

What Happens When Money Secrets and Marriage Collide?

Why couples don't always talk truthfully about their finances

By Daniel Bortz

The Beatles may have told people all they need is love, but many couples who have experienced monetary conflicts in their marriage would disagree.

Surveys over the past decade consistently point to financial arguments as a leading cause of divorce. However, money habits lying beneath the surface of a relationship can create as much—if not more—financial friction.

According to a recent poll by CreditCards.com, the majority of women would terminate a relationship if they discovered their significant other was keeping secrets about their money habits—especially if those secrets had negative consequences for the family's finances. In fact, the study found women see a partner's inability to pay routine bills as off-putting as discovering they have a criminal record. "A lot of people view someone's credit history as a good symbol for determining the person's trustworthiness in a relationship," says Ben Woolsey, director of marketing and consumer research at CreditCards.com.

Woolsey says before two people commit to a serious long-term relationship, they need to have a conversation about their finances since financial stability is a critical component of a healthy relationship. However, whether it's due to grief, fear, or shame, experts say it can be difficult for couples to talk about money, which is often a source of tension.

"Our self-worth and net worth get very confused," says Deborah Price, author of *The Heart of Money: A Couple's Guide to Creating True Financial Intimacy*. If the conversation isn't broached early on, financial secrets—when revealed—can lead to a breaking point. "When there is financial conflict, couples tend to stake out a territory," says Price. "One says,

"This is the way I am with money, and this is the way you are, and our values and priorities are just too different for us to find some kind of middle ground to keep this marriage together."

While financial lies can be a deal-breaker, secret money behaviors often start small, says Jean Dorrell, a certified estate planner and president of Senior Financial Security in The Villages, Fla., who counsels couples about money. According to Dorrell, it's common for couples to keep minor infractions to themselves. According to a recent AARP survey, approximately one third of respondents reported they've hidden a purchase from their partner at least once.

A small financial omission might include a husband who quietly pays off a speeding ticket so an argument doesn't erupt over whether or not he's a good driver; he may even fear his wife will question if it's safe for their kids to ride with him. In such cases, Dorrell says people are acting with good intentions since they're trying to stave off arguments. Nonetheless, fibs have the potential to be blown out of proportion. Dorrell says, "A lot of people will say, 'If you lie to me about these small things, what else are you lying to me about?'"

Once the act turns into something more expensive, such as buying a \$500 pair of shoes, the innocence fades and the secrets escalate. "If they get away with it, it will probably magnify," Dorrell says. An outing to buy a nice outfit can lead to a



shopping spree, or a spouse may open a hidden bank account to shield where part of their paycheck goes.

Additionally, Dorrell has counseled clients who inherited money from their parents but opened a secret bank account because they didn't want to share it with their spouse. "They justify it as, 'It's my inheritance—not his,' yet they're pledging to make everything equal and they're really not," Dorrell says.

In some cases, secret credit cards are used to conceal how much debt a person is accumulating. Other times, people may have their credit card bills mailed to their office so they can conceal an affair. "Hotel bills, meals, lingerie—those are all expenses you don't want your spouse to find out about if they're going to somebody else," Price says.

Paula Levy, a marriage and family therapist and a certified public accountant in Westport, Conn., says financial and marital infidelity sometimes go hand-in-hand. "They often have the same causes: lack of trust, lack of communication, the



inability to understand each other, or they're just not willing to work to understand each other," she says.

If one spouse is entirely in charge of the family finances, he or she is in a position to limit how much money the other person can access. In that case, the spouse who has little or no say in how the money is spent may lash out and engage in what experts call "revenge spending," in which they superfluously spend money to get back at their spouse. "No one likes to feel like they're being manipulated," Levy says. She says revenge spending can also be triggered when someone learns their spouse has been keeping money secrets and they want to retaliate by using a large chunk of discretionary spending as they see fit.

Others, meanwhile, may not want to know if their spouse is engaging in bad money habits. But William Snyder, program director at Evergreen Financial Counseling in Salem, Ore., says denial usually backfires: "If a husband buries his head in the sand and thinks everything is going to be fine, and then a few years later finds out their home is underwater because of how much debt his wife is in, what are the chances he's going to stay with her?"

As a preventative measure, experts say couples need to have an open dialogue about their finances. Otherwise, there's a chance for controversial money habits to remain in the dark. "The most important thing is there is no crime in talking about things that you want to do," Snyder says. "You should be able to say any desire you have; it's when you spend the money that it's real and that it can become a secret."

Jean Dorrell, CEP and founder of Senior Financial Security, (The Villages, Florida) has more than 20 years of experience working directly with seniors on a variety of financial issues. Her expertise lies within tax services, retirement and estate planning, annuity selection and wealth management.

