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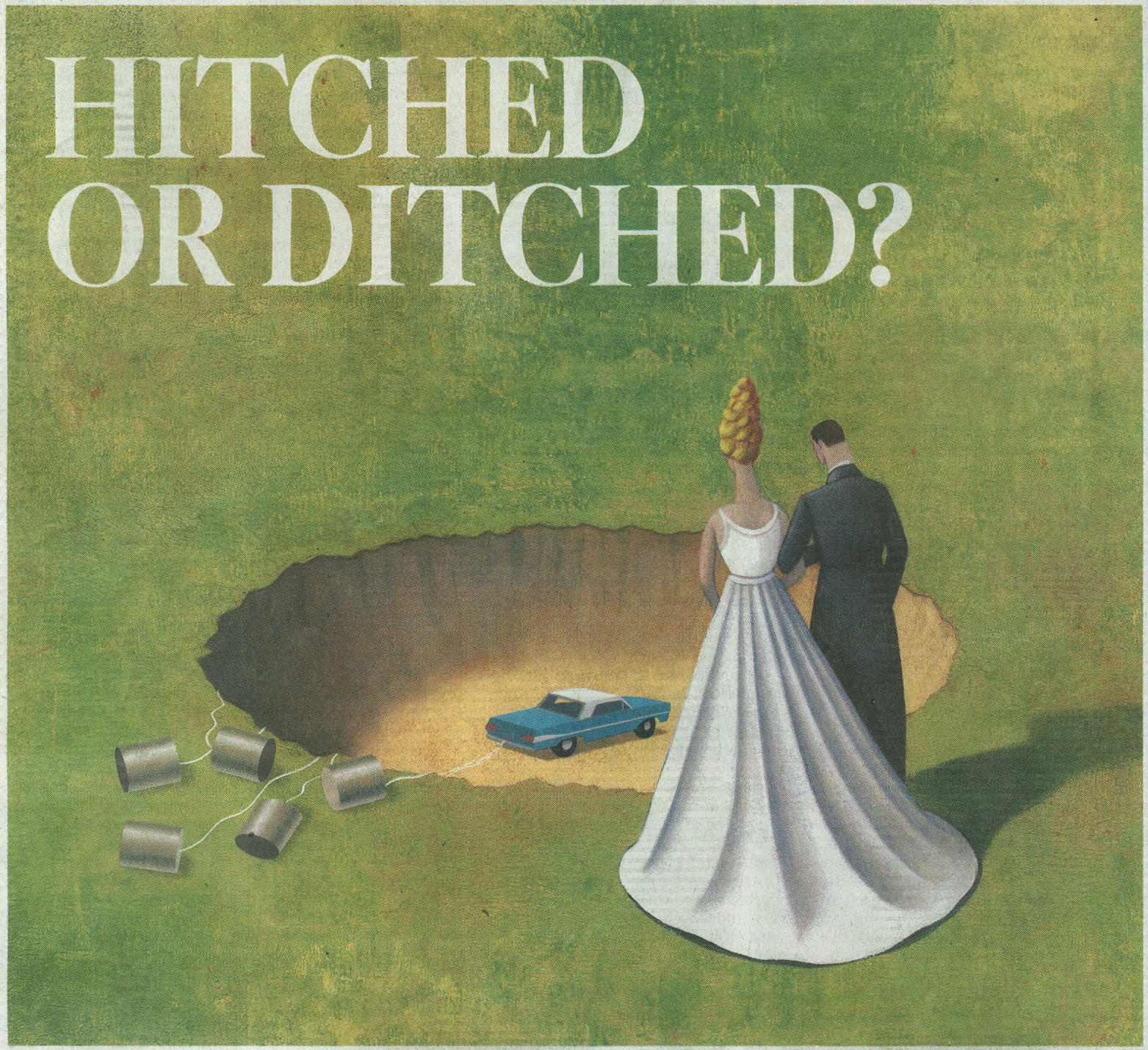
HITCHED OR DITCHED?



