PROFESSIONAL FINANCIAL
Purposeful Wealth Management

Wealth Planning Report

Making Wealth Management Decisions as a Couple

When making decisions about planning your wealth and finances, how often do you and your spouse (or partner) work together as a team to arrive at a place where you're both happy?

Consider that spouses report higher relationship quality and stability when they feel they are both involved in financial decisions, planning, and processes.

With that in mind, here's a look at what you can do to better ensure that you and your spouse are working as true partners toward your most important financial goals.

Reasons to work as a team

There are numerous reasons why couples should be making a concerted effort to jointly work with each other to address the investment and other financial matters that can significantly impact their lives. For example:

- **Stronger commitment to your goals.** Couples who set goals together are on the same page, and more likely to stay committed to those shared goals—versus, say, to goals that are dictated by one spouse to the other leading to resentment and complaining.
- **A reality check in stressful times.** Even the best wealth plan can crumble if you panic during times of market volatility and uncertainty and make rash moves—such as selling out of stocks to cash after they've plummeted in price. By acting as partners, you and your spouse can potentially help each other when one of you gets nervous and is tempted to let emotion override rational thinking.
- **One of you likely will live longer.** Women generally have longer life expectancies than do men. That means chances are that a wife will eventually have make financial decisions without her husband—possibly for many years. Waiting until that moment to begin learning about and managing the family finances could spell potential disaster, even if the surviving spouse is getting good financial advice. She may get bad advice from someone and not know the difference.
- **Shared risk—shared responsibility.** Even if you're a math whiz and your spouse isn't, the two of you should both weigh in on financial decisions. Otherwise, only one of you is responsible when money mistakes occur—opening the door to second guessing, blame and resentment.
- **Stronger marriage.** Money issues and conflicts are frequently cited as leading drivers of divorce—and financial arguments are a strong predictor of divorce. Working together to address financial concerns and challenges, or learning constructive ways to do so, can potentially alleviate money stressors that may harm the health of your relationship.

Tips for working together

If you're not frequently consulting with your spouse on wealth management matters—or if you feel that maybe you could strike a better balance—consider some action for more collaborative decision-making:

1. Boost your financial smarts. If one of you has less investment acumen than does the other—or at least believes that you have less—consider reading investment primers from reputable sources, then dive deeper once you're confident you clearly understand the basics.

2. Be willing to give up some control. Effective mutual decision-making requires a willingness to collaborate and compromise. If you're the one in the relationship making all the decisions, ask yourself why that is and how you could better get your spouse's opinion about financial issues by offering options wherever practical.

3. Discuss your goals—shared and individual. When was the last time you sat down and compared notes about what you both want from your life together? Most people's goals for themselves as individuals and as a couple change somewhat as you age, so a periodic check-in is a good idea. Consider making separate lists of big goals, rate them 1 to 10 in terms of importance and compare.

Being clear on your desired outcomes and prioritizing what matters most can help you both compromise and make better decisions. Your goals can serve as reminders of why you should or should not take certain actions. Whenever you discuss a potential financial decision, decide whether it moves you closer to (or away from) where you want to be.

4. Clarify your respective tolerance for risk. One spouse might feel comfortable with investing aggressively while the other favors a more conservative approach. This difference in risk tolerance easily creates tension when making shared decisions about, say, the percentage of assets to hold in equities versus fixed-income investments. Some considerations for coming to an agreement if you differ include:

- **Your wealth relative to your goals.** If as a couple you've already built more than enough wealth to achieve your key goals, you might decide to emphasize investments focused on the preservation of wealth. Conversely, you might decide that your wealth means you can invest more in stocks and withstand the volatility if a legacy is your goal.
- **The value of peace of mind.** If as a couple you've already built more than enough wealth to achieve your key goals, you might decide to emphasize investments focused on the preservation of wealth. Conversely, you might decide that your wealth means you can invest more in stocks and withstand the volatility if you just want to spend more for travel.

There's no perfect plan—the key is to have regular honest conversations and arrive at a strategy you both can live with.

5. Enlist your advisor. A trusted CFP® professional can help you walk through these and other crucial financial matters as a married couple, and find a feasible path. A CFP® professional can also help you cut through confusion to focus on what taking (or avoiding) an action would mean to your bottom line—and your marital peace.

The upshot: Like marriage, managing wealth involves a partnership. If you take steps to work considerately with your spouse when managing your assets, both of you may find yourselves much happier, healthier and wealthier "so long as you both shall live."

This is an executive summary of our wealth management ebook.
For a complimentary copy of our complete report, please contact us.

Paul Byron Hill, MBA, MFP, MSFS, ChFC®, RICP®, CFP® is a nationally recognized Wealth Management Certified Professional™ and Certified Financial Planner™ professional, written about in *Fortune, Forbes, Bloomberg Businessweek,* and *Money*. Paul is the co-author of *Retire Abundantly*. Reuters AdvisePoint once recognized Mr. Hill as one of 500 "Top Advisers" in the U.S. and featured him in an interview on their website.

Paul founded Professional Financial Strategies, Inc. in 1993 as one of the first fiduciary planning firms that specializes in retirement and wealth management for affluent and aspiring families. Paul is a personal chief financial officer acting in best interest of clients. He brings together a proven process and a network of specialists for making informed decisions for systematic strategies, secure income, mitigating taxes, protecting assets, and preserving wealth for family and purposeful causes.

Mr. Hill received a BA with distinction from the University of Rochester and later an MBA in finance from its Simon School of Business. He earned an MS in financial services from The American College along with his Chartered Financial Consultant and Retirement Income Certified Professional designations, and then received an MS in financial planning from the College for Financial Planning (now at the University of Phoenix). The College for Financial Planning appointed him as adjunct faculty, and he taught at St. John Fisher College. Who's Who presented Paul with the Albert Nelson Marquis Lifetime Achievement Award, and featured him with others in *The Wall Street Journal* and other publications.