Money and Marriage

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Perhaps you've heard of the three rules of real estate investing: *location, location, location*.

Likewise, there are three rules when it comes to money and marriage: *communication, communication, communication*. Let's add one more: kindness. Simply being kind in our communication has a wonderful effect on relationships—particularly when it involves money.

In addition to kindness, communication (about money or anything) is enhanced when we honor the **HALT** principle.

H = Hungry **A** = Angry **L** = Lonely **T** = Tired

Generally speaking, we should <u>not</u> attempt important conversations or make important decisions when either person is **H**ungry, **A**ngry, **L**onely, or **T**ired. These four conditions can increase the likelihood of a rash decision or a harsh comment.

I'm not suggesting that all of our conversations or decisions must wait for a magically peaceful moment. I am, however, suggesting that communication is enhanced when we consider the current circumstance of ourselves and the other person(s) we are attempting to communicate with. Hunger, anger, loneliness, and fatigue do not generally enhance communication. So, if we want to enhance our communication, we need to attend to the context within which it occurs. This will require preparation and awareness. But, that's reasonable. Most important activities generally require preparation.

Choosing a specific time each week or month to discuss "money" is one way to facilitate healthy financial discussions. Knowing of the discussion in advance allows each spouse to make the needed preparations. Our preparations should also consider *how much* time is needed for the discussion. Of course, we won't always know that in advance. But, we should know that two minutes won't get the job done. For instance, have you ever wondered why people remain silent in an elevator? I suspect that most people figure there isn't enough time to warrant starting a discussion. Important conversations between spouses should not take place in an "elevator time-slot." To borrow another analogy, we shouldn't use a microwave oven to communicate when a crockpot was needed. Allocation of sufficient time, along with thoughtful selection of appropriate time and place, will greatly enhance the quality of communication.

By the way, money discussions need not be "heavy." Money discussions can and should include planning together, goal setting, discussing ideas, problem solving, courteously discussing frustrations, and sharing hopes and dreams. Is it possible to look forward to the "money" discussion? Yes, it's possible. **But it involves people that are making a commitment to**

communicate with kindness and with their spouse's best interests in mind. Selfishness will kill communication faster than silence.

Another important aspect of money and marriage is focusing on what our financial resources allow us to accomplish, rather than focusing on what can't be done. The issue here is one of perspective. Is the glass half full, or half empty? Most people don't have enough money to do everything they want to do. That's life. Walking around frustrated by that reality is pointless. Actually, it's worse than pointless because that type of frustration almost always affects others negatively.

The truth is, everyone has a lot to be grateful for. Furthermore, those relatively few people that have everything they want (*want*, not *need*) are usually selfish and cranky. As Og Mandino observed, "True security lies not in the things one has, but in the things one can do without." It's worth remembering that the greatest person to grace this earth was most certainly not focused on gathering lots of earthly possessions. In addition to following Christ's teachings, we will do well to follow His example.

As financial stewards, we need to remember that children are watching and listening. When children hear their parents speak with a mentality of abundance and watch their parents generously share with others, they are encouraged to adopt the same perspective and the same behaviors. Financial stewardship is much more than just balancing budgets; it is a process of passing on values and behavior patterns to our children and their children.

Finally, being financial stewards is a team sport. Both spouses must be equally yoked in the tasks of managing, prioritizing, budgeting, planning, and problem-solving. Blame and criticism will not help. Most people already have a love/hate relationship with money. We don't need to make matters worse by being a grinch.

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Permit a brief philosophical interpretation of how financial stewardship relates to *living well*.

In the broadest sense, *living well* is a function of how fully our lives are aligned with the teachings of Jesus Christ. In a more specific sense, *living well* is the outcome of being good stewards over our financial resources, whether as an individual, as a couple, or as a family.

It is important to remember that living well is better measured by *how well* we earn and utilize our resources, rather than by *how much* we earn and spend. Moreover, living well does not imply that a Christ-centered life will be free of challenges or that we will have all the money we want. Both of those misguided hopes would seriously jeopardize our opportunities for growth.

The Prophet Joseph Smith (among many other noble and great ones) faced countless challenges, and yet we believe his life was lived well. Of his challenges, the Lord offered the following counsel: "If thou art called to pass through tribulation . . . know thou, my son, that all these things shall give thee experience, and shall be for thy good" (D&C 122:5, 7).

The counsel offered to Joseph also applies to each of us today. Living well is *always* accompanied by challenges that create customized experiences and opportunities for our personal and family growth. If we fail to see the correlation between challenges and our needed growth and refinement, we will miss the essence of "living well." Worse yet, we may resent the very experiences which have been individually tailored for us by a loving Father whose work and glory it is "to bring to pass the immortality and eternal life of man" (Moses 1:39).

