

FIRST COMES LOVE, THEN COMES MONEY



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Hey boo!

I'm Kara, and I wrote this guide to love and money. I've been with my boo (we'll call him Tbone) for 6 years and we've been talking about money since around our 5th date.

When we first got together, Tbone earned just under **\$24,000 a year**. I was making a cool **\$18,000** as a part time caterer and MMA gym receptionist.

I had around \$20,000 left in student loan debt, and Tbone had just over \$60,000. *Money was the third person in our relationship, and we needed to talk about it.*

But talking about money with your boo can be awkward, scary, difficult, or just plain weird. And when it comes to joining money, or creating future plans TOGETHER, everything can feel overwhelming.

This book is designed to help you find ways to talk to your partner, create financial plans together, and manage money as a household. We cover both combining money AND keeping it separate, and how to find what works for you.

Love is beautiful. And managing money with your boo -in a way that works best for YOUR relationship- is even more beautiful.

Let's do this!

Kara

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CHAPTER ONE:

TALKING TO BOO THING WITHOUT TEARS OR BLAME

How Do You Bring Up Money In The First Place?

When talking about money, it's essential to remember that not everyone comes from the same place. Our upbringings, current income, money scripts, and general emotional state all play into how we behave with and talk about money.

Think through the what, when, why and how of the conversation before you bring it up. *What are you trying to get out of this?*

WHAT do you want to discuss? Debt, spending, investing, getting a phone plan together?

WHEN is the right time to bring it up? The first date? The 6 month mark? The one year mark?

HOW do you bring it up? Just drop 'hey do you have any student loans' into the convo over coffee and see how it goes?

WHY do you want to talk about money? Is something in your financial life changing? Does your boo have a money habit you hate? Do you want to feel closer as a couple?

Start With Yourself

Self reflection is an all-powerful tool. It helps in every way, and especially with a delicate money situation.

WHAT: The more clear you can be on what you want to cover in your conversation, especially if it's the first time you're broaching this sensitive subject, the better.

WHY: Why do you want to talk about money? Is something in your financial life changing? Does your boo have a money habit you hate?

When Is The Right Time?

There are two when's to consider here: *When in the relationship*, and *when to actually sit down and chat*

When in the relationship: I speak from experience- do not just spring a big money convo on your boo out of nowhere! The exact time will be different for each relationship. Here are a few guidelines to think through for yours.

Has someone's money situation started affecting the relationship in a major way?

Have someone's finances radically changed recently (inheritance, big raise, job loss, etc)?

Are you feeling ready to take a 'step' in the relationship and want to share financially?

Is there an upcoming financial change you want to prepare for together (buying a house, taking a major trip, moving in together, etc.)

When to sit down and talk: Picking a time and place that works for both of you will go a long way towards making this comfortable and productive for both of you.

Hopefully this is the start of many productive conversations, so why not make this *a thing* and create traditions? By creating a sense of fun and traditions, you remove any feelings that money is not something the two of you do. You help money conversations become the norm in your relationship.

The goal is to foster a feeling of comfort, safety, and openness.

Location: Pick a place that you both feel comfortable. That might be your kitchen table, your favorite coffee shop, or a reserved room at the library. Where do you both feel like you're on equal footing and that you can share openly?

Time: Money conversations are best done when no one feels rushed, stressed, or exhausted. So don't plan it for when your boo comes home after overtime and the dog needs to go for a walk.

Some couples find evenings with a nice beer or tasty snack to be a good time. Others find a weekend morning to be their personal financial golden hour. Maybe you decide to get up early one morning before work to knock this out.

Check your schedules, and find a day and time that work well for both of you.

CHAPTER TWO: OUR MONEY IS SO DIFFERENT. IS OUR LOVE DOOMED?

How do Two Different People Create One Money Plan?

Ahh the age old question- what do you do when your partner has a totally different approach, mindset, and general *feeling* about money?

You're a spender- they're a saver. You're a planner- they wing it. You hate talking- they love talking.

Plus, today we have insight to everyone else's relationships via social media. It's so easy to see how other couples manage things (or to see the picture perfect version of things) and to start feeling inadequate, competitive, or generally dismayed about yourself and your boo.

Whew. It can be a whole lot. So let's start at the beginning: **your relationship is yours alone.** What works for y'all works for Y'ALL. You do not have to meet anyone else's standards, definitions, or requirements.

