

Conflict on Money Matters among Life Partners

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ABSTRACT

Besides various other reasons, Financial matters are one of the major reasons of conflict among life partners. It can all start when the two people in the relationship have very different philosophies on how to manage their money. Couples who are not on the same page when it comes to setting and meeting financial goals can then, subconsciously, find themselves in a fight for their very survival once their fight or flight mechanism is activated. Present study is focused on finding out the reasons for this conflict and then to find out the ways to resolve these conflicts

Introduction

Finances are one of the major sources of problems and stresses in a relationship, so much so that it has the power to break up a couple and end marriages. It can all start when the two people in the relationship have very different philosophies on how to manage their money. Couples who are not on the same page when it comes to setting and meeting financial goals can then, subconsciously, find themselves in a fight for their very survival once their fight or flight mechanism is activated. This elevated fear and stress then bleeds into multiple aspects of their relationship, and they start seeing every mispent rupee as a symbol of their ability to survive, leading to bigger fights around every corner. And if one person has a mindset of a “saver” while the other has a tendency to be a “spender,” then problems both within the couple’s relationship and finances will arise,

Literature Review

Various authors, in publications ranging from academic literature to mass media, suggest that financial matters are closely related to family discord, marital problems, and even divorce (Bloom, Niles & Tatcher, 1985; Burkett, 1989; Godwin, 1990; Israelsen, 1990; Madanes, 1994; Notarius & Markman, 1993; Poduska, 1995).

The family finance literature and texts (Davis & Carr, 1992; Davis & Weber, 1990; Garman & Fogue, 2000; Tyson, 1994) present formal financial management strategies as the ideal. Such strategies as goal setting, budgeting, saving, and record keeping were found to be inversely related to financial arguments between spouses (Lawrence, Thomasson, Wozniak & Prawitz, 1993).

It has been suggested that financial management skills may reduce the chance for marital disagreements, while the lack of such skills may actually create crisis situations (Bagarozzi & Bagarozzi, 1982; Israelsen, 1990). When couples argue about finances, they tend to disagree more about how available finances should be managed or spent rather than about how much or how little they have (Blumstein & Schwartz, 1983; Lawrence et al., 1993, Williams & Berry, 1984).

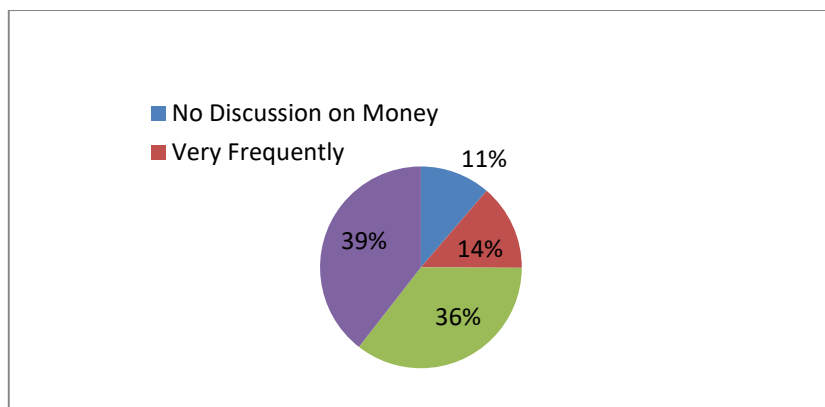
Godwin (1996) identified perceptions of income adequacy and money management as well as actual money management behaviors as intervening variables between “financial and marital well-being”. Divorce can be viewed as the ultimate indication of lack of marital satisfaction. Finances are widely implicated as one of the leading “causes” of divorce (Cleek & Pearson, 1985; Kitson & Sussman, 1982); however, the ranking of finances and other contributors to divorce vary from study to study (Albrecht, Bahr & Goodman, 1983; Burns, 1984; Lown & Chandler, 1993). In addition, other research (Kerkmann, Thomas, Jean, & Scot, 2000) found that

financial problems significantly contributed to lower reported marital satisfaction among married couples. Blumstein and Schwartz, (1983) concluded that “money establishes the balance of power in relationships” thus, setting the tone for marital interactions.

Rosenfeld and Neese-Todd (1993) showed that most aspects of the quality of satisfaction with financial status are related to the individual’s perception of their control over finances. Women, more often than men,

