Managing finances with a significant other

When you're in a long-term relationship, money talk can pop up. It could be anything from who's covering date night dinners, to sharing household costs. After a while of splitting the bills, it could feel easier to start a conversation about bringing your finances together, so that you're both on the same page.

Whether you're just starting to think about joint finances, or wanting to make it happen, here's some questions you may want to think about:

- Why do we want to bring our finances together?
- Will it make things easier to manage?
- Does it mean we can start saving?
- Could we plan for a better future?

If you're both on-board, here's how to get started:

Share your style:

The first step to financial togetherness is to share your income and outgoings with each other and get on the same page.

Your earnings

The best way to do this is to start an open conversation about your earnings, so that both of you are in the know. It can also help to share information about any credit or loans in this chat too, so that you've got a good picture of what you earn, and what you owe.

Your spending

Then it's time to share your spending style. If one of you is a saver and one is a spender, it helps to understand each other to be able to create a plan together that suits you both.

Set your goals:

When your finances come together so do your goals, so it's imperative to understand what is important to each other now and in the future. If one of you wants spontaneous holidays, and the other wants a home, you'll need to work together to prioritise, or work on how you can make them both happen. Remember to stay flexible because saving money is a journey and as you both change, your goals might, too.

Set-up your accounts:

Now that you've discussed what you want from your finances, it's time to bring them together and create a plan. Depending on your goals and your spending-styles, you may decide to bring all of your finances together, or just a couple of accounts. Pick a way that works for you:

Combining everything

Some couples combine everything from their transaction accounts, credit cards and savings. This means that both salaries are now paid into one account. A joint-budget means you can plan for expenses such as rent, as well as your savings. Joint credit cards also mean that both of you are responsible for the debt accrued on the card (no matter who does the spending).

Creating a joint account

Other couples create a joint transaction account where they deposit a portion of their salaries to cover shared expenses like rent, bills and food, as well as a joint credit card for those sneaky date nights. Some choose a 50/50 split, others share a percentage of what they earn, but there is no right way, so do what works for you. This way, each person keeps their own bank account or credit card for personal expenses (this is great if one of you is more of a spender!)

Streamline your spending:

Whichever way you chose to merge accounts, you need to think about spending. Handy budget calculators can help you look at your spending habits, categories your spending, and give you a monthly budget after expenses. Make sure you're both checking in and keeping on track.

Plan for a shared future:

Once your day-to-day spending is ticking along nicely, it's time to look to the future. Each month (after setting your spending budget) you should set a savings goal that you're both happy with.

We hope these steps help to get you and your partner on the same page financially. While there's a lot to look forward to in your financial future, go at your own pace and you'll keep your wallet and relationships happy.

Source: ING, May 2019