

## June 23, 2014; Divorce and Finances

A few weeks ago, I was channel surfing while waiting for my two sons to get ready for their doctor's appointments. After a flurry of demons, doctors, and detectives, I settled on the Suze Orman Show. Suze, a finance guru, was interviewing a couple that had been married for about 20 years. Three months before the interview the husband had been laid-off his job.

Much to the wife's frustration, her husband, while hiding his unemployment status from family and friends, continued to rack up credit card bills. He wanted to put up a front of financial success despite the fact that they were drowning in debt. The wife was at her wits end trying to pay all the existing bills and to keep up with her husband's new spending binge. He appeared to be completely oblivious to the seriousness of their situation.

I was hooked by the drama, so I took my finger off my remote's channel selector and watched intently.

This scene was all too familiar to me. This plot has played out many times in my office. I knew how I'd handle this confrontation and suspected that Suze's response would be similar to mine. I wasn't disappointed. Suze came out slugging hard at the husband. She practically screamed at him, "If you don't face reality and get your spending under control you're going to ruin your finances and destroy your marriage. Your wife is going to leave you! Do you understand that? She is going to divorce you!!!"

"You tell him, Suze!" I yelled at the TV as I high-fived the screen. I, too, was convinced that unless Hubby came to his senses, not only would the couple's financial world crumble, their marriage would as well. Money management, or the lack of it, has a tremendous impact on marriages.

In my experience as a family law attorney, I believe that many marriages are undermined because couples either have drastically different approaches to money management or they share similarly bad financial habits. Over time, identifiable saving and spending patterns begin to emerge in a marriage. Some are good and some are bad. These are a sample of the more common ones I've encountered.

On the positive side is the "in sync" financial pattern. Both spouses share good financial management and control. The household finances hum along like a well-tuned car. The couple lives within their financial means, pays the bills on time, puts money aside for their children's education, and manages to save for their retirements. Since this approach strengthens a marriage rather than weakens it, I don't see this pattern very often in my practice, unless another cause challenges the relationship.

On the negative side is the "saver versus spender" pattern, similar to the couple on Suze's show. One spouse works hard at keeping the family's finances in order while the other spends money like there's no tomorrow. It doesn't take a lot of imagination to predict that there is going to be a showdown at some point in the marriage. When money is spent faster than it's earned, there will be a day of reckoning. The end result is not pretty.

Another approach is what I call the "missing link" pattern. This is when one spouse keeps the other completely in the dark about the family's finances. In this situation, a controlling spouse puts all the bank accounts and credit cards into only one name and prevents the other "missing link" spouse open access to them. If the "missing link" spouse works, the paycheck is surrendered to the controlling spouse and the "missing link" spouse has to beg for money to buy household necessities such as food and clothing.

Frequently, every penny spent must be accounted for to appease the controlling spouse. Understandably, resentment starts to grow and the bonds of love begin to unravel. Before long, I have a new client.

There is another version of the "missing link" pattern that often, but not always, works out just fine. I term this the "blind-eye" approach. This is when one spouse knowingly and willingly turns over the family's finances to the other spouse and seldom, if ever, inquires about their financial condition. Every payday the "blind-eye" spouse turns over the paycheck and without question relies on the other spouse to manage the family's finances.

Typically, the "blind eye" spouse does this believing that the other spouse is better at handling money and will do what is financially best for the family. If this assessment is correct, which often it is, the "blind-eye" approach works just fine. On the other hand, if the assessment is wrong - - - gulp!

Finally, the most devastating money management pattern threatening a family is what I refer to as the "Two-Lovers Leap" approach. Here, hand-in-hand, a couple happily hops, skips, and jumps over the financial cliff, plunging to their economic deaths. As they approach the cliff's summit, they are often overheard chanting over and over again, "charge it, charge it!"

A "Two-Lovers Leap" couple lives only for today, buying the finer things in life despite the fact that they are broke. Unfortunately, easy credit fuels these buying frenzies. When reality finally settles in, the finger pointing begins with both spouses blaming the other. All too often, divorce proceedings soon follow.

Unfortunately, bad financial habits frequently repeat themselves from one marriage to the next. Unless the cycle of bad money management is broken through effective financial counseling, future marital bliss will be short-lived.

As I suggested in an earlier column, engaged couples should be required to attend financial planning classes together before tying the knot. I am convinced that this would help decrease the rate of divorce on island and possibly launch me into a new career as a used car salesman.

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