

How To Fix A Spendthrift Spouse

Q.



My wife is a raging lunatic with a serious mall problem. She has over 100 pairs of shoes. She has boxes of outfits she has never actually worn. I love her very much but don't want to work forever! What can I do to rein in her spending?

Just kidding. The actual email I got was this, much tamer version:

Finally, a recurring concept that both residents and colleagues constantly bring up is what do I do with my wife's/spouse's spending? Might be an interesting blog subject – maybe not so close to Mother's Day though.

A.

I don't mean to make fun. This is a serious issue for many physician families. Many times, the physician is the spendthrift. The truth is that this isn't really a financial problem, but more of a relationship problem, and cannot be fixed without fixing the relationship. There is a good chance that marital counseling is in order. But let's try to tackle

it anyway. (I can't wait to see what shows up in the comments section of this post.)

The Ounce of Prevention

As every physician knows, an ounce of prevention is worth a pound of cure. The best way to avoid having a spendthrift spouse is to avoid marrying a spendthrift. I'm serious about this. The big four conflicts in any marriage are money, sex, religion, and in-laws. My wife and I "interviewed" each other while we were engaged. We talked about all this stuff to avoid being surprised later.

Those few hours we spent having these very serious (although weird) discussions have prevented an unbelievable amount of frustration and fights over the last 15 years. Yes, people change, and no, you can't predict the future. But just because your crystal ball is a little cloudy doesn't mean you shouldn't look into it.

Aside from marrying someone who at least has some concept of frugality, there is more you can do to prevent the problem. First is to make sure both of you have realistic expectations. Reading this blog or my book is a great way to understand that while physicians absolutely do make a lot of money, it isn't a bottomless well of cash directly connected to Scrooge McDuck's diving board. It is not only possible to spend a physician's entire income (or more), it is easy to do.

Another way to prevent the problem is to address it regularly and continuously. My wife and I have spent about an hour a month on a budgeting process (that is really just tracking our spending these days.) This hour mostly consists of me going through the checking account and the three credit cards we use line by line while she cruises Facebook and explains why we spent \$100 on this or that. Anything unusual, we discuss. Then we total it up to see how we did. It's a rare month that we spent more than we earned. It's kind of fun to go back and see

some of those budgets and laugh at them. But you know what, I have 180 of these Excel files somewhere and can pretty much tell you where every dollar we've made since we were married went. It doesn't take 180 repetitions of this exercise to fix spendthrift issues. I know how she feels about money and she knows how I feel about it. We can both spend enough that we don't feel particularly deprived (we are spending our 15th anniversary in Paris as this post goes to press, after all) and yet still manage to squirrel away a 6 figure amount each year, more than enough to meet our financial goals.



Be careful about the promises you make to a spouse during the long years of medical school, residency, fellowship, and the first few years out of residency. You can promise your spouse that you will eventually be able to live a very comfortable life and spend a lot of money. But don't promise a new Audi right after residency graduation or a 7000 square foot house or a credit card with no limits. The ability to live frugally early on will allow you to enjoy relaxing your spending constraints later that much more.

As Robert Doroghazi, MD, FACC says, "I married a gold mine, my spouse is thrifty." Neither my spouse, nor I, are really what I would call "thrifty" any more. But you know what, we were thrifty when we needed to be and now we don't have to be. Now we can use our money to increase our happiness and

convenience. We're still not flying first class to Paris, but we did buy a direct flight.

The Pound of Cure

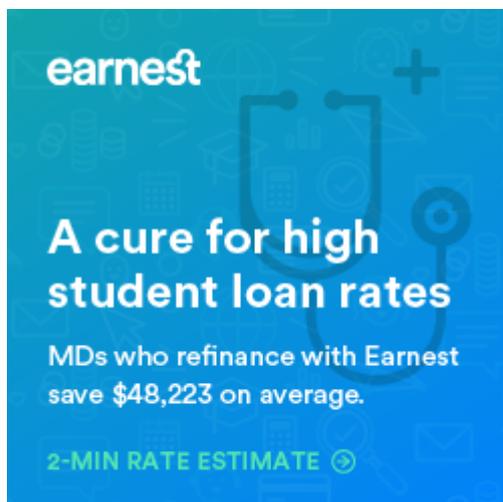
Unfortunately, your [flux capacitor](#) is busted and the "ounce of prevention" approach isn't going to work for you. What can you do now? Well, the first thing is you have to start talking about money. This is a delicate matter, because any discussion that ends in an argument (or worse, a fight) is not helping matters. If the only thing wrong with your marriage is that one of you is a spendthrift, divorce is almost surely not the solution. Besides, a divorce not only cuts your income and assets in half, but it also puts both of you into higher tax brackets and increases your cost of living. A great financial solution it is not.

So how do you talk about money? You have to depersonalize it. It's just a stack of Benjamins. It's not about you. It's not about your spouse. It's about where you want to be in 5, 10, 20 years from now. Focus on your goals for the future, then work your way back to what that means for your present. Your spouse isn't stupid. She knows that if you spend everything you make you won't be able to pay off the mortgage, send the kids to college, or retire at 60. But sometimes it is hard to connect those 100 pairs of shoes in the closet to the future.

This also cannot be a one time discussion. Even if you don't want to be "constrained by a budget," just start out by tracking your spending. Try it for 1-3 months. Just the act of writing down where every dollar went will subconsciously decrease spending. Plus, if you actually have to justify your spending to the other each month, you won't be as likely to spend your money on stuff that doesn't really make you happy.

Make Sure You Don't Have A Problem

You also want to make sure that the problem isn't with you. If you want to save 40% of your income for retirement, but your spouse only wants to save 20%, then the problem really isn't your spouse. Sometimes savers need to loosen up a little lest they become miserly. Again, it comes down to shared goals. Likewise, make sure you're not using money in order to assert control. I often find that men in particular are often inappropriately controlling of the family finances. It's not a financial problem, but it does have financial consequences.



Drastic Measures

Some people are addicted to spending money. It might be clothes. It might be restaurants. It might be an expensive hobby. Even a monthly, hour-long financial discussion doesn't help. Time to go to plan B. What is plan B? It's a [cash budget with envelopes](#), a la Dave Ramsey. Given the income level of most physicians, this can be quite a generous budget without affecting your ability to reach important financial goals. The key is that it puts an upper limit on spending. If you or your spouse (or both) find saving 20%+ of your income to be difficult, you [probably shouldn't be using credit cards at all](#). When you get paid, put the money designated for your spouse to spend on whatever in an envelope. When it's gone,

it's gone. It works for teenagers, and if a spouse cannot handle money better than a teenager, it will work. Some people even appreciate having limits put on them, because then they can spend up to the limit guilt-free. But if someone has a problem with alcohol, you don't keep alcohol in the house. If they have a problem with spending, then access to anything but the green stuff needs to be eliminated.

Personal finance is just that, personal. But once you're married, if you want a strong marriage, personal goes away. You're sharing the same bed, bathroom, kitchen, and kids. You should be able to share the same financial plan.

What do you think? Have you had a spendthrift spouse? Are you the spendthrift spouse? What have you done about it? Did it work? Comment below!