

EQUAL *from the* START

A Workbook for Couples

2015

MORE
MONEY + RELATIONSHIPS + EQUALITY
MORE



School of Human Ecology
UNIVERSITY OF WISCONSIN-MADISON



EQUAL FROM THE START

CONGRATULATIONS ON TAKING AN IMPORTANT STEP TO STRENGTHEN YOUR RELATIONSHIP.

This short workbook will provide questions and worksheets to get to know yourself and your partner better.

Rooted in decades of research on relationships and financial preparation, this workbook is your guide to exploring those thorny questions of money, relationships, and finance in a non-confrontational way by sparking honest, open conversation and addressing often unspoken issues.

Research shows that discussing the types of questions we've included in the workbook can improve your relationship.¹ By having these conversations before moving in together, before marriage, and before raising a child, you'll take the necessary steps for lasting love and a thriving relationship based on equality.

EQUALITY MEANS RESPECTING WHAT EACH PARTNER BRINGS TO THE TABLE.

Equality means having the same rights and opportunities as others.

Equality doesn't necessarily mean being the same, but it does mean having recognition of value and the expectation of similar treatment.

And when it comes to finances, division of responsibility, and your contributions, having an equal relationship from the start is the goal for most couples.

The Money, Relationships & Equality (MORE) initiative at the University of Wisconsin-Madison, provides research, teaching, and outreach to establish equality for couples in relationships, family life, and financial decision making. We also embrace central questions of self-worth, purpose, and meaning throughout life. By including these questions about life fulfillment, we hope to underscore the importance of balancing needs, values, and purpose.

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EQUAL FROM THE START

EQUAL FROM THE START IS ABOUT STARTING A POSITIVE TREND OF EFFECTIVE COMMUNICATION.

Equal from the Start is divided into five sections in which you'll define and discuss different aspects of your relationship, from finances to children, from wellness to personal goals. Using this workbook, you will:

1. Understand your relationship with money and discuss with your partner.
2. Assess your current financial state together.
3. Discuss your future life with your partner, set goals.
4. Make an agreement about your relationship.
5. Plan regular discussions about money and your relationship.

If you are in a committed relationship and considering cohabitation, marriage, or building a family, this workbook is for you.

Even if you've talked about money and division of labor related to your life right now, this workbook can help you discuss future scenarios. Research finds that it's often difficult to maintain equality as relationships grow and change. Working parents want to maintain equal household responsibility after having children, but typically mothers provide more childcare and housework without much reduction in work hours.²

The time you take now for personal reflection, financial assessment and joint planning will pay dividends in the future.

Invest in yourself. Invest in your relationship.

Prioritize equality from the start.





INTRODUCTION



YOUR RELATIONSHIP WITH MONEY.

You've got a personal relationship with money—and money is a part of your relationships with others. When you make it, how you divide it, who manages it, and where you spend it.

Issues of money, including equitable division of responsibility and assets, are central to the wellbeing of most relationships.

Equal From the Start helps you broach the “money talk,” strengthen your relationship, and begin to plan for an equitable division of responsibility in your relationship.

STOP AVOIDING THE CONVERSATION.

Many of us avoid talking about money or creating financial plans. Some of us are worried that talking about money will lead to an argument: Financial conflicts are likely to take longer, be more stress-

ful, and continue to remain unresolved than other kinds of conflict in relationships.³ Others don't know the best approach for spending and saving or how to stick to a plan.⁴ Others would like to trust their partner to take care of the financial arrangements without having formal discussions either before or after marriage.^{5,6}

All of this creates real financial stress: Nearly 40% of Americans report that money is the biggest stress in their life and a third lose sleep thinking about it.⁷ Financial issues are the leading identified cause of divorce⁸ and in cohabitating couples, these conflicts can predict a split.⁹

To make matters more complex, money conflicts are rarely *just* about money. They are about the values you associate with the use of time and money. Research shows that financial conflict can be a symbol for deeper issues in the areas of commitment, respect, fairness, and equality.¹⁰



INTRODUCTION

STRENGTHEN YOUR RELATIONSHIP.

Talking about money can be the gateway to discussing the most central issues in your relationship.¹¹ Open communication about finances can help you have a stronger relationship,¹² bring you closer, and prevent future arguments.

In one study, couples who attended a 13-week financial management course showed improvement in their relationship quality six months after the course ended. Even better, the more of the financial practices that the couples implemented, the more benefit it had on their relationship.¹³

TALKING ABOUT RESPONSIBILITY AND CARE WORK IS CRUCIAL, TOO.

Monetary compensation is not the only part of your relationship that is valuable: *Unpaid labor in the home is just as important for your life together as paid labor outside the home.* Care work, which is consumed during daily life but cannot be divided like a bank account at the beginning or end of a marriage, is just as valuable as paid work.

This is especially true if you want to have an equal

relationship. Research shows that when one partner's efforts aren't recognized as impacting the success of the other's career and family well-being, the relationship will suffer:

The likelihood of a split increases for both cohabiting and married couples if the partner that is running the home and raising the family doesn't feel like they are recognized as equally valuable.¹⁴

When this unfairness occurs, it encourages self-interest and autonomy over connection and commitment. That's not the right message to send about marriage and relationships.

Let's foster equality from the start—and keep your love at the center.¹⁵



HOW TO USE THIS WORKBOOK

There are five chapters in this workbook.

Chapter 1 helps you explore your personal history, values, goals, and habits related to money.

Chapter 2 introduces a worksheet to assess your current financial state as a couple.

Chapter 3 provides questions about personal and career goals, finances, lifestyle, health and wellness, and children and other responsibilities for you and your partner to consider separately and then discuss together.

