THE COMPLETE GUIDE TO

Love & Money

clearpoint
introduction

Whether you are single and looking, are a casual dater, or have tied the knot to a husband or wife, you need to understand that love and money have a special relationship. There are certain tips that can help bachelors, bachelorettes, and couples become more financially attractive while improving their relationships and their checking accounts. Luckily, Clearpoint is here to help.

table of contents

ALL THE SINGLE LADIES (AND GENTLEMEN)
Study: Women and Student Loan Debt 3
Why Debt is Holding You Back 4
Becoming (Financially) Attractive 5

MONEY AND DATING
The Spender and the Saver 6
A Few Hurdles 7
Does This All Come down to Gender? 8
Budgeting Isn’t Sexy but neither is Being Broke 9
Cheap Dates: Why They Work 10
Top 5 Cheap Date Ideas 12

DON’T LET DEBT WEIGH YOU DOWN
The Key to a Happy Marriage 14
Avoiding Conflict 15
Paying it off Early 16

Follow us:

Clearpoint • www.clearpoint.org • www.repaydebt.org
Looking for love is a challenge, and what complicates this challenge is the added element of finances. Today, not only do you have to evaluate your (potential) partner for things like similar tastes, long-term plans, and compatibility with his or her family, but you may also want to take a look at finances and whether he or she can pay off debt. That’s what a lot of people are looking at in the dating market today, but women with debt are taking a particularly hard hit. According to a recent study by Fenaba Addo of the University of Wisconsin, women in debt are less likely to get married. Of course, this doesn’t seem fair, but it’s the reality of our current financial climate. So, let’s dig a little deeper and figure out what’s going on and why it’s becoming increasingly difficult for women to tie the knot before they pay off debt.

**STUDY: WOMEN AND STUDENT LOAN DEBT**

This study looked at debt and how it affects different steps in a relationship. One big step couples take is to move in together. The study suggests that debt does not have much of an effect on moving in together. In fact, women with debt are more likely to move in with a partner than they are to stay single. This probably has to do with the fact that women with debt are of a certain age (this study looked at women in their late 20s) and are looking to settle down. The women in this study are probably already dating, and moving in might just be the next logical step in their relationships.

What’s more difficult is tying the knot, taking what most couples consider to be the final “big step.” This is where things get interesting. The hypothesis of this study was that women in debt would have a harder time getting married, period. The results of the study revealed a surprising conclusion. As it turns out, certain types of debt are worse than others when it comes to a woman’s chances of tying the knot.

Credit debt does not decrease the likelihood of marriage. That’s right, women with credit debt are about as likely to get married as their debt-free counterparts. Like we said before, this came as a big surprise. Student loan debt, however, seems to have a major impact. Women with student loan debt are less likely to get married, even less likely than women who are carrying around credit card debt.
WHY DEBT IS HOLDING YOU BACK

This is alarming because student loan debt has exploded in recent years. In fact, the national level of student loan debt is estimated to be around $1 trillion dollars. The average for a student who graduated in 2011 is $26,600. Not only are these numbers substantial, but they represent burdens that come at a really bad time. Graduating students are being tossed into a crippled job market and might struggle to make repayments. Then, add the stress of relationships, wanting to move in together and, just maybe, wanting to get married. Marriage doesn’t seem affordable when you have over $20,000 in debt, does it? Keep in mind, the average age for people entering into a first marriage is 28.9 for men and 26.9 for women. The problem is, 14 million people under 30 years old are student loan borrowers. Like we said — really bad timing.
BECOMING (FINANCIALLY) ATTRACTIVE

Student loans affect men and women, but for some reason they have a greater effect on women’s chances to marry. Some think this is because men traditionally initiate marriage, but we are really just left to guess at the reasons. What’s not a guessing game is how women can pay off debt and become financially healthy while also becoming more likely to marry. And let’s be fair, men need to repay debt too in order to achieve financial health. Remember guys — a financially savvy woman will scrutinize your finances, too.

When it comes to student loans, you will need to budget wisely in order to at least make all the minimum monthly payments. Missing monthly payments will make you “delinquent” and at risk of default. Unfortunately, about 5.4 million student loan borrowers are past due on at least one student loan account. If you are really facing a hardship, you can apply for deferment or forbearance. This is certainly not an ideal situation, but these accommodations can help certain individuals.

