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### Money Quarrels

Expenses and a drastic shift in priorities. No wonder spending is a flashpoint for many new parents  
Camilla Cornell

As new parents, you probably expected life to change. You knew that sleep would be in short supply, and that you might squabble a bit about who changes the most fragrant diapers. What you may not have realized is that the birth of a baby can herald another source of conflict: money. Suddenly, you've got less disposable income and more ways than ever to spend it. And if your partner disagrees about how you should parcel out the cash, you may believe that he or she is just plain *wrong*.

That's because our attitudes toward money are shaped by a potent mix of family background, religious messages ("The love of money is the root of all evil") and personal experience, says Diane McCurdy, a Vancouver financial planner and author of *How Much Is Enough?*. "There's a lot of baggage that comes along with the dollars and cents."

What's the key to turning potentially bitter disputes into rational discussions? Talk things over carefully and slowly, advises Bev Behar, a registered marriage and family therapist in Thornhill, Ont. "I try to help people understand each other, but also to understand themselves," she says. "So much of what you consider normal or necessary spending comes from the family you were born into — whether you're making a decision to be different from that family, or you're just automatically doing what your family did." Read on for some common sources of conflict and tips for defusing the wrangling.

And then there was one...paycheque

Toronto mother of two Barb Holloway quit her job when her first child, Spencer (now three), was born. Suddenly, she had no income of her own and hated asking her husband, Keith, whenever she needed cash. If he questioned what the money was for, or even how much she needed, it rankled — so much so that the couple went to see a marriage counsellor about the issue.

His advice was golden. "If you have only one income, it's wrong to put your partner in the position that she always has to ask for money," he told Keith. "Figure out a reasonable amount and transfer the cash once a week into a separate bank account, so that Barb has her own money to spend however she wants." The Holloways took a good look at their cash flow and did exactly what he suggested. It hasn't completely eliminated the skirmishes but, jokes Keith, "at least we only deal with it every few weeks when she says, 'I need more money.' It has solved a tremendous amount of problems."

The crux of the matter, contends Behar, is that you are a family unit. If one partner gives up working or works less to stay home with the child, then why should that person pay the price of being poorer? A friction-free plan for allocating scarce dollars must have buy-in from *both* members of a couple. "Sit down and look at the budget," advises McCurdy. Given that you've got a reduced income, your lifestyle may have to change. "Then it's a question of deciding what each of you will give up. And if it appears that one person holds the purse strings, then the other person will be constantly struggling to get more."

"You spent *how much* golfing?"

Chances are good that the little luxuries of life will be first on the chopping block when it comes to cutting expenses. When their first child, Laura, was born six years ago, Toronto couple Heather and James McGowan "had to re-evaluate some of our budgeting and lifestyle choices," says Heather. After looking over their bank statements and receipts, they concluded that to stay on track financially, they would have to keep small expenses, which add up quickly, to a minimum. "We set a rule between us that, aside from groceries, gas and rent, if we spent anything over \$20 we had to check in with each other," says Heather. "It kept our arguments to a minimum. It was a lot easier to argue about whether we really needed an item versus 'Why did you buy this?' At that point, there's no turning back."

That's a good tactic for keeping costs under control, says McCurdy. For some couples, a \$50 limit might work; for others, \$100 would be fine. She also suggests that as part of your budget, you set aside a certain amount of discretionary income for each of you — and then avoid criticizing how your partner spends the cash. "People can be judgmental about money," she says. "When your partner questions whether you need another pair of shoes, just remind him that you don't question the way he spends his discretionary income, so why would he question you?"

For Deanna Wilmshurst and Niels Nielsen of Dartmouth, NS, the key to marital harmony lies in keeping their bank accounts separate. Because Wilmshurst is a salaried employee who gets a paycheque every two weeks, and Nielsen is a consultant receiving a big cheque irregularly, they manage their money very differently. "He doesn't buy things until he gets paid, whereas I know that next week I'm getting a cheque, so I can spend X number of dollars this week," explains Wilmshurst. Their plan calls for each of them to cover certain bills. "So as long as you can meet your family commitments, whatever else you do with your money is OK." Their sailboat, for example, is his expense. "I don't even really know what that costs us. I don't have to think about it."

"You want to spend *how much* on a stroller?"

Keith Holloway could understand the appeal of the sleek European-designed stroller that so attracted his wife, Barb. "It was a really cool design. It folded up into five different strollers and it was really lightweight," he says. "But it cost \$1,000. That's a lot of money to spend on a stroller."

