

# Contemporary Relationships and Money

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## WHAT WISE WOMEN NEED TO KNOW

**A**s women, many of us will likely experience several transitions in our lives: from single to married to single again. Both my professional experience and national statistics bear this out. The likelihood of a marriage ending in divorce is about 47 percent. Only 33 percent of couples make it to their 25th wedding anniversary, and only 20 percent stay married for 30 years. Based on these statistics, at various points in our lives many of us will be financially dependent on another person or financially responsible for others, including our own children or step-children from a blended family. Today's homemaker could likely become the breadwinning mom later in life.

When I began working with couples in wealth management and wealth transition strategies over 30 years ago, many of the women I counseled were housewives who were financially dependent on their husbands' income. Today, fewer than half of my clients can be characterized as homemakers. In my office I see women playing an amazing variety of roles.

Among my clients are single professionals who are highly educated and well-compensated for their skills. Others are corporate wives who support their husbands' careers by hosting parties, traveling to conferences and maintaining social networks important to his career advancement. Some are alpha-earners or "breadwinning moms" themselves who have husbands who stay home, raise the family and support their careers.

A growing number are multi-tasking moms who have BlackBerrys, cell phones and iPods attached to their Baby Joggers and who stay connected to the workforce either part-time or through flexible schedules. Still others are second (or third) wives, half of a dual-career married couple, or unmarried and cohabitating with a significant other.

Having counseled more than 3,000 women going through relationship transitions in my career, I can tell you that women tend to take care of others first and themselves second. If you see yourself here, you can be set up for financial disaster if you don't take control of your own financial decisions. Fortunately, there are some very specific steps you can take to make sure your financial position is protected over the course of your adult life. Yes, it may take some time and research to build your foundation. But once in place, it will provide you confidence and comfort knowing that you have the financial ability to support yourself and pursue your own dreams.

## **Wise Woman Financial Strategies**

First and foremost, be an equal partner in the financial decision-making process of your family. That includes knowing how all of your financial accounts are registered and creating a strategy to protect your assets and income in the event of the death or disability of your spouse, a job layoff, a remarriage or divorce.

You should also maintain a separate credit history. Whether you are single, married, soon-to-be-married or soon-to-be-divorced, it is critical that you maintain your own good credit and have a separate credit card with an established credit history. I recommend that every woman, whether she is single or married, get a copy of her own credit report annually.

Also, be proactive in your tax planning. Don't just sign the return put in front of you by your spouse or accountant without asking questions about all family income and where it comes from.

## **Maintain Job Skills**

I continually tell women that they need to invest in their own career development and maintain their job skills throughout their

lives. Even if you choose to stay at home with your children, maintain your professional connections by attending association meetings and continuing education programs. This is particularly important if you have technical skill and knowledge.

One of my clients was an engineer before she left her job to raise children. She is now trying to reenter the workforce after six years, but is finding that her skills are outdated. She cannot negotiate the salary she wants because her field has changed while her skills have not.

If you have a hobby, find ways to earn money at it while the kids are in school so you can fund a retirement account that will provide you some financial flexibility later in life. If you are a traditional corporate wife, document the various ways you support your husband's career, such as planning social functions for business associates, managing business expenses and fulfilling other corporate duties. This will prove your ability and knowledge about how corporations operate in case you need or choose to enter the workforce later.

Skills you learn by volunteering for a nonprofit organization can also pay off later through a strong professional network. I recently helped a client get back into the workforce after ten years through her volunteer contacts. She was on a local planning commission for her neighborhood and these contacts helped her land several job offers. Overall, be creative in the work you do and how you do it, even if you are not employed in the traditional workforce.

## Learn your Money Personality

Everyone has their own money-management style that they learned from their parents, relatives and friends. When you start discussing money-management issues with your partner frequently and openly, you may find that what money means to you and what it means to your partner are very different.

One tool I recommend to couples is the Moneymax questionnaire developed by Dr. Kathleen Gurney for the Financial Psychology Corporation ([www.financialpsychology.com](http://www.financialpsychology.com)). The aim of the questionnaire is to help people identify, understand and work within the boundaries of their unique money-management personalities.

Analyzing your own and your partner's

money-management style can show you which traits are assets and which traits could become sources of stress. It is also a great tool to share with a prospective spouse or significant other in establishing a financially compatible relationship from the very beginning.

## Fund a Discretionary Account

I also counsel couples to create a "don't ask" fund for discretionary expenses and personal items. This account is to be kept separate from living expenses and is to use for whatever purpose each partner chooses, no questions asked.

If you are a saver, you can keep the money in the account to draw interest or use it for a day at the spa. Likewise, your husband may have a hobby such as golf or boating on which to use his discretionary funds. The idea is that you both have a sense of independence to spend money on whatever makes you happy without feeling guilty or needing to explain your spending to anyone.

## Research and Ask for Help

Finally, seek out professional help if managing your finances seems too overwhelming. Other women are a great resource for referrals to a qualified financial planner. Women tend to share information and tell others when they have confidence in their advisors. (They will also tell you when they feel neglected, talked down to or dismissed.) A good financial advisor will listen and offer support and solutions to meet your life challenges and goals. She will talk with you about positive outcomes, how to set priorities, and how to craft a financial plan that supports your objectives.

Regardless of whether you are single, married or in transition, you owe it to yourself to chart a course of empowerment, security and happiness for your entire life. Simple actions can make a big difference in building confidence, creating independence and building a solid financial future. ■

*Kathleen Miller is president of Miller Advisors Inc. in Kirkland, Washington and was recently named one of Worth Magazine's Top 100 Wealth Advisors in America. She is also author of Fair Share Divorce for Women, Second Edition: The Definitive Guide to Creating a Winning Solution. Learn more about women, money and life transitions at [www.milleradvisors.com](http://www.milleradvisors.com) and [www.fairsharedivorce.com](http://www.fairsharedivorce.com).*