Let’s assume you can make the minimum monthly payments. Then what? We suggest that you budget wisely so that you can put more toward your high-interest loans. Getting rid of or reducing these high-interest accounts will make your student loan debt more manageable. Another important strategy to remember is that you need to pay for needs first; wants come later. So in this case, you may want to get married, but you need to pay your student loans. If you pay off debt, not only will you be more (financially) attractive to your partner, but you will also have the surplus needed to maintain a married lifestyle.
Relationships require two people, and with two people often come two personalities and skill sets. You have the “good cook” and the person who can’t make toast without setting off the fire alarm. Then there’s the “clean freak” and the college roommate nobody wanted. But, most importantly, there is the “spender” and the “saver.”

THE SPENDER AND THE SAVER
Figuring out who is the spender and who is the saver can go a long way to improving communication in a relationship. It might be a little tricky at first, and you certainly don’t want to approach your loved one with a pointed finger, calling them a spender, a “squanderer,” or some other explicit term that we can’t include here.

With that said, honesty is the best policy in any relationship, and having a clear understanding of each other’s personalities and financial tendencies can make a big difference. And, believe it or not, spenders and savers each have certain positive and negative qualities. Let’s take a look at the pros and cons of each.

THE SAVER:
You are the chronic budgeter, the record keeper, the one who will be “living the dream” on a private island at the age of 65 because you made smart retirement choices. But to your partner, you are a miser—a stingy, party-pooping “buzzkill” who doesn’t know how to have fun at the drop of a hat.

**PROS**
- You always have money set aside, likely in large amounts.
- You are prepared for emergencies.
- You have a long-term outlook that likely includes smart retirement planning.

**CONS**
- You don’t own the newest gadgets; you may be less “in touch” with technology.
- You may miss out on short-term fun because you don’t want to spend the money.
- Your partner might feel like you don’t have enough fun and may feel like he or she has to ask for your permission before spending money.
These are two very different approaches to money. You might be asking yourself, “How can any relationship make it work?”

A FEW HURDLES
There will be some obstacles for spenders and savers to work through. Here are a few common but serious problems that can arise between savers and spenders:

The Parental Problem
If the saver is strict and keeping a close eye on finances at all times, he or she becomes a parent figure in the relationship. This then leads to the spender having to “ask permission” before making purchases and sets up a tense and unhealthy dynamic.

Hiding Money and Keeping Secrets
Relationships with trust issues can lead to financial infidelity. Partners may hide money from one another or even make secret purchases. This is probably a sign that the spender has really poor financial habits or feels overwhelmed by the control of the saver in the relationship.

Why Communication in a Relationship Helps the Finances
It’s a cliché that holds a lot of truth—communication is the key to a successful relationship. Communication can lead couples to an understanding of their financial goals and can help them reach an understanding about each other’s strengths and weaknesses, including their tendencies to either spend or save. Regular and healthy communication is a much better alternative to the issues that can come from keeping secrets or creating an unfair power structure in a relationship.
Does This All Come Down to Gender? Not So Fast

Women aren’t always the spenders, men aren’t always the savers, and vice versa. We need to dispel a few myths about gender and money:

Myth #1: Women are the compulsive spenders in a relationship.

Busted: Yes, some women have a habit of compulsive shopping, including “retail therapy,” and when they go it’s often to purchase make-up and clothing. But they aren’t the only compulsive shoppers. Studies show that men compulsive shop almost as often as women. Gadgets, tools, and electronics are men’s products of choice (think: man cave).

Myth #1: Men can’t budget.

Most women will tell you: “Men don’t budget; it’s like stopping to ask for directions—they just don’t do it.”

Busted: Recent evidence says otherwise. Men hate budgeting, it’s true, but they can do it. And when men budget, the results are often better and lead to less spending than when women plan the household budget.*

*We should add that men struggle with investments. They tend to take more risks and lose more money than women investors. So, a good strategy might be to have men do the budgeting and let women plan the investments.
BUDGETING ISN’T SEXY BUT NEITHER IS BEING BROKE
Savers need to lighten up; spenders need to tighten up. If you’re going to make your relationship work with these two very different financial personalities, you’re going to have to make a strategy to meet in the middle. You’re going to have to budget because, whether you like it or not, it’s the responsible thing to do. But you also need to add more fun and spontaneity to your life. Here are some ideas on how you can do both:

“Spontaneous Fun” Fund
If you are a spender and want to show your partner that you can budget and have fun, this is a good option for you. Budget to put some extra funds in a special “spontaneous adventure” envelope. Put the envelope in a safe and out of sight location in your home. Weeks or months later when you are ready to do something unexpected, grab the funds and go have fun.

