



The Basics

Financial infidelity is rampant

Is it cheating if you lie about where the money went? Yep. And it's every bit as damaging to your relationship as the physical kind.

By [Liz Pulliam Weston](#)

With money and marriage, there are lies. Then there are Big Lies.

Telling your spouse you bought something on sale when you didn't is a lie. Hiding five-figure credit card debt is a Big Lie.

Rhonda, a stay-at-home mother in North Carolina, has started to panic about her Big Lie. What started as a few charges here and there on her credit cards have ballooned over four years into an \$18,000 tab.

"My husband is not really aware of how much I am in debt," Rhonda wrote me in an e-mail. "I feel out of control."

Most of us understand that Big Lies can be devastating for a relationship. But many of us still have a tough time staying absolutely truthful with our significant others when money's involved.

A [survey](#) that lawyers.com and Redbook magazine commissioned from HarrisInteractive in 2005 tells the tale. Harris interviewed 1,796 adults, ages 25 to 55, who were married, engaged or living together. Among the findings:

Virtually all the people interviewed (96%) said it was both partners' responsibility to be completely honest about financial issues.

Nearly 1 in 4 (24%) believed so strongly in this principal that they said openness about money is *more* important than being faithful. (As lawyers.com legal editor Alan Kopit put it, "They're saying, 'It's one thing to fool around. It's another thing to fool around with my hard-earned cash!'")

Still, almost one in three (29%) admitted they had lied to their partner about finances, most often about personal spending (21%) or spending on the kids (12%).

One in four (25%) said a partner has withheld financial information -- again, usually about personal spending (20%) and spending on children (11%).

| What we lie about | | |
|-----------------------|-----|----------------------------|
| Spending on ourselves | 21% | How much we make 6% |
| Spending on children | 12% | Our investments 4% |
| Household finances | 9% | Our retirement accounts 2% |

Source: HarrisInteractive

Little lies, big lies

Several posters on the [Your Money](#) message board copped to financial infidelities, both large and (seemingly) small.

Poster savermom confessed to not telling her unemployed husband about a \$20,000 bonus, instead squirreling it away into an interest-bearing account. She had several reasons for the deception, including being tired of her husband's lending money to his spendthrift mother.

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"I feel that if he knows we have some extra money, he will feel compelled to say 'yes' the next time his mother comes crying about how broke she is," savermom wrote. "So I'm saving him from the guilt. He can honestly tell people we don't have it."

Poster jn5271 wrote that she sometimes sneaks "a \$20 here or there" while paying the bills and uses it for various splurges without telling her husband.

"It's been going on since we've met. I buy what I want when I want it, as long as it's reasonable," she writes. "Sometimes he figures it out when he sees a new purse or shirt, but then I say, 'I've had it for awhile, it didn't fit right' or something."

The importance of a slush fund

DFish wrote that he used to lie about how much he paid for things and hide purchases from his wife. He didn't want to fight with her "over spending that much money," or whether the spending was necessary.

(You may be nodding your head about now. Conflicts over money are common: Three out of four of the people Harris surveyed said they fight at least occasionally about money, and 11% said money was the source of most of their battles.)

| What we fight about | | |
|---------------------------------|-----|---------------------------------|
| Spending on ourselves | 50% | Planning for retirement 10% |
| Managing the household budget | 45% | How to invest 7% |
| How to pay off credit card debt | 32% | Spending on kids' educations 5% |
| How much to spend on the kids | 26% | Other financial issues 21% |

Source: *HarrisInteractive*

DFish and his wife finally solved the problem by agreeing that neither would spend more than \$300 without consulting the other.

"It's been harder for me because I like tech toys and gadgets," DFish admitted, "but it has stopped me from doing a lot of impulse buying."

Setting such limits, and creating allowances or "slush funds" so partners have spending money of their own, is a good way to cut down on conflict, said financial planner Diane McCurdy, author of "[How Much Is Enough? Balancing Today's Needs with Tomorrow's Retirement Goals](#)."

"One spouse may think it is foolish to spend (money on a certain) item, while the other thinks, 'why not?' " McCurdy said. "This is why it is important to allow each to have financial freedom in the family budget."

Every lie is a relationship-killer

Obviously, though, it's not just the little items that cause the fights. Partners can have vastly different approaches to spending or fundamental disagreements on how to achieve their goals.

