

# Do you have money fights with spouse?

Arguments over money can prove toxic in a relationship. Find out how you can resolve these issues.

If trust is the foundation of a stable relationship, Indian marriages could be on shaky ground. Only three out of 10 people completely trust their partners on money matters, according to a survey conducted by *ET Wealth*. The online survey received 550 responses from married or betrothed individuals across age groups.

Nearly 26% of the respondents also said their partner was secretive about financial matters, which led to arguments over money. But it was still at fourth place among the biggest reasons for financial discord in households. Topping the list were overspending or being too frugal, followed by financial support to relatives and friends.

Overspending is seen as a villain because it's visible in the pile of unnecessary stuff lying around the house. But experts say this is not a problem if you save and invest for your goals. "If you meet your commitments, there is no problem. Spending is not a crime," says Priya Sunder, director, PeakAlpha Investment Services.

## WHY COUPLES ARGUE... Top reasons for money clashes



Figures denote percentage of respondents to the online survey conducted in January 2019. There were 550 respondents, but the 11.3% who said they did not discuss money matters with their partners not included in analysis.

But there can be problems if overspending affects saving and pushes you into debt. RBI data shows that Indian households' outstanding personal loan and credit card debt was ₹6.43 lakh crore as on Nov 2018.

"Overspending will not affect household savings if you invest at the very beginning of the month," says Renu Maheshwari, CEO and principal adviser, Finscholarz Wealth Managers. "It will reduce liquidity and prevent overspending."

Moreover, by quarreling about overspending, most people may be barking up the wrong tree. Few debate the investment choices of their partners, which could have a bigger bearing on the family's finances than anything else. Less than 23% have arguments on that count. Not clashing over investments is not an indication of implicit trust in each other's investment choices. Rather, it indicates a bigger problem — couples fail to comprehend the long-term

outcome of their investments.

The survey further shows that arguments over wrong investment choices take place more in the 45-55-year age bracket than among younger respondents. This is the time when people are liquidating investments for goals such as a child's education or wedding. But by then, it is already too late for course correction. If these investments were debated when they were in their 30s, it would have been possible to get back on track.

Few young couples discuss and debate investment choices. Either they don't realise the urgency of goals that are far into the future or have poor financial knowledge. "A lot of our clients leave investments completely on their spouse because either they don't understand it or the high-earning spouse has assumed complete control over investments decisions," says Vipin Khandelwal, founder of Unovest, a financial advisory firm.

But these people are still in a better position than the 11% of respondents who said they never discussed financial matters with their life partners. They have not been included in the analysis.

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