Money squabbles can wreck a marriage. Couples who talk finances before saying 'I do' will have a smoother journey.

Kathy M. Kristof

It's Valentine's Day, when even reasonable people wander around, engagement rings at the ready, blathering about how "love is the answer." ¶ Snap out of it! Love, in fact, may be the problem. ¶ Passion often blinds sweethearts to the fact that matrimony is, at bottom, a contract. Figuring out how that partnership can prosper is critical for a successful union. Yet financial differences rank among the greatest sources of marital misery, in part because talking about money before you tie the knot makes many couples uncomfortable. ¶ Some worry that prying into each other's finances might indicate a lack of trust, or that a prenuptial agreement is a self-fulfilling prophecy for splitting up. ¶ In fact, experts say, just the opposite is true. Spouses who find themselves bickering about finances early in their marriage could well end up hashing out the same issues in divorce court, according to Tina Tessina, a licensed psychotherapist and author of "Money, Sex & Kids: Stop Fighting About the Three Things That Can Ruin Your Marriage." ¶ "Everybody wants to focus on putting the wedding together and talk about things like having kids and a house," Tessina said. "But nobody wants to talk [See **Love,** B6]

[**Love,** from B1]
about the money part until you are married and financially entwined. Then it's too late."

No one is saying that money is everything. Romance, common interests, shared values and friends are important for the survival of a marriage too.

But couples must understand that money carries far more meaning than the simple things it can buy. How you handle money can telegraph how you feel about power, personal responsibility, charity and family. And these are the issues that can pull a marriage apart.

So what do you need to talk about? Here are a few suggestions from the pros:

Know the history

Understanding the past is important to building a solid future, said Cecily Maton, partner at the Chicago financial planning firm of Aequus Wealth Management.

Each partner needs to have an understanding of the other's experiences to grasp what might be motivating their behavior now. If your in-laws were cautious with money, chances are your beloved is too. If your parents spent carelessly, it would help to explain your credit card addiction.

This background can help you understand whether your partner sees money as a reward; a punishment; a tool or an albatross, she added.

"Even when couples think they know each other really well, it's amazing how often they say they're finding out something that they didn't know," she said.

Air the laundry

Forget affairs, drug habits and rap sheets. Some newlyweds have been most shocked to learn of a new spouse's checkered credit history.

That's why trading credit reports is also advisable before you tie the knot, Tessina said. These reports show how much debt you have outstanding and whether you've always been responsible about paying your bills.

You wouldn't necessarily dump somebody simply because they were in debt, said Brett Graff, a former govern-

ment economist who edits the website HomeEconomist.com. But you'd certainly want to know whether that debt was linked to a lost job or an unexpected medical issue, or if it was a sign of something more ominous such as a hidden gambling habit or shopping addiction.

You may decide that you're so in love that you're willing to marry an overspender, said Laura Tarbox, a Newport Beach financial planner. But having that information might cause you to handle your finances differently, keeping your accounts separate, for example, so that the unencumbered spouse doesn't end up liable for debts he or she had no hand in creating.

"They won't let businesses merge without financial disclosures," Tessina said. "There's no law saying that you have to do that when you get married, but it should be a standard requirement so that you both know where you're at."

Set your goals

Next, you need to talk about the way you want to live and what you want to achieve.

Those conversations need to be specific, Tessina said.

"It's one thing to say that you both want a house. But one of you might be thinking about a little condo and the other wants a three-story home with a yard," she said.

Shared goals keep partners from blaming each other if things don't quite go as planned, said Lorraine Steen, a Miami Beach mother of two.

After Steen and her husband bought a house two years ago, they were dismayed to see prices tumble in the real estate bust. But they didn't take it out on each other because they had already agreed not to second-guess themselves.

Even on their honeymoon, they established rules about spending: If they agreed that a purchase made sense, they wouldn't fret later about whether they could have gotten it cheaper elsewhere or at another time.

