

7 Signs Your Spouse Is Financially Unfaithful

There is a one-in-three chance that your spouse is cheating on you—financially. A recent study reported that 35% of married people and others who have merged their financial lives with a partner admit that they have deceived those partners about important money matters.

These spouses conceal major purchases, debts and investment losses...lie about the feasibility of plans for retirement...or even transfer money into secret accounts. They are getting away with it, too—victims often don't realize anything is amiss until they are in a deep financial hole. And financial devastation isn't the only consequence—financial infidelity also rips couples apart, undermining marital trust and often leading to divorce.

Here's how to spot the warning signs that your spouse might be financially unfaithful...how to understand why financial infidelity happens...how to reduce the odds that financial infidelity will occur in your own marriage...and how to overcome it if it has already occurred.



WARNING SIGNS

Seven clues that your spouse might be cheating on you financially...

- 1. Your money questions are met with evasive or defensive responses.** Your partner responds to money-related questions with a vague "Don't worry, I have it under control"...change of subject...stall tactics such as "I'll have to check on that"...or with anger or defensiveness out of proportion to the innocent question being asked.
- 2. You propose holding regular household financial meetings—and your partner balks.** Your request to simply update each other financially is refused even when you stress how important this is to you and promise that the meetings won't take much time.
- 3. Your financial statements disappear.** You can't find recent bank, credit card, investment and/or loan statements in your filing cabinet or incoming mail—and your spouse can't or won't produce them.
- 4. There are unexpected cash withdrawals or outgoing transfers on account statements.** When you ask your partner about these in a casual—not suspicious—tone, you see signs of nervousness or defensiveness.
- 5. Your spouse encourages you to sign financial documents that you haven't had a chance to review**—and then resists answering questions about them. When you try to read these papers or ask questions, you are told that there isn't time or you wouldn't understand them.

Example: A husband asked his wife to sign a stack of papers that he said would transfer management of the couple's savings from one investment company to another. He didn't mention that the documents also included a postnuptial agreement that signed away the wife's rights to most of the couple's assets.

- 6. Your partner always seems to have lots of new stuff.** When asked about this, he/she always says that he got a great deal...or that the seemingly new item actually is something he has had for years.

7. Bank account and/or credit card statements show frequent shopping trips. A spouse who shops several times a week might have trouble controlling spending...or might think many smaller purchases are more likely to escape your notice than a few large ones.

Example: A wife convinced herself that it was OK to make purchases of less than \$100 without informing her husband—then made so many moderate-sized purchases that she spent more than \$10,000 a year.

THE HIDDEN CAUSE

The vast majority of financially unfaithful spouses are not intentionally misleading their partners—they are acting out the bad money lessons that they learned as children. The way we think about money is largely hardwired into our brains by the time we reach age 12, mainly in response to how we saw our parents deal with money. When we get married, our ingrained money patterns can come into conflict with our spouses' money patterns, triggering emotional trip wires that can lead to behavioral malfunctions.

Example: A woman grew up in a family in which money was spent freely and gifts were given to show love. Her husband, on the other hand, grew up in a family where tight budgets created tension. When they got married, the wife's free spending triggered fear in her husband, and he responded by becoming angry and controlling with money. The wife took his unwillingness to spend on her as a sign of insufficient love. As a result, she secretly spent even more money on herself to get even.

HOW TO PREVENT IT

Six ways to reduce the odds that financial infidelity will happen to you—or to catch it before it does major damage...

- **Come to a clear understanding with your spouse about spending limits.** Leave no doubt about how much each partner can spend without consulting the other.
- **Spot-check financial statements.** Scan for any large withdrawals, loans, transfers out of the accounts or changes in value that you don't understand, then calmly—not suspiciously—ask your partner about these.
- **Respond with compassion to your spouse's money missteps.** Reacting with anger, frustration or fear only increases the odds that your spouse will hide future missteps.
- **Note the date and details when your spouse tells you a purchase was on sale for a surprisingly low price.** If you have doubts, consider checking that date on your credit card or bank account statement to confirm that the purchase wasn't pricier than claimed.
- **Read your most recent tax return.** In most families, one spouse does the taxes and/or interacts with the tax preparer, while the other simply signs the completed tax forms. That tax return could tell you how much your spouse really earns, which investment firms you have accounts with and what investments were sold during the prior year.
- **If your spouse is willing, the two of you could see a therapist trained to handle money-related behavioral issues.** These therapists can help couples understand the underlying psychological causes of financial infidelity. This understanding can transform the anger that the victim-spouse feels into sympathy and greatly increase the odds that the behavior can be changed and the marriage saved. To find an appropriate therapist in your area, go to FinancialTherapyAssociation.org, then select "Search by State" from the "FTA Network" menu. Or to find a "money coach," who serves a similar purpose, go to my site, MoneyCoachingInstitute.com.

Three Money Personalities

Here is a look at how three of the common money personalities that I have identified—all eight are described on my Web site—can lead well-meaning married people into financial infidelity...

Warriors see it as their role to take care of their families, financially and otherwise. It can be wonderful to be married to someone like that—but when things go wrong financially, warriors tend to become defensive and feel that they have let their partners down.

Victims believe that their financial misdeeds are justified because they have been wronged. *Example of a couple I counseled:* A successful man who tightly controlled the family finances gave his wife a budget of \$5,000 a month to spend as she liked. She instead spent four times that much. This woman felt she had been financially mistreated earlier in her life and overspent to get revenge on those who mistreated her—even though the husband believed he was treating her very fairly.

Innocent types tend to be happy to hand off responsibility for financial matters to their spouses, leaving themselves free to focus on artistic or spiritual interests. These types often take their first close look at their finances when they approach retirement. Some are shocked to discover that their partners have been lying to them about finances for decades. The lying spouse is the one who committed the financial infidelity, but the "innocent" spouse enabled it by failing to pay attention.

Example: A successful woman with a creative mentality stood by passively while her serial entrepreneur husband invested the family's money in a series of businesses—every one of which failed. Only in her late 50s did she realize that he was hiding huge financial problems.

Source: Deborah Price, CEO and founder of The Money Coaching Institute, which offers financial coaching to individuals, couples and businesses, Novato, California. She previously spent 20 years as a financial adviser with Merrill Lynch, MassMutual and AIG. She is author of *The Heart of Money: A Couple's Guide to Creating True Financial Intimacy* (New World Library). MoneyCoachingInstitute.com

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