



ARE YOU AND YOUR PARTNER FINANCIALLY COMPATIBLE?

Do This Quiz and Take the First Step Toward Mutual Understanding

ENGLEWOOD, COLORADO—Sometimes it happens on the first date. Sometimes it happens months or even years later. But it always happens: the inevitable disagreement about money.

It is not unusual for two individuals in a relationship to have very different styles of money management. However, the earlier you and your partner discover those differences and reconcile them, the greater the chance you have of achieving a positive financial future and maintaining a healthy relationship.

William L. Anthes, Ph.D., president and CEO of the National Endowment for Financial Education® (NEFE®), recommends couples take a simple financial compatibility quiz as a first step toward mutual money understanding. "By taking the quiz, you and your partner may be able to discover common ground and identify points of difference," he says. "No matter what you learn about your fiscal management styles, you will have initiated an important discussion about money, one that most likely will benefit your relationship both financially and overall."

Take the quiz separately, either at different times or in different rooms, Anthes advises. When both partners have completed all the questions, schedule at least an hour to compare answers, using the compatibility scale that follows the quiz. [Click here to download](#) the financial compatibility quiz.

12 Simple Questions

Answer the questions below, choosing responses that most closely reflect your perspective. Be honest; accuracy is imperative.

1. If you receive a moderate financial windfall such as a tax refund, an unexpected inheritance or a job bonus, what would you be most likely to do with the money?
 - a. I would invest everything to give my partner and me a boost for the future.
 - b. I would spend part of it and save or invest the rest.

- c. I would spend all of it because it's "found money."
2. Which of these statements best describes your approach to retirement planning?
 - a. I invest the maximum amount in my retirement plan at work.
 - b. I invest some money in my retirement plan, but not the maximum because I want to avoid cutting into my available cash too deeply.
 - c. I am waiting to invest, either because I feel I can't afford it, or because I think retirement is too far away to consider.
 3. How do you pay your bills?
 - a. I pay them as soon as they arrive.
 - b. I pay them when they are due.
 - c. I pay them when I get around to it.
 4. How do you handle your credit card payments?
 - a. I pay the balance in full each month.
 - b. I pay as much as I can, and always more than the minimum.
 - c. I pay only the minimum amount needed to maintain the account.
 5. If you come across an expensive item that you feel you must own, practical or not, how do you approach the purchase?
 - a. I start saving for it and don't buy the item until I can afford it without using credit.
 - b. I shop around to find the best deal.
 - c. I purchase it immediately, on credit, even if I don't have the cash to pay for it.
 6. When it comes to managing money with a partner, which of the following methods do you prefer?
 - a. I prefer to pool our resources and divide responsibility with my partner on all issues and expenses.
 - b. I prefer to share responsibility for some expenses while maintaining separate

accounts.

- c. My preference is to keep all of our assets separate to the maximum extent possible.

7. How closely do you track your own finances?

- a. I monitor my assets and liabilities regularly and always know the details of my financial situation.
- b. I balance my checkbook and monitor my investments periodically.
- c. I have a general idea of how much money I possess and where it is located, but I don't track my finances on a regular basis.

8. Which statement best describes your vision for the future?

- a. I have a plan that will enable me to meet the long-term financial goals I've set.
- b. I expect that my current plan will allow me to achieve some, but not all, of my long-term goals.
- c. I plan to save, but have no specific goals or lifestyle in mind.

9. If you were to make a major purchase, which of the following would be your top priority?

- a. I would buy home.
- b. I would purchase a car.
- c. I would go on an exotic vacation.

10. How comfortable are you about making a major purchase without consulting your partner?

- a. I would never consider doing that.
- b. I might consult my partner if the amount was excessive.
- c. I think I have the right to buy whatever I want without telling anyone.

11. Your partner wants to stop working for a year and return to school, with the ultimate

goal of beginning a new career. How do you respond to the idea?

- a. I am willing to be our sole financial support for at least a year, and I am sure my partner would do the same for me.
- b. I am open to the idea, but I would ask for details before I agree.
- c. The financial strain of living on a single income is unacceptable to me.

12. How forthcoming have you been with your partner about your finances?

- a. He or she is aware of all of the major good and bad financial decisions I have made.
- b. I've told my partner about most of my past financial choices, but I have withheld some information.
- c. I've avoided discussions about my financial background so far.

Compatibility Scale

Based on answers to the quiz, couples can determine the degree to which they are compatible on general financial issues. The greater the number of answers partners share, the greater their financial compatibility. Use the following guide to calculate the significance of your score and explore the steps provided for resolving differences.

- **75 percent: Compatible.** If your and your partner's answers are identical for nine or more of the 12 questions, then you are financially compatible as a couple. You and your significant other may benefit from seeking compromise on a few issues, but your perspectives on money matters basically are the same.
- **50 percent: Time to talk.** If you and your partner agree on five to eight of the 12 answers, you could benefit from some financial introspection and discussion.
 - Begin by analyzing your financial behavior individually. Based on your answers to the quiz, does it appear that long-term planning is particularly important to you? Or, are you more focused on immediate expenses?
 - Once you have determined your own money-management style, consider how willing you are to alter that style to better fit with your partner's methods. Where might you be willing to compromise? What habits would you prefer not to change?
 - After considering your financial situations separately, you are ready to begin

money-related discussions with your partner. Together, analyze where your financial habits differ. How can you compromise to reach a middle ground? If, for example, your partner prefers to spend more now and save less for retirement, and you would rather save now and benefit later, can you come to an agreement that pleases both of you?

- After identifying areas for compromise, establish a budget, or spending plan, acceptable to both partners. Try living by the plan for a month. Then have a meeting to discuss how well the budget worked for each partner. Are there areas that need revision?
- Now you are ready to set financial goals with your significant other for paying expenses and saving and investing for the future. These goals may change as your priorities as a couple evolve.
- **30 percent or less: Counseling required.** If you and your partner gave the same answers for less than five of the 12 questions, a financial counselor is recommended. You also should plan on involving your partner in the money-management discussions outlined previously. Failure to confront your differences and reach compromises on both short- and long-term goals may lead to serious problems in your relationship.

After you and your partner have determined how compatible you are, take another look at your quiz answers. If you are compatible as a couple, but neither one of you is employing positive financial behaviors, you might not be in much better shape than if you were incompatible. For example, if both you and your significant other answered that you aren't saving for future goals, or that you don't keep track of your finances, you may want to consider learning more about personal finance. You could talk with a financial planner, or log on to the Multimedia Access section of the NEFE Web site at <http://www.nefe.org/> where you will find a wealth of self-help information.

"No situation is hopeless," Anthes emphasizes. "The important thing is to begin talking about financial issues as early in the relationship as possible—and continue those discussions long into the future."

The National Endowment for Financial Education is a private nonprofit foundation dedicated to helping Americans achieve financial well-being. For additional information log on to NEFE's Web site at <http://www.nefe.org/>

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