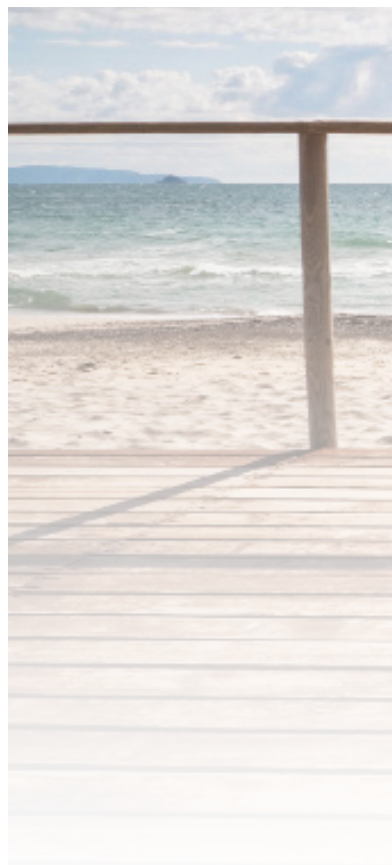
Chapter 4 guides you to document the decisions you make together and legalize some components in order to define and protect your union.

Chapter 5 provides an opportunity for you to plan ongoing discussions about money and your relationship.

WHAT WILL I NEED?

- ❑ Two copies of this workbook – one for you and one for your partner
- ❑ Two notebooks – one for you and one for your partner
- ❑ Time and space for the two of you to discuss these topics together

Why? We suggest you use separate notebooks for a couple reasons. Separate notebooks give you ability to read on your own time, at your own pace, in your own desired location, before you come back together to discuss. These are big issues. We want you to have the time and space you need to come up with your own opinions before being influenced or compromised. We don't want this to be a burden for anyone, so they're free.





HOW TO USE THIS WORKBOOK

HOW LONG WILL IT TAKE?

We have organized the curriculum to take four to five weeks, but you should go at your own pace. A five-week curriculum means that each chapter would take about a week – each day or evening you would jot down notes in a separate notebook on each part, then reconvene with your partner at the end of the week to discuss.

For each section, we provide questions for you to explore on your own. Take your time and go at your own pace. Then, at the end of each section, we ask that you reconvene with your partner, share your answers, and make decisions. We recommend that you swap notebooks and read each other's responses first before talking, but do what works best for you as a couple. Budget at least an hour of undisturbed time for these conversations.

HOW CAN I TRACK MY PROGRESS?

The table of contents below will serve as a checklist as you and your partner make the journey.

Check off each section as you complete that portion of the program.

☐ **Chapter 1: Understand Yourself**

- ☐ Part 1: Know Your History
- ☐ Part 2: Vocalize Your Values and Goals
- ☐ Part 3: Find Out Where Your Money Goes
- ☐ Part 4: Understand Your Habits and Personality
- ☐ Part 5: Analyze Your Behaviors
- ☐ TOGETHER: Discuss with Your Partner

☐ **Chapter 2: Assess Your Finances**

☐ **Chapter 3: Discuss Your Future**

- ☐ Part 1: Discuss Personal and Career Goals
- ☐ Part 2: Discuss Finances
- ☐ Part 3: Discuss Lifestyle, Health, and Wellness
- ☐ Part 4: Discuss Children and Responsibilities

☐ **Chapter 4: Discuss Legality**

- ☐ Part 1: Discuss Legality
- ☐ TOGETHER: Make an Agreement

☐ **Chapter 5: Plan Regular Discussions**



CHAPTER 1: UNDERSTAND YOURSELF FIRST



INTRODUCTION

Socrates said “Know thyself.” When it comes to money, it’s particularly valuable to get honest with yourself about your history, habits, values, and goals.

Before you jump into building a successful financial relationship with your partner, we challenge you to:

- Know Your History with Money (Part 1)
- Vocalize Your Values and Goals (Part 2)
- Find Out Where Your Money Goes (Part 3)
- Understand Your Habits and Personality (Part 4)
- Analyze Your Behaviors (Part 5)
- Discuss with Your Partner (Last Part)

Tip: While most of this chapter could be done in one week, Part 3: Find Out Where Your Money Goes may take an extra week to complete. If you’d like to complete this chapter in one week, start tracking your money in Part 3 while you reflect on the other questions in the other sections.



CHAPTER 1: UNDERSTAND YOURSELF FIRST

PART 1: KNOW YOUR HISTORY

Clinical research shows that exploring your history with money can help you understand your current relationship with it.¹⁶ Financial advisors also advocate understanding your history with money.¹⁷ This doesn't mean full lying-on-the-couch psychotherapy, but it does require some reflection.

Grab your notebook, block off an hour of quiet time and reflect on your history with money. Write out your answers to each of these questions in a clear form so that you can share with your partner.

Your History with Money

- What is your best memory that directly or indirectly involved money?
- What is your worst memory that directly or indirectly involved money?
- How was money handled in your household growing up? Who had the lead role?
- Was money discussed growing up? What messages did you take away from how your family talked (or didn't talk) about money?

- What financial expectations did your family have of you? How was this communicated to you?
- How does the way money was handled and discussed in your family affect your life today?
- Where else did you get messages or information about money while growing up? Other relatives, religion, peers, TV, culture? How did these messages influence you?
- Which pieces of what you learned about money growing up do you want to keep?
- Which pieces of what you learned about money growing up do you want to change?

After answering these questions, **what sticks out to you the most?** Summarize your money history reflections in a few sentences before moving on to the next section.



CHAPTER 1: UNDERSTAND YOURSELF FIRST

PART 2: VOCALIZE YOUR VALUES AND GOALS

Money discussions are rarely just about money: They're about values—and what you want money to do for you. So what are your values?

In the context of financial and relationship equality, your values are what will guide your decisions, both big and small. **Values are what's important to you**, what you cherish about yourself and your relationships with others. Values are about who you want to be—and yet, for some reason, we spend very little time thinking about our values.

