How couples can get on the same page
(when it comes to investments)

It's not uncommon for couples to own multiple investment accounts -- individual retirement accounts (IRAs), employer-provided retirement accounts such as 401(k)s, and taxable investment accounts. Some couples share investment duties equally while other couples may agree that one individual in the relationship takes on the more active role in buying and selling investments. But what happens when couples disagree when it comes to choosing investments? Or can't agree on what percentage of their salaries they should set aside for long-term goals? Or can't even get on the same page about the whole issue of money and spending?

Deep-seated disagreements about your finances can be stressful, but they can be resolved. If you and your partner don't always see eye to eye when it comes to investing, the following tips may help.

Talk to each other

In an ideal situation, opening the lines of communication early in your relationship can prevent stress and friction later on. However, if your relationship is not in its early stages, you need to start talking to each other. Plan a time to sit down with your partner and discuss your feelings about money. Your attitudes toward spending and saving probably have their roots in the ways your families thought about and handled their finances. Discussing your family's relationship with money can shed light on your feelings and help you understand your partner's position.

Identify different saving priorities

You will have to find some common ground if one of you wants to invest every extra dollar when the other wants to spend it. While financial security is important, it shouldn't be at the expense of an enjoyable, interesting life. Why not choose a realistic amount to invest toward your goals and then set aside another amount to spend on yourselves? Coming to an agreement that considers one person's desire for financial security without leaving the other partner feeling deprived can satisfy both the saver and the spender.

Consider the issue of risk

It's not just different attitudes toward money that create problems for couples. You and your partner might have very different feelings about how much investment risk you are willing to take in pursuit of gains. What happens if each of you are at different ends of the risk scale? One of you might be an aggressive investor that seeks assets with the potential for earning higher returns over the long term, such as stocks. The other could be a conservative investor whose focus is on preserving principal and would prefer fixed-income and cash investments, even if it means earning returns that don't keep pace with inflation. The immediate issue is to come up with an investment plan that satisfies both of you.

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A good start would be to meet your financial professional and ask for help in working out an investment strategy that allows for growth while addressing volatility. Having someone who is objective and can offer useful suggestions might help you reach a compromise.

Sometimes compromise is not possible

Even with the best of intentions, compromise isn't always possible. In that case, it may make sense for you and your partner to have separate portfolios. The partner who is more comfortable with risk can invest heavily in equities, while the more conservative partner can choose fixed income and cash investments.

> Understanding and willingness to compromise are all it takes to turn investing opponents into partners.

If you have questions about your workplace retirement plan, please contact your Human Resources department or your retirement plan provider's customer service center.

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