



He Spends, She Spends

The Motley Fool

By Dayana Yochim

My husband and I like to shop. A lot. I pay the bills and keep track of our accounts. Right now we have no credit card debt, but our savings is shot. I've decided to try and get my spending under control and have started keeping a log of my expenses. So how do I get the Mister to take note of what he spends?

— Laura in N.J.

Laura,

You landed a guy who actually likes to shop? Does he have a single brother?

Sorry. Let me start again. Kudos to you for trying to tame “the spendies.” Put a checkmark by “Step 1: Recognize that there’s a problem.” Now it’s hubby’s turn.

As the keeper of the family finances, it’s your job to bring your husband into the fold. Once he sees — in stark black-and-white terms — where your money is going, strolling hand in hand down the aisles of **Circuit City** (NYSE: CC) may seem a little less romantic.

Communication is key to dealing with matters of finance. No surprise there. Instead of tiptoeing gingerly around the topic, start talking.

Talk is not cheap

Reel him in. If your better half isn’t interested in talking finances, lure him in with an enticing reward. What kind of couch, vacation, home, retirement, plasma TV does he envision? When you explore the possibilities that well-managed finances could afford, the reluctant partner is more likely to become a willing participant.

Split up... your financial tasks, that is. Managing your money relationship is a two-person job. Take equal responsibility for keeping your joint finances on track. (Couched resentment is unbecoming and not good for your skin.) If you balance the checkbook, have him gather and organize those ATM and grocery store receipts you put in the fishbowl by the front door every day. Or consider an equitable distribution of other chores, and have your husband take on some house task that ruins your manicures.

Schedule a summit. The financial world is fond of quarterly reports — go ahead and set a date for the inaugural event. Your State of the Union address should cover: the amount of money you currently have together; the percentage change from the previous quarter; and any transactions (buying, selling, saving, overspending, getting a puppy). Doing this on a regular basis will keep him in the loop and inspire more paperwork discipline for yourself. Should you find your feathers getting ruffled, print, post, and follow these four suggestions to avoid a money fight.



A budget built for two

There are no hard-and-fast rules to budgeting that you must follow 'til death do you part. There are some rules of thumb, though. A personal favorite on budgeting is The 60% Solution proposed by author Richard Jenkins. It's a simple way for math phobics like me to help organize spending. He proposes that 60% of your income should go to "committed expenses" (mortgage, food, utilities, etc.), 10% used for "fun money," another 10% for irregular expenses (your short-term savings), 10% for retirement savings, and 10% for long-term saving and/or debt reduction.

Consider this a starting point for your own budget, and modify the 10% chunks for your lifestyle. Since you have no debt, consider socking away 25% of each paycheck for retirement savings, and use a little bit more for "fun money." Bend the rules to fit your own situation.

You don't want to be a total killjoy, though. Sit down together and start talking about some of your near-term and long-term goals. Retire early? Build a screened-in porch for the house? Send the dogs to college? Then take a stab at figuring out what it would cost to achieve those things. You'll be surprised to see how cutting back a little now can turn into a big payoff in the future.

Staving short-term but costly treats will require discipline and constantly reminding yourselves of those things that you are working towards. Make it a game. See how much you can "save" one week-end by not shopping. Set up a separate account (and hands off!) for that dough. Lather, rinse, and repeat on a weekly basis. Trust me, there's a great deal of satisfaction in opening up your savings statement and seeing it blossom to four and five figures. Along the way, come up with rewards for meeting some of your savings goals.

As you've discovered, when shopping is your main leisure activity, things can get out of hand. Thankfully, you've stopped short of the credit card debt trap, putting you way ahead of the curve. So hugs and air kisses all around. Now resolve to start saving for a bigger payoff in the near and long-term future.

And consider a cheaper hobby to do as a twosome.

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