"You can never go back and say 'I told you so.' Once we buy something, we enjoy it and move forward," Steen said.

Who does what?

After you understand how you feel about money and what your priorities are, it's time to get practical. How are you going to pay the bills?

Some couples choose to merge their checking and savings accounts and pay bills out of just one pot. Others divvy up expenses, and each pays certain bills. Some couples choose a "yours, mine and ours" approach, where they have a joint account that's fed with money from both to pay shared bills, but each keeps smaller separate accounts too.

The right answer can be as individual as the couple.

When Mark and Maria Wilson got married 20 years ago, for instance, they were fresh out of college and barely scraping by. They merged what little money they had because there wasn't enough to keep in separate accounts. No one could spend a dime without consulting the other.

About 15 years of doing that kept them on the same page, says Mark, a certified financial planner who works with Tarbox. The Wilsons could now afford to keep separate accounts, but don't feel they need to.

In contrast, when Lorraine and Joseph Steen married four years ago, they were both in their mid-30s and accustomed to handling their own finances, so they kept it that way.

A year later, the couple had their first child and bought a house. Suddenly, completely separate accounts didn't work.

They opened a third checking account to pay all the joint household expenses. They still keep their own accounts so they can maintain a certain level of fiscal autonomy.

"We were so used to doing our own thing, merging accounts was a whole new world for us," Lorraine said.

JON KRAUSE For The Times

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> — TINA TESSINA, psychotherapist and author of "Money, Sex & Kids: Stop Fighting About the Three Things that Can Ruin Your Marriage"

Get it in writing

Prenuptial agreements are written contracts laying out the division of assets and future earnings if a marriage falls apart.

Some people consider these documents so unromantic that they swear they would never marry anyone who even suggested such a thing.

But prenups make sense for couples that come into marriage with children or widely disparate assets, said Eleanor Blayney, consumer advocate for the Certified Financial Planners Board of Standards and the founder of Directions, a financial planning firm focused on women.

"They can take money out of the relationship, so there are no nagging questions, like 'Hmm, I wonder if he married me for my money?' " she said. "By recognizing that there is a financial aspect to a relationship, they can spell out that that's not what the relationship is about."

Family law attorney Ike Vanden Kykel said the contracts are almost always enforceable in court. The one caveat: Prenuptial agreements divide only income and assets. They don't deal with child custody issues.

In second-marriage situations, the agreements can be helpful to flesh out a host of sticky concerns such as who pays to educate the kids and the rights of a surviving spouse in the event of one's death.

Consider the kids

Planning to have children? That begets a whole series of money discussions.

For instance, will you want one partner to stay home while the kids are young? If so, who? And how will you handle money matters then? After all, while that partner may not bring home a paycheck, they're still contributing to the family well-being. If they don't have an income, does that mean they lose their "mad money" too?

With older couples, the practical issues get even more complicated, Tarbox said. You not only have to talk about how you'll pay your ongoing bills, you have to discuss the assets and debts each of you have coming into the marriage and whether you want to co-mingle those assets or keep them separate.

If you both have kids, will you share the cost of their upbringing and college, or do you intend to handle your respective kids' bills from the money you hold separately? You should also consider how you each feel about supporting your offspring as adults. Do you want to help them buy houses? Would you bail them out of crushing credit card debt? Under what circumstances could you see them moving back in?

There's no pat answer. It's just better to consider the possibilities before you marry rather than after.

Estate planning gets dicey too. You may want to leave your assets to your respective children, for example, but what happens to the surviving spouse when one of you dies? Does he or she lose access to the deceased partner's pension and savings? Could they lose control over the house?

"Everybody talks about marriage in terms of love and romance," Graff of HomeEconomist.com said. "But, ultimately, it's a legal and binding contract that affects property. It's important to know where the person is coming from and make sure you can live with whatever they are bringing to the table."

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