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# Stop Pedaling in Mud: Curing Couples Financial Spats

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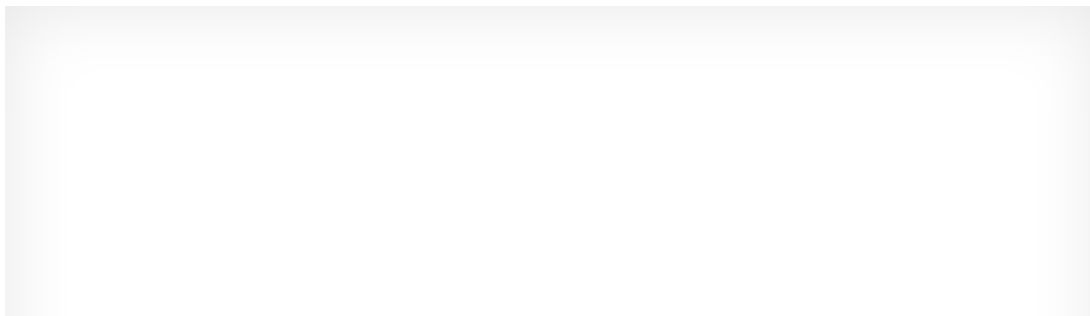
Most advisors occasionally encounter couples who can't agree on a significant financial decision. Indeed, money issues are a leading cause of stress in romantic relationships, according to a survey [released last year by SunTrust Bank](#). While 35% of respondents experiencing relationship stress said the cause was money, only 25% claimed "annoying habits" to be the culprit.

Given the central role money plays in even healthy, loving relationships and marriages, planners need to develop strategies to work effectively with couples who disagree. "A big part of our role as financial counselor is, to some extent, behavioral psychologist," says Jake Barnes, CFP and vice president with Financial Advisory Service in Leawood, Kan.

Everyone enters relationships with their own ideas about money. Moreover, most of us tend to assume others share our beliefs, says Holly Thomas, the founder of financial planning practice Holly P. Thomas in Tampa, Fla. Of course, that's not always the case. When two partners' beliefs contradict each other, disagreements can result.

Helping two arguing partners reach agreement often starts with a basic step: asking questions. Many disagreements about money actually reflect deeper fissures within the relationship.

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Kate Holmes, the founder and CEO of Belmore Financial in Las Vegas, was working with a couple deeply in debt and whose budgeting efforts were stalled. Previously, they'd enjoyed two incomes, but one parent now stayed home with the kids. Holmes pushed the papers aside and asked, "What was the conversation when you decided to have kids?"

The partner who worked outside the home began crying, and stated she had no idea that, five years after they became parents, the other would still be at home; she'd assumed they'd more quickly return to a dual-income household. The other partner hadn't realized the pressure the working partner felt. "The issue wasn't just budgeting," Holmes says.

After the conversation, the stay-at-home partner began a part-time job. This relieved some of the pressure on the other.

## **OBSERVING BODY LANGUAGE**

Of course, few planners want to intrude, even as they try to determine what's keeping their clients from reaching agreements. One way to discern a client's true feelings is by observing body language. If Thomas sees an eye roll or a client turn away from his or her spouse, she'll say something like, "I guess that's not sitting well with you." Often, acknowledging their feelings prompts clients to open up and civilly discuss a point of contention.

A tactic used by Richard Colarossi, a planner with Colarossi & Williams Financial Advisory Group in Islandia, N.Y., is to separate the partners, then ask each to write down the other's goals along with several pros and cons of each. The partners then read aloud what they've written.

Often, they're able to use a gentler tone of voice than they would have had the oral argument simply continued. And when one partner says, "Yeah, he or she is right about that," it's a sign they're starting to accept the other's insight. "That helps begin the compromise," Colarossi says.

Edward Gjertsen, vice president with Mack Investment Securities in Northfield, Ill., will ask each partner to list the reasons for or against a particular idea, such as one spouse retiring early. He'll then look for common areas between the lists. "It's trying to find the compromise," he says. For instance, perhaps the spouse doesn't retire early, but does cut back on working hours.

When working with partners who disagree, it's critical that planners avoid focusing just on "the more vociferous spouse," says Gil Armour, a planner with SagePoint Financial in San Diego. The partner who feels he or she hasn't been heard may not fully agree with the plan developed, yet will hesitate to speak up. In the future, however, his or her discontent may spark further disagreements.

## **'PEDALING IN MUD'**

When emotions threaten to prevent a couple from agreeing on a financial goal, advisors can try to calm passions by presenting relevant facts. "Information is always sobering," says Rick Martin, a senior planner with Szarka Financial in North Olmsted, Ohio. Conversely, it's hard to argue people out of their emotions, Martin says.

Say one partner attended a small, private college and is adamant the couple's kids do the same. It's probably going to be tough to convince him or her of the benefits of larger, public universities, Martin says. But the advisor can estimate the costs of the private school and show how covering the expense will impact the couple's ability to save for retirement, or leave their offspring with debt.

When clients' tempers continue to run hot and show no signs of moderating, the planner may need to stop and schedule follow-up meetings. Kashif Ahmed, president of American Private Wealth in Woburn, Mass., often meets with the two partners individually. The reason? When the two are together, they'll probably continue to state their positions, but skip over the reasons for them. The argument becomes a repeat of the ones they've had many times before. As he says, "If you keep pedaling in the mud, the bike won't move forward."

Separated, most spouses tend to feel freer to articulate the reasons for a particular position. Ahmed then brings them together and talks through the reasons each has been holding onto a belief. When provided with the explanation, each typically can see the rationale behind the other's position, he says. The two often are more willing to find common ground.

At times, the best solution is to structure a plan in which each partner's assets are treated separately, Armour says. For instance, two partners may disagree on the asset mix needed to meet an objective. He'll segment the portfolio into two portions: one emphasizing growth, and one, income. Each can oversee his or her own portion. "If they can't come to agreement, work out parallel paths," Armour says.

## RELATIONSHIP COUNSELING

While planners often can help arguing couples reach agreements acceptable to both, at times the rift between the partners is so intractable it's apparent they need more help than a planner can reasonably provide. Many planners say they've encountered one or two couples who needed relationship counseling before they could work through their financial differences.

One sign a relationship may be at this point: contempt. When it's clear one partner feels contempt for the other, "it's almost unworkable," says Gayle Colman, CFP and cofounder of Colman Knight Advisory Group in Carlisle, Mass.

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Joe Krier, president of Krier Wealth Management in Jacksonville, Fla., has worked with several engaged couples who disagreed so strongly he asked them if they truly wanted to be together. "On two different occasions, the couple didn't tie the knot," he

says. "They both thanked me."

While portfolio management and number crunching are, of course, critical to any planner's success, they're only part of the role, Financial Advisory Service's Barnes says. Just as important, he says, is "helping people understand the implications of the numbers, the decisions, the disagreements and how working through them helps the future."

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