Have Affordable Fun
If you are the saver and want to show your partner that you can have more fun, you have several options. You can save coupons to your loved one’s favorite restaurants or places of interest. You can also plan fun and romantic activities that are free or inexpensive, such as going hiking or to a park.

Switch Responsibilities
If you are the saver, loosen your grip on the finances and pass the monthly budget worksheet over to your partner. Let him or her budget for a few months. You can keep an eye on it (if you must), but now your partner can learn skills that will help your financial situation.
CHEAP DATES: WHY THEY WORK

Spending time together is important for the happiness of most couples. Unfortunately, time can be hard to find and dates that cost lots of money can be devastating to a couple’s finances. First, let’s explain why dating is so important for couples (including couples on a budget), and then we will give you our top 5 cheap date ideas. And don’t worry, we won’t suggest anything cheesy; we want you to know how to plan a cheap date without being a “cheap date.”

Why Cheap Dates Make Couples Happier

Dating can remove some of life’s distractions and help you and your partner focus on each other. A successful date means time alone, without the stress of work or the responsibilities of looking after children. When couples get this sort of alone time, they are able to communicate and get to know each other on a deeper level. As you know, communication is key to a long and successful relationship, and this time to talk will probably strengthen communication even when the kids and other distractions are around. And, one topic that might come up in this alone time is finances, giving couples a chance
to discuss financial goals and make level-headed financial decisions. A recent look at the importance of date night’s from The Marriage Project claims that “date nights may afford couples the opportunity to discuss things that are important to them—from their shared dreams for the future to the state of their family finances.” Of course, “shared dreams” and “family finances” go hand in hand.

Dates are about more than just talking and communicating. They are about having fun and enjoying memorable experiences. In fact, the same study from The Marriage Project claims that couples who “engage in novel activities that are fun, active, or otherwise arousing—from hiking to dancing to travel to card games—enjoy higher levels of relationship quality.” This is great news; who knew that doing fun things with your partner is not only fun in the short-term but can help strengthen the quality and duration of the relationship?

Here’s the catch. We don’t want date nights to be incredibly expensive, especially for couples on a budget. *If we don’t prepare financially for date night, the joys of romantic time together will be spoiled by the stress of spending too much money.* We need to have fun and reap the benefits of a date without the extra, unplanned costs. Here’s a quick fix. Follow these 5 steps to plan a cheap date night:

- Sit down
- Decide how many “date nights” you want to have each month
- Pick from a list of date night ideas (like our “Top 5 cheap date ideas for couples on a budget”) and choose which activities you want to do for each date
- Calculate the prices for each activity
- Work these figures into your monthly budget worksheet
Now, who wants to see some great cheap date ideas for couples on a budget?

**TOP 5 CHEAP DATE IDEAS**

**Eat Together**
It’s the simplest of our date night ideas, but if you have kids or busy work schedules, just having a meal together may be a rare occasion. For your special date night, you have several affordable options depending on what you and your partner consider to be romantic.

Go candlelight. You can make a romantic dinner at home and eat in the ambiance of a candlelit table. Make your favorite food or try a different recipe. Whichever you choose, be a smart grocery shopper and plan ahead. Use your grocery coupon skills to keep the meal affordable.

Go out to eat. Take your partner to his or her favorite restaurant. Maybe you have saved extra funds into your monthly budget for this special occasion, or maybe you have a coupon. Either way, relax and enjoy the good food and conversation.

**Go on a Local Trip**
Plan a weekend staycation or a quick day trip to a site or attraction less than 90 miles from your home. Going this distance will feel like a vacation but won’t hit your finances like one. Maybe it’s the beach, a museum or historical site, or even an amusement park. Whatever the location, look for discounts on hotels, package deals, coupons, and any other ways to save.

**Go Dancing**
Perhaps the most intimate of our date ideas for couples, dancing will let you feel close to your partner while also serving as a form of exercise. Many studios offer weekly dance classes that allow you to learn different styles and moves, but these can be expensive. Again, price research and budgeting will ensure you and your partner can afford it. If you aren’t ready for the commitment of a weekly class, look for community dances. Believe it or not, many church groups and other community organizations host dances on the weekends. Entry to these types of events is often somewhere around $10 per
person. These events allow couples to have a cheap date night full of music and fun.