In his bestselling financial planning guide, *The Finish Rich Workbook*, David Bach tells readers that knowing their values—and getting clear about who they want to be—is the first step toward achieving financial goals.

“When you understand what’s important to you, it becomes much easier to focus on who you want to be, then on what you want to do, and, finally, on what ‘stuff’ you really want to have,” Bach writes.¹⁸

Knowing your values helps a lot more than just your financial life: Having a clear sense of who you want to be will guide every one of your life decisions—for the better.

Values are different than goals, he warns: Goals are what you want to do, while values are who you want to be. Having a million dollars is a goal, not a value. Becoming famous is a goal, not a value. But to accomplish either of those goals means understanding what’s important to you as an individual.

In his Value Circle™ exercise, Bach asks readers to list the five core values by which they live (or want to live) their lives.¹⁹ Security, health, strong marriage, family, and fun might pop up on a Value Circle™. Or perhaps freedom, happiness, peace of mind, spirituality, and balance.

Try it for yourself: What are your values?

List your top five values.

1. _____
2. _____
3. _____
4. _____
5. _____



CHAPTER 1: UNDERSTAND YOURSELF FIRST

PART 3: FIND OUT WHERE YOUR MONEY GOES

While your values may show you the direction that you'd like to be headed in, **it's your actual behaviors that matter.** Figure out how much money you've got coming in and going out. Do this on a macro and micro level (monthly and yearly, but also weekly) and you'll get a good sense of where you are financially.

First, figure out how much money you've got coming in:
\$ _____

Second, in a notebook or app, track all your spending for an entire week. Everything. Even the lattes and the parking expenses. Everything. At the end of each day, review your spending. What spending was in keeping with your values—and what wasn't?

Third, figure out where your money goes using the worksheet on the following pages. Gather up all your credit card bills, receipts, bank statements, and ATM slips and fill out this form as best you can.

WHERE DOES MY MONEY GO?

Clear an afternoon or evening to figure out where your money goes: It'll take some time.

Ignore any sections that don't apply to you, but if you think they are going to be upcoming expenses in the next year, it's something worth budgeting in. (For example, if your friends aren't getting married quite yet, but you know several couples in the pipeline for engagement... you might want to budget in the travel, gifts and lodging associated with wedding celebrations.)

Start tracking your expenses on the next pages.

CHAPTER 1: UNDERSTAND YOURSELF FIRST

Expense Total

Per Month

Total Per Year

The roof over your head

Rent or mortgage \$ _____

Property insurance \$ _____

Utilities

Gas/electric/oil \$ _____

Water \$ _____

Other home stuff

Home maintenance \$ _____

(Condo fees, lawn care, security, etc.)

Food and various sundries

Grocery store bills \$ _____

Pharmacy bills \$ _____

Target or Walmart stuff \$ _____

(toilet paper, plastic wrap, baggies, pens . . . stuff)

Technology and gadgets

Mobile phone bill \$ _____

Internet bill \$ _____

Cable bill \$ _____

Home phone bill \$ _____

Computer purchase \$ _____

Printer/scanner/fax \$ _____ \$ _____

Smaller technology gadgets \$ _____ \$ _____

and replacements (*Lost your iPod? Dropped your smartphone in the toilet?*)

Music purchases (iTunes etc.) \$ _____ \$ _____

Fun, healthy stuff

Gym membership \$ _____ \$ _____

Sporting events \$ _____ \$ _____

Outdoorsy gear \$ _____ \$ _____

(rackets, clubs, hiking gear, etc.)

Fun, less healthy stuff

Bar tabs \$ _____ \$ _____

Liquor store tabs \$ _____ \$ _____

Cigarettes \$ _____ \$ _____

Restaurant tabs \$ _____ \$ _____

Take-out and delivery bills \$ _____ \$ _____

Entertainment

Movie rentals and purchases \$ _____ \$ _____

Books \$ _____ \$ _____

Movie tickets \$ _____ \$ _____

Magazine subscriptions \$ _____ \$ _____



CHAPTER 1: UNDERSTAND YOURSELF FIRST

Gifts

Charitable donations	\$ _____	\$ _____
Holiday gifts	\$ _____	\$ _____
Birthday gifts	\$ _____	\$ _____
Wedding gifts	\$ _____	\$ _____
Baby gifts	\$ _____	\$ _____

Transportation

Car payments	\$ _____	\$ _____
Gas	\$ _____	\$ _____
Parking	\$ _____	\$ _____
Tolls	\$ _____	\$ _____
Bus/train/taxi fares	\$ _____	\$ _____

Clothes and personal care

Clothing	\$ _____	\$ _____
Shoes	\$ _____	\$ _____
Accessories (bags, belts, jewelry, etc.)	\$ _____	\$ _____
Haircuts/color	\$ _____	\$ _____
Personal care (manicures, massages, etc.)	\$ _____	\$ _____
Cosmetics	\$ _____	\$ _____
Grooming stuff (hair gels, face wash, etc.)	\$ _____	\$ _____

Vacations

Plane tickets	\$ _____	\$ _____
Hotel	\$ _____	\$ _____
Vacation activities	\$ _____	\$ _____
Restaurants	\$ _____	\$ _____
Fun stuff	\$ _____	\$ _____

Cleaning bills

Laundry	\$ _____	\$ _____
Dry cleaning	\$ _____	\$ _____
Maid service	\$ _____	\$ _____

Loans and fees

Credit card balances	\$ _____	\$ _____
Loans from your parents, friends, or others	\$ _____	\$ _____
Credit card and bank fees	\$ _____	\$ _____
Professional fees (lawyers, accountants, etc.)	\$ _____	\$ _____

