

Anxiously Engaged

Supplemental Lesson

Becoming One Through Shared Financial Stewardship

Lesson 3: Practicing Financial Transparency

Thanks to Emily Cutler and Emily Milius for their original work on this lesson

Introduction

Now that you've completed lesson 2, you have a better understanding of your own and your partner's attitudes about money. This is a great beginning and you are now ready for the next step—practicing a pattern of financial transparency. In addition to understanding your partner's financial attitudes, couples should be completely open and honest about their current financial standing, financial behavior and financial expectations. Depending on your past financial experiences, sometimes this conversation can be a bit difficult. That's okay—take a minute to acknowledge your discomfort and then bravely move ahead. Financial transparency helps you get all of your “money cards” out on the table and helps establish a foundation of financial trust as you begin to make shared financial plans.

Activity #1:

Discuss the following questions to help you get a sense of your current financial standing as a couple:

1. How much do you currently have saved?
2. Do you have any debt? If so, how much? What kind?
3. How much income are you currently bringing in?
4. Will this income increase or decrease in the near future?
5. Do your parents pay for any of your current bills?
6. How do you feel about accepting financial help from parents after we are married?
7. What kind of insurance (health, car, life, etc.) do you have right now?
8. How will we handle insurance after we are married?
9. (If you are in school), are you on scholarship?
10. How are you planning to pay for the rest of your school?
11. Have you ever applied for FAFSA?
12. Are you currently receiving any FAFSA money?



Activity #2: Current financial balance sheet

To get a sense of your current financial situation, it might be helpful to complete a financial balance sheet. A financial balance sheet is like a thermometer that shows where your finances are at a certain moment in time. For this activity, you can either complete individual balance sheets and then share them or do a joint balance sheet.

1. Start by listing all your assets (meaning what you own). Estimate the value of each asset and add up the total value.

Examples of assets:

- Money in bank accounts
- Value of your car
- Value of your home
- Value of your investments
- Valuable property (like jewelry, fine art or musical instrument)
- Cash value of insurance policies



2. Make a list of all your liabilities (meaning everything that you owe). Add up the total cost of your liabilities.

Note: liabilities are a list of debts that you have. Liabilities do not include other expenses like the need to pay for rent next month.

Examples of liabilities:

- Student loans
- Car loans
- Credit card balance
- Mortgage



3. Subtract your liabilities from your assets to find your current financial standing. If you completed separate balance sheets, share your financial standing with your partner.

Now that you have a good sense of your individual financial background/ attitudes and your current financial standing as a couple, it's time to discuss your financial behaviors. Discuss the following questions to get a sense of each other's financial behaviors. Remember it is important to be completely honest so that you can practice the pattern of financial transparency.

Activity #3:

Discuss the following questions about financial behaviors:

1. Do you feel that you are “good with money?” What does it mean to be “good with money?”
2. What is your experience with following a budget?
3. Do you consider yourself to be a saver or a spender?
4. What things are important to spend money on?
5. Do you prefer to use a cash, debit card or credit card?
6. Do you have a credit card(s)?
7. If so, do you always pay it off at the end of the month?
8. How do you feel about debt?
9. What things are worth going into debt for?
10. How do you feel about going into debt for our educations?



Now that you have discussed your financial standing and your financial behaviors, let's talk about your expectations for your financial future as a couple.

THE BOTTOM LINE

Financial transparency is the very foundation of open financial communication and sets the stage for making shared financial plans. When partners aren't totally honest with each other about money matters it can lead to financial infidelity, which is when one partner lies about purchases, debt or hides bank account or credit cards. Starting marriage with everything “out on a table” is a great beginning to healthy marital financial patterns.