

## Blending In!

### *Thoughts on Blended Families & Money*

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Every year, over two million couples get married in the United States and Canada combined. Although specific statistics on second marriages are not readily available, for sure a certain percentage of marriages taking place each year involve blended families, often blending children from previous marriages into a new family unit.

The dynamics of blending two families together presents certain challenges...but then, so does any marriage. One of the areas in particular that may present a challenge in blended families is the area of money. Each person in a marriage brings existing money habits and behaviours to the union. Learning to adapt to new routines involves changes to one's personal comfort zone as it relates to managing money, which can be a good thing as being challenged opens you up to new experiences and new ways of looking at things.

In regards to blended families and money, in my opinion, there are four stages of money management an individual evolves through during his/her life cycle.

**Stage 1 – Pre-marriage money experience** – In this stage, all your habits and behaviours regarding money experienced in your life thus far, form your comfort level in handling money. You develop certain routines and habits in handling money, and this provides a source of comfort for you, whether you feel you are effective at money management or not.

**Stage 2 – Marriage money experience** – Two people coming together in matrimony each bring their own personal money habits to the marriage. Sometimes there are differences of opinion in how money should be handled and your own personal money comfort zones are challenged. Over time, many married couples reach a point where combined habits and behaviours have created new comfort zones for the flow of money in the marriage.

**Stage 3 – Single parent money experience** – After being married for a period of time and each adjusting to new money comfort zones, being single again challenges your money comfort zones yet again as new money challenges emerge. Single moms and single dads each face their own financial stresses once the marriage ends. New money comfort zones take hold, perhaps combining 'pre-marriage' money experiences and 'marriage' money experiences together to form new money habits.

**Stage 4 – Blended family money experience** – Just when you've regained a personal comfort level in how you handle money experiences, getting remarried challenges your comfort zone once more, as in blended families each person brings past money experience, both good and bad, to the marriage. Once again, the money comfort zones are challenged as new money habits evolve into workable solutions that hopefully satisfy both parent's needs.

For anyone having gone through to the fourth stage outlined above, I've heard it described that your changing money comfort zones feels like riding a roller coaster. Here are a few thoughts on how to harmonize money in stage four, the 'Blended Family' money experience.

- Discuss your short-term and long-term goals. Are there similarities? Are there differences?
- It's helpful for each person to complete a personal net worth statement so each can see his/her individual financial situation and resources brought to the marriage.
- Prepare a combined net worth statement so that you can see your overall financial picture.
- Prepare an income and expense statement to clearly see how much money is coming into the household. List all the monthly expenses and decide how the bills will be paid.
- Discuss how discretionary expenses are to be handled. One lady said she and her husband agreed that they could each spend up to \$200 per month without consulting each other. Anything over \$200, they sat down to look at their financial picture to see whether or not the purchase should be made, or should it be delayed?
- Have your Will updated as soon as possible to ensure children from a previous marriage are looked after as per your wishes.
- Review your insurance needs with a qualified insurance agent to update and/or amend your risk protection.
- Meet with a licensed financial planner to prepare a new, combined financial road map for your situation.

**“For I don't care too much for money; for money can't buy me love”**

**John Lennon & Paul McCartney  
(1964 song, 'Can't Buy Me Love')**