



The Australian Finance Podcast Episode Transcript

Episode: Money & relationships (Valentine's Day special)

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Speakers: Kate Campbell, Owen Rask & Monique Pizzica

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Episode transcript:

Owen:

Kate, welcome to this episode of the Australian Finance Podcast.

Kate:

It's good to be back Owen for a very special day today.

Owen:

Yes, we have a very, very special guest with us today. What listeners might not know is that for the past, maybe 30 or maybe 40 episodes, there's been someone in the background. There's been someone just lurking around. As we record our shows every show there's been someone with us and that person is Monique. Monique is the producer of the Australian Finance Podcast. And she joins us today for this very special Valentine's Day episode. Welcome to the show, Monique.

Monique:

Hello. I'm not in the background today.

Owen:

Yes. It's your turn to be in front of the camera as we record this and in front of the mic. For those of you listeners that do not know Monique, Monique is our producer she works across both the

Australian Finance Podcast and the Australian Investors Podcast. She's the genius behind all the videos and the audio that you hear and see. Monique, maybe before we get into the meat and potatoes of this episode, which is relationships and money, and Valentine's Day-

Kate:

More like chocolate and flowers.

Owen:

More like chocolate and flowers, yes. We just discovered \$27 billion is what Americans spend on Valentine's Day, every year. Monique, tell us a little bit about yourself. Where are you from? What do you do? How do you spend your weekends? All of it.

Monique:

Well, other than working on the podcast, I'm also a live music photographer. So, out on the town every weekend, which is nice, not so much throughout COVID, but hopefully that'll come back soon and just working on these podcasts.

Owen:

Yeah. Cool. I like it. We're just chatting off air, every year when we do Spotify Wrapped, as people that produce shows, we can see what other people listen to. And also on the back end, we can see the analytics of what favourite artists are. So if someone listens to our podcast inside Spotify, what do they go and listen to some of the names, Kate, you've got the names. Don't you? Who-

Kate:

Yeah. For the Finance Podcast. And surprisingly, it's very similar for the Investors Podcast. We've got Justin Bieber, Taylor Swift, Drake, I think The Weekend and Ed Sheeran. So, similar taste to me though. So I don't know what that means.

Owen:

Maybe you're the one downloading all the episodes since Spotify. So Monique, of those artists, those world famous artists, have you shot any of them? Have you been the photographer for any of those gigs?

Monique:

I've done Taylor Swift and The Weekend a few years back, which is really cool.

Owen:

Nice. Where did you do Taylor Swift?

Monique:

I was at [inaudible 00:02:55]. That night was actually a big night. I had two gigs in one night, so it was a bit of a rush, but it was good fun.

Owen:

Yeah. Nice. I can't remember who I was telling during the week, but I reckon you've been to more gigs in one week, maybe the past week than I have probably in my life.

Monique:

Yeah. Well I used to do maybe three, four a week. So it was full on.

Owen:

Yeah. That's awesome. So if you need your gig shot, get in touch with Monique, send us a DM on Instagram or Twitter and we'll set you up with the best photographer we know. Okay, Monique. Today we're going to be talking about money, relationships, those types of things. Kate, I believe you're going to be MC, master of ceremonies for today's podcast. So maybe we'll throw it over to you and then you can moderate.

Kate:

Yeah, absolutely. And the reason we want to bring Monique is she's in a newer relationship and figuring out all that money stuff for the first time later in her 20s and Owen's in a much more established relationship where they just dove in head first and can talk about money straight away and that worked itself. So, it's two different perspectives about money in relationships.

Kate:

And just because it's such a personal thing, no two situations are the same. Everyone deals with money personally, differently and in relationships differently as well. And so, we're not telling you what to do today. We're just sharing some thoughts, sharing some things that have worked for Monique and Owen and things that have maybe gone well, not gone so well, good conversations, bad conversations to have to just start opening up the conversation and Valentine's Day is as good as any day to start talking about this stuff.

Owen:

Yes. Kate did want to do divorce on Valentine's Day.

Kate:

Yes. Monique pointed out to me that putting a divorce episode on Valentine's Day was not a good idea. So stay tuned next week for all of the stuff about divorce, prenups, separation, and the costs involved there. If that excites you.

Owen:

It would've been the ultimate bit of marketing though, to do a divorce episode on the Valentine's Day. Struck a genius from you Kate, I'm sorry, we couldn't do that. But-

Monique:

I'm slightly tempted not to say anything.

Kate:

Monique could just let me throw myself under the bus there, but I guess I'll throw it over to you if you want to kick off Owen, why do you think it's so important to talk about money in relationships and whether you want to expand that to relationships with partners, kids, close family members, colleagues, friends.

Owen:

Yeah, sure. So Chris Bates who is the mortgage broker that we have the property course with and he's been on the show a few times. He said something really interesting to me and I've never heard it put this way. And he actually, I think he mentioned it on this podcast, which is where he said that the financial world is basically built for couples.

