

How to have a successful budget meeting with your spouse

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Prior to [getting control of our finances](#), the main reason my wife and I would fuss (that means fight/argue here in the southern U.S.) was over money and finances. Turns out, we weren't alone. The number one reason couples fight is over money. Studies also show that the number one cause of divorce in the U.S. is due to money. Why? Here are just a few reasons:

1. Communication - Really this is lack of communication.
2. Control - This involves one person in the relationship having primary responsibility over the finances.
3. Family - Examples include: Cost of children and how money is spent on them, in-laws or parents having influence over your finances

If you'll note, none of these issues really have anything to do with money. The reason couples fight over money isn't due to money itself, but due to the core feelings and emotions they have surrounding money. Money is the symptom, the 3 reasons above are the actual problem.

Fortunately, these three problems can be easily resolved, assuming of course you have a strong and healthy marriage. How? Have a weekly or monthly budget meeting. Personally, I prefer weekly, but for some a monthly meeting works as well.

What is a budget meeting? A budget meeting is an opportunity for you and your spouse to sit down *together* and review your finances and your budget *together*. If you didn't quite catch the key point here, let me state it again: **together**.

Here's what you need to do:

Decide who will be the accountant

General management of your day to day finances is best handled by one person. Updating your budget and net income statement, and tracking your day to day expenses is logistically difficult if 2 people are doing it. Who should do it? The detail oriented person. In our marriage, I am the detailed person so I do it. If you feel like neither of you are, then just decide which one is more than the other. Typically this isn't a hard decision to make.

Formulate a budget and make it the controller

The next step is to formulate a budget *together*. Pick an evening and a time when both you and your significant other can sit down by yourselves in a quiet setting and spend 1 - 2 hours working up a budget. If you aren't sure how to do this, please read my article on [creating a budget](#).

Creating the budget *together* is important and allows both of you to have equal input into your finances. Each of you has a “vote” regarding where the money goes and how it will get spent. Having a “vote” is important, it gives you ownership in the budget and the process.

Once you have the budget in place and have agreed on what is being spent where, agree to follow it *together*. I would suggest you come up with some physical or verbal way of agreeing. This can be as simple as both of you signing at the bottom of your budget, verbally saying to other “I agree to follow this budget” or just simply handshaking. My wife and I do a pinky shake. This seems a bit silly at first, but has a powerful and lasting effect. For example, when I’m over at our local electronics or book store and I see something I really want, before I just go and buy it, a mental picture of that pinky shake always appears in my head reminding me of the commitment I made. At that point, unless we budgeted for it, I walk out.

By doing all of the above, you solved both the #2 and #3 reasons couples fight over money: Control and Family. By doing the budget *together* and agreeing to following it, the budget now becomes the controller of your finances. Since you both had input and both agreed, the issue of one person controlling the money and the other person feeling powerless is now gone. The budget, that you both agreed to, now controls the money. All blame for control is the budget.

You also solved the family problem since you both had input into the budget and you both agreed to follow it. The budget can’t be changed unless you both agree. Since you both did it *together* and current or previous family influence to the budget was factored in as you did the budget together.

Call a budget meeting

Here is where we solve the #1 reason couple fight over money: Communication.

Pick an evening where you and your significant other can meeting for about 15-30 minutes to review the finances. I would suggest doing this weekly, but at the very least it needs to be done monthly. The person that is responsible for tracking the budget should update the budget and current expenses prior to the meeting and come to the meeting with an updated budget report. The report should show the budget, how much money is remaining in each budget category, and any remaining bills or expected payments they are aware of.

Both of you should walk through the budget report together. Discuss areas where you have to much money allocated and where you don’t have enough. Make adjustments as necessary to cover upcoming expenses, but agree to those adjustments together.

Reviewing the budget weekly has a profound impact on communication. Communicating weekly lets each spouse know the current status of the finances, provides an opportunity to discuss areas where too much money has been spent and discuss upcoming unplanned expenses. These are expenses you may not have been able to plan for when you initially did the budget.

Our meetings take all of about 10 minutes and since we have been doing this I can’t recall the last time we fought about our money. Here’s a few things I’ve learned along the way though to help you out:

- If one of you overspends the other shouldn't get upset. During the budget meeting, just move the amount overspent from another budget category. If there isn't enough money, pull it from the emergency fund. With my wife and I, just having to do this is punishment enough for overspending. I feel terrible when I overspend, as I broke the commitment, and feel the impact of overspending when we have to move money around.
- Realize this is a journey and you will get better with time. When we first started budgeting, I was too detailed about it. I wanted it to be correct the first time and managed it to the tee. As a result, my wife didn't want to follow it anymore as it was causing her too much stress. Realize that each month you do a budget you will get a little better at it. If you overspend or don't follow it exactly, it's ok. You will get better at it, it just takes some time.
- Do the budget for the upcoming month before the month arrives. Spend your income on paper before you even get it. Trying to keep a single budget to cover all months is confusing and difficult. Do a budget for each month a few days before that month arrives.
- How you keep your budget doesn't really matter. I use a spreadsheet, but paper works just fine and so does extensive software like Quicken or Money. Just use what works for you and makes it easy for you to manage and track. Remember, we are trying to reduce stress not increase it.
- Mistakes of the past are forgotten. Don't bring up mistakes from the past. What happened happened, and you can't change it. Decide to move forward *together*. Bringing up mistakes from the past just causes stress, tension and breaks the team environment that's being established.

Wrapping Up

I challenge you to give the above process a try for 3 months. In my experience it will make significant and positive change in your relationship and in your finances. This process changed our lives, hopefully it will change yours as well.