

Finding Balance with Your Finances

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According to a survey of finance industry professionals,¹ problems with money or finances is one of the top three causes of divorce in our country¹ (Exhibit 1). The interesting part is that it isn't always a lack of finances that is the problem, but that the couple is struggling to see eye to eye regarding their finances. This struggle can come in many different forms, and we often see it when one person is a natural saver, and the other is a natural spender. This fundamental difference can cause a significant amount of stress in the relationship. One person wants to spend the money (even on credit) to live life in the moment, and the other wants to build their savings towards their future goals. Over time, this difference can create stress and conflict that could have been avoided.

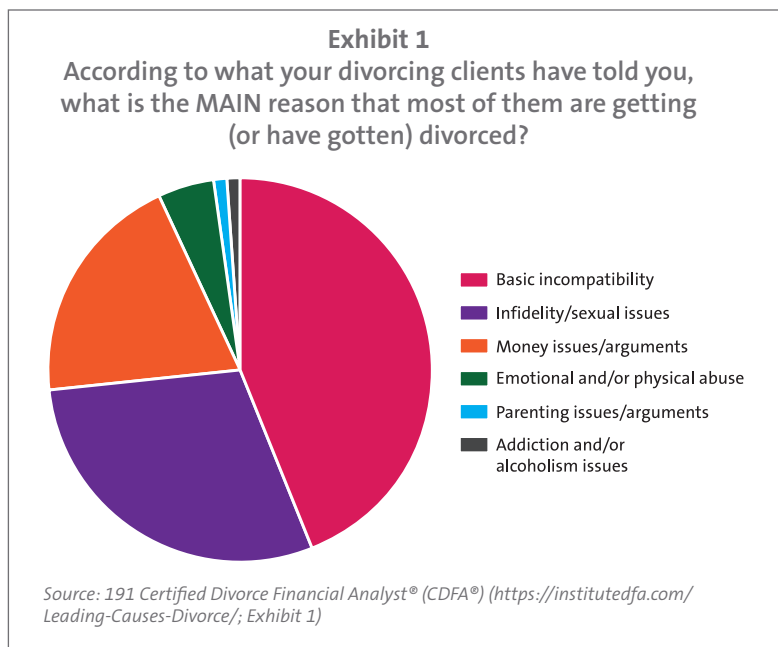
About ten years ago when my wife and I were preparing for our wedding, we took a pre-marriage course through our church. The course was beneficial and touched upon the topics that you would expect to hear about, such as expectations and communication. One topic that I wasn't expecting to be covered was personal finance. We talked about the basics of budgeting, saving for goals, and spending habits. Our "homework" assignment that week was to talk about finances with our significant other to see how our viewpoints were similar, and more importantly, how they were different. The goal of this exercise was to start communicating on this topic early, and hopefully, uncover any landmines before they became an issue. Unfortunately, this discussion topic is missed by many couples, setting up years of potential frustration.

It's also important to note that the financial balance issue isn't limited to newlyweds or even married couples. At some point in time, most of us have probably had a disagreement or internal conflict regarding our saving, spending, or budgeting. I used the example of a married couple to illustrate the importance of financial compatibility between two people, but these same principles can be applied to anyone. If you are single, you still have to make the same decision of saving for future goals versus spending money now, and it can be a difficult to find that balance when you are on your own.

As financial advisers, my colleagues and I get to know our clients, and through this process, we help them find that balance. It may not happen right away, but small changes over time can have a cumulative impact on a person's financial picture. Our roles as comprehensive financial advisers aren't just managing our clients' portfolios, but to help our clients develop a financial plan that fits their specific situation, as well as their personality, preferences, and risk tolerance. Whether you are single or married, one of our valuable roles is to be that accountability partner, coaching and guiding clients to find that much needed financial balance in their lives. Working with a client to create a plan that fits within their lifestyle, and then watching them achieve their goals, is one of the most fulfilling parts of our profession.

Regardless of your situation, your finances are a tool that should be working for you to achieve your goals, not causing you stress or lost sleep. Partnering with a comprehensive financial adviser who looks at all areas of your financial life, and helps guide you through life's financial maze, does more than just help you reach your goals; it helps provide you peace of mind.

¹191 Certified Divorce Financial Analyst® (CDFA®) (<https://institutedfa.com/Leading-Causes-Divorce/>; Exhibit 1)



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