



# EVANS EDWARDS

FINANCIAL ADVISORS | WEALTH CREATORS



## Show Your Finances Some Self-love

Are you guilty of changing your spending habits when you're in a relationship? Do you have a financial plan, or are you relying on a partner to take care of you in retirement? Whatever your situation, there's never been a better time to step up and take charge of your finances.

Your relationship status can have a big impact on your finances. From spending and managing your money, to the types of investments and purchases you make, romantic partners are a big influence.

Some of life's biggest financial decisions are made together with a partner. Moving in together, buying a house and having children are all big triggers for differences in your spending habits to crop up.

Whatever your relationship status, the most important thing is to make sure your finances are sound for you. This is especially true for women, who face extra hurdles to financial freedom. On average, women retire with 47 per cent less super than men, so it pays to have a clear financial plan.

### WHEN SPENDING HABITS DON'T ALIGN

Do you splash your cash on everything you desire, while your partner steadily saves for a rainy day? Or vice versa? When spending habits don't align, it can cause tension in a relationship. One study found that finances were a contributing factor in 42 per cent of divorces and separations.

Lying about your spending might feel tempting when you and your partner have different attitudes to money. But it's likely to lead to a loss of trust, and eventually relationship breakdown. Financial infidelity is on the rise however, with one-in-three adults admitting to hiding purchases, bank accounts, bills, or cash from their partner.

## HOW TO GET ON THE SAME PAGE

The best way to get in front of these issues is to talk about your finances early on. Having open and honest conversations about your attitudes to money, your financial goals and what you expect from each other will help build a strong foundation for your relationship and your finances.

It's quite likely that you won't be in the same financial situation as your partner, so talk through things like your:

- Income
- Expenses
- Assets and investments
- Any debts or loan repayments you may have
- Your individual and shared financial goals – and how you'll reach them.

Being honest from the outset also means not overspending to impress a potential partner. Splitting bills 50/50 can be a good way to keep the relationship equal and ensure both parties feel empowered. Just keep in mind that one partner may have less disposable income than the other, or more expenses to cover. Tailor your spending so that you both feel comfortable and can meet your other financial obligations.

## DEALING WITH DEBT

It's likely that you'll need to borrow money at some stage of life. In fact, nearly two-thirds of working Australians have some form of consumer debt outside of a home loan.

If you're in a relationship, be careful about taking out credit cards or loans in both your names. Understand that if you do, you're both responsible for repaying the debt. In many cases, if the lender can't recover the loan from one party, they're entitled to recover it from the other. Any default on your payments will affect both your credit scores.

If your partner has a large debt, or is unable to access credit for any reason, don't offer to obtain credit on their behalf. Never personally guarantee someone else's debt or take on any loans or credit cards to help clear their debt.

There may be other ways you can support your partner while they're repaying the debt, such as contributing more to household bills and expenses for a time. Encourage them to repay the debt themselves and keep them accountable. You want to see clear progress towards paying off the debt, as it shows their money management skills – and that they take the issue as seriously as you do.

*Source: Money and Life*

**If you need help setting up a budget or a plan to pay off debt, give Shaun or Vicky a call on 4927 4588 (Rockhampton) or 4939 1766 (Yeppoon) to see how they might be able to set you on the right path for you.**



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