Education

Tuition	\$ _____	\$ _____
Language classes	\$ _____	\$ _____
Continuing education classes	\$ _____	\$ _____

CHAPTER 1: UNDERSTAND YOURSELF FIRST

Just in case: Insurance

Auto/motorcycle insurance \$ _____ \$ _____

Health insurance \$ _____ \$ _____

Life insurance \$ _____ \$ _____

Health care

Doctor and hospital bills \$ _____ \$ _____

Glasses, contacts, etc. \$ _____ \$ _____

Mental health visits \$ _____ \$ _____

Taxes

City, state, and federal taxes \$ _____ \$ _____

Property taxes \$ _____ \$ _____

Social Security taxes \$ _____ \$ _____

Other stuff

\$ _____ \$ _____

\$ _____ \$ _____

\$ _____ \$ _____

\$ _____ \$ _____

\$ _____ \$ _____

Now, add up all the totals (Yes, you can count that high).

Total per month \$ _____

Total per year \$ _____

Finally, in your notebook, write down your thoughts, revelations and next steps after you've done this inventory of spending.

This image shows a full page of handwriting practice paper. It contains ten identical rows of horizontal guidelines. Each row is composed of three lines: a solid top line, a dashed middle line, and a solid bottom line. The rows are evenly spaced across the entire page, providing ample space for practicing letter formation and alignment. There is no text or other markings on the page.



CHAPTER 1: UNDERSTAND YOURSELF FIRST

“PERSONALITY” REGARDING MONEY

What’s your money personality?²⁰

Are you a spender or a saver? Are you anxious or bold in your financial decisions? Carefree and spontaneous? What’s your risk tolerance and how much do you like to impress others with your spending?

On the next page, we’ve provided you with an exercise to get you started thinking about the words that describe your money personality—and your partners. The phrases we chose come from the research of many other academic and popular writers who have tried to identify the habits and attitudes that people have about money and supporting couples to achieve their financial and life goals.

So are you a person who is detail-oriented or paints in broad strokes? Maybe you like to invest in new ideas or maybe you like steady and secure investments. Maybe you like to take huge, jaw-dropping vacations or you’re more of a camp-across-the-country kind of person. It’s time to identify your own personality.

Turn to the next page to get started!

Tip: If you’re interested in devling deeper into money personalities, check out:

Money Habitudes: Syble Solomon, M.Ed. and Abby Donnelly created a card game called Money Habitudes, dividing people into several “habitudes” toward finances: Giving, Status, Planning, Carefree, Spontaneous, Security. In their card game and workbook, they underscore the importance of understanding your money “habitudes” so you don’t leak money by allowing unrecognized ideas about money take charge. They suggest that this will also help you to better discuss money with your partner.²¹ To learn more and pick up a card deck of your own, visit: <http://www.moneyhabitudes.com/>

The Couple’s Guide to Love & Money: For Jonathan Rich, Ph.D. (yes, that’s his last name!), there are three main dimensions of your money personality – lifestyle, risk tolerance, and financial dependency. In lifestyle, Rich suggests that there are those who enjoy living lavishly and those who enjoy living sparsely. For risk tolerance, some would rather gamble and some rather have steady security. In terms of financial dependency, some are independent and expect to provide while others are more accepting of financial support. Understanding where you fall in these dimensions can help to understand yourself and how to relate to your partner.²² To learn more, grab a copy of Dr. Rich’s book, available at various online booksellers.



CHAPTER 1: UNDERSTAND YOURSELF FIRST

WHAT DO YOU THINK, DO, AND BELIEVE ABOUT MONEY?

Below we have a list of words related to how people think about, spend, and save money. Circle the ones that you feel relate to your personal habits around money and put a triangle around the ones that describe your partner. Words are listed in no particular order.

 YOU  YOUR PARTNER  BEGIN!

How would you describe your habits and personality related to money? Jot down some thoughts in your notebook. How does it differ from the way you see your partner's personality toward money?

Now that you've completed this section, take a day to mull over what you've learned about where your money goes and what money habits and personality relates to you.

When you're ready, turn to the next page to analyze.

SAVER	GIVER	LAVISH	RISK-TAKER	GAMBLER	STATUS
DEPENDENT	INDEPENDENT	SCARED	FANCY	PLANNING	LONG-TERM
SPORADIC	SECURE	WORRIED	ORGANIZED	CREATIVE	IN DEBT
REALISTIC	MAGIC	KNOWLEDGEABLE	GOAL-ORIENTED	INVESTMENT-ORIENTED	PRICE-CONSCIOUS
FRUGAL	AWARE	WASTEFUL	COLLABORATIVE	DETAILED	PENNY-PINCHER
SHARING	HOARDER	SECURITY	APATHETIC	SPARSE	CAREFUL
COMMUNICATIVE	INDIFFERENT	GENERAL	HOME-BODY	CAREFREE	DETERMINED
POWERFUL	MYSTIFIED	UNAWARE	TOLERANT	COHERENT	RESOURCEFUL
AGENCY	BUDGET-CONSCIOUS	SPENDER	ROMANTIC	BRAND-CONSCIOUS	NOT QUITE READY
HARD-PRESSED	SOLID	VIGILANT	SPECIFIC	WEALTHY	COMPARE-FUL



CHAPTER 1: UNDERSTAND YOURSELF FIRST

PART 5: ANALYZE YOUR BEHAVIORS (AND/OR CHANGE THEM)

Now that you've identified your top five values, discovered where your money goes, and recognized your habits and personality around money, it's important to analyze how all this fits together. ***So let's take a moment to check yourself: Are you living your values?***

If you're like most people, you may find that your habits do not align with your values. You may want security, but you find that that the sale rack draws your attention each time you're in Target or that when friends call, you're always ready to spend money on the next adventure.

