

Let's Talk About It

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The Budget Debate

Budget?!! What is that? Unfortunately, many Bahamians' knowledge about a budget is limited to the evening news and newspaper publications of parliamentarians budgetary debates. Too many families have no idea of the meaning of family budgeting. Each year the government votes for a budget. This budget is a document describing the aspiration of the government and how funds will be allocated to the various departments and programs of the Government. It includes all projected incomes and expenditures the country will incur. In many families, husbands and wives operate like separate republics or governments. They spend their individual money the way they want to without the benefit of a plan or budget. A budget may be written down in a book or formulated in a computer using a spreadsheet software.

JOINT DECISION

In my years of counseling with couples, I have discovered that a basic problem in many marriage relationships is that they have no idea of what it is to have a joint financial plan. Their "financial plan" is just agreeing on who will be responsible for which household bill. For example, in a typical Bahamian home, the couple will come to an agreement that the wife will buy the food and pay the telephone bill while the husband will pay the rent/mortgage, and the children's school fees. This is what they call "working together." This type of financial planning has serious flaws for married couples. It is a recipe for disaster. If one bill is too high in a given month and is not payed by a spouse, an argument develops. The other spouse's response is usually like this: "I am not giving you any money to pay that bill, that's your responsibility." How could such an arrangement bring happiness and harmony in a home? It spells disaster. An even greater disaster is when one spouse alone controls the money treating the other partner like a child by giving an allowance or spending money and refusing to include the partner in the decision making process.

Dr. David Olson, psychologist, in his book "Empowering Couples" states that "research shows that couples in which partners feel they have equal control over how money is spent are more satisfied with their relationships than couples in which one partner tends to control money matters. How does a couple gain control over and manage its money? The answer is in budgeting. . . . Budgeting gives couples control over their money, rather than having their bills and spending control their lives."

I have observed that one reason many couples do not have a family budget is because they are too lazy. It is a lot of work to create and maintain a family budget, but its benefits are numerous and results in less stress.

PRINCIPLES OF BUDGETING

Here are a few basic principles to govern family budgeting:

Joint Responsibility: For effective family financing couples must first accept that all house expenses are the full responsibility of both partners in the relationship. The couple must agree on what these expenses are. Generally household expenses include food, all utilities,

rent/mortgages, car gas, cooking gas, cable and internet services, medical/dental/optical expenses, insurance, school fees, car repairs, home repairs, daycare, etc. When a man and woman agree to live together in holy matrimony, they are in reality stating that they will take care of each other and be equally responsible for each other. This is whether or not both partners are working.

Plan Together: After agreeing that they are both responsible, the couple must now plan together. With paper and pen in hand, they will sit down and make up a budget that will include both incomes and all household expenses. The concept of a family budget is that household expenses will now be funded by the budget and not by a specific partner.

Select a Bookkeeper: What is the bookkeeper? It is the one who will keep the record of spending, making sure the family keeps within the budget, and reconciles bank statements, etc. One spouse is not the bookkeeper by default. The mistake is commonly made that the man is the family's bookkeeper simply because of his perception of his role in the marriage. The bookkeeper should be the one who is better qualified for the task. Although both partners will work together in building the budget, yet it is important to select one person to keep the books for the family.

Openness & Honesty: There are too many married partners who do not know how much their spouse is making. This is not partnership in marriage. Budgeting brings all the cards to the table. Couples must be honest and agree to share fully all assets and liabilities because they are really total equal partners. Too many wives are not aware of what their husbands are actually making. Since a husband is paying all of the bills, the wife seems to feel she is taken care of and she is safe. But it is a false sense of security that can vanish during difficult times. Many wives are taught not to let their husbands know what their incomes are. Some feel threatened if they "expose" their financial assets to their spouses. The truth is that this practice of secrecy and of individual financial independence in marriage is not healthy, and certainly does not represent partnership in marriage.

Set Limits for Personal Spending: Although there is a family budget where both partners place their income to facilitate the payment of household and personal expenses, yet it is also beneficial for each partner to have a monthly "allowance" for personal spending of minor incidentals. For example the purchasing of newspapers, light lunches, etc. This amount should be decided upon jointly and can be placed in the budget or deducted from the income before the budget is constructed. However, there should be an understanding on how much money can be spent without the other's consent or knowledge. For instance, couples can agree that there will be no purchasing of items above \$150 without consulting the other. Or no major items such as cars, washing machine, computers, etc, will be purchased without the consent of the other partner.

Open Joint Account: It is healthy financial practice for couples to have at least one joint account. This account can be a checking account to facilitate the payment of the household bills weekly or monthly. Each spouse can still maintain a personal account to save his/her "allowance" or any amount agreed upon jointly. However, there should be no secret account.

Put God First: Perhaps the most important principle for family financing is putting God first. The very first item on a budget should be tithes and offerings. Each spouse should decide how much tithes and offerings he or she will systematically return to God each pay check. It is imperative to remember that the source of all life and the owner of all of our assets is God. It is a blessing to return to God a faithful tithe and offering.

TEAM WORK

The above principles are given to encourage couples to participate in the relationship as a team, rather than two separate individuals who focus mostly on what's best for themselves. Research tells us that couples who pool their finances are somewhat less likely to break up. Too many couples argue about "my money" and "your money." Budgeting helps eliminate the pervasive sense of "mine" versus "yours." Marital expert Dr. Howard Markman, states in his book "Fighting for Your Marriage," "that attitude can fuel conflict and competition, since when there's no clear sense of being part of a team, deeper issues such as caring, recognition, and control are easily triggered. . . We aren't suggesting that you merge your identity with that of your partner's. Rather, we are saying that it is healthy to have a clear sense of yourselves as two individuals coming together to form a team, and that the team's goals are important. What a difference this will make in how you view life!