

Is Your Spouse Financially Empowered?

What your better half doesn't know can be costly.

BY MICHELLE GERSHFELD



Do both you and your spouse know where all your money is invested? Where the key to the safe deposit box is? What bank the safe deposit box is at? It is pretty common for one spouse to be “in the know” about the family finances and for one spouse to be in the dark —often, quite happily.

While it is wonderful to be financially secure and not have to “worry” about money, it is quite another thing to be completely out of the loop. It is imperative that both parties in a partnership know what the “money story” is. Too often tragedies leave the unknowing spouse in the driver's seat, for the first time in decades (if ever before), and unsure and insecure about how to proceed. When tragedy strikes, it is not the time to get caught up to speed with the family finances.

So, what do you need to do now, and what does your spouse need to know? First, make a plan to have at least six basic “money dates” with your partner. Plan for the money dates to be at fixed times (maybe the first Thursday of every month) and limited to 30 minutes.

While this is serious business,

plan to embrace the time together, as you have worked hard to achieve your wealth, and discussing the reality of where you are financially should not be a burden. Perhaps plan to end each session with a glass of wine and a toast to your wealth and to your health.

The first meeting might focus

penses that are paid by mail on the first of every month, and

3) We pay your parents' monthly rent on fifth of every month, but there is no statement, so here is the address where the payment is sent and this is the memo to include with the payment.

After the meeting, place the lists

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on expense accounts and the passwords. The money handler should, prior to the meeting, gather all of the expense account information. This should include all of the household accounts, with user names and passwords, account numbers, and any other relevant information. At the date, the money handler should identify and explain each account and how it is addressed. For example:

1) We have three credit card accounts that are paid online on the first of every month,

2) We have the following monthly utility and household ex-

(with passwords and account information generated) into a three-ring binder and keep it in a safe or fire-proof lock box. Make sure your partner also has the combination to the safe (and that the combination is kept in a separate, safe place) and/or the key to the lock box.

The second meeting might focus on insurance policies and expenses. The money handler should prepare a listing of all insurance policies along with the current billing cycles, accompanied by a calendar showing when to expect to make premium payments. For example:

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1) We pay automobile insurance every six months and, unless you notify the insurance carrier to the contrary, an automatic draft will come out of the ABC Bank checking account on the fifth of January and July,

2) We pay for our life insurance policies annually from the DEF Bank and you should expect to see an automatic debit every February 15th, and

3) We have disability policies with GHI insurance and those premiums are paid by check in June.

Laying out the dates of anticipated payments and the accounts from which the funds are to be drawn will be crucial to ensuring that things still run smoothly when the money handler is not available. In the event of an emergency, you do not want to risk losing any of the policy benefits which you have been likely paying into for years; a missed payment may result in a cancellation of the policy when it is needed most. In addition, you will want to make a paper copy of the active policies and/or provide the specific information where copies of the policies can be located (a detailed listing of the specific computer folders, along with the related passwords). Add this information, labeled as insurance, to your three-ring binder.

The third meeting might be dedicated to ensuring that both parties know where to find the family legal documents. These documents may include living wills, powers of attorney, wills and trust agreements. It is important to review these documents together and make sure that your current wishes are aligned with those stated in the documents at the time they were drafted. It is also imperative that the documents are accessible. Add this information, labeled as legal documents, to your three-ring binder.

The fourth meeting might focus on your savings, retirement, and investment accounts. Prepare a simple listing of all of your joint and individual accounts, with the respective account numbers, contact information for your personal representatives

(or institutions) and the balances. At your date, go over the accounts to ensure that there is a full understanding of the wealth you have built and your intentions with respect to those funds. If you have college savings accounts or other accounts set up for family members, be sure to include those as well.

If either or both parties have private, individual accounts or accounts where one is a custodian (holding money for another party) with a fiduciary responsibility to keep that infor-

deposit box, make sure to identify the location and related information necessary to gain access to that as well. Again, add these listings to your three-ring binder.

Once you have completed these six money dates, continue your monthly meetings to stay current on money matters that impact your family. If, however, you decide not to do so, calendar money dates at least every six months. Once you have completed the basics outlined above, it will be easy and relative-

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mation private, consider preparing a sealed envelope. The specific identifying information can be written on the outside of the envelope, and it can contain the necessary, relevant information inside. This will allow for easy access to the information, while not breaching the integrity of the contents. Add this information to your three-ring binder, with sealed envelopes stored in folder pockets.

The fifth meeting might focus on your real estate assets, if any. Prepare a listing of all property owned, along with the related deeds, mortgages, recent tax statements, and rental agreements, if applicable. Prepare an analysis to clearly identify the current equity position of each property. After your money date, label and include these lists in your three-ring binder.

The sixth meeting might focus on your personal property assets. Prepare a listing of your valuable personal property, along with any titles to ownership, and the location of the assets. This list should include savings bonds, automobiles, jewelry, collector items, art work, etc. There is no need to list your furniture and daily living items; rather, this is an opportunity to prepare and discuss the value attached to items that have significant value. If there is a safe

ly painless to pull out your binder and make sure that the information is still current, and to update it as needed.

All of this planning will allow you and your partner to rest well with the knowledge that you are both fully capable of taking the necessary steps to financially weather any potential storm. Financial knowledge is a powerful tool, and your personal three-ring binder will provide an invaluable road map to your partner for ensured, continuing financial health and emotional well-being. **PM**



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