In order to get your values and your habits on the same page, David Bach suggests using our values to write out some tangible goals, related to each value, that will help guide your money decisions in the future. ²³

Flip back to page 10 and review your five core values. Write them in the space on the next page.

Then ask yourself what specifically you need to do, to have or to be, to achieve these goals.

For example, if your core value is friendship, perhaps to have the means to achieve that you need to set aside money for a monthly dinner with your friends. Or if your core value is peace of mind, perhaps you need to create a plan for how you'll repay your student loans.



CHAPTER 1: UNDERSTAND YOURSELF FIRST

ARE YOU LIVING YOUR VALUES?

My Core Values are:

Value 1:

Value 2:

Value 3:

Value 4:

Value 5:

To have the means to achieve them, I need to:

Take a moment, and reflect on what you’ve done so far—and write your thoughts down in your notebook.

- Do your current habits align with your values/goals? Why or why not?
- If they do, what is it that has helped you do that?
- If they don’t, what do you plan to change?

Now that you’ve completed these sections, grab your partner to discuss the next section!



CHAPTER 1: UNDERSTAND YOURSELF FIRST

TOGETHER: DISCUSS WITH YOUR PARTNER

Even though this is a workbook about your relationship, we've given you a lot of time to explore your personal experiences prior to even involving your partner! This is finally your first time to sit down together. At this point, we aren't asking you to make decisions, but we do want you to have a discussion about what you've learned so far and how your personal assessments may affect your relationship going forward.

First, **share what you discovered** while completing the first section of this workbook.

- Was there anything you learned about your partner that you didn't know?
- How are your histories/values/goals/habits different? The same?
- How might your histories/values/goals/habits affect your relationship?
- How will you overcome the differences?

Now that we've got you together, we'd like to invite you to discuss a scenario. There will be four more scenarios for you to enjoy, each with separate questions. Read the scenario on your own, jot down your separate thoughts and decisions, and then discuss as a couple.

SCENARIO 1: Cash or gifts?


Traditions are changing and when it comes to weddings: Some couples are opting for nontraditional gifts (like honeymoon funds, house funds, or cash). Imagine that you're planning your own wedding. What would you do? Would you opt for a gift registry or ask for cash gifts? Discuss this with your partner, including what weighs in on your decision.

CHAPTER 1 CHECKLIST

- ☐ **Part 1:** Know Your History with Money
- ☐ **Part 2:** Vocalize Your Values and Goals
- ☐ **Part 3:** Find Out Where Your Money Goes
- ☐ **Part 4:** Understand Your Habits and Personality
- ☐ **Part 5:** Analyze Your Behaviors
- ☐ **Together:** Discuss with Your Partner



CHAPTER 2: ASSESS YOUR FINANCES



Where is your money? You'd be surprised at how many people don't know the answer.

While surveys show that one in four couples don't talk about money before marriage, encouraging evidence shows that more than 60% of younger adults (age 18-29) do communicate about and make plans for joining finances before marriage.²⁴

Regardless of your age, it's critical to know your assets, debts and that you share that information with your partner.

For this section, gather up anything relevant – bank statements, legal documents, credit card statements, paychecks – and sit down together to figure out where your money is.

Financial planners suggest you come up with a joint system for your finances. This can be as simple as getting a bunch of manila folders and some hanging files and putting them in categories (a lot like

the ones below)²⁵ or creating similar digital folders on your desktop, or shared cloud. Include a copy of this worksheet – printed or digital – along with your folders, and keep it updated.

Creating these folders will save yourself the trouble of having to find all the paperwork again later when you're thinking about how much of a loan you need to pay off or how much your retirement account has in it.

Also, remember, this is not an algebra problem, a comparison, or a competition, it is simply a worksheet to get it all out in the open.



CHAPTER 2: ASSESS YOUR FINANCES

ASSET AND DEBT WORKSHEET

DATE: _____

Partner's Name: _____

Assets

Real Estate: _____

Securities: _____

Cash in Bank: _____

Life Insurance (face value): _____

Retirement (pension, IRA, 401K, 403B): _____

Debts

Credit Cards: _____

Loans (school, personal, car): _____

Income

Annual Income: _____

Expectation of Gifts/Inheritance: _____

Partner's Name: _____

Assets

Real Estate: _____

Securities: _____

Cash in Bank: _____

Life Insurance (face value): _____

Retirement (pension, IRA, 401K, 403B): _____

Debts

Credit Cards: _____

Loans (school, personal, car): _____

Income

Annual Income: _____

Expectation of Gifts/Inheritance: _____

Now, turn the page to find and discuss your credit scores.



CHAPTER 2: ASSESS YOUR FINANCES

NOW, GET YOUR CREDIT REPORT!

Knowledge is power, and when it comes to money, a little bit of basic knowledge can do you a ton of good. Do this one quick thing: Get your credit report.

Know your score. It's a favorite refrain for Suze Orman²⁶ and other financial gurus: Find out your FICO score (the gold standard of credit scores, developed by the Fair Isaac Corporation) that's based on whether you pay your bills on time, your credit card balance compared to your credit limit, the length of your credit history, your recent applications for credit, and your mix of credit cards and loans. You can get your credit reports online from Equifax, Experian, and TransUnion—and you can get one free credit report from each, every year.

