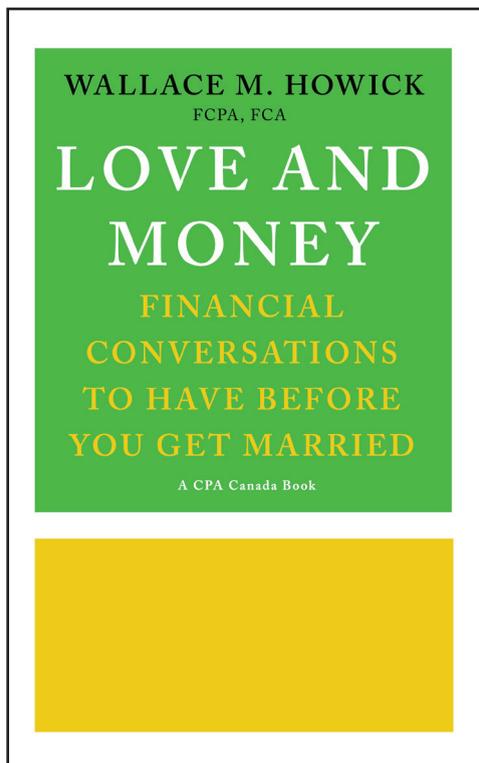


Excerpt from *Love and Money: Financial Conversations to Have Before You Get Married* by Wallace M. Howick



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Preface

We all recognize marriage is rich with shared hope and a commitment to the future. The realization of that future depends on understanding each other and using that understanding to work together.

Today, by some estimates, 40 percent of marriages end in divorce. Money often lies at the root of these breakdowns.

Why?

Many enter marriage without fully understanding their financial position, or their attitudes about money, let alone those of their intended partner. For couples, this void makes the development of a sound financial plan difficult at best and in many instances unlikely. Little wonder that money is often the source of marriage breakdown.

For each of us, money — how much we have and how much we spend — is something not only possessing obvious financial worth; it is also laden with meaning shaped over many years. Our attitudes, beliefs and values have been influenced by everything we learned or didn't learn from our parents, how we see ourselves, and how we see ourselves in relation to others. These influences are very real, but they operate below the surface and therefore often go unrecognized.

I've written this book to help you and your partner:

- Discover and explore your own attitudes, beliefs and values with respect to money.
- Understand your partner's attitudes, beliefs and values with respect to money.
- Develop productive ways of talking about money.

- Develop the skill and insight necessary to construct a financial plan through thoughtful choice and compromise.

You 'll find a number of tools and guides to support you on this journey.

Helping others has provided me with insights into how people make financial decisions — and perhaps most importantly how they could make better ones. I've worked in financial services all my professional life, first as partner in one of the large accounting firms, and then as a wealth management executive in one of the large banks. At the request of my colleagues and clients, I have had many opportunities to write articles and speak across Canada and internationally. Teaching accountants and lawyers as well as financial advisors and their clients has been one of the most rewarding parts of my professional life.

The origins of this book are rooted in four occurrences, spread over many years.

The first occurrence: an article that spoke to the rising divorce rate in Canada and other developed countries. One of the most frequently stated causes was money. I grew curious about why money was among the most frequent causes. In speaking with clients and interacting with audiences at my speaking engagements, I began actively listening for possible reasons.

The second occurrence: a comment from a woman who stayed on after one of my presentations to ask questions. She allowed she was facing an "ugly" divorce. "We never talked about money," she said. "We just argued or sank into sullen silence." This led me to wonder why couples did not or could not talk about money. As I listened to more and more people, the answer became clearer: They didn't recognize their own attitudes, beliefs and values about

money; they did not know the attitudes beliefs and values of their intended; and they didn't know how to explore money issues together, to surface differences, and through fair compromise construct a plan that worked for both partners. I began to wonder if I could share a basic process to help couples get off on the right foot financially.

From time to time friends would nudge me to “write the book” to share my thoughts. I wanted to, but I needed to find the just right platform. I was determined that the book would not be just me talking to the reader. Finally, I settled on the literary structure of conversations with a fictional couple, Mark and Michelle, who would give voice to the many challenges, anxieties, and insights I've heard so often. Their experience and progress would lead to a financial plan. I'd invite you, the reader, to come along, to learn how to talk about money with your partner, and build your own plan through the course of these conversations.

The third occurrence: A year ago I approached the national body of my profession to ask if there was an interest in the book. When I took my proposal to Li Zhang, Principal, Corporate Citizenship, at the Chartered Professional Accountants of Canada (CPA Canada), and one of those folks who just gets things done, she replied: “We want it.” CPA Canada has committed significant resources to fund a financial literacy programme that has won awards here in Canada and internationally. Li took the idea to Doretta Thompson, her boss no less, who volunteered to help me capture the voices of Mark and Meaghen. This was equally important, since while I had written many papers and courses for professional journals and conferences and a series of papers for savers and investors, I had never before written “conversation.”

Still I hesitated to undertake the endeavour — until a long-time friend asked me, “What could be more meaningful in your profes-

sional life than contributing to financial literacy of young Canadian couples?”

That was the fourth — and deciding — occurrence.

This book is the result. If it helps you get started on the right financial foot and gives you a compass to navigate the winds of change in your financial relationship, then it will have been a worthy endeavour.

And a rewarding note in a professional career of forty years.

This book was written before the Covid-19 emergency and finalized as it was spreading rapidly world-wide. In reviewing these conversations before publication, I have concluded that the crisis does not change the framework, processes or tools described in this book. Indeed, the resulting stress may increase its potential usefulness to you.

What may have changed are your personal responses to some of the questions.

Prologue: The Email and What Happened Next

Hi Uncle Wally!

Hope all is well with you. I have a favour to ask. Last week I was talking with Mom about our finances. Mark and I can never seem to get ahead. Our wedding is just a year away, and frankly we need help! Mom told me about going to one of your seminars that really helped her and Dad. She also gave me one of your articles about saving. Our question is even more basic: How do we start? Do you have time for coffee and advice? Our treat!

xoxo

Michelle

That email led me to sitting in a café with my niece Michelle and her fiancé Mark. Michelle I've known all her life; Mark I've grown to know since they moved in together two years ago.

I sensed anxiety.

This was no surprise. Professional experience has taught me that Michelle and Mark were not alone. Financial issues often strain relationships. Money is one of the most frequent causes of divorce.

Experience has also taught me that what's even more important than money itself is what lies beneath — and that was the ground we were about to explore.

Over the next few weeks, I would guide Michelle and Mark along a path on which they would create the foundations of their financial future. They would follow a thoughtful process for conversations that would help them better understand one another and frame their shared goals.

You're invited along.

Use Michelle's and Mark's conversations as a guide to your own. You'll be able to use the same tools and worksheets I gave to them as tools to build and navigate your own financial path.

Let's begin.