Owen:

And that's a pretty tough pill to swallow if you're single, but it's probably the truth. Because when we think about what the average Australian does, they get a mortgage, they have pretty expensive, pretty big loan and they have a couple of kids. So, if you have one income, it's pretty hard to do a lot of those things. You definitely can do it. We know so many people that do that and fantastic. It's awesome.

Owen:

But it is easier when you have two people working together financially, because for a period of your life, you typically have two incomes. And then when you have children, if that's the way you go, one of you can typically still work and maybe the other one can do some part-time work after a few years, if they want to, or they need to. And then when they come back to work, you've still got two incomes again.

Owen:

And the basic year we know is that more income in and less going out means that you want to build wealth quicker. So, having twice the income works and then you can also have what we call synergies on the spending side, where you only pay rent once, you only pay the mortgage once. And so you can split those things if you want to.

Owen:

So, if you can effectively communicate and share goals, personally, having two people working together with their finances is superpower. I guess there are a few things here, which we'll try to unpack, but communication is obviously one of them. And communication comes with, I guess, having shared values as well, which we'll get to.

Kate:

Yeah, absolutely. And I think one of the important things to start with is just when you ready to start talking about that money conversation, it's not probably the thing you bring up on the first date apart from maybe who pays for the meal or the movie tickets. But I don't know, for you Monique, when did it seem the right time to actually start having that money conversation and what did you start with for that?

Monique:

Yeah, so mine's super recent, literally three weeks ago we had the conversation. I bought my place probably six months ago, six or eight months ago, not intending to move in with my partner, but then he ended up moving in, which is all sweet. And then I had the thought of opening up a shared bank account, but bit lazy, just let that go for a bit. And then it just got until recently where I was like, "No, I'm actually buying the breaded milk quite a lot here I think we need to open up a shared bank account to make it a bit more fair."

Owen:

And how did that conversation go? Was that easy to bridge it?

Monique:

It was super easy. Super easy. We're super chill with each other. Nothing's ever a big deal type thing. So it was super easy and my partner was straight into it. He got at his phone and just made the bank account on Up bank.

Owen:

Oh, nice Up bank. Okay.

Kate:

I've convinced you as well, have I?

Monique:

Yeah, I was like, "Kate said Up bank is good. I've got to do Up bank."

Kate:

My unpaid influencer work for the year is done.

Owen:

That's interesting. Okay, cool. So, that was the time you're like, "Okay, this needs to be said and done." I'm trying to play host here. Kate, you be the host. I'm the guest. What am I saying?

Kate:

No, I know. And what about you Owen? Because I know you had quite a different situation because you met your wife really young and dove head first in that money conversation. How much further along the track did that start coming up?

Owen:

Well, I think like most good relationships, I guess they start frictionless, you start without really thinking about things. And so it's very easy to just get into the routine of just going about your business and doing what you want to do. And that can be good and bad. Because it can be good in the sense that, oh everything's fine. Let's not bring it up.

Owen:

But then the other side is no, we should probably talk about it because sooner or later there might be some financial stress in this relationship. Most couples and families will have financial stress somewhere along the line, so how do you deal with those? And if you're not upfront about that, I think that makes it more difficult. But for us, because Sarah and I, we met, I was 17, she was 16. We were incredibly young when we met.

Owen:

And so I think for us it was a different sequence. I was a bit older and I'd moved out when I was 18, 19. And I was already fending for myself from a very young age. And so I was familiar with that. Whereas Sarah, she stayed at home until she was through uni and all of that type of stuff. And so, we never really had to talk about it because we were both self-sufficient for many years. So probably the first four or five years, we were just really self-sufficient.

Owen:

And there weren't any clear rules around who pays for what or does what, it was more so just that we were both fine, as in we could both fend for ourselves and that's the way we built it from there. So then by the time it was many years down the track, we combined our finances and we didn't even bat an eyelid because we were already in the routine. Now, one of the mistakes that I think we've made even up until recently, one of the mistakes that we've made is we haven't had clear goals around our finances.

Owen:

And that's been really important because for Sarah, my partner, she likes to be clear and have goals. And I'm the type of person that doesn't. So I've been stubborn with that. And I think that's been a mistake not to have those shared goals. And we've always had shared goals, started business and to get through uni and hopefully travel and do all those types of things. But we didn't write these things down, which we should have done.

Kate:

Yeah. And I think that applies to all the goals. And when we've talked about goal setting on episodes in the past, it's really applying that, but to the overall relationship as well, not just to your individual situation, because you've actually got those shared resources and you might be supporting someone and the situation will look quite different.

Kate:

And I think we talked a little bit about times when maybe you're ready to combine finances, but I don't know if either of you have perspectives or maybe stories or anecdotes from friends of when might you not be ready to combine finances with your significant other?

Owen:

Well, I'll go first. And if Monique has something, maybe she can dive into this. I think when you haven't spoken about finances, and I think when you have question marks over your partner's financial hygiene, I think those are the times when you might not combine your finances because let's be honest, there are a lot of, almost everyone in the world. Maybe they are the 1%

of people, I imagine Kate, you're one of these superstars that don't have anything that's out of shape with their finances.

