*; we're having *our* baby or we're paying off *our* debt, or we're choosing what *we* are spending together and what debt *we* are getting into together, and *we* are paying for it together.'"

Joint or separate accounts?

So in the interests of working together, should you open a joint bank account? 'I don't believe in joint accounts,' says Chantal. 'You should have your own bank account and retain your independence. But I also believe in joint goals. There should be full disclosure: you should know what each other is earning, what your costs are, and understand each other's work pressures so you can work together.'

Chantal has found that what works best for couples in mediation is for them to decide who pays for what. The starting point is knowing what they each earn so they can budget properly.

'The bigger earner can't expect the other to contribute equally,' says Chantal. 'He or she needs to understand that they're going to cover most of the costs. If they accept that and work together, it won't be a problem.'

So they divvy up expenses accordingly. 'For instance, the bond and the medical aid goes off one partner's account; the grocery shopping, school fees and childcare off the other's. This is what this person has left, this is what the other has, and this is our spending money.'

What if one person is bad with money?

'The other can take greater responsibility for making sure bills are paid,' says Chantal, 'but transparency is key. And working together to achieve success. If a couple gets that right, there won't be resentment; there won't be fights over money. Keeping secrets and having unrealistic expectations is what spells trouble.'

Those secret stashes?

Jeff is all for a secret fund. 'Every married woman needs to recognise that one way she can maintain control of her money is to have a separate bank account, one her husband has no access to – and perhaps doesn't know about.'

He feels that having money your partner doesn't know about is powerful emotionally as well as financially, and thinks it's important to have a source of funds your husband doesn't have access to if divorce is on the cards. Even if it isn't, he says it's necessary for women to have control over their own funds.

That said, Jeff concedes that keeping a secret bank account could be seen as a breach of trust. And he draws a distinction between having an account in your own name for your use and hiding assets, which, he says, is 'unethical, underhanded and illegal'.

What does Chantal say? 'If you're divorcing and you were married in community of property, or with accrual, failing to disclose a savings account is fraudulent. (If you have an antenuptial contract without accrual, that's different.) But based on the 700 divorces I've done in the past seven years, I don't think anything that's kept a secret is good for the health of a marriage.' ❖