THE EXPRESS-TIMES

Couples urged to talk money

Top reason for divorce isn't money trouble but a lack of financial communication, expert says.

Sunday, June 17, 2007

By GINA VASSELLI
The Express-Times

Christopher Jones reads all the reports saying money is a leading cause of divorce. He's not buying it.

"It's more the way people communicate about finances," said Jones, a certified financial planner and owner of Keystone Financial Planning in Macungie.

At a time when wedding season is in full swing, other advisers echo Jones' comments.

That's despite a 2003 Citibank survey reporting that nearly 60 percent of American divorced couples listed financial problems as the main reason for splitting up.

Other research by the National Center for Health Statistics in 2001 showed marriages are most fragile early on, with 20 percent of divorces occurring within the first five years of marriage.

The Center for Marriage and Family in 2000 said debt brought into marriage is a big problem area for newlyweds.

Communicate

Jones said most couples don't talk before they get married about how they're going to deal with money. They should, he said.

It's especially true for those who have different financial backgrounds. "You build habits that are very hard to change," he said.

Differing priorities can breed tension. Jones advises all couples to get counseling before marrying so they can learn "communication as a skill."

Earlaine Klingler, a certified financial planner with McQueen, Ball & Associates in Bethlehem, agrees.

"Each person has their own idea about where each paycheck goes," he said.

Budget, and stick to it

Buck Jones, a financial adviser for Edward Jones Investments of Nazareth, said couples can avoid money conflicts by establishing a spending plan.

"Couples need a basic budgetary process to figure out what's coming in and what's going out," said Buck Jones, who is not related to Christopher.

Klingler said it is important to not only stick to your budget but to "continue to go over it once a month."

It especially helps those who enter into marriages with debt. Utah State University officials conducted a survey in 2005 that found more than one-third of spouses had more than $5,000 in debt, not including a home mortgage, as they entered marriage.

Klingler said debt sometimes comes after getting married, from one partner trying to outdo the other.

"Sometimes they'll run into credit card debt trying to keep up with the other," Klingler said.

Working together

Income disparity between spouses can also breed tension.

Klingler warned that if a couple depend on one person for most of their income, the one who earns more may require different priorities.

"The higher-paid person may need more life insurance," Klingler said.

Some advisers go as far as to recommend separate accounts in addition to a joint account, as a way of balancing privacy and togetherness.

Buck Jones disagrees. He said it's a bad idea because if one partner dies, the money does not automatically transfer to the spouse.

Long term, Buck Jones recommends "systematically putting money into a tax-deferred account, like a Roth IRA," to accumulate savings and wealth.

"You're now husband and wife," he said. "It's the two of you together trying to accomplish your goals."

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