That's why McCurdy thinks *any* marital lie about money is a red flag. "I do not think it is all right to fudge numbers," she said.

Here's why:

Lies erode trust, compromise the teller's integrity -- and can make the person who's lied to feel really, really bad. Poster marriedone offered a perspective from the other side: what it feels like to be lied to.

Shortly after they were married, marriedone's husband told her he won a new PlayStation in a raffle. She later found a statement from a credit card he'd opened secretly to buy the toy.

"I was crushed for many reasons," she wrote, most importantly because "he thought his PlayStation was more important than our joint goals, ones we'd written together, talked about and set out to accomplish, together."

Lies may signal significant problems in the relationship. In the Harris poll, people who said they were happy in their relationships were far less likely to have lied or been lied to than those who were less happy. Nearly half of those who said they were "not satisfied" said they had lied or been lied to; only one in five of the "very satisfied" crew reported that they or their partner had been untruthful.

Do the lies cause the unhappiness, or the unhappiness the lies? The poll doesn't say; all that's clear is that lying can be an indicator of trouble.

Also, financial infidelity often accompanies sexual infidelity, notes Ruth Houston, author of "[Is He Cheating on You? 829 Tell-Tale Signs](#)." A cheating spouse often hides spending on a lover, and may hide assets in anticipation of divorce.

Lies can prevent couples from getting on the same page. Many times, McCurdy said, couples have settled into potentially destructive, black-and-white attitudes about their partners. People who are natural savers can see their freer-spending spouses as childish and irresponsible, while the spender spouse may view the saver as a miser and a kill-joy.

In these cases, she said, both spouses need to work hard to understand their partners' perspective and be willing to make compromises. The spender may need to curb the shopping trips, but the saver may have to loosen up the purse strings.

The PlayStation lie, for example, resulted in a long talk that helped marriedone realize the couple needed a little more flexibility in its budget. From her husband's perspective, using all their money for joint goals didn't leave room for the fact that they were individuals, with different wants and needs. "To him ... I wasn't respecting he was still his own person, in addition to being a partner," marriedone wrote.

"He didn't excuse away the lying or blame it on anyone, he accepted his deceit," she wrote. "After that we started getting an allowance and (have) done it ever since!"

Talking about these issues, rather than trying to avoid them with lies, can help a couple work out their differences and create a plan that gives both what they need, McCurdy said. The saver can still be assured that the family is building financial security, while the spender doesn't have to delay all gratification.

"Remember goal setting, the common family goals, can be accomplished together," McCurdy said, "with a little family planning and discussion."

Little lies tend to lead to bigger ones. When deception has snowballed into serious debt -- as in Rhonda's case -- professional help might be needed, Kopit said. A financial planner and a couple's therapist may need to be called in to help straighten out both the money mess and the behavior that led to it.

Separate accounts hide many sins

Rhonda says she's never been great with money, but her real problems started when she decided to quit full-time work after the birth of her youngest child. Her husband gave her an allowance for household expenses, but it never seemed like enough. She charged \$200 to \$400 a month on her cards, as well as Christmas expenses and an expensive summer camp for one of her kids.

Rhonda and her husband keep separate bank accounts (like 18% of couples in the Harris poll), so it wasn't hard to hide the ballooning debt. And the credit card companies made it easy to keep spending, Rhonda said. "They just keep raising my limits and letting me transfer balances and talking me into keeping my cards," she said.

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|--------------------------------|-----|------------------|----------------------------|-----|
| How we handle bank accounts | | | | |
| All bank accounts are combined | | 50% | All bank accounts separate | 18% |
| Some accounts separate | 29% | No bank accounts | 3% | |

Source: *HarrisInteractive*

People who try to conceal big debts may feel like they can solve the problem before their significant other finds out, lawyers.com's Kopit said, but they're usually wrong. The money problems that led to the debt in the first place rarely get fixed as long as the debtor hides the problem -- and often the bills snowball until the debtor can no longer keep up.

"The judgment day will arrive," Kopit said. "It's going to happen."

The first step, he said, is to "fess up" to the problem. Then work jointly to fix it. The confession probably will be painful, as will the spending changes needed to pay off the debt.

But concealing problems, financial or otherwise, is no way to solve them.

"Your mother and dad told you to tell the truth," Kopit said, "and that was good advice."

Liz Pulliam Weston's column appears every Monday and Thursday, exclusively on MSN Money. She also answers reader questions in the [Your Money message board](#).