

Business / Personal Finance

For many, talking about money is the last taboo

Cash can cause friction: Couples often wish they had talked more about money, debt and how they handle finances.



JEFF VINNICK / JEFF VINNICK-THE TORONTO STAR

Financial planner and author Dianne McCurdy says money, and discussions about money, can break marriages.

By:Krystal Yee Special to The Star Published on Sun Sep 22 2013

Most of us grew up with our parents telling us never to discuss certain topics with friends over dinner or at a party — politics, sex, religion, and most importantly, money.

This is why you may know about your best friend's romantic affairs, but nothing about her salary; or every detail about your brother's stance on gun control, but not his student loan balance. That's because money truly is the last taboo.

We tend to judge people based in income and money is often seen as a symbol of power. If people haven't managed their finances well, they can feel inadequate.

"There can be a lot of shame associated with money," says Deborah Nixon, president of My Money Mindset – a company dedicated to helping women take charge of their money.

This discomfort with speaking freely about money is almost universal, says personal finance author Alison Griffiths in her book, *Count on Yourself*.

"Money is very personal and intimate," she writes. "How we earn, save, spend, and invest defines us and offers a unique window into our personalities.

This helps explain why for many Baby Boomers, talking about money was off limits, notes Diane McCurdy, a Vancouver-based financial planner and author of *How Much is Enough?*

She said the Boomers' parents were brought up not to talk about these things, and so didn't feel the need to talk to their kids about it.

"There are two things that break down marriages," says McCurdy. "One is money, and the second thing is often discussions about money."

A recent Bank of Montreal survey suggests that two-thirds of all engaged couples wished they had discussed money more before getting married. Yet in the same survey, 98 per cent of married couples believe it's important to be on the same page financially as their partner.

According to Nixon, it's important to fully disclose your finances to your spouse, or potential spouse.

"If you're in a committed relationship, you are inheriting your spouse's debt. You need to know exactly what you're getting into," she says,.

Nixon believes most couples discuss things like budgeting, big purchases, or who's going to pay what bill. But it's also extremely important to also start a conversation about investments, future goals, and a solid financial plan.

"The majority of couples don't have a financial plan," she says. "And if you're just talking about budgeting and expenses, you're taking care of short-term needs."

So how do you open up an in-depth discussion about finances with a significant other? McCurdy believes that the best way is to ask simple questions.

You start with non-confrontational questions like 'what do you think about debt?' so help understand their point of view and if it aligns with yours, she says.

"That establishes trust, and will open up the door to more intimate financial questions."

Nixon agrees, and says that before couples can even begin to talk about the numbers, they need to realize that there are a lot of emotions surrounding a financial discussion.

Nixon believes that people have to try to decouple the link between self-worth and money.

"We look at what kind of car people drive, and we make a decision about them," she says. "We look at how they dress, what they do, where they hang out – and based on those observations, we put them in a category."

Because of this, McCurdy thinks people are starting to use the internet and social media as a way to learn more about how to manage their own finances, and as a way to avoid potentially uncomfortable conversations.

"People like knowing that they're not alone," she says. "It doesn't matter how much wealth you have – everybody struggles with money problems at some point."

Although, McCurdy warns that being too open about financial matters can cause alienation between yourself and loved ones.

“You could be seen as bragging or boastful,” she says. “Everyone has their own insecurities, no matter where they are financially.”

Another problem with openness about money is that it can create less of a stigma surrounding debt, says Nixon.

Things like bankruptcy were once considered a personal failure, she says.

“Psychologically, debt isn’t as big a deal as it once was,” she says, while noting that the repercussions are still as serious as they’ve ever been.

Fact Box:

Five questions to ask your partner

- 1.How did your parents handle their household finances?
- 2.If you were given \$1,000, what would you do with it?
- 3.What stresses you the most about money?
- 4.What is your most important financial goal
- 5.How do you budget your monthly expenses?