Listen, Compromise, and Coordinate

The golden rule of couples money is this: **just because someone does something differently than you doesn't mean they're doing it WRONG.**

The more you can take this to heart, the better you'll be as a partner.

Start by listening and learning about your boo and money. Ask them about their financial background. Here are some questions to get you started.

How did your parents talk about money growing up?

When did you get your first job and what was it?

What's the first emotion you feel when you think about money? What's the first thing you feel when you look at your bank account?

What does sharing money mean to you?

What's your favorite thing to spend money on right now?

What's your biggest savings goal?

Can you describe what financial security looks and feels like to you?

Many people think of compromise as losing. If things aren't exactly their way, they've 'lost' something.

Nothing could be further from the truth! Especially when it comes to money. Compromise means coming up with a plan that works for both people in the relationship, which is the biggest win of all.

Here are some exercises to work through together to highlight your differences. By starting with identifying what you each do differently, we can highlight the areas that we need to find common ground on.

Three Spending Exercises

#1. For a week each of you track what you spend and WHY you're buying it. This is judgement free- "I wanted it" is an acceptable answer! The point of the exercise is to go a little deeper into the why behind each of your spending habits.

After the week is over, get together and share your expenses with each other. Share the reasons behind them. Ask any questions you want (remember: judgement free!)

Goal: To understand your own and your partner's spending habits better.

Spending Exercises

#2. Sit down together. Each of you INDIVIDUALLY create an ideal to YOU budget for your household. How much money do you want to spend each month. Then, compare budgets.

What overlaps? Where is there distance? How do you each feel looking at each others' budget? Explain your choices to each other.

Goal: To understand each other's vision for your household budget

#3. Set an allowance for yourselves. You should each get the same amount. Over the next two weeks, track what you spend your allowance on but DO NOT tell each other. Set a money date at the end of the two weeks and review your spending.

This is a good way to find out what your partner prioritizes in their spending. When there are no rules, what are you each spending on? How can you incorporate that into your monthly budget so you each feel that money is enjoyable?

Goal: To understand each other's joyful spending and spending values

CHAPTER THREE:

DO WE WANT TO SHARE MONEY OR WHAT? AND IF SO, HOW?

What systems and tools do you need to handle money?

Traditional relationship financial advice says that what's yours is mine. Historically in the US, once a couple gets married, money is now a joint thing. Women's money and property in particular became her husband's.

Many people will tell you that if you don't open joint checkings and savings accounts ASAP after marriage, you are handling money wrong as a couple, and your love is probably not real.

I think that's bullshit.

Today we have more opportunities than ever before, and that includes how we handle our money in a relationship. Finding the right path for you is what love is all about!

Let's run through how to decide if you want to share money and two ways you can do that.

Totally Joint Accounts

Opening joint accounts is totally merging your money.

-Both people own the money inside equally, no matter WHO put the money there or WHO earned it.

-Each account holder is insured up to \$250,000 by the FDIC. So you can have up to \$500,000 in a joint account that is insured.

-Both people are responsible for any fees on the account.

-Both people can see transaction history

-Both people are responsible for any debts on the account, no matter who INCURRED the debt.

Joint accounts (checking and saving) are best for couples that are on the same page about most, if not all, things with their money.

When you share accounts, you both have full and equal access to the money. So this setup works best for couples that are working towards the same general goals and that have a high level of financial transparency already.

Totally Joint Accounts

Now that we know what a joint account looks like, let's decide if it's right for you and your boo.

Answer these questions to help determine if any joint account is right for y'all.

Do you want to be able to see each other's spending?

Do you trust each other not to 'take the money and run'?

Do you understand joint expenses?

Are you on the same page with financial costs and goals for your current life and the future? (Saving for a house, having kids, etc)

Do you feel comfortable and excited about sharing an account?

One of us makes more than the other. Do we want to split 50/50 or more proportionally to our income levels?

(If one person makes \$200,000 and one person makes \$60,000, the lower earner pays proportionally more by going 50/50 instead of percentage-wise. Percentage-wise would say 'You make 70% of the income, so you pay 70% of the expenses.')

Partially Joint Accounts

A key part of joint accounts is that you don't have to go all-in with ALL your accounts. You can have one joint checking account and nothing else. You can have one joint savings account and nothing else. You can have all joint accounts, all the time.

