Prudential Investment Managers

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Valentine's Day investing tips for a great financial relationship

As much as you and your spouse may be equal partners in your relationship, there's a good chance that you're not equal earners. Whether it's due to differences in salaries, or simply because one has built up more wealth than the other, you may find yourself in a situation where one of you has significantly more money than the other. How, then, should couples manage their investments together… and fairly? You can only get the best long-term investment outcome through togetherness, so what better time to start than on Valentine's Day?

There are a number of approaches you could take. Some couples choose to combine all their finances together, while others prefer to contribute the same amount to a shared money pot, regardless of how much (or how little) one or the other makes. Yet another option is to contribute proportionally, where each person contributes to the household budget (including savings and investments) at a proportional rate or percentage of their income.

Those are just three of the ways you could do it. You might figure out another system that works for your relationship. Either way, the most important thing to do when it comes to combined money matters (such as investing together) is to communicate. Ask your financial adviser, and they'll probably tell you that in most instances there's one spouse who naturally takes the lead when it comes to finances (and it's not necessarily the bigger earner who leads the way). That's absolutely fine, as long as you're both on the same page.

Money is one of the main causes of conflict in relationships: arguments over who's spending or earning what, where and how, can escalate very quickly. When it comes to investing together, sit with your partner and talk honestly about your goals, about your resources, about your time horizons, and about your risk appetite – first privately and then with your financial adviser. Together, draw up an investment plan based on those conversations.

Although most asset managers don't allow joint investment accounts, that doesn't have to be a deal-breaker when it comes to investing together. In fact, opening separate investments in each of your names is a lot easier to manage from an admin perspective, especially when it comes to unfortunate events such as divorce or death. And just because each investment is legally separated from each other, doesn't mean that they can't be viewed together as part of your and your spouse's collective investment portfolio. When investing with Prudential, for example, we will issue you and your spouse with an online account to view and manage your investments online.

Investing together can be a great activity to do as a couple. The key, however, is to ensure that you and your spouse are on the same page when it comes to your collective investment goals. Try our online tools to guide you through some of the more important decisions that you'll need to make. And if you need more information, please feel free to contact your financial adviser, call our Client Services Centre on **0860 105 775** or email us at query@prudential.co.za.