

Minding Your Money

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Marriages Can Be Strengthened Through Better Budgeting, Planning

■ **Don't let spending issues ruin your relationship. Get them under control.**

Hello again!

Since February is the month for romance (it contains Valentine's Day), I thought I would explore how a good, solid budget can help a relationship.

Let's start with a case study of a couple we'll call John and Mary Jones. They aren't their real names, of course.

"Either the shoes go, or I go! If she spends any more money on shoes we'll surely never be able to retire ... and if you don't talk some sense into her now, this marriage will be over!"

I hung up the phone with a sigh, realizing what I was in for that day. My many duties as a financial planner include acting as marriage counselor. Fortunately, for my clients and me, I have found solutions to these all-too-frequent money problems. In this particular case it was simply a matter of budgeting.

That afternoon, my clients came in for an appointment, and after patiently listening to them vent their frustrations with each other, I began the counseling.

"John," I said, "Do you really hate the shoes that Mary bought, or do you hate the fact that she spent \$200 on them?"

He responded that he did like the shoes but that he had wanted to save that money in his IRA, and \$200 seemed outrageous for shoes.

"Mary," I asked, "Why did you buy the shoes without asking John what he wanted to use that money for?"

She answered that she didn't like always having to "ask" for things and that she simply wanted to buy them. She said he just wouldn't understand paying \$200 for shoes.

The solution was simple:

STEP 1: Create a budget that they both agreed upon.

STEP 2: Make sure the budget was adhered to.

STEP 3: Allow Mary the freedom to spend the money however she liked.

So that's what we did. We created a monthly clothing allowance for Mary of \$300, and John also budgeted a \$2000 annual IRA contribution. Mary was free to spend that money however she liked—on one pair of shoes, or ten dresses. Also, John was happy because he knew that his IRA contributions would be made.

Marriage and Finance Solutions

It may seem ridiculous that a marriage may end over a pair of shoes, but in actuality the major cause of divorce in this

country is related to financial issues (<http://www.divorcereform.org/cau.html>).

In the end it's no laughing matter. Budgeting takes some time and effort, but ultimately creates the desired results of all concerned.

Quick Tips

- Create enough categories to correctly identify spending habits. Example: "Groceries" and "Dining Out" instead of simply a "Food" category.
- Allow each spouse to have "control" over what he/she purchases.
- Initiate compromise: I'll reduce my spending on x if you reduce your spending on y.
- Reward smaller goals that are met: If we meet our annual goal we'll take a trip.
- Permit each spouse to take on the responsibility and the freedom of household finances: Share the book-keeping responsibilities and discretionary spending decisions on a rotating basis.

Use a Professional Planner

It's best to have an unbiased third party "mediate" the budgeting process.

Additionally, there are many solutions that a planner can furnish that a book or Website may not address; for example, how to create a harmonious relationship between a "spender" and a "saver." That planner can help create compromises that are acceptable to both parties, and help ensure that the financial goals of the family are met.

If you, or someone you know, is having marital problems relating to money, I suggest he/she contact a financial planner. For more information on how to choose the right planner for you go to http://www.cfp-board.org/cons_main.html.



If you have questions or would like to meet with a financial adviser for a personal consultation, contact Nichole at (626) 441-0838, or through the Club e-mail: nichole@cityemployeesclub.com. Nichole is a principal at Polaris Financial, investment advisers and financial planners. Registered representatives offer advisory services through National Planning Corporation (NPC), member NASD/SIPC, a registered investment adviser. Polaris Financial and NPC are separate and unrelated companies. Polaris Financial provides discounted services to Club members.

To get a copy of the easy-to-understand **Choosing a Planner** information kit and checklist, contact Nichole and she'll mail one to you FREE: (626) 441-0838.

NOTE: When you leave your name and address, please speak slowly and clearly, and repeat it. We want to make sure we have the correct information to get you your information.

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Club Member Wins Award From Dept. of Public Works: Supervisor of the Month

Congratulations are due to City Employees Club member **Cora Jackson-Fossett**, holding certificate in the photograph above, who received the Supervisor of the Month award from the Los Angeles Board of Public Works Task Force for Employee Achievement and Morale in January. Jackson-Fossett, public affairs director for the Department of Public Works, was honored for her dedication, loyalty and commitment to Public Works employees.

Joining her in the photograph are (from left) Board of Public Works Commissioners Janice Wood and Adriana Rubalcava; Cora's niece Shawn Magee; son David Fossett; family friend Taketha Dillard; Board of Public Works President Valerie Lynne Shaw; Cora's husband Kelvin Fossett; and Commissioner Ronald Low.

For more information, call the Department of Public Works Public Affairs Office at (213) 978-0333.

Photo courtesy Richard Lee, Public Works Public Affairs Office

