

“\$TEPFAMILY FINANCE\$: MONEY & \$TUFF”

By Carri & Gordon Taylor

All couples have to handle financial issues. In fact, the number one cited issue that breaks up first marriages is money. With the stepcouple, money is the second leading cause that will lead to divorce. It is second only to children because of the complexity of the pre-existing relationships the new couple brings. How these new steprelationships will develop is very unpredictable. That is an entirely different subject. However, Dr. Marjorie Engle, MBA, current President of the Stepfamily Association of America, states; “Finances are foundational to all issues in the stepfamily.”

We believe there are three contributing factors that set up the stepcouple for failure in this area. The first is PAIN. Pain brought forward from the previous relationship over financial difficulties as well as the pain that was experienced with the financial “hit” individuals take when they divorce. In most cases, the woman takes the biggest “hit.” She may have to re-enter the job market and/or receive additional education to do so. She is usually the one to have major custody of the children impacting her available time and energy. No one wins financially in divorce.

The other major factor that sets the stepcouple up for problems is NON-DISCLOSURE. This is also true in a first marriage. However, with everything the new couple is bringing forward from their past, this can be extremely complicated. Not wanting to disclose can come from the fear of losing the relationship. Fear that if the truth about one’s financial status is revealed, this could be troubling to the future spouse.

Gordon had a stepcouple in counseling where the woman turned to her husband and said, “Why didn’t you tell me you had \$30,000 of credit card debt?” He answered, “Well, if I told you, I didn’t think you would marry me!” She said, “You got that right!”

The third major factor is NO PLAN. Obviously, if no conversation takes place regarding finances, there is no plan. Most people would never think of starting a business, education, or make a career change without a plan....even vacations, buying homes, cars, etc. We see many people running into relationships without a plan. Some believe love is enough. Yet, research has proven that the chemical reaction of being “in love” makes us euphorically “brain dead.” This is particularly dangerous in the stepfamily because of the many complications from the past that are brought forward. The more research that is done on the brain, the more the old saying, “love is blind” has credibility.

One stepcouple who were very dear friends of ours brought five children to their marriage. They also brought a reasonable amount of financial assets. Because of the non-disclosure previous to the marriage, it took them 15 years to bring things together satisfactorily.

Another stepcouple we know well took 10 years to address their wills, trust and deed to the house. In this case, he feared his new wife would leave him with nothing like he believed his first wife did. She, on the other hand, wondered if he was committed enough in the relationship to provide for her long term.

Carri works with couples extensively to write a “marriage agreement” that tackles the areas we will be covering in this series of articles. When her clients do this, they not only address financial areas, but every area of their marriage and relationship. This is most effective when done before the fact (marriage), but she’s also worked with couples “after the fact” to get areas of their relationship on track. We know this sounds very formal and “cold.” The value? The more items that can be addressed with a plan, the more time, energy and resources will be left to handle steprelationship development – which is the most unpredictable element of stepfamily formation.

In the following articles of this series, we will be deal with financial issues from two major dimensions: TANGIBLES and INTANGIBLES. We will break these two areas down. We will illustrate them with our stories and other stepcouples’ as well as be giving practical information to handle this in your life.