

# MidWeek

## SAFE Financial Infidelity Advice

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By Katie Young



Brad Klontz

Are you guilty of financial infidelity? Have you ever gone to the shopping mall or the computer store and made a sizeable purchase without your significant other's knowledge?

A purchase you purposefully hide in the trunk of your car for a few days until you can place it in the closet without anyone's knowledge? Or a purchase you tell your significant other was \$40 when it was really \$80? (And don't forget that you also mentioned it was "on sale.")

Financial infidelity is deceit involving money in a relationship - any active or passive misinformation about money.

Me? Unfaithful? I suppose in this instance I'd have to fess up. Yes, I can recall doing this very thing more than a few times in my life. I suppose I always felt a little guilty about spending money, thinking that a purchase for myself needed to be explained and rationalized to both my parents and/or my significant other. If I could explain how much I truly needed that new black top - how it was too good of a deal to pass up - then I could keep it guilt-free.

According to Brad Klontz, Ph.D., a clinical psychologist and co-author of *The Financial Wisdom of Ebenezer Scrooge*, financial infidelity is more common that you might think.

A study commissioned by *Money Magazine* revealed that in a survey of 1,001 people, more than half reported that money was a sensitive topic in their households, and 40 percent admitted they have told their partner they paid less for a purchase than they actually did. Sixteen percent admitted they had bought something they didn't want their spouse to know about.

According to the study, while both men and women admitted to dishonesty, women were more likely to tell their husbands that they paid less than they actually did for clothing and gifts, and men minimized their spending on cars, entertainment and sporting events.

Almost twice as many men admitted they had spent more than \$1,000 without their wife's knowledge, while women were more likely to say the most they had spent without telling their husbands was \$100.

Forty-five percent of those who admitted being deceitful about spending said they were not honest about their spending to avoid their partner's anger, disapproval or lecturing.

Klontz says that money is the No. 1 stressor in the lives of three-fourths of Americans, the No. 1 cause of conflict in marriages and the No. 1 cause of divorce in the first three years of marriage.

“People don’t talk a lot about money and it’s a heavily loaded issue,” says Klontz, president-elect of the Hawaii Psychological Association. “We have a lot of destructive behaviors around money.”

Klontz says he knows examples of people who try to beat their spouse home when they know the credit card bill is going to arrive so they can beat them to it. He says some people even go so far as to have secret credit cards, stashes of cash or hidden income or assets.

Klontz and the co-authors of *The Financial Wisdom of Ebenezer Scrooge*, Ted Klontz, Ph.D. and Rick Kahler, CFP, developed a four-step plan for dealing with financial infidelity under the acronym SAFE:

S: Speak Your Truth.

“This is all about breaking the taboo of talking about money,” says Klontz. “People are usually more willing to talk about their sex lives than their financial lives. There’s usually a lot of shame that goes with the concept of money - shame that you have too much, shame that you don’t have enough. The first step is to really have couples sit down and talk about what money means to them, how does their family deal with money and what are the financial goals you have as a couple.”

A: Agree to a Plan “This is where you set up a spending plan or budget,” explains Klontz. “A lot of financial infidelity can happen when there isn’t a plan. Agree upon an amount of money you both can spend without having to consult with the other person. Then, if you spend over that amount, you agree to consult with your partner.”

F: Follow the Agreement “It sounds simple, but I think this is the hard part,” says Klontz. “When you reach a negotiated agreement, what happens when someone doesn’t want to follow it? So you decide that maybe in 30 days you’re going to sit down and re-evaluate the plan and ask yourselves, ‘Is this working for me, working for you, working for our relationship?’ If the answer is no to any one of those, renegotiate the plan.”

E: Establish an Emergency Response Plan.

“Set this up ahead of time. You decide that if you can’t reach an agreement, if you are having trouble talking about the issue without becoming emotionally flooded or one of you can’t stick to the agreement, then you need to schedule an appointment with a third party, such as a psychologist, so you can get some help discussing the issue.”

Don’t let yourself become (or continue to be) one of the financially unfaithful.

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