Owen:

A lot of people either don't have the relationship with money or they have some vice or routine that they fall into, which consumes some of their money. And they might not be completely honest with that. They might have debts and they might have different values about money too. So if you haven't communicated with them about some simple questions, which I'm sure we'll get to in a minute.

Owen:

And also if you get the sense that they're not very competent with money, I think you want to just keep your distance until you can help them through that. I haven't experienced that myself. So I can't say that, I don't have any lived experience with this, but that would be something that I would be mindful of.

Monique:

Yep. Yeah. I totally agree. If you're not sure what the other person's doing with their money, I'd just stay away from joining anything.

Owen:

Yeah. And I guess maybe a question for you Monique then is, how long have you and your partner been together?

Monique:

Three-ish years.

Owen:

Okay. So, you've probably done a lot of things together. You've talked about careers and jobs and things like that before. Has there been an open discussion, have you been able to talk about money in any way?

Monique:

Yeah, for sure. Because both of us have been in the freelance position because he is a musician as well. So we always have to just really keep an eye on our balance and when's the next job coming up. For me, not so much now, which is great, but throughout the start of our relationship, we were very conscious about money and how well we were saving and if we actually wanted a future together, how is this going to work? We've always spoken about the future and if we're to move with each other could we actually do it with our current job situations and stuff like that.

Owen:

Yeah. And I think that's a really interesting thing that you bring up about freelancers. There's a lot of people that listen to this that would be a freelancer or potentially a contractor. And so for

them that regularity and income probably makes their situation a little bit more precarious or at least they think, "Oh, I don't know if I should combine finances."

Owen:

And I think one of the things that people maybe get stuck with is maybe shame is a pretty tough word, but they feel ashamed. They have a sense of oh, I don't know if I can share this with my partner because I'm not sure if I'm happy with it, whether they have debt or whether they think that they should be doing more. And I think maybe if that's the case, I would just say, be honest with your partner because you're going to be stronger together.

Owen:

I think one difference between Sarah and I, is that Sarah comes from a very stable financial background, whereas I don't. And so I was familiar with having low balances when I was a teenager in my bank accounts. At times I had \$20 or \$30 in my bank account for days or whatever. And that was very, very common for me.

Owen:

And whereas for her, it probably wasn't because she didn't have to really worry about that at home. And so, I think those types of insecurities can come up too. And I think the best thing to do is just to be honest early on and it can be painful, but it's definitely worth it. It's definitely worth being honest with your partner.

Monique:

Yeah. Rather than leaving it till the last minute, then you, oh yeah let's move in together. And one has absolutely no money. And then the other one's been saving for 20 years.

Owen:

And I think it's a sign of a strong relationship too, when you can be open with each other about, oh, hey, I have this credit card debt and I want to get rid of it. I think if your partner comes to you and they say, "Hey, I've got credit card debt. I know I shouldn't have it."

Owen:

If they come in and say that, that's a huge step for them because they might feel ashamed if you've got your financial situation in order, you listen to the Australian Finance Podcast every week and you're a religious saver and investor and all that. If they come to you and that, they're probably thinking oh, I'm really intimidated about saying this. I wonder if it'll come between us.

Owen:

You should probably give them credit for coming up and saying that to you. Of course, you've got to understand why it happened and how you can work together or all those types of things, but just the act of coming together and saying, "Hey, I've been paying for the bread milk let's work out a budget or let's think about this together." I think that's really powerful. So it's really good for couples too. Kate, we've rambled for long enough. What questions do you have for us?

Kate:

No, no, I think it's really good. And just seeing, even in the last few days in our Facebook community, some people are saying that they're working to get their partner on board with the financial plan and coming up with shared goals together, working to get out of debt together, working to invest together.

Kate:

I think you can really be so much more powerful working towards your financial goals when there's two of you that are aligned and one might be a spender and one might be a saver, but I think if you've got those common goals and you work out what you want together and how you're going to get there. And even going through this personal finance journey and going down the rabbit hole of listening to podcasts, reading books, going through the Moneysmart website that many of us go through at some point.

Kate:

Having someone to go through it with just makes it so much easier. And then you've got someone to go, "Hey, I don't really get that." And you can use each other as a sounding board. So I think that's really important and I'm glad to see so many people in our community doing that at the moment.

Owen:

Yeah. And there's so much to that. Sooner or later, I think you will have to deal with your finances, whether you're single or you are in a couple that's just to what you got to do. It's an unavoidable thing. So just being prepared for that, if you can. And also I think that the one thing you touched on there, which is a really important thing, and which is really tricky for a lot of couples, I've seen this play out.

Owen:

We haven't had this issue, but if one person in the couple doesn't understand it and doesn't really want to engage, it can feel really lonely to try and get that person involved. And often it's persistence pays off and you've got to start the conversation in a way that has nothing to do with money. So basically nothing to do with money, because if you touch the concept of money in their presence, they might get really emotional and defensive and not want to go down that pathway.