Credit Score: _____

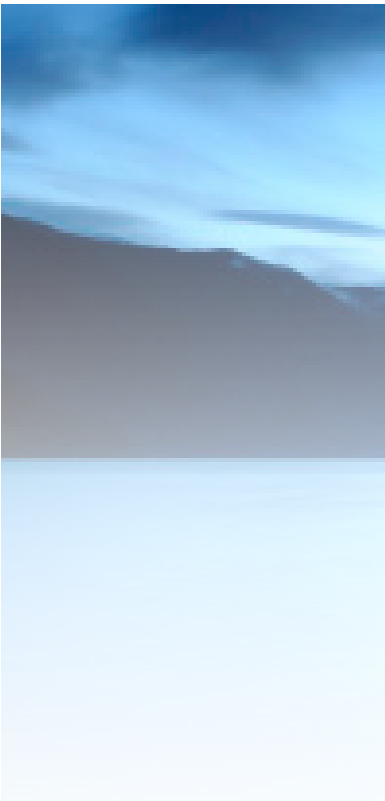
Credit Score: _____

CHAPTER 2 CHECKLIST:

- ☐ Asset and Debt Worksheet
- ☐ Get Your Credit Score



CHAPTER 3: TALK ABOUT YOUR FUTURE TOGETHER



At this point, it's time to start discussing what you think the future will look like. Remember that money discussions (or arguments!) are not “just” about money. Power, equality, values and dreams are all wrapped up in those dollars and cents.

In this section, we've provided four parts, each with a series of questions for you to think and write about in your notebook. At the end of the week, you'll come together to exchange notebooks and discuss all four parts.

- **Part 1:** Discuss Personal and Career Goals
- **Part 2:** Discuss Finances
- **Part 3:** Discuss Lifestyle, Health, and Wellness
- **Part 4:** Discuss Children and Other Responsibilities
- **Together:** Swap notebooks and discuss

Do each section separately and so you can think and write your own answers in your notebook.

Remember to think about how both money and time are involved in each question and scenario.

Then, once you've had time to reflect on each of the topics, get together with your partner and discuss all of the topics in Chapter 3. You may have to get together more than once to have a thorough conversation about each of these topics in this chapter. As a couple, you can decide whether you want to meet once, after having read through all four parts, or as many as four times to discuss each section separately. Do whatever you think you need to do.

The discussion prompt is at the end of this section on page 28.



CHAPTER 3: TALK ABOUT YOUR FUTURE TOGETHER

PART 1: DISCUSS PERSONAL AND CAREER GOALS

This is the time to think in broad strokes about your life:

Personal Goals

- What are your personal goals?
- Do you want to have a career? Multiple careers?
- Do you want to own a house? A car?
- Do you want to have children?
- Do you want to retire with a substantial amount of money?
- How will we work together to achieve these goals? If they are different, how will we work together to achieve our separate goals?
- How will we set up our finances to achieve these goals?

Career and Caregiving Goals

- What is your current work? What do you hope to be doing with your time in 5, 10, and 15 years from now?
- Are you happy with your paid work? Are you happy with your unpaid, volunteer, and caregiving work?

- If you change careers, what kind of effects would have have on the happiness, salary, and lifestyle within your relationship?
- How will you make decisions about life-changing career opportunities?
- How will you support your partner's career? How would you like your partner to support your career?
- If you have children, who will be the "lead parent"?

SCENARIO 2: Job or location?

You've been in a relationship for four years, and have been living together for two of years. Recently, your partner applied to a prestigious job in a city six hours away. It's not your favorite city, but you encouraged your partner to apply... And congratulations, your partner got the job! Now you must decide what to do.

What would you do? What goes into the decision?



CHAPTER 3: TALK ABOUT YOUR FUTURE TOGETHER

PART 2: DISCUSS FINANCES

How will you set up your household? Even if you've decided to keep accounts separate, you'll merge those pesky habits and personalities. So think about these questions yourself, jot down some notes and come together with your partner to discuss.

- What are your spending habits? What are your partner's? Review Chapter 1.
- What are your assets and debts? Review Chapter 2.
- How will your household's financial system operate? Who is responsible for what? How will you keep each other updated as to your separate and joint financial status?
- How will you share expenses while living together/during marriage? Will this include pooling income into joint account(s)? If so, how will you do this?
- What are important financial milestones in the future and how will you prepare for them together?
- If one of us has a financial problem, should we try to fix it on our own first, or bring it to the other one immediately to solve jointly?

SCENARIO 3: Diamonds are a Marriage Counselor's Best Friend

In an episode of the Freakonomics podcast, a real-life couple, Kristen and Jason wrestled with the following issue. What would you do?

At a charity auction, you spent \$100 to buy four raffle tickets to win a loose diamond, valued at \$7,500. Congratulations! You won! What happens now? Do you have the diamond set in a ring and wear it? Do you sell the diamond and use the money for more pressing needs? Or do you and your significant other squabble endlessly over what should be done about the diamond, and wind up sticking it on a shelf in the laundry room?

To listen to the whole episode and hear what happens, visit freakonomics.com and check out episode #203

PART 3: DISCUSS LIFESTYLE, HEALTH, AND WELLNESS

Money is also involved in your choice of residence, household responsibilities, vacations, as well as your maintenance of health and wellness. Think about the upcoming questions yourself, jot down notes, and then discuss them with your partner at the end.

Note: These questions are written using “we” rather than “you” because they relate to joint decisions you’ll make as a couple. However, as you mull over these questions, write down your honest answers, not the ones that you think your partner will want to hear. You can discuss and compromise once each of you understands the true needs and feelings of the other.



CHAPTER 3: TALK ABOUT YOUR FUTURE TOGETHER

Lifestyle

- Where do we plan to live? Immediate? Long-term? (Do we want to own or rent? If own, when would we plan to buy? When would we plan to start saving? How much could we afford?)
- How do we plan to divide up responsibility in the house? How could this change over time? How would we communicate effectively to make sure to share labor fairly?
- What kinds of things do we hope to own that would make our lives easier but may not be completely necessary? (i.e. technology, car, etc)
- How do we plan to continue to keep our relationship fun and romantic? (i.e. vacations, relaxation, date nights)
- Do we prefer to take one big trip each year or several smaller trips over the course of the year?
- What commitments are we making to maintain physical health?
- How will we incorporate nutrition and exercise into our routine?
- What do we believe spiritually? How will we maintain this? If we have children, how do we plan to incorporate religion/spirituality in their lives?
- How can we be open and honest with one another about any issues we are dealing with regarding physical intimacy?

