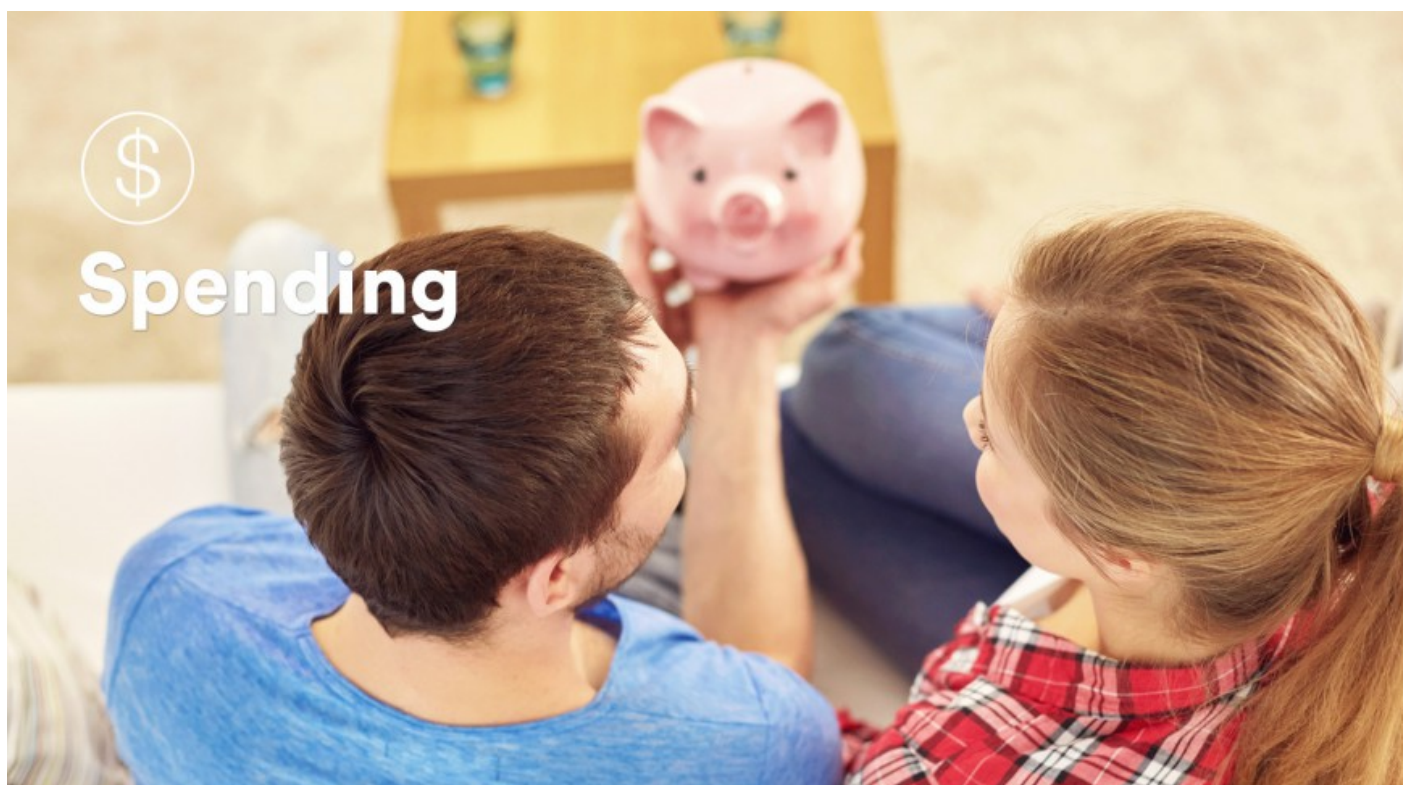


Forward Thinking

Stories, articles and other information about personal finance topics, insights and perspectives from Tangerine, our culture and community work.



Managing payday as a couple



Subscribe

Tuesday, October 13th, 2015 | Helen Burnett-Nichols | Spending Articles

Tags: Credit Card Featured Money Spending

When you're single, getting paid and allocating your money wherever it needs to go is relatively simple, right? But for couples who share expenses, debts, and savings goals, figuring out who should be paying for what can easily get messy and complicated.

If you're sharing your life and finances with someone, it may be time to think about putting a payday strategy in place. While there's no one-size-fits-all solution, couples say a transparent, unified approach is key to helping them succeed.

The merged, flexible approach

For Lindsey and Phil Boycott of Airdrie, Alberta, managing payday is something that has evolved over time.

The couple, in their mid-30s, have been married for three years. They combined their finances when they moved in together a year before they tied the knot, but currently prefer to have separate accounts.

Initially, the couple chose to pool their paycheques and pay their household bills out of those funds, with some coming out of Phil's account, and some from Lindsey's. "Then whatever was left over, we divided evenly between the two of us to pay ourselves," says Lindsey, who also blogs about her finances on Cents, Sense & Sensibility.

In the last year, the strategy has changed to include adding up the total amount of the bills, dividing up leftover money after bills are paid, and reimbursing the person who contributed more that month.

When it comes to spending, Phil and Lindsey admit that their expenses have grown with the merging of their finances, but more of their income now goes toward large purchases like life insurance, their home and second car. The couple also makes a point of discussing any purchase over \$100 — but that amount changes depending on their family's financial circumstances.



"I think it's important to be flexible and sort of let the system grow and evolve as your budget or your needs grow and evolve," says Lindsey.

Phil and Lindsey say they like the idea of eventually having a joint account for their paycheques and expenses, while continuing to maintain separate accounts to pay for things like hobbies.

From Lindsey's point of view, having completely separate finances in a marriage runs counter to the idea of merging your lives.

"I think it just sort of makes people insular because money is such an important, central foundation of life, whether or not we want it to be," she says.

The all-in approach

Newlyweds Janine Eccleston and Andrew Rogan of Calgary, have gone a step further. They deposit their pay into a joint chequing account, out of which bills are paid each month.

Janine and Andrew, both finance professionals in their 20s, have been using this strategy for the past year, and say it's easier than their previous approach which involved tallying up the month's expenses in their respective bank accounts, and transferring money to whoever paid more.

"It reduces stress, because you're never having to worry about what's on the other side of the equation, what's happening in the other person's finances, because you can see it," says Andrew.

The couple recently returned to being a two-paycheque household after Andrew took time off to write a professional exam. They currently live off of Andrew's salary, with Janine's earnings going towards savings and investments through automatic transfers.

"I think we just view our family now as a team, and with that comes team money management, so that's, I guess, how we've just decided to approach things, and I think it makes it easier," says Janine, who also blogs at My Pennies, My Thoughts.

The building blocks

Above all else, both couples stress the importance of trust, communication and respect for anyone implementing a payday strategy with a significant other.

"I'm never surprised by any expense that goes through on our credit card, so that's good. I know that there can be tension for couples there," says Janine.

"Start talking about it — sooner rather than later of course — just because sometimes it's surprising how people feel about their money, and if you haven't talked about it more in concrete detail, you might be in for a bit of a surprise when you're in the process of merging," says Lindsey.

Subscribe



Learn about Tangerine's options for spending that put you in charge.



Spend and save at the same time. The Tangerine Money-Back Credit Card is here!

About Helen Burnett-Nichols



Helen Burnett-Nichols is a freelance writer based in Hamilton, Ont. She specializes in news and feature articles on a variety of business, legal and investment topics. Follow her on Twitter @helenbrichols.



Source: <https://www.tangerine.ca/forwardthinking/spending/managing-payday-as-a-couple>