

# Financial Infidelity

*How To Avoid & Detect A  
Wealth & Relationship Destroyer*

*#FPW: Financial Planning Wednesday*

Per a recent survey conducted by [www.creditcards.com](http://www.creditcards.com), approximately **12 million Americans** have concealed a bank or credit card from a spouse or significant other. In a recent survey,

## Breakdown Of Money Lies



ances admitted lying to their spouses they'd been deceived.

The online poll, commissioned by

ForbesWoman and the [National Endowment for Financial Education](#)•(NEFE) and conducted by Harris Interactive, surveyed 2,019 U.S. adults. Among both offenders and victims, the leading money crimes were hiding cash, minor purchases and bills. **Meanwhile, a significant number of people admitted hiding major purchases, keeping secret bank accounts and lying about their debt or earnings.** Baby Boomers between the ages of 63 and 71 are four times more likely to succumb to financial infidelity compared to Millennials because they have the resources to do so. Over the last two decades, I've witnessed many a sad aftermath of financial infidelity. Stealth spending behavior, which never remains hidden, has the potential to cause wide or permanent rifts in even the healthiest of long-term relationships. It's never too late - There are effective and simple methods to avoid or detect financial infidelity. Taking these concepts to heart can strengthen the bonds you both share, embolden trust, and over time, improve dialogue around positive money flow which is a collaboration which enhances the ability of willing partners to meet and exceed financial goals. **First and foremost, set boundaries.** Successful couples establish clear no-spend territories. Both parties should agree on individual and joint budgetary boundaries around recreational spending in the early stages of a marriage or commitment. Limits are not designed to be deep, dark lines in a household budget, either. Couples who communicate openly about money understand how life happens and deviations may occur. It's when individual boundary breaches become consistent enough to endanger the fiscal health of the household that bigger financial infidelity issues begin to emerge. Trusting partners don't expect to ask for permission for every purchase made so, decide upon a mutually acceptable monthly allotment of household income for recreational activities and hobbies. Usually, a couple will follow mutually agreed upon spending guidelines, anywhere from \$50-\$100 a month, and a joint budget for activities they look to do together which may range on average \$80-200 monthly. Of course, your guidelines will differ based on household income, but you get the picture. Many couples agree to allow breathing room of \$20-\$30 dollars each for individual boundaries. Most important, expenditures above the limits are disclosed and discussed. People who practice financial infidelity will discourage conversation or seek to minimize questions. Tactics like making partners appear foolish or feeling insulted should be considered considerable red flags of abhorrent spending behavior. **Practice financial nudity.** I strongly encourage swapping in a marriage. Credit report swapping, that is. Credit reports list all accounts from past to present, including those that exist without the knowledge of both parties. It's the purest form of financial vulnerability. Credit reports may be accessed annually for free at [www.annualcreditreport.com](http://www.annualcreditreport.com). Credit report analysis should be part of a yearly financial health checkup. • It's a crucial step to confirm that information is accurate and at the same time, discourages or exposes financial infidelity. Partners should allow an openly joint investigation to discover overlooked errors or foster questions and discussion about open and closed accounts. **Hold monthly money dates.** My friend and fellow Certified Financial Planner Brittney Castro encourages couples to participate in regular money date nights. As an example, scheduled time together to review credit card and banking statements is a simple yet effective exercise in trust and mutual respect. A couple's review of spending, savings, investments, along with a commitment to follow a similar money philosophy can bolster the overall health of a union or marriage. As a financial professional, I've been in the middle of conflict between couples with disparate views on finances with zealous savers and profligate spenders pitted against each other. The outcomes of these discussions are rarely positive. Ostensibly, household net worth pays a price. The strain leads to lower probabilities of meeting important long-term financial benchmarks like retirement. According to a survey conducted by SunTrust Bank in 2015, finances are a leading cause of stress in a relationship. Some 35% of respondents referenced money as a primary source of friction. They also discovered that 36% of partners did not consult each other about large purchases. Money dates should be safe space for candid conversation, a time to regroup on mutual financial goals, checks and balances on recreational spending and an overview of the current household budget. **Stay observant ? It's easier than you think to hide in plain sight.** You may not be as observant of your surroundings as you believe. A significant other may overlook the signs of overspending out of conflict avoidance or an unwillingness to confront deeper relationship issues.

To uncover financial infidelity, a detective-like mindset is crucial. Have you noticed a partner donning new clothes or jewelry more often? Or maybe an expensive hobby is developing and you've seen more than a few Amazon boxes on the doorstep. An observation, no matter how trivial it appears, should be discounted. At the least, your gut should be nagging at you to ask questions and dig deeper. Recently, I had a female client decide to go through her outside trash receptacles when she felt her husband was spending too much time with his golf buddies. Her investigative skills paid off. She managed to find numerous receipts from a retail golf outlet totaling more than \$2,000. • They were torn and at the bottom of a plastic garbage bag her husband took out the night before trash pickup. You may not seek to go to such extremes. However, it's easier than you think to overlook out of control spending which makes money dates and annual credit report review mandatory in financially noble relationships. **Spending is usually a symptom, but not the real problem.** Occasionally, you must look beyond excessive spending to discover the true and most likely, emotional root causes of the behavior. Job strain, depression, physical health issues, marital stress are formidable catalysts. Spending can be a method to release stress albeit ineffective as it can accelerate financial anxiety. A partner may "excuse away" financial infidelity when caught as no big deal when in fact, it is. Regardless of how much in dollars has been spent or credit utilized, financial infidelity creates long-term negative ramifications for a relationship and sometimes irreparable damage to an otherwise strong economic standing of a household. Rules I share to keep couples on track are built on a foundation of three simple sentiments encompassed in **YMB**.

**YOU:** As my partner, **you promise** to ask my input for financial commitments that breach our agreed-upon boundaries. **ME:** As your partner, **I promise** to share all personal financial matters that may affect you. **BOTH:** As a couple, **we promise to** mutually respect our core, joint money philosophy, agree to share financial documents when asked, hold steady money dates, and work, save, and invest together to meet our financial milestones.

Well, you get the picture. Plan as one unit to form your own, personalized foundation of **YMB**. Striving for open communication and following up with actions that promote full disclosure of individual and joint financial documents and concerns, forges respect and fortifies the emotional and financial ties couples share.