Health and Wellness

- Do we have any current health issues? Are there health issues in our families that we should be aware of?
- If a health issue comes up later in life, how do we plan to support each other?

SCENARIO 4: Which house?

You and your partner are ready to plant roots and buy a home. In exploring neighborhoods, you come to a dilemma: Do you buy the more expensive house in a modest neighborhood or modest house in a more expensive neighborhood? There are pros and cons to each – quality of schools for our children? The pressure to “keep up the neighbors”? – so think it through. What did you choose? What did your partner choose? If different, how do you compromise?



CHAPTER 3: TALK ABOUT YOUR FUTURE TOGETHER

PART 4: DISCUSS CHILDREN AND OTHER RESPONSIBILITIES

Family is a blessing—and an expense, both in terms of time and money. How are you going to handle building and caring for your family, both young and old? While this may be hypothetical at this point (and you can change your mind!), take some time now to think about what's in store. As you've done before, take some time to write out your answers in a notebook and then share them with your partner for discussion.

Children

- Do we want children? If so, how many?
- How will we prepare our lifestyles/finances for children?
- Do we want to have biological children, adopt, foster children or some other option?
- If we want biological children, but cannot conceive on our own, will we attempt medical interventions? How and when would we finance these kinds of options?
- What are our parenting philosophies?
- Will we send our children to public, private school, charter school? Do we plan to home school them?

- Do we plan to pay for college for our children? If so, when will we start saving for this expense?
- At what age should our children be financially responsible for themselves? How will we raise them to be financially responsible?
- If we have children and something happens to us, who would we trust to raise them?

Other (Potential) Responsibilities

- Who are we responsible for currently? Could this change?
- Are there other familial obligations we are (or will be) responsible for in the future? (i.e. property ownership or management, care for an elderly family member, etc)
- With whom do you plan to spend holidays? How and when do we make that decision?

SCENARIO 5: Residential facility or in-home care?

You and your partner have been together for many years when your parents, who live in a town about three hours away, become unable to take care of themselves in their own home. They are a few hours from you, but within driving distance. What would you want to do? Would you put them in a residential facility? Bring them to live with you? Alternate taking care of them with other members of the family?



CHAPTER 3: TALK ABOUT YOUR FUTURE TOGETHER

TOGETHER: DISCUSS WITH YOUR PARTNER

You've spent time apart thinking about your responses to important questions of finances, division of labor and responsibilities.

Now it's time to come together to review the answers you've written in your notebooks. Perhaps you've been having discussions section by section, but if you haven't, now is the time.

You won't agree on everything, of course, so part of this discussion is a way to begin to come to a compromise or agreement.

If larger disagreements arise, don't sweep them under the rug: Now is the time to honestly assess goals, dreams and assumptions. Ask yourself, "How flexible am I with this answer?" and relay that to your partner.

While you're together, discuss the scenarios as well. These hypotheticals will help you learn about your partner's attitude, and help clarify your own. Jot down more thoughts here about how you would approach your decision and what you would do as a couple.

And while you are mulling over our hypotheticals, take a few minutes to discuss other potential unplanned events that could happen... and what you would do about it.

These exercises are here to get you thinking about your future together, the planned and unplanned. And **remember that this is a snapshot of your thinking and you may change your mind later**, just be open and communicative if you change your mind.

CHAPTER 3 CHECKLIST:

- ☐ **Part 1:** Discuss Personal and Career Goals
- ☐ **Part 2:** Discuss Finances
- ☐ **Part 3:** Discuss Lifestyle, Health, and Wellness
- ☐ **Part 4:** Discuss Children and Other Responsibilities
- ☐ **Together:** Swap notebooks and discuss



CHAPTER 4: DISCUSS LEGALITY & MAKE AN AGREEMENT



PRENUPTIAL, LIVING TOGETHER, AND COHABITATION AGREEMENTS

When entering into the next step of your romantic relationship, it is important to understand the **legal rights** that you are allowed, both during your relationship and in the event of its end (with a break-up, divorce, or death). For example, married couples may inherit property from each other, may make medical decisions for each other in emergencies, and may have their assets divided in half in the event of a divorce.

If you want to do something different than the default options in your state, you will need to create a prenuptial agreement or a cohabitation agreement.

If you have decided to live together, unmarried, it is especially important that you consider a formal agreement, as you will not have the same rights as married couples and you will be subject to the court's decision in these kinds of instances.

Using these formal agreements constructively can support your relationship both emotionally and legally. These kinds of plans are best made before unexpected circumstances, actions, or conflict occur and they remove the threat of financial power as a weapon in disagreements. In the event of a split, it makes ending a relationship far less painful and may even keep couples out of a lengthy court battle.²⁷ In death, it allows decisions to be made that were agreed upon by the couple together, rather than the court.

PRENUPTIAL AGREEMENTS

For couples that choose to marry, a prenuptial agreement lists an inventory of premarital assets that, in the event of a divorce, will remain the property of their original owner. These agreements can also specify that future income from a business or additional assets accrued through inheritance are not to be shared with your spouse should the marriage end. It's important to read up on your state



CHAPTER 4: DISCUSS LEGALITY & MAKE AN AGREEMENT

regarding prenuptial agreements, including the laws required to create one and what your state typically recognizes and enforces. You and your partner can write almost anything in the prenuptial agreement. However, there are limits set by each state around child support, custody, or visitation.