Most crucially, you can have **a joint account that is NOT linked to your direct deposit**, so you can control the flow of cash into the account.

This is a good way to ease into sharing money. For example, opening a joint checking account with your boo for shared household expenses is a common practice. You each agree to contribute a set amount of money, to be used for joint expenses (rent/mortgage, groceries, pet expenses, etc).

Or a shared savings account, where you are both working towards a goal. This might be a vacation fund or a down payment fund. Regardless, it's a money goal you are both agreed upon and contributing to.

All the same rules apply to the joint account, but not all of your money will be in that account. This makes a lot of people feel more comfortable as they begin their shared financial lives.

Best Practices to Sharing Money

Above all, remember that there is no **right** way to share money.

Set a budget together. Make sure you each understand and feel good about where your money is going each month.

Establish clarity around funding joint accounts. Will you each hook up a direct deposit? Will you each transfer the same amount each month, or will it be a percentage of your income?

Determine how many accounts will be joint. Do you want to go all-in or only partial right now?

Set a monthly money date. Review spending coming out of any joint account and review any joint expenses.

Set up allowances. When sharing a budget and accounts, a great practice is to allow each of you the **SAME** amount of money in the form of an allowance. Each of you is allowed to spend the money however you want, and you don't need to justify it to your partner. Determine an amount that feels good for your income level and for yourselves!

CHAPTER FOUR:

SEPARATE BUT SEXY FINANCES

Keeping money separate might be the move for you.

Some couples prefer to keep their finances totally separate, in terms of account ownership. And with tools like Cash App, Venmo, and PayPal, it's never been easier to share money without having to SHARE money.

If you and your boo decide that you don't need to share money, the next move is to make your separate money **as financially sexy as possible.**

Let's Get Financially Sexy

HOW will you handle joint expenses? Whether you've been dating three weeks or three years, there are joint expenses. Meals out, rent, pet care, car care: how will you handle these?

You can get as deep on this as you want. Here are some ideas:

Make a spreadsheet of joint recurring expenses. You can divide it in half and one person can charge the other monthly.

You can divide according to category.

You can divide according to income level; whomever makes more pays more.

HOW often do you need to discuss money?

I recommend at least 1x a month, sitting down together and reviewing income and expenses. But is that often enough? Would you each prefer a weekly money date?

HOW will you pay each other?

Do you have a electronic cash sharing app set up? Is there a timeframe you want to make sure you pay each other within (ie within 48 hours of sending the request?)

ARE you on a timeline for sharing money?

Will you share money more closely when you move in together? When you get married? When you have co-own a house? Or are you not interested in any of that?

These are just some starter questions; use them to expand your money conversations together!

CHAPTER FIVE: PROTECT YOURSELF BEFORE YOU WRECK YOURSELF

Joining your money is exciting, but let's make sure to protect yourself too.

I'm not saying that your boo is going to steal your money and disappear into the night. But why risk it, you know?

Women especially are more likely to come out worse for wear in a divorce. Women are more likely to take time out of the workforce (raising children or caring for elderly parents) which impacts their ability to earn, save, and invest money on their own.

There are several ways to protect your money when you begin to share it.

Protect Yourself Before You Wreck Yourself

Prenups: For married couples, a prenup is the ultimate protection. Short for prenuptial agreement, it's a contract that couples create and sign before getting married that lays out finances in the event of a divorce.

Prenups are fantastic for laying out nitty gritty money details.

In your prenup you can lay out who will take or own what after divorce, including divorce.

For example, if Rick comes into the marriage with \$150,000 in investments (via his 401k) and Maria comes into the marriage with 3 rental properties and \$600,000 in mortgage debt, the prenup can state that upon divorce Maria is solely responsible for paying those mortgages. It can also state that Rick is excluded from any profit from the rentals.

Each state handles divorce differently, legally speaking. A prenup can supercede your state's laws. California and Texas are community property laws, while New York is an equitable distribution state.

This means the default in California and Texas during divorce is to split things equally between two spouses, regardless of other circumstances. In NY, more factors are taken into consideration to split things **EQUITABLY**.

Consider the laws in your state before getting a prenup.

Prenups should especially be considered if one partner owns a business or has a large inheritance.

Roommate agreement: If you're not ready for marriage but are living together, a roommate agreement is another form of protection.

