

Love in the time of Financial Chaos

When money troubles start rising, arguments between couples usually aren't far behind. Here's how to keep your relationship — and your finances — intact when a crisis hits.

By Gemma Allen

The dynamics between relationships and money are exponentially more complex than in the "good old days" of 2008. The pressures are enormous. Most of us have sat helplessly by and watched our 401(k)s turn into 201(k)s. The real estate in which we live and the equity that comforted us are dissolving. If we're a two-career couple, the likelihood is that one of our careers is in jeopardy and/or we're working twice as hard to earn half as much. We're having to say "no" to our children — not to teach them values, but because we simply cannot afford what they want. What's a couple to do?

FACE THE FACTS TOGETHER

Usually each person in a marriage is worrying incessantly and trying to spare the other partner who is secretly obsessing anyway. Instead, sit down and assess the situation together as objectively as possible. There's no use blaming each other, though indeed it is a tempting and diverting fight. List your income and expenses, separate out the discretionary from the necessary, and start cutting expenses...not each other. Divorce attorneys often find that arguments over money are more destructive than arguments over sex or in-laws, because we all have such an unconscious set of beliefs about money and unspoken fears about not having enough. Try not to get "personal" over the pragmatic need to increase income and decrease expenses.

BE A CREATIVE TEAM

Often one person in a couple is more skilled at investments but never had the time to focus. Now, that partner must tend to the family investments and regard it as his or her second job. Look at your real estate with a new perspective. Is your home the highest and best use of your money, or should you list or rent it? Granted, this is not the best of times, but there are foreign investors, there are transferees, and selling is not an impossibility. Some couples with lovely real estate are choosing to "rent down," or rent their home out for the mortgage costs plus some profit and rent a smaller space



at a lesser price for their family. Think about selling some of the pieces of art or jewelry you've collected but that now may seem disposable when compared to your peace of mind. These may not be appealing options, but they're better than the alternatives that result from denying reality, such as depression and divorce.

DECIDE WHAT YOU TREASURE

Ironically, many of our divorce clients will comment on how a divorce forced them to evaluate which of their possessions really mattered and which they were simply possessing. That same lesson can be learned together by deciding if the one, two or three cars are really a necessity, if the yacht is worth floating and how many homes or vacations are necessary. The economy is forcing some paring down that might be good for relationships. We have so long lived in the "age of acquisition" that we've not noticed that the responsibilities of each acquisition sap our attention from each other. On the other hand, if something truly matters to the ones we love, then we fight together to save it.

SHARE THE VISION

Just as Scarlet O'Hara vowed to never be poor again, vow to each other to (try) never to be in this position again. Reassure each other that this too shall pass and take turns being the "optimist of the day." Plan the next economic chapter of your lives and take baby steps toward self-improvement and personal evolution. Some of us will actually end up better off, so be each other's comforter on the bad days and cheerleader on the good ones. ■

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What comes next? For Gemma's tips on what to do if financial differences lead to a separation, visit www.TCWMag.com.