COHABITATION AGREEMENTS

It's important to recognize that couples living together, unmarried, do not have the same legal protection as married couples. If this is your situation, consider writing out several kinds of agreements to protect your rights as a couple while also safeguarding your individual interests and assets in the event of a break-up or death, including a durable power of attorney for healthcare, a durable power of attorney for financial management, a will, and a cohabitation agreement, living together agreement, or a domestic partnership agreement.²⁸ The durable power of attorney (for health care or financial management) gives the designated person the authority to make decisions in the event that you are unable to do so. Wills are important for unmarried couples, in the event of a death, because the survivor of an unmarried couple will only inherit from the other if it is designated in a will. Living together agreements or cohabitation contracts are often written similarly to prenuptial agreements (the same rules about child support, custody, and visitation apply), but they are less regulated because they are governed by general contract agreements. It is important to do some research on enforceable cohabitation agreements in your state

MAKE IT LEGAL

Most types of agreements must be in writing, signed by both parties, and witnessed, just like general legal contracts. Some states require legal representation for both parties.

You can use the discussion points from this workbook to sort through the decisions you will make, but ***it's best to consult an attorney to have official paperwork drawn up and finalized.***

Use the questions on the following page to start that process.



CHAPTER 4: DISCUSS LEGALITY & MAKE AN AGREEMENT

PART 1: DISCUSS LEGALITY

Here are some questions for you to think about on your own regarding legality. For the following section, go through each of these questions on your own, then come together with your partner at a designated time to discuss each question.

Determining Your Circumstances

- Do we plan to marry? If so, can we agree to create a prenuptial agreement? If one or both of us is hesitant to do so, why?
- If we do not plan to marry, or not in the near future, are there legal documents that are necessary to uphold our commitment in the event of a serious health issue? What are they and what is our plan for getting them drawn up by an attorney?
- Have either of us been married before, or do either of us have children/property/other responsibilities from a previous relationship that need to be accounted for in our agreements now?

Combining Policies and Accounts

- Have we already decided what health and life insurance policies we will utilize? If so, what are they? If not, how and when will these decisions be made?

- Have we already selected beneficiaries for any retirement accounts (401K, 403B, profit-sharing, pension, IRA) in case our circumstances change? If so, who are they? If not, when will we do this and what will those decisions be?
- Have we created wills? If not, when do we plan to do these? What do (or will) our wills say as far as the allocation of assets/property?

Combining Assets and Property

- Will we both be responsible for our own individual debts acquired before marriage or living together? If not, how will that responsibility be divided?
- Will we be jointly responsible for debt acquired after marriage and living together? If not, how will this debt be handled?
- If our circumstances change, do we agree that we are both entitled to fifty percent of the assets and property accrued during our time together? If not, how will division of assets be handled if we split up?
- Should our circumstances change, will one of us receive alimony or child support from the other?
- Do either of us have existing property or assets, or expect to receive inheritance or gifts, that we would like to remain in our sole ownership? If so, list these assets/items.



CHAPTER 4: DISCUSS LEGALITY & MAKE AN AGREEMENT

TOGETHER: DISCUSS WITH YOUR PARTNER

Once you have discussed each of the following questions, write out your plan for writing an agreement together.

Do we need an agreement? _____

If not now, will we need one in the future?

What type of agreement do we need?

What state do we live in?

Do some research. *What are the laws, requirements, and typical enforcement strategies for these requirements in our state?*


When do we plan to write up our agreement?

CHAPTER 4 CHECKLIST:

- ☐ Discuss Legality
- ☐ Plan to Make an Agreement
- ☐ Research laws in your state for next steps



CHAPTER 5: PLAN ONGOING MONEY DISCUSSIONS



Nice work! You have completed a daunting task and had a series of discussions designed to support your relationship together.

But it's not over: *Financial advisors advocate for you to continue to have these kinds of discussions on a regular basis.*²⁹ By continuing to have fruitful conversations about money, you can continue to strengthen your relationship.

YOUR MONTHLY MONEY DATE

David Bach, author of *Smart Couples Finish Rich*, suggests that you and your partner get together and have a monthly money date. You've already laid the groundwork with this workbook. For each date, you should spend a few minutes discussing the family's financial picture and making sure your goals are aligned. He even says that budgeting isn't as important as this time you spend together aligning your finances and goals!³⁰

When is the next time you will discuss finances?

Here are some Money Date Questions³¹ to guide you the next time you talk:

- What's something we both want to do together this year that we haven't done before?
- If we could only take one last trip together, where would we want to go?
- Is there anything you're worried about when it comes to our finances that you haven't told me and you want to discuss?
- What are we most proud of that we've accomplished as a couple?
- What do you love about me the most?
- How are we doing financially?
- Are we saving enough for retirement?
- Are we in a good place as far as what we're spending financially?
- Is there anything different you want to do financially than we are currently doing?

CHAPTER 5 CHECKLIST:

☐ Plan Your Money Dates



CONCLUSION

CONGRATULATIONS!

Wow! What a journey. These questions were designed to facilitate a more open, communicative, and equal relationship, and by answering them yourself—and discussing them as a couple—we hope that you feel more informed and more comfortable with the monetary and non-monetary commitments in your relationship.

We hope that you have used this time together to assess and vocalize your personal feelings toward these questions and scenarios.

The goal of these discussions is to get you one step closer toward knowing yourself, your partner, and your future life together. Maybe you already knew most of the answers, maybe you learned something completely new. Both are okay.

The most important thing is to remember that it's good to communicate about finances and equality. By completing this workbook, you've already done more than the average couple!

Put this workbook in a file cabinet with other important paperwork. And keep hitting the refresh button on this conversation on your monthly “money dates.”

New things will come up – personal, career, health, children, just to name a few – and good communication will keep your relationship strong. You're on a great path to create a relationship that's ***Equal from the Start!***





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Notes:

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.