

DAILY NEWS

Talking money, making peace

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What do you fight about most with your spouse or significant other?

Chances are good that it's money. Studies invariably point to finances as the root of most arguments during a relationship and the most frequent cause of divorce.

But when we fight with a partner about finances, we're not just arguing over dollars and cents. We're fighting about power. We're fighting about who is in control. And we're fighting about stress, said John Gray, author of 1993's "Men Are From Mars, Women Are From Venus."

In his new book, "Why Mars and Venus Collide: Improving Relationships by Understanding How Men and Women Cope Differently with Stress," Gray more precisely points to the stress money causes.

"There's nothing that causes more stress than money, because it represents risk and danger," Gray said.

The fact that men and women are worlds apart in the way they manage that stress doesn't help matters. Women, according to Gray, tend to be security-oriented. They want to ask questions, understand the problem and then make a decision. Men are more likely wired to react immediately. They want to solve the problem and move on.

Here's how to bust through your differences and make mutual money decisions a bit easier:

Dig deep

In order to understand each other's financial habits, you have to unlock your past. Tell your partner how you were introduced to money as a child, whether your parents were big spenders or big savers, and anything else that helped shape the way you approach the subject today.

"Money brings so much stuff with it. You really have to go back and dig through all of that, and talk about what money meant in your household growing up," said Laura Rowley, author of "Money and Happiness."

Know the numbers

Not only do we argue about how to spend our money, we can't even agree on how much we have. A 2003 study published in the Journal of Socio-Economics found that, when couples were asked separately about their joint income and total wealth, the typical husband reported 5% more in income and 10% more in wealth than his wife. On the other hand, wives on average reported total debt as \$500 more than their husbands.

"I think it's really this hunter-gatherer thing. Women tend to be more focused on security and preserving wealth, so they worry more about debt. Meanwhile, men are out hunting and claiming they killed 16 lions when they really bagged a couple of squirrels," Rowley theorized.

Ignorance is not bliss. Knowing your financial picture inside and out - that includes debt, income, net worth and investments - eliminates a good chunk of the stress. Run the numbers together.

Set goals as a team

Together, you have to figure out what money means to you and your family. Think of each paycheck as a tool that can be used to finance your retirement, buy a house, go on a well-deserved vacation and give your children an education. Which of these takes priority in your relationship? Talk it over, and once you have a plan in place, designate a portion of your income every month to each goal. Set up bank accounts - you'll want high-interest savings accounts or CDs for short-term goals, and investment accounts for the long-term ones - and keep tabs on your progress.

Your Money columnist Jean Chatzky is the author of "Make Money, Not Excuses." She hosts a daily show on "Oprah & Friends" on XM Radio and writes at oprah.com/jean. She's also financial editor of NBC's "Today" show.