



Love is in the air, and life is good. How to make it last? Tackle your finances and take charge of them as a united front. Here's how

BY DOMINIQUE BOWEN

### YOU'VE MET

someone special, and life's never looked rosier. But while romance is in the air, it's important to tackle the very unromantic topic of your finances, and what the future looks like for big-deal things such as your bank accounts, debt and savings. We picked the experts' brains about the best way to handle decisions when it comes to combining your finances so you can grow stronger – both romantically and financially – together...

### THE TRUST FACTOR

Financial infidelity is a real thing. If you're in a relationship with someone you don't feel you can trust 100%, pump the breaks! You shouldn't even be near having The Money Conversation with your partner if you haven't ironed out basic trust issues in the relationship.

'Couples are often not very honest with each other about their income and expenses, which creates mistrust and conflict,' says Sonja Linde, certified financial planner at InSync Financial Services. 'It also makes financial planning difficult, as you are not working with accurate information,' she adds. One of the most common examples of this is impulsive spending or pre-existing debt being kept secret by a partner, which then lowers the opportunity for transparency in the relationship, as Lloyd Ellis, an independent financial planner at Solutions2Wealth notes: 'If one person is a saver and the other is a spender, this could cause issues in a partnership due to lack of trust and agreement to a common purpose,' he says. 'Overall transparency into each other's finances builds a trustworthy relationship.'

### TALK THE TALK

Reaching an agreement about how you see your joint financial future involves honest, open conversations about your budget, setting goals together, and understanding your expenses. 'Having financial conversations can be stressful for some parties, as they're not comfortable talking about money,' Sonja sympathises. 'People tend to address needs first, which is understandable. But the problem is that those needs or expenses will always come first, which results in not being able to address financial goals, creating bigger problems in the future. There should be a balance in addressing these issues.' Create this balance by setting aside time to talk about it. 'These conversations should happen at a convenient time and place with ideally no distractions or time pressure,' recommends Lloyd.

But how frequently should these conversations happen? 'Once a month,' Sonja recommends. 'Perhaps just after you've received your salaries.' Identify possible ad hoc expenses that need to be addressed that month – for example, licence renewals and car services – then decide which areas of your budget will be impacted by these costs, and whether this money will come out of your emergency funds. If you do tuck into your emergency funds, decide how and when that money will be replaced, going forward.

### TO COMBINE...

The pros and cons of combining or partially combining your finances depend largely on the stage of your relationship, and your individual money-management styles. The great appeal in combining finances is that it solidifies the trust in your relationship – but for this to happen, a foundation of trust already needs to be in place. 'It is not that important during the beginning stages of a relationship to disclose your income to your partner,' says Lloyd. 'As any relationship starts to grow and become more secure, it's possible to be more open about each other's finances,' he adds. 'If you are considering a lifelong partnership with someone, it would be valuable to learn all there is to know about your potential spouse, so it can help you identify any red flags and help the two of you to move forward in the best way.'

Combining your finances could mean saving on monthly lifestyle overheads, such as your insurance premiums and medical aid. 'Often, insurers are prepared to offer better rates for both partners to combine their plans into a joint policy,' says Lloyd. Depending on what you choose to jointly commit to, you could also accelerate your journey to financial freedom by paying off debt quicker, and by starting to think about accumulating assets such as property together, he recommends.

If you play to your individual strengths, leaving the financial admin to the more organised partner could mean your bills are paid on time, says Sonja, which rules out the chance of accumulating interest on any outstanding accounts. 'I would, however, really suggest you have budget

discussions on a regular basis so that both parties are aware of what is going on regarding finances,' she cautions. 'It's also important to be mindful of sharing expenses proportionately according to each partner's earnings,' she adds.

### ... OR NOT TO COMBINE?

Leaving the admin to one partner has its potential downside, which is why the trust factor is crucial in making the decision to combine finances. 'If the budget and finances are managed by one party only, this could lead to manipulation of the funds,' she points out. 'This could also lead to a feeling of uncertainty and exclusion in terms of decision-making for the other party.' Think twice before merging your money with your partner if they're known to be lax with the purse strings, cautions Lloyd. He also says: 'Combining finances can be difficult to undo if there is a potential separation, so be sure that you can see yourself and your partner being together for a long period.'


And when it comes to debt, your clean slate could be tarnished if you decide to pool your finances. Lloyd explains: 'If one person's debt and credit score is in a negative position, combining finances may put your partner in a worse position, which could add tension to the relationship.'


### HONESTY IS THE BEST MONEY POLICY


It's important to acknowledge different approaches to money and manage them, to minimise the chances of trust issues and miscommunication occurring. 'Make the decision to be fair to one another and help your partner where they might have some shortcomings,' encourages Sonja. 'If you spend impulsively and rack up unwanted debt, then be honest about that and ask your partner to manage the finances,' she suggests.

Ultimately, as with other areas of your relationship and life, communication is key. If you find that money is causing a rift or tension between you, don't be afraid to ask for help. You'll be doing yourself and your partner a great service by tackling issues head-on so you can grow closer together and reinforce your united front. **BL**

## STATISTICALLY SPEAKING

 **26%** The proportion of respondents in a 2019 DebtSafe Financial Reality Survey who reported that financial strain or stress had an influence on their relationships.

 **#1** Where money worries ranked for the reason couples split in a 2018 poll of 2 000 adults by British legal firm Slater and Gordon Lawyers.

 **1 in 3** The proportion of couples, including those who claimed they were happy in their relationships, who argue about money at least once a month, according to a 2016 survey of 1 500 couples conducted by American financial services company Ameriprise Financial.

## EXPERT OPINION

**While mutual day-to-day expenses should be split between you and your partner, take care when considering sharing bank accounts, says Lloyd**

'I suggest keeping accounts separate throughout the relationship, as it adds unnecessary risk should one partner pass away (account gets frozen) or if there is a separation,' he says. 'It also eliminates the possibility of scams or fraud taking place with fewer signatories and cards linked to a specific account.' Rather contribute an agreed amount to a shared account for household expenses and 'petty cash' purchases.

## Does your relationship feel financially out of its depth?

Speak to one of our experts to get on track to reaching your financial goals.

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