Knowing why we are on this earth should help us better understand what we should be about while here. This life is a proving ground where we can demonstrate whether or not we are willing to "do all things whatsoever the Lord their God shall command [us]" (Abraham 3:25). Elder Neal A. Maxwell described the purpose of mortality this way: "Our first estate featured learning of a cognitive type. . . . The second estate, however, is one that emphasizes experiential learning through applying, proving, and testing. . . . We have moved, as it were, from first-estate theory to second-estate laboratory."[1] Stewardship of our financial resources in this "second-estate laboratory" experience helps us learn the virtues of prioritizing, balancing, sacrificing, and consecrating.

Because financial decisions and choices are part of our daily lives, they represent a continual source of defining and refining who we are and what we value. Financial stewardship, viewed in this way, is not a burden but rather a necessary tutorial in becoming more patient, more focused, more selfless, more enduring, and more self-reliant. Furthermore, our stewardship in one part of life often has "spillover" benefits in other parts of life inasmuch as behaviors often come in packages. As we adopt one behavior, other behaviors that are part of that "package" are generally easier to adopt. For example, as we repeatedly work to hone our budgeting skills, we are also gaining experience in prioritizing, a vitally important interpersonal life skill that can help us learn to put relationships ahead of possessions.

Stewardship of the financial aspects of our lives—either as an individual or in a family—is an effective "second-estate laboratory" for learning virtues that are valuable on this earth (temporal talents) as well as in the eternities (spiritual characteristics). Consider this: money and wealth do not move with us through the veil of death, yet the skills attained through the righteous use of such resources are a permanent part of us. Temporal tasks that facilitate the development of spiritual characteristics such as patience, prioritizing, gratitude, self-mastery, self-reliance, and endurance are portable—and needed—beyond the grave.

Endurance is a particularly important virtue that is acquired through a commitment to financial stewardship. For example, some people dread preparing their monthly budget. But, they do it anyway. They endure it well. Interestingly, as they endure it, the "burden" can become a "blessing" over time. The task hasn't necessarily changed, but their hearts and minds have as they find meaning in the task. Sometimes the "meaning" is to simply endure the task well. In other situations the meaning might be related to serving others in the performance of the task. A husband may find meaning in washing dishes, not because he enjoys it but because it is a meaningful way to help and serve his wife. Enduring a difficult, repetitive task changes and refines us in ways that a life of ease cannot. Only through endurance do we come to know ourselves, precisely because what we persist in doing clearly represents who we truly are becoming.

Occasionally we are unwise financial stewards (reread the parable of the prodigal son in Luke 15). We may spend money recklessly or fail to save for the future. We may misuse credit cards and find ourselves deep in debt. During such times we are schooled by painful lessons of regret, frustration, disappointment, and feelings of futility. Fortunately, these challenges can also facilitate personal growth as we overcome them and re-focus our energies.

Persistent financial difficulties caused by unwise choices can become distracting, often consuming much of our waking thoughts. Relationships with loved ones can be adversely affected. Thus, we are reminded that our financial stewardship responsibilities have far-reaching implications. It is clear that this second-estate laboratory is not a trivial exercise and that financial stewardship, with its attendant challenges, is a vitally important part of our growth and development—both temporally and spiritually.

One of the common challenges of financial stewardship is the fact that "wants" are limitless and "resources" are limited. This is by divine design. If resources were unlimited, the second-estate laboratory wouldn't be much of a test.

For example, with unlimited financial resources, we would not need budgeting skills because we could simply purchase whatever we wanted whenever we wanted it. We wouldn't need to prioritize our purchases, nor would we have to sacrifice something we *want* in order to purchase something we *need*. The symbiotic virtues of gratitude and charity would be nearly impossible to acquire in an environment of limitless financial resources. It's difficult to feel gratitude for things that appear to us to be abundant. For example, when was the last time we thanked God for the air we breathe or the ground we stand on? Likewise, universally abundant resources would rob us of the opportunity to share with others as no one would be in need. Without opportunities to share, how could we possibly acquire the cardinal attribute of charity?

When financial resources (money, time, talent) are limited, we are placed in a position where choices have to be made with regard to how our resources are utilized. Put bluntly, we can't have everything we want. This reality is a blessing, however. Bertrand Russell wisely observed, "To be without some of the things you want is an indispensable part of happiness."

So, here we are. Our first-estate "theory" has concluded and we are here on earth to learn "in reality" in a second-estate, experience-based laboratory. Indeed, it is a pragmatic laboratory in which we learn by our own experiences the eternal principles of stewardship.

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Finally, a brief discussion of two vitally important tools-of-the-trade: **the monthly budget** and the **income & expense statement**.

Planning expenditures is the process of budgeting. Just as communication is vital to building our interpersonal relationships, communication about family expenditures is vital to building and maintaining a family budget. Misunderstandings can be nearly eliminated when communication about the family budget is clear and consistent. Inasmuch as family expenditures and budgeting are day-to-day realities, communicating about it really should not be that hard. Planning and goal setting should be enjoyable. Sometimes it's the monitoring of expenditures during the month that gets annoying. That's when the virtues of patience and endurance are being developed.