A roommate agreement is a partially legally binding document that lays out the terms of how you agree to live together. It can include everything from how much rent you'll each pay and on what day, to who does which chores.

Judges don't care about who was supposed to take out the trash, but a roommate agreement can help protect your finances.

If you move in together and one of you owns the home you live in, a roommate agreement can help the owner collect rent. Similarly, depending on how it's written, a roommate agreement can protect the renter from being forced to pay rent, in case of a breakup.

You can include dispute resolution in the agreement, such as seeking mediation for financial disagreements instead of suing one another.

A roommate agreement can be very powerful protection for both partners, especially when there is a financial disparity in the relationship. For example, if I moved into a house that my boo owned, and I paid rent towards their mortgage, in the event of a break up, would I be entitled to any of the equity gained in the house, or would they pay me back a percent? This can be laid out in writing!

Things to Consider in Any Legal Paperwork

- Who will own what in the event of a break-up/divorce? Include everything from bank accounts to pets to furniture in this part.
- How will money be handled upon marriage? Will all accounts or assets be considered joint, or will some remain completely separate? (i.e. if someone owns a business, is the spouse now a business partner upon marriage?)
- Debt liability- will a spouse or partner be responsible for another's debt? Will one help the other make payments at any point?
- Where property or assets go upon death- if one or both of you have children, you can lay out in a prenup which parts of your estate will go to your children and not your spouse.
- Specific directions in the event of a break-up: who will move out, how much time they have to do so, etc.

CHAPTER SIX:

HOW TO HAVE A MONEY DATE

I keep using the term 'money date.' But what is that and how do you do it?

A money date is what I call sitting down with your boo and talking money! Pretty straightforward huh? :)

And yet, so many people hate doing money dates, or find them difficult to do. So I have laid out framework for you and your boo to get together and have the perfect money date.

I recommend a weekly money date, but it must be done AT LEAST once a month.

1- Set a time and place that works for both of you. Find something that works week to week. Money dates should happen regularly, not just once in awhile.

Something like 'the kitchen table, every other Monday night from 7-7:30pm' is what you're shooting for here.

2- Have the right tools ready. This workbook is probably one! Others will be things like your budget, your bank account history, your credit card history, your cash envelopes if you follow that system, etc. Basically, bring to the table the ways you spent money this week and how you tracked it.

3- Check your judgement at the door. As I've repeated throughout this workbook, judgement is not helpful when you're talking money with your partner. Making someone feel judged is a great way to SHUT DOWN the money date, not help it bloom.

Now, that said, you absolutely can bring other emotions to the table. If you feel confused by a partner's spending, or even angry, those can be valid!

But how are you expressing them? Yelling lets your boo know you're angry, but it also shuts down communication. So that leads me to...

4- Use I statements to express yourself. I statements rule. They are the best. They allow the speaker to own a statement, and they help prevent the listener from feeling accused.

Consider this:

'We didn't hit our savings goal. We need to save more. Why did you spend \$100 at Best Buy? We could have saved that.'

That's a real dick move right? If I'm being asked something that way, now I feel defensive and mildly angry.

Versus this:

'I want to increase our saving rate because having more in savings makes me feel secure. Not hitting our savings goals makes me feel stressed. I see that you spent \$100 at Best Buy. I'm confused on that one- can you help me understand?'

This opens the door to an actual conversation and no one feels hurt!

Consider how you can make most of your I statements.

"I feel safer when we have a higher savings rate' instead of 'We need to save more."

'I'm not sure I understand why you want to spend less in this category- can you explain your thought process more to me?' instead of 'We don't need to cut back here, you're being paranoid.'

5-Make it fun! If your money date is something you dread each week, you can change things up! Get yourself a drink, or put on some of your favorite tunes. Dress up or dress down. Do it after you make your favorite meal. Do it before you bone it out. Whatever makes the date itself more enjoyable is worth incorporating!

6- Establish parameters to check in about. I like to follow this formula:

review weekly spending: are you over/under in any categories?

review weekly savings: did transfers get made? Any extra income come in?

review process towards big picture goals

amend anything that isn't working: change budget amounts or categories if you need to.

CONGRATS!



This is the end of our couples workbook. Go forth and love each other AND your money!!

PS you two are really cute together. I can just tell.

-Kara