



CARRICK ON MONEY

Why your spouse is financially illiterate



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In every good marriage, there is a division of labour. Cooking, yardwork, laundry, daycare drop-offs and pickups, housework and, of course, managing household finances. Divide and conquer, right?

Where money is concerned, maybe not. A couple of U.S. academics have produced a study showing that the spouse who handles the household finances gets smarter about money over time, while the spouse who defers on financial matters does not. This can be a problem if the couple breaks up in a divorce or if the financially savvy spouse dies. You can pick up cooking or laundry pretty quickly if they weren't your duties in a marriage. But mortgage renewals, retirement saving and insurance are different. You can make costly mistakes if you don't get the details right.

Marital advice from a personal finance columnist: Try a financial role reversal. If you're the chief financial officer in your relationship, pick a money-related issue your household must look after and invite your partner to be your co-CFO. Use this moment as an opportunity to have a broader discussion of your finances, and then have periodic meetings every few months to keep the conversation going. Be collaborative, skip the lectures.

If you're the spouse who defers on money because you have no interest in financial matters, reframe your thinking. Mortgage renewal is a chance to discuss when you'll have your house paid off. Retirement saving is about choosing the lifestyle you'll have in retirement.

It's natural for one spouse to take the lead on money matters. But the other spouse should be a co-pilot, not a passenger.