

Four ways to stop your spouse from overspending

Changing a spouse's bad spending habits requires plenty of work and even more communication. To start, check out these four tips for improving your partner's free-spending ways.

By Dan Rafter, [DealNews](#) MAY 6, 2015



Spouses aren't always honest with each other when it comes to money. A study released earlier this year by CreditCards.com found that nearly one in five U.S. consumers have hidden purchases of \$500 or more from their live-in partners or spouses. The same study found that nearly 7.2 million people have hidden a bank or credit card account from their spouse or partner.

It's no surprise, then, that partners often butt heads over spending decisions. One partner wants to save. The other likes to spend, and will spend enough each month to break the household budget, often hiding these purchases until they show up on next month's credit card statement.

What if you are the financially responsible partner in a relationship? Is there anything you can do to stop your partner from blowing your household savings on video games, clothes, or expensive electronics?

There might be. Changing a partner's bad spending habits requires plenty of work and even more communication. To start, check out these four tips for changing your partner's free-spending ways.

Set a Regular Money Meeting

Robert Stammers, director of investor education at the CFA Institute — a trade association serving investment professionals — says that couples need to be willing to talk about money. Unfortunately, too many couples never hold these financial talks.

This isn't surprising: Money often scares couples. A survey released in early 2015 by the National Foundation for Credit Counseling found that 47% of couples say that money disagreements are the most common [cause of stress](#) in their relationships.

But not talking about money as a way to avoid these disagreements is a mistake. A partner who overspends needs to realize the consequences of this behavior. That can't happen if partners never talk about money. Stammers recommends that couples set a regular meeting date — maybe once a month — to talk about money issues.

"No two people have the same ideas and philosophy about money and investing, so it is important to determine upfront what is important to the both of you," he says.

Set Aside Some Fun Money

Creating a separate bank account for fun money might be a solution, says Kelley Long, resident financial planner for El Segundo, California's Financial Finesse, and a spokesperson for the National CPA Financial Literacy Commission.

This account will give the overspending partner a bit of financial freedom, and might prevent this spouse from breaking into a couple's main account set aside for paying the mortgage, car payment, and other bills, Long claims.

"This money can be spent without restriction or comment," Long says. "When the money in the account is gone, the spender has to wait until the next payday to spend again."

If the overspending partner raids other accounts after cleaning out the "fun money" account? Then a relationship has more serious trust issues that must be addressed, Long says.

Don't Let the Money Come Home

Michael Chadwick, chief executive officer of Unionville, Connecticut-based Chadwick Financial Advisors, has a more practical solution: Send more of the money you're earning into a retirement account and less of it into your savings account. Your overspending spouse can't spend the money you've stashed in a 401(k) account.

Let the Spender Take Control — For a Month

It may be counterintuitive, but it might help to have your free-spending partner pay the bills and manage the budget for at least a month. As Chadwick says, this might provide your partner with some insight into why wasting money on unnecessary purchases is such a problem.

If none of these tips work? Your overspending partner might have a more serious issue, one that perhaps only counseling can solve, Chadwick says. "Spending and shopping when out of control are no different than smoking, drugs, or alcohol."