Owen:

So, something that I've been working on recently is basically this idea of, and I should have done this years ago, by the way, this idea of designing your perfect life or designing your ideal life. And this is not I'm going to have I think the Barefoot Investor wrote about Robbie Williams mansion, which cost him \$700,000 in taxes every year. This is not a 50 acre estate with 27 bathrooms. And you've got a fairytale lifestyle.

Owen:

It's not that, it's actually just thinking about, well, what do I actually want from life? What makes me content and happy who makes me content and happy and what will I be doing? So for me that might be just a regular house with a dog and maybe some chickens and some kids and that's basically it. And so then, you can work back from there if you have that lifestyle as a couple or as a single, well, what do I need to do achieve that?

Owen:

Financially, probably not that much. You probably just need to be sensible. So, for most people, if you're trying to tackle that issue about, well, not necessarily, let's just have a conversation about money, no one really wants to talk just about money. It's not that entertaining, but if you say to them, "Hey, let's sit down and let's design a lifestyle together. What do you want from life? Let's go away. Let's talk about this. What do you want?"

Owen:

And that's a totally different conversation. And then the money comes into it, because then you're like, "Okay, well, how can we do this?" And it's more problem solving together rather than saying, "Let's just talk about money," which is pretty intimidating for a lot of people. So, we've talked about the psychology of money. It's a very powerful thing. That's a way that couples can introduce that concept and slowly work on their partner.

Kate:

Yeah. And I think another thing that we wanted to talk about is just splitting costs for things like brand and mortgages and vehicles and gifts and things. And I know you've had that experience recently, Monique, because you bought your first property, which is really exciting all by yourself and then you had someone move in with you.

Monique:

Yeah, yeah. That was a surprise element to my change in life. But I bought my little one bedroom apartment, not really intending for my partner to move in, but then he ended up moving anyway, which was great. And it's all worked out. It's totally fine. But I didn't really think about the cost of things to begin with, because it wasn't just in the forefront of my mind.

Monique:

But we've just ended up working it out along the way, asking for advice even just what the people around me have been doing with their partners. So I asked my sister, asked my parents and a couple of mates who have done the same thing. So, we pretty much just split the mortgage, split the bills. It's very just straightforward.

Owen:

Did you just split it straight down the middle? Is it 50/50 or?

Monique:

Yeah, 50/50. Yeah.

Owen:

Okay. That's simple I guess.

Monique:

Yeah. Just makes it easier and P was fine with that. So I was fine with that. And then I keep bringing it up, bringing it up, if he ever wants anything to change just to bring it up with me and that's totally fine and I'll do the same.

Owen:

Yep. That's really important, I think. Just having that open conversation. Does that mean that you then did a budget together?

Monique:

We didn't really sit down and do it properly, but we just know what goes where if that makes sense.

Owen:

Yeah. You know what needs to be paid for every month or something like that. So then you have-

Monique:

It's very casual.

Owen:

So you start with your mortgage and then basically... The way I'm thinking of this is you have your costs, which would have the mortgage/rent in it and then you'd have utilities like internet, gas, electricity, whatever. And then you've got groceries basically. And that's probably it.

Monique:

Yeah. That's it pretty much.

Owen:

So your incomes are still your own, it's just that those costs are shared.

Monique:

Yeah, exactly. We still have our separate bank accounts and everything and everything's separate, it's just the house stuff is in a separate little folder.

Owen:

Okay. Got you. We've obviously been doing this for a long time, but we've always just, I think it was after a few years we got the joint bank account and the joint bank account became, we got two cards for that. And then it became, there's this three or four savings accounts attached to that. And then it was a brokerage account for investing and then it just basically morphed from there, but it did start with just a simple let's just put these bills.

Owen:

I was living out of home and Sarah would just contribute to food and what have you. And then we basically started paying all the bills together and then we thought, well, how can we strip everything out? So then we went back to one car, got rid of all debt and just annihilated everything. And then we just took our cost base down to as low as it could go, which meant that we could save as much as possible. I don't know if you have any other questions please. Fire from the hip.

Kate:

I guess the other one was just those big things like saving up for trips and splitting costs of gifts or vehicles and things. I don't know if you had any tips, something that works for you, Monique, that might be helpful to others.

Monique:

Yeah. So this is one I'm not sure of still, the gifts thing. What do you do if it's my friend's wedding, do you split the gift cost or do I just pay for it? I don't know.

Owen:

Yeah. Yeah. That's a tough one. I'd love to hear what people do in the Facebook community for this, because I feel there's no one right answer to this. So I feel we would love to hear from you, if you do do this, how do you do it? For us, it's basically at Christmas time, it's probably the tricky time, because that's when all the gifts come out, you have to have a big budget.

