



Prudential Investment Managers

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Relationships and money

Money impacts just about every relationship we have. In a family setting, who pays which bill? Who takes on debt? With friends, who pays when you meet up? Do you lend friends money? And when it comes to partners, how does it work when one person makes more than another? Although sometimes money doesn't matter, it can at times become a source of problems, and then it matters very much. Given that every situation is unique, for this National Savings Month we've put together a list of some universal tips to help you keep the peace, while ensuring that your savings and investments remain on track.

Spend wisely

Having different opinions on how to spend money is a common cause of conflict. One tip is to look at how you spend differently, while focusing on what's most important. For example, if your housemate seems to have money to burn but doesn't pay their share of the bills, you need to have a conversation. But if they do pay their share, then you can't really weigh in on their personal finance decisions. Similarly, if your significant other spends too much of their own money on shoes, or upgrading their motorbike, but it's not impacting their savings or the family budget, then it's probably not worth fighting over. If, however, this money was meant to pay bills, you'll probably

need to discuss what's happening and try to come to a mutual agreement. Be sure to pick the battles that are worth the emotional energy and time to solve (and the financial costs to fix). If you haven't already, now is the perfect time to draw up a combined budget highlighting your shared expenses and the proportion that each person is expected to pay (more on this below). It's worth having a frank discussion about everyone's priorities so you all can understand personal motivations and get some idea of what to expect when it comes to spending.

Work together

In a family, there is always more than one person to consider, especially financially. Some costs must be shared, even if the division looks different for each family. Making sure that you are doing your part is just as important as holding the other person accountable. In other words, you and your loved ones should contribute financially as agreed. Make sure you have a budget to help keep your essential bills and savings covered. Working together within a budget is not only fair but also means you can arrive at suitable goals together. An example might be paying off your property or being able to retire early. This brings us to another important point, in that your budget shouldn't simply be a list of your shared liabilities, it should also contain shared financial and investment goals. These could be anything that's important to you and your partner, such as putting some money aside each month to supplement your retirement investments, investing towards a family holiday, or accelerating large debt repayments like home loans and credit card debt.

Different strokes

When it comes to money, the saying 'different strokes for different folks' is certainly true. For example, two people in any relationship could have very different dreams about what retirement looks like (or anything else that's worth saving for). If one has a vision of a luxurious retirement, more money will need to be saved. This should be addressed while there's still time to turn small, ongoing savings into significant capital. You may also need to readjust along the way. An individual's relationship with money will make or break how the future looks based on the savings amassed over time. Our [Retirement Calculator](#) is a great way to see if you're still on track with your

retirement plans and, if not, where to make the necessary adjustments.

Compromise is key

It can be difficult to work towards a vision if it's not at least somewhat shared, so it's crucial to know where you and the other person can, can't, or won't budge. Equally, it's important to know when it's necessary to compromise. Some adjustments or unexpected changes can turn out better than expected, so keep an open mind. The Covid-19 pandemic has also meant some compromises have been non-negotiable altogether. Our [Goal Calculator](#) can help you establish the different components needed to reach your shared investment goals, thereby making it easier to track and keep up momentum. Sharing a goal can make all the difference to reaching it.

To sum up, we can all likely benefit from a better relationship with the people in our lives and a better understanding of how money fits into this picture. This National Savings Month, why not look closely at your budget, who is influencing your spending choices and how you might be able to save (and spend) more successfully.

For more information, please feel free to contact our Client Services Team on 0860 105 775 or email us at query@prudential.co.za.