



Posted on Wed, May. 23, 2012

Money Matters | For couples, teamwork counts

By SHARON A. LOCKHART

More than 80% of married couples disagree about important aspects of their retirement plans, according to a recent survey by Richard Day Research for Fidelity Investments, the latest among several that show couples either at odds over their plan or unaware of important details.

Today's couples come in many varieties, married, unmarried, heterosexual or same sex couples. When entering a long-term relationship that does not include the legal protection of a marriage contract, it may be advisable to seek legal advice to assist with issues of ownership and titling of property to help assure assets of the relationship pass to the person or persons you wish upon death.

Prior to combining households, a full disclosure of finances should be made by both to help avoid misunderstanding and conflict later. Additionally, a discussion of expectations, goals and how the finances will be combined and the responsibilities divided should be held.

Revealing your financial situation is an important step when budgeting as a couple. If either of you has a financial problem, it is best to identify it now and begin solving it together. This is the time to address questions such as what do each of you earn, and what additional sources of income do you have? What do you own and what do you owe? How will property acquired be titled? In addition, be sure to disclose all of your financial commitments, child support, student loans, etc.

Long-term marriages are ending with one person, usually female, totally unaware of the finances. Sometimes by choice but others are kept in the dark intentionally. Not a good place to be in light of today's transient relationships or ultimately, death of a partner.

Far too many couples simply don't work together within their financial plans. Less than half of couples jointly make budgeting and bill-paying decisions, and fewer still – 38% – discuss retirement savings and investment decisions. It's not surprising, then, that only 15% of couples in the newest study voiced confidence that either one or the other could, if necessary, assume responsibility for their retirement finances

Writing the checks does not make you a full member of the team. You must be involved in making the investment decisions.

If you are a couple who have not had this discussion, begin by listing assets and liabilities and where banking, investment, retirement accounts, life insurance and other financial records are kept as well as credit card and mortgage balances. If you don't know, ask your partner to have this discussion.

There is no instant cure for this disconnect, but it is suggested that couples who take a team approach may help themselves a great deal simply by talking regularly and openly about investments, risks and their retirement plans.

The Money Matters column is written by members of the Financial Planning Association of Greater Kansas City. This week: Sharon A. Lockhart, a Certified Financial Planner with Raymond James Financial Services, Prairie Village.