Owen:

And basically we set, well, it's not a thing where we sit down and we do a spreadsheet and we go, this person's going to have this much. Basically what we do is we keep it equal across the family. So if say my brother we spend \$100 on him, then we spend \$100 on her brother, that's how we do it. And then for weddings and the more ad hoc things that pop up here and there, it's just we both contribute to that.

Owen:

And because they're both of our friends, it's different for you because you're probably in this in between state where you're not quite fully banking together and you're not sharing all of your finances, but you're sharing some of them. So, my gut feel, my gut feel would be that you could pay for your friend's gifts, if you have shared couples, couple's friends you might chip in for that. But if it's your friend, you might take responsibility for that. And even though Sarah and I, we share our finances, that's basically how we do it.

Owen:

There was an instance, not too long ago where someone had a wedding and Sarah's like, "You know what? I'm going to go and \$400 on this person's wedding gift." And I was like, "Sure, go and do that. That's what's important to you. You go and do that." And even though it was our

money, I didn't care. And by the way, that's the most, I think we've ever spent, it's quite outlandish when I think about it.

Kate:

It must have been a good gift.

Monique:

What was it?

Owen:

I don't know. Just vanished out of the bank. And so that was completely fine. Whereas in the past we would have to, we were on a budget if we were starting the business we were studying and doing all those types of things, we couldn't afford to spend a lot of money, but we just tried to keep it as even as possible.

Owen:

And as kids, as nieces and nephews have come into the picture, it's just got too much and we've had to be realistic around how much we can and can't spend. So, we then backed peddled from oh, well we won't give a gift to our brothers and sisters instead, we might do the Chris Cringle at Christmas where you pull a name out the hat and whatever. And that's probably been a way to save money while also keeping everyone happy. It doesn't really fit the situation you're in right now. But I think you're halfway between and-

Monique:

Yeah. Definitely.

Owen:

But you still have your own money? Basically the way I think about it is you have your discretionary money, you can do what you want with your money.

Monique:

Yeah. Exactly. [crosstalk 00:28:32]. Totally.

Owen:

Kate, what do you do? You just spend big on everyone. For those listeners-

Kate:

I love buying gifts.

Owen:

For those listeners who don't know Kate personally, Kate, I think said she bought about 50 gifts at Christmas or something. I was lucky enough to get about four of them, Monique and Sally also got me a gift, which is wonderful too. But Kate, what do you do? Do you set a budget? As a

single person, do you set a budget and be like, "This is what I'm spending at Christmas." Or for this wedding or whatever?

Kate:

Yeah. Well, because I also use Up bank and we're absolutely not affiliated, but every month when my pay hits, I have money that goes automatically aside to a Christmas bank account. I tried that for the first time last year and that was really helpful just knowing I had that money set aside for the end of the year, because I do like to be generous at Christmas time.

Kate:

And so having that money there just makes me feel a lot better about it. I've also got a gift some flowers savings account because when people's birthdays come up and things like that-

Owen:

That explains it.

Kate:

I want that money put aside. I also have after all the stuff we've done with Peter Singer and The Life You Can Save I have an effective giving account, so that money's always put aside there as well. So while I'm giving to friends and family, I'm also giving to organisations that really need that money. And I have a range of other accounts, but having that automated payments, split everything up has really helped as well.

Kate:

And even for books, because that's something I value and I like spending money on, I have money automatically go into an account for that. But I think even just the even splitting, I haven't personally experienced this and I don't know if either you two have, but I think even splitting can work at the initial stage of the relationship, but down the track... I came from a household where my father looked after my sister and I most of the time.

Kate:

And so just splitting everything down the dotted line doesn't work always. And especially if one person's the caregiver at home or someone's ill or someone can't work, unemployed for a while. So, I don't know if that's something that people figure out further down the relationship that sometimes things don't have to be evenly split and time can be just as important. And that relationship-

Owen:

Absolutely.

Kate:

Than just 50/50 everything. And especially if someone's earning a significant amount more than the other person, you might split proportion wise or change your arrangements. And I think that comes to just having that conversation, being transparent and working out what works for you.

Owen:

The two experiences that we have here, we've got Monique who is in her 20s and met her partner. I, in my teens met my partner. And so, this is not how many partners, in fact, maybe most partners meet. In fact, most partners, they meet after they've accumulated either debt or assets or a combination of the two. So, people come together at different life stages. So, someone in their mid 30s or 40s, maybe someone's got kids already.

Owen:

And basically what happens is they come together and they are not equals, so they are not equals even in the remote sense, you could have someone that has two kids, a single parent and is renting a house and trying to make ends meet. And they meet someone who's never had kids, who's been single for a while and earns \$200,000 in a high paying job. And so how do you deal with that?

Owen:

These are much more complicated situations because you can't just go straight down the middle, that's yours, this is mine. There are many different... You asked actually a question before Kate, about how do you split big expenses. We didn't actually talk about that, we'd jump straight to gifts. I think there are some things-

Kate:

A more fun thing, isn't it?