Unfortunately, marketers have cottoned on to the guilt inherent in the parent-child relationship, and we're inundated with luxury goods claiming to make baby safer, smarter and cuter. Too often we buy into the hype, says McCurdy, and equate the amount of money we spend on our babies with the amount of love we have for them. "If you have a tendency to be a spender, it's much easier to rationalize if you're not buying for yourself. You just want the best for your baby."

To help defuse conflicts, advises Behar, examine where your attitudes are coming from. It's counterproductive to greet your partner's desire for a toddler hot rod by calling him a spendthrift or, by contrast, to respond to his concerns about money by accusing him of being cheap with his child. Says Behar: "Then he's not only dealing with the issue, he's dealing with a terrible accusation from someone who he thought loved him."

Instead, she advises, try to understand and respect your partner's point of view, and come up with a compromise. "What makes us feel good is to have a partner who cares about how we feel and wants to understand it," she explains. "That's what we do when we're courting. But sometimes after we're married, we stop doing that and we just react: 'Why would you want to buy that? That's just ridiculous!'"

In the case of the high-end stroller, Holloway readily admitted its charms, but suggested that the couple look around a little more since they had a limited budget. Barb agreed, and they ended up with a \$200 model from a store where she had an employee discount. Do they have any regrets? Not a one. "It meets our needs completely," says Barb. "It has a big basket underneath for all of our stuff and it's really manoeuvrable."

Today vs. tomorrow

When a couple comes to McCurdy for financial planning, she puts them through a simple exercise. "I make them write individual lists that summarize their goals, dreams and plans for the family," she says. She stresses the importance of tackling the task separately because it's too easy for one person to dominate the process if they do it together.

Most couples, she says, agree on the basics — "which is maybe why they're together in the first place." Perhaps you aim to get the house paid off, save for retirement and start an education fund for the kids, for example. But differences sometimes arise over how you prioritize those expenses. Do you focus on the mortgage or invest in the RRSPs? Do you put money away in an RESP or use that cash to take mom-and-tot swim classes now? Do you buy a couch today or hold out for a new kitchen next year?

There are no right or wrong answers, says McCurdy. But if you know what's important to your partner and why it's important, you can usually find some common ground.

You might end up saying, for example: OK, how about we put *some* money into the RRSP, and then take a smaller vacation? Or perhaps you both agree to dispense with takeout for a few months so you can afford to buy that new fridge you need. Once spouses adopt a team approach, McCurdy points out, it's much easier to come up with a workable plan.

Problems tend to arise, says Behar, when people feel their goals and dreams are not being taken into account. "People tend to get really polarized. They dig in their heels and spend all their time trying to convince the other person that their perspective is right. Then you have two people doing the same thing and neither one is really listening."

Heather McGowan gets that. She admits that when James — an audiophile — raised the topic of installing satellite radio in their home, her first impulse was to say, *No*

way. *No how.* "I didn't understand why he wanted the expense of installing it, plus the monthly fee," she says. "It didn't make sense to me." Nonetheless, she listened and came round. "It's not a real need," she says, "but it is a comfort that means a lot to him." So James got his much-longed-for radio system for Father's Day, and Heather got to watch his face light up.

"Remember that you are a family," reminds McCurdy. "If you work out a system that's fair, both of you will feel that your needs are being met and a lot of the money issues will just disappear."

#### How to fight fair

John Gottman, psychologist, marriage guru and co-author of *And Baby Makes Three*, claims to be able to predict whether a newlywed couple's marriage will flourish or split up by watching just three minutes of their fighting. As executive director of the Relationship Research Institute at the University of Washington, Gottman studies interactions between couples, using EKGs, video cameras and numerous other complicated instruments to calibrate levels of anger and upset.

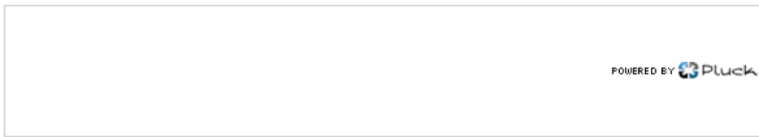
Fully 69 percent of all couples studied had what Gottman calls "perpetual conflicts" — essentially issues that won't go away. What counts, he says, is not whether they actually solve the problem, but rather whether they're at least relatively "nice to each other" when discussing the conflict. That means avoiding what he calls "the four horsemen of the apocalypse," namely: criticizing (which means attacking someone's personality or character, rather than focusing on a specific complaint about their behaviour), contempt, defensiveness and stonewalling.

By contrast, he says, happy couples use five times more positive behaviours in their arguments than negative behaviours. Among other things, they tend to use humour to break the tension in an argument; they use expressions of affection for their partner; and they acknowledge their partner's point of view ("I'm sorry I hurt your feelings"). The result: Quarrels don't get quite so heated.

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