Budgeting is the process of planning in advance how to spend or use a resource. People often plan how to use their time in advance; in other words, they "budget" their time. Unfortunately, some of us do a poor job budgeting financial resources in advance. Conscientious budgeting will greatly reduce frivolous or unnecessary expenditures.

Good budgeting skills can have the monetary value of working a second job. After all, there are two ways to increase our financial resources: (1) earn more money, or (2) spend less money. But remember, when we earn more money we usually pay more taxes. But when we "earn" money by spending less (because of better budgeting) we owe no additional taxes.

Before any financial progress can be made, budgeting skills must be developed. Purchasing a home and a variety of insurance products, investing in stocks or mutual funds, starting a business, and other "exciting" components of financial planning in the home are *absolutely* dependent on a monthly budget plan.

A useful tool in budgeting is an income and expense statement. It represents monthly budgets for an extended period of time, usually one year. By forecasting/planning monthly income and expenses for a one-year period, it is possible to prepare in advance for future months in which you estimate you will have more expenses than income. Common examples of budget busters are expenditures for holiday gifts, birthday gifts, summer vacations, and of course unexpected medical expenses and/or auto repairs. **The income and expense statement is a forward-planning tool, not a journal of how you spent your money.**

Income five dollars and expenses six dollars: misery.
Income four dollars and expenses three dollars: happiness.
(Charles Dickens, *David Copperfield*)

After your income and expense statement is completed (see example of income and expense statement below), you should do your best to follow it—month by month. This is the process of monthly budgeting. Ideally, you simply pull the information off your annual income and expense statement and plug it into each month's budget sheet (example below).

After the month is over, you may have to make some adjustments to your income and expense statement. Both the income and expense statement and the monthly budgets are documents that can change and adapt to varying circumstances. For this reason, preparing your income and expense statement on a computerized spreadsheet is advisable.

The process of budgeting will never be "done." Regardless of how much money you earn, you should always prepare and follow your monthly budget. Whether you record every penny or make rough approximations is up to you. The main idea is to develop a budgeting system that *works for you.* Excessively complex and cumbersome budgeting systems may eventually be abandoned, so keep your budgeting system simple.

Remain diligent in your pursuit of the goals that your budget is helping you reach. However, remain flexible enough to respond to unpredictable events in life. Be willing to compromise with those whose budget ideas may be different from your own. Efforts at budgeting may fail if one spouse attempts to force their vision of family spending on the rest of the family. **Work together!** As pertaining to financial stewardship, spouses should be equally yoked. Help each other just as you would help a friend, because your spouse is your friend.

Start budgeting by simply recording your expenditures for a few weeks or months. Once you understand how much you spend, you can start to plan your spending *in advance*—which is what budgeting is all about.

The monthly budget sheet (see below) can be copied so that you have enough for one year—or ten years. At the start of each month, simply record your allocated amount (as already determined on your income and expense statement) in each category on the monthly budget sheet. During the month, record your expenditures on the sheet, subtracting as you go from the allocated total in each category. When a particular category hits zero, ideally you should stop spending. If you run out of money in the food category, you may need to borrow some money from another budget sheet category so that you don't starve. When you use a credit card to make an expenditure, record it on the budget sheet. Keeping track of credit card expenditures is made easier by this technique. If not monitored, credit card debt can quickly get out-of-hand.

The objective of budgeting is for you to get a clearer picture of how money is being spent during each month, not to become neurotic about expenditures.

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In conclusion, consider the thoughts of Elder Marvin J. Ashton:

> "Peace, contentment, love, and security in the home are not possible when financial anxieties and bickering prevail. Whether we are anticipating marriage or are well into it, today is the time for all of us to review and repent as necessary to improve our money management skills and live within our means."[2]

Income and Expense Statement   Year _____

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	**TOTAL**
Net income from all sources													
Tithing/Offerings													
Saving/Investing													
Rent or House Pmt													
Food													
Utilities													
Phone													
Clothing													
Entertainment													
Education expenses													
Debt payments													
Insurance													
Gasoline													
Other													
Total Expenses													
Monthly Surplus or Deficit													

Budget Sheet for the Month of _______________

<table>
<tr><td>House Pmt/Rent</td><td>Utilities</td><td>Phone</td><td>Tithing/Contributions</td></tr>
<tr><td rowspan="4">Miscellaneous</td><td>Savings/Investments</td><td>Insurance(s)</td><td>Education Expenses</td></tr>
<tr><td>Medical</td><td>Clothing</td><td rowspan="3">Food</td></tr>
<tr><td>Debt Payments</td><td>Car/Gas</td></tr>
<tr><td>Gifts for current/former teachers ☺</td><td>Other/Misc.</td></tr>
</table>

[1] Neal A. Maxwell (1979), *All these things shall give thee experience* (Salt Lake City: Deseret Book).

[2] Marvin J. Ashton (2000, April), Guide to Family Finance, *Liahona*, *30* (4), 42.