Owen:

Yeah. It is. So, there are some things here to keep in mind that if you go into debt with each other, you should be careful with that because you'd want to talk about it. Is, are you both on that debt? Moneysmart has a guide on this. And they say, basically, don't go guarantor for your partner, unless you are absolutely 150% certain, and you've spoken to other people in your life or your financial advisor, do not go guarantor for your partner, especially if your name's not on that asset.

Owen:

So the thing that they're buying with the loan that you then go guarantor for do not do that. And that's even important for parents too. So, if there are parents listening to this and your child has just met someone and you want to go guarantor for their first home or whatever, maybe talk to them about putting the house in the name of your child as a way to protect yourself, or having some type of agreement in place. You will also need to get legal advice, typically the bank will require you to get that before you go guarantor.

Owen:

If you do take out a loan for something, if you're in a relationship, it's important that both of your names are on the loan, as well as the asset, and you have an agreement for that. We talked about this in the office yesterday, Kate, one thing that's not very, I guess, romantic is when you

are falling for someone and then you talk to them about, "Hey, did you want to maybe think about doing a financial prenup?" That's not exactly a candle-lit date worthy material, but it is important for a lot of people. And like you said, you could start with the prenup, this is mine and we are agreeing on this.

Owen:

And then after five or 10 years, you think, okay, let's get rid of that, everything is everyone's. And that's a way to protect yourself in the meantime. And I think that's a really good way to be honest with your partner. It's a tough pill to swallow, maybe at times, but it is really important. If finance and building wealth of early retirement, whatever, creating a business is really important to you. Hopefully your partner can share that goal and understand why maybe a prenup is important and you can get expert legal [inaudible 00:35:04].

Kate:

Yeah. And we've got actually two episodes coming up next week, fingers crossed if it's next week, it might be the week after just about how divorce separation prenups, because I think it's an important conversation to have, even if you don't end up getting the document, just being really open and transparent about assets and liabilities. And especially because we are not all getting married and having kids at the age of 18 anymore, a lot of us are having careers and investing in travelling and all that first.

Kate:

And so, many of us are going into relationships with more assets than we might have used to. And so having that conversation... For me, financial independence is really important and being able to always support myself is important. So I think prenups can be a good tool to use. So, stay tuned for the coming episodes where we'll actually be talking to a lawyer and a barrister about that.

Kate:

But on a maybe more positive note, if we just talk about some potential questions that if you are thinking about starting that conversation about money, maybe you'd like to bring up with your partner on one of those Barefoot Investor date nights, maybe not Valentine's Day, but maybe you're going for a coffee, monthly money catch up on the weekends. Monique, is there some questions that you would think listeners might want to ask their significant other to start bringing up that conversation about money?

Monique:

Yeah. Well, other than saying, what have you got in your savings?

Kate:

Just going straight to the savings account.

Owen:

How much money you've got.

Monique:

I'm pretty sure that's what I did.

Kate:

Oh, gosh.

Monique:

But no, you can just bring it up really casually. Maybe also, when you go out to dinner, you can say, "Oh, can you afford this one?" Just bring it up in a conversation like that, just to gauge where they are with their money and if they can or can't afford things to begin with. And then that can lead the conversation to more probing questions.

Owen:

That's a good way. And I'd probably add, maybe ask that before you go into the restaurant and before you've got the bill in front of you.

Kate:

[crosstalk 00:37:19] the restaurant.

Owen:

Yeah. But I think that's a really smart move Monique, because you could, if you say, "Well, where are we going to go for dinner tonight?" And then you look at the different options and you say, "Can you afford this?" Or, "Can we afford this?" That's a really easy icebreaking question to finance. Can we afford this? I like it. I like it a lot. You guys did a bit of cramming ahead of this and you found some questions too. Who wants to read these questions out? Is it Kate? You're the moderator.

Kate:

Yeah. Well, one of them, which made me think back to our episode with Mel Brown, about money mindset and how we grew up with money is talking about how you'd describe your spending habits. So potentially if it's not appropriate to go straight into the juggler and like, how much is in your bank account, how much do you spend this month?

Owen:

Show me now.

Kate:

What do you like to spend money on? What brings you joy to spend money on? What don't you like spending money on? Maybe are you a spender or a saver, maybe you can glimpse that maybe they've got a secret shopping habit. That might be a good way to start bringing that conversation up.

Kate:

And maybe even what did you learn about money growing up? Because that tells you a lot about the person and can often work out. Maybe if you have really different approaches to money right now, it ties back to how you grew up with your parents and your family and your community, and that stuff often once it's uncovered and talked about it can make things a lot easier to get on the same page.

Owen:

We've got a heap of questions here, which we'll put in the show notes too. So if you are interested in this money and relationships checklist, go into the show notes and just see which ones you could try on. So, I think one of the things you touched on there, and the thing that we haven't really touched on in this conversation about, is the value set of people with money.