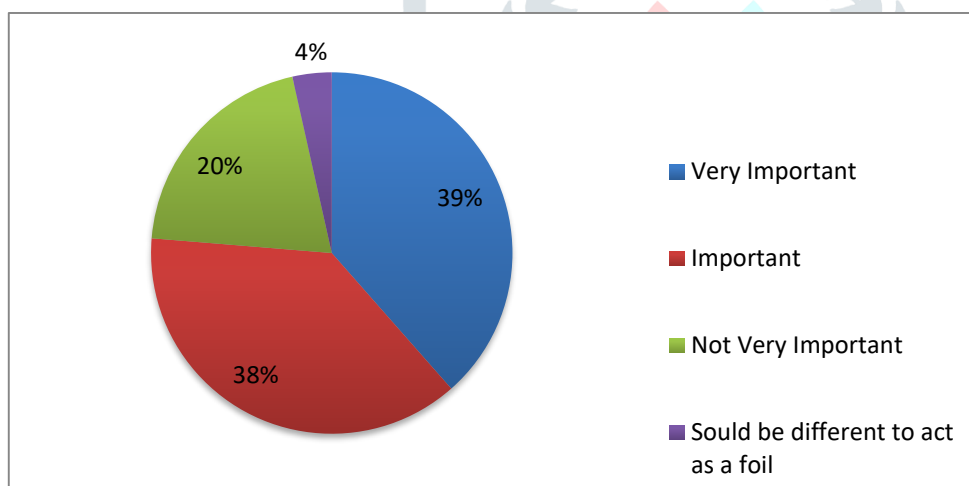
view themselves as powerless and lacking essential resources to be able to make changes in their lives (Burman, 1994).

How often do Partners have conflict over Money



It has been found that around 50% couples have conflict over money. Sometimes this conflict may be aggravated to an extent that it may lead to Divorce.

How Important is it for a Partner to have similar money habits, Attitudes



76% of the couple felt that it is important to have similar money habits, attitudes. For 20% of the couples it is not very important for the couple to have similar money habits.

Reasons for Conflict:

- 1. Overspending:** Spending behavior of Life Partners is the biggest cause of conflict among Life Partners. The availability of easy credit from the sellers and Banks have aggravated the problem of overspending. RBI data shows that Indian Households' outstanding personal loan and credit card debt was Rs. 6.43 lakh crore as on November 2018.
- 2. Tightfistedness of Partner:** The flipside of Overspending can become a reason for conflict as well. If one partner is too careful about spending it can be very stressful and even everyday spending decisions can be very difficult to make. Savings and Investment should be done with specific goals.
- 3. Financial Support to Relatives:** Lending to relatives and friends is the third major cause of money arguments. Being the convenient lender in the social circle even if it does not affect financial goals is not healthy. Lending Interest free money to people in need may give them an easy way out of their

financial problems and encourage them to ask for more. A good alternative is to help in non financial ways.

4. **Being Secretive about Money:** There must be transparency among life partners. But partners keep their financial details secretive. Hiding purchases is the most common money lie among couples. This is because they fear disapproval of the spouse and are trying to avoid conflict. Another reason is when wife is a Homemaker and money power is concentrated in the hands of the husband. Couples should share responsibilities to tackle this problem. They should jointly decide household expenses.

Ways to Avoid Conflicts:

1. **Work as a Team:**

Communication is the key to ensure that money does not affect the marriage. Regular Discussion ensure complete transparency, critical for building trust between couples. Couples should be open to each other's opinion for holistic opinion making. When partners work as a team they can get the best out of their risk appetites. One partner taking all the investment decision is keeping the wisdom of other partner untapped.

2. **Resolve Conflict:**

Conflict in Financial matters can be resolved by analyzing their Future Goals. Then the couple will be directed towards saving first for goals and then spending.

3. **On Helping Relatives:**

Extending Financial help to parents and even other relatives was more common earlier. If regular help is to be provided, it should be included in the overall budget. Extent of help should depend upon the financial situation of the dependent relative and foremost your own Financial Situation.

4. **Seek professional help :**

It's not unusual for couples to find themselves having the same argument again and again, especially when it comes to spending and saving. Psychologists are experts in helping people change their behaviors and break out of unhealthy patterns. Many psychologists specialize in relationships and marital issues. They can help you and your partner learn healthy ways of communicating.

5. **Understanding Partner's spending habits**

One partner's reaction and attitude towards money may be primarily because of his or her past financial situation. For instance, one partner might be cautious when it comes to spending money because of a poor financial background. Or, he or she might not think twice before spending money because cash might not have been an issue for them growing up.

6. **Practice the diplomatic art of compromise**

Compromise means that one or both parties change some of their fiscal ways. Karen is in the habit of paying a credit card bill the day it comes in. Her husband, Kenneth, is annoyed, believing that waiting until the due date allows them to earn 30 days' worth of interest on the money. Karen bristles each time they eat out and Kenneth leaves one of his lavish tips at the restaurant. The resolution to such frictions is compromise. Curtailing these habits, even slightly, will often smooth out financial rough edges in a relationship.

7. **Don't let old ideas get in the way.**

Couples often operate the same way their parents did. Sound financial advice for one generation is not always smart for the next generation. For example, if your parents grew up during the Depression, they may have instilled overly cautious, conservative behavior in you. To correct an imbalance like that, together try to make decisions based on the facts and based on what is good for both of you now, not on what your parents would have done.

Conclusion:

Finances are one of the major sources of problems and stresses in a relationship, so much so that it has the power to break up a couple and end marriages. These days when the participation of women is increasing in Financial matters, these conflicts are increasing more and more. These conflicts are most essential to manage. A couple should act like a team

understanding each other's psychology and needs. Traditional ways of their parents are not the ultimate ways of managing finances. They should devise their own ways. If they are not able to resolve conflicts themselves then they must seek professional help.

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