**Go Natural**
Nothing says cheap romance like a picnic or a walk in the park. These activities are usually free or very inexpensive, making them great choices for couples on a budget. Or, if you really enjoy the outdoors, you can go off the beaten path to hike in the mountains, see a waterfall, or look for wildlife. State and national parks around the country offer affordable admission rates and an array of services and activities. Go hiking, canoeing, or even camping on your outdoor adventure.

**Go Extreme**
To be fair, this isn’t necessarily a “cheap” date idea for couples, but it is affordable for couples who have been saving and budgeting responsibly. If you and your partner are looking for a real adventure, a memorable experience like no other, go skydiving, rock climbing, or even hit some white water rapids. These types of extreme adventures require and strengthen trust in a relationship. They also give you and your partner stories and memories that you can cherish for years to come.
If you are married, you may already know that finances and marriage sometimes have a rocky relationship. Money can be a sore spot in marriage if couples don’t take the right steps toward paying off debt. As one recent study shows, keeping your debt level low and avoiding materialism can put you and your loved one on the path to true, financially stable love. Clearpoint is here to show you how to pay off debt for a successful and happy marriage.

THE KEY TO A HAPPY MARRIAGE

In 2009, Jeffery Dew completed an important study with The Marriage Project. He explored the relationship between credit, debt, and happiness. Dew found that couples with healthy credit tend to be happier, and he concluded that “conflict over money matters is one of the most important problems in contemporary married life.” Specifically, unnecessary debt can wreak havoc on a relationship. One of the keys to a happy marriage, then, is to maintain a healthy debt level while minimizing unnecessary forms of debt.

Taking out new debt to buy an expensive car or a new HDTV is unnecessary. First of all, purchasing these items with credit makes them more expensive in the long-run because of interest. Also, these purchases create conflict if the two partners disagree. This really comes down to who is the spender and who is the saver in the relationship. Couples need to straighten this out before impulsively taking on more debt. Dew says that “decisions like whether to make a major purchase using consumer credit or how much of a paycheck to put into savings can have substantial consequences for the short-term and long-term health of a marriage.”
AVOIDING CONFLICT

Disagreements over money can spiral out of control. Unfortunately, in some cases the arguing doesn’t stop with financial issues. Dew says that debt creates “unease” and “increases the chances that couples will argue over issues other than money and [decrease] the time they spend with one another.” Successful couples then will find a way to agree on which items are needs and which items are wants. By focusing on needs, couples will be able to budget effectively and put money aside for future purchases. These couples will be able to create an emergency fund (in case of unemployment or other unforeseen events) and will always have this available as a fall back plan.

An emergency fund doesn’t sound as glamorous as a new car, and it doesn’t have the technological sophistication of a hot new electronic. It does prepare couples for just about any financial situation. It also provides a foundation on which couples can build future savings and can even save up for that new car or electronic. Taking this approach might mean less material gain in the short-term. But, Dew reminds us that those who “steer clear of materialism and consumer debt are much more likely to enjoy connubial bliss.” Who knew bliss was as easy as saying “no” to credit?
PAYING IT OFF EARLY

Maybe you want to avoid the problems of debt in marriage altogether. Getting rid of debt before you get married is a daunting task. You may remember that the average age of entering a first marriage is 26.9 for women and 28.9 for men. And, average student loan debt for a recent graduate is about $26,600. Could you pay off over $20,000 in debt in five to six years? Yes, it is doable. Doing this would require thriftiness and an extreme commitment to your budget. It would also require a commitment to needs and a willingness to say “no” to some expensive activities (wants) like concerts, going out to eat regularly, and so on.

The average salary after graduation is $44,455 (expect lower if you studied humanities or social sciences). After 5 years, this amounts to $222,275. Paying off debt before marriage in this scenario would really only cost about 12% of your total income after five years. That’s totally doable. Take a look at what Clearpoint recommends as an ideal spending plan:
You also need to look at your debt to income ratio (if it’s over 20% you may need credit counseling), the growth potential of your income and job, and your long-term goals. Depending on the interest rates of your loans, it may be smart to make the minimum payments while also saving for retirement. If you have any high-interest student loans, those should be paid as soon as possible. We can’t give a blanket answer to the question of how to pay off debt before marriage, but you can find the answer that’s right for you by thoroughly investigating your finances.

Newlyweds can set their marriage up for success by either entering into marriage after their debts are paid or by paying them off early in the marriage. There is also hope for older married couples who may have some lingering debt. What’s important is to budget and separate needs and wants. Doing so will allow you to use extra money for savings and monthly payments toward credit cards, student loans, and other forms of debt. This will greatly increase your chances for a happy and financially successful relationship.