Owen:

And as we know from brilliant books like *The Psychology of Money*, being good with money has more to do with how you behave than how smart you are. And a lot of our experiences, the way we view the world come from our parents. And it's like that thing where they say that that your first job out of university is the most influential in your career, because it's when you form as a person and you form these habits and values, and it's the same with your parents, you learn a lot from them.

Owen:

And I think it's important that you recognise that impact on you. So sit back now, think to yourself, what was my childhood like? What was my dad like with money? What was my mother like with money? Did we have conversations about money? What were their parents like with money? And if you can get to the bottom of that, you maybe need to write it down, you might be able to be and understand how you perceive money and you have developed your work ethic in your view of things.

Owen:

And I think that type of critical thinking is really important because if you meet someone too, you probably want to do those same things, but for them, you're probably thinking, how did they get to where they are? Who is this person that I see in front of me today and how did they develop their money habits? And if you can understand that, I think you'll have a better chance at understanding their habits with money. So if they come from a really insecure background of financial insecurity, maybe they've developed habits that you need to work with them on and unwind a bit.

Owen:

And so questions like how do you feel about debt? Did you have conversations about money growing up? How did your parents handle the budget? Did you ever see them talk about money? Have your parents ever said to you, "This is how much I earn, and this is how much we spend." Have they talked to you about investing? Have you ever considered investing? These are the types of questions you can ask. And I think they're fantastic questions to ask. I wish I asked these questions early on for myself to be honest.

Kate:

And I think even just that, as you mentioned at the start of the episode, talking about those short, medium and long term goals, because that's often a less scary way to bring up that conversation as well, because most of our goals involve some time or financial commitment, often both. And so, even just saying, "Oh, I'm saving up to get a new laptop," or to go on a holiday or to buy my first home, that's an easy way to start that money conversation and make it a bit less scary, because it's more about the end result.

Kate:

And so the process happens on the way, but that's a good way to start going, oh, how are you saving up for that computer or holiday or first home deposit? What's your strategy? What are your suggestions? What are you trying out? And I think that's a really easy way, even just my experience with friends and family to bring up that conversation because you've got something exciting at the end to look forward to and it just makes it all less scary.

Owen:

Yeah. And by the way, ladies, men suck at talking about money, just a straight up heads up, men are terrible. So, try and find some ways to appeal to their senses. Men are more the hunter gatherer type people. They like to go out and earn the money, but they don't often talk about the budgeting side of things, but if you can bring it back and you can make it once again, as we talked about values, but then also having a conversation that maybe doesn't have anything to do with money at first and then you weave that in. Bring that into the conversation and try and find what really interests them with.

Owen:

Like if they want to go out and buy a jet ski, ask them to just walk you through it a bit and then say, "Well, if you get that, what do I get?" Or just try and just open the conversation up a bit and flesh that out a bit. It's funny that you said Kate before that it's so funny, I think it's great, that your dad was more like the stay at home dad and your mom went out and worked. We're seeing a lot more of that these days.

Owen:

And I think a lot more men are open to that whereas in the past, that stereotype of, "I'll go earn the wage and you stay at home," that's gone. And I think it is fantastic because now with more people working from home as well, I think it just opens up the opportunities to earn more and to be more flexible. And maybe if your partner does learn more from you fellas, I'm talking to you, it's okay to say, "Yeah, you go earn the wage. I'll stay at home. I'll be the stay at home dad." I'd love that.

Owen:

And in the society that we live in today that is perfectly acceptable. And that's a great thing. And maybe you are fellows, maybe you are better with money. So you are the one that's doing the

budgeting. You're the one that's doing all this and setting budgeting goals, take the front foot, get on the front foot there, take that first step, have that conversation with your partner too.

Owen:

It's not as wonderful as it is about buying cryptocurrencies and trading penny stocks and doing all this stuff. As we've always said, you can't invest your way out of a savings mistake. So get that financial house in order and then roll from there. That would be my big takeaway for fellas.

Kate:

And if you are looking for another resource for examples on having this conversation, I've mentioned his name before, but Ramit Sethi actually launched a podcast last year. I can't remember the exact name. I'll include it in the show notes, but he actually does financial couples counselling on air. And so, talks partners through all of their issues and how they're dealing with their finances and why they can't see eye-to-eye or why they don't feel they've got enough or why they don't feel free to spend, or they're stuck in debt.

Kate:

And it's actually really interesting to listen to just these conversations and be like that fly in the window listening to this, because these are the conversations you'd never hear, they're very intimate conversations that you'd never usually hear. And so, I think it's really interesting and it might help you get better perspective or find some questions that might be good to use to open up that conversation. So, I'll include that with the list of questions in the show notes, if anyone's interested.

Owen:

And if you are a listener and you want to come on you and your partner [inaudible 00:45:26] to come on this show, let us know. I think that'd be a fantastic listener story to pick your brain and understand how you've managed money, particularly if you've overcome some challenges along the way. That's fantastic. As I say, in the podcast community, that's good content.

