Five mistakes couples make with money

1. Failing to communicate about money

Money is hard to talk about. Issues of pride, inadequacy, resentment, and shame get wrapped up in the conversation, resulting in hurt feelings, isolation, and even lying to each other about debt and spending.
You both have to lay some things down and take small steps toward communicating in a healthy way. Financial classes, financial counseling, and reading books together are valuable to learn how to work together and talk openly.

2. Not working together to develop a budget

Following a realistic budget is the key to managing money well. This sounds easy, but different personality styles can make it frustrating to work together.
One is often a saver and the other a spender. One wants everything on a spreadsheet neatly organized in rows and columns, but this kind of detail just gives the other a headache!
We are much stronger when we can work together. We can create common goals and complement each other's styles. One is good at organizing and tracking all the details, and the other gives great input about how much we need in each category.

3. Not providing for unexpected expenses

In the early years of marriage most couples aren't prepared for the unexpected. They quickly learn how expensive things can be to repair or replace. With no emergency fund, the credit card is used to make repairs and pay bills. The reality is bad things are bound to happen. A couple should have enough money set aside to cover any major repairs, replace things such as appliances, or cover monthly expenses in the case of lost income.

4. Not being wise in buying a home

Many well-intentioned people will tell you it is critical to buy a home. Their logic is that you are throwing money away if you rent.
For many newly married couples, rushing into home ownership turns into their biggest budget buster. They don't understand the true cost of home ownership, and end up owning a home that is too expensive, with a mortgage payment that eats up a large part of the monthly take home pay.

5. Spending money before you have it

It is easy spend on credit or financing on a "buy now/pay later" plan. You think you'll use future incoming money like commission cheques or bonuses to cover the debt later. Although the adage, "Don't count your chickens before they hatch," may be overdone, it does hold true in this case.

Edited from an article by Marybeth and Curt Whalen