Owen:

No, it would be fantastic to hear that because we don't often have that type of intimacy when we talk about money. So, bring it on if that's you, let's do it. Okay. There was something else that you mentioned before about as you get older or as you go along with the relationship, your finances become more entwined. My brother-in-law, he speaks about their finances quite a bit. And he says they have what's called a team account. So, it's where in the couple there's one account's, and it's the team's account, meaning that it's the two of them working in a team.

Owen:

And outside of that, they have their own spending accounts, even though they've been together for a long time. And the team account is the sacred account, that's the team's goal. So, that would be those long term goals. And then outside of that, they still have a bit of spending money and it's still a bit of play money. And however they spend that is up to them, and if they keep their money in their own spending account they can roll it over into the next week and then they

can do whatever they want with it that week and so on and so forth. So it can be a mini budget on the side of the main budget, which is cool.

Kate:

Yeah. Awesome. And I just think there's so many different strategies and the more people can talk to their friends and family about how they do it. It just breaks down the barriers on that conversation and makes it easier for the next couple to talk about these issues, which is really important.

Owen:

For sure. For sure. We've got a bunch of questions in the show notes for this episode. I think they're going to be really important. And I think we're going to have a lot of questions about this in the Facebook community. If we're already talking about it, this episode, we're going to spark a lot of chatter.

Owen:

So if you do have perspectives on this, if you do have things that you can share, let us know, because we'll roll up all of your points and put them into a great post for everyone so we can share them across the community. Relationships and money, everyone is unique and to be honest, there could be a lot more out there for couples who are in the formative stages of their relationship or that have been doing it a long time.

Owen:

One final thing that I'll call out just when it comes to relationships and money is that, maybe this is Ramit Sethi thing there Kate, getting counseling is actually really important. So, if you find that you can't go into the relationship with an open mind and be honest, or your partner can't, getting help is a wonderful thing to do. That might be understanding their values and where their anxiety about money comes from, encouraging them to do that because your happiness is important.

Owen:

Speaking of that, we know that one of the things that is unfortunate when it comes to couples and money, not to bring down Valentine's Day is that financial abuse is actually a major problem in Australia. So this can come in the form of people withholding money, not talking about money, spending excessively and you're not knowing why that's happening.

Owen:

So once again, counseling and expert advice can really help in this way and can help you get to the bottom of things. There is the National Debt Helpline. There's a bunch of other resources, financial counselors, so many great free resources out there for you to understand as well as our community. So, make the most of them.

Kate:

We'll have the number for the National Debt Helpline with wonderful financial counsellors that we've mentioned a few times now that anyone can access in the show notes as well.

Owen:
Yep. Cool.

Kate:
Wonderful. Well, I guess, I don't know if people wish it at large, but happy Valentine's Day folks. I don't know if it's like wishing everyone happy Christmas.

Owen:
I guess you can, I guess.

Kate:
Definitely.

Owen:
This flower budget, what was it? Flowers and what, Kate?

Kate:
Gifts and flowers.

Owen:
Gifts and flowers-

Kate:
For birthday gifts, if you're going... I don't know, wedding gifts, not that I've been to a wedding recently. But yeah. And just flowers-

Owen:
Valentine's Day?

Kate:
Sure. The Valentine's Day could be in your gifts and flowers budget, just like if something amazing happens to a friend or something not so good sending flowers and things like that. So just having money set aside for that, that personally works for me.

Owen:
Interesting. Interesting. Okay.

Kate:
Do you want some flowers?

Owen:

Wow. Maybe. Does it work both ways? Is it always the man that gets the thing for the female or does the female get flowers? I don't know how this work.

Monique:

I feel it should work both ways.

Owen:

It does. It does. Have you guys ever sent flowers or chocolates to someone?

Monique:

Yeah.

Kate:

Yeah.

Monique:

Yeah, definitely.

Owen:

Okay. Interesting. Interesting. Maybe I need to have a chat about this. Okay. Well, that's good to know. Good to know. Good to know. All right, fantastic. Well, this is heaps of fun, Monique. Thank you for joining Kate and I on the show.

Monique:

[inaudible 00:50:34] some fun.

Owen:

Yeah. Get you out from behind the camera and be in front of the mic.

Monique:

It's going to be weird editing myself.

Owen:

I know. I was thinking about it.

Kate:

I don't envy you.

Owen:

Yeah. Kate and I used to edit our podcast and I used to hate editing my own voice. I was always like, "What is this idiot saying?" [crosstalk 00:50:55]. You've done amazingly for your first episode and you got the audio done. We didn't even have to adjust your audio or your video for you.

Monique:
Got it done.

Owen:
Yeah. It's great. And thanks Kate for being the moderator of the chat today. It's great being interviewed by the wonderful Kate Campbell.

Kate:
Oh, I try. I try. I think we better wrap this show up and let people get on with their Valentine's Day.

Owen:
Yes. Happy Valentine's Day. And thank you both for joining me on this episode.

Monique:
Thank you.

Kate:
Thanks for listening everyone.