

15 MONEY CONVERSATIONS EVERY WOMAN SHOULD HAVE

Money doesn't stay in a tidy compartmentalised corner of our lives it bleeds into our relationships with partners, friends, children and parents, into our working life and our mental health.



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This simultaneously makes it a difficult subject to broach – and one that's absolutely vital.

It usually helps to remember that we're all human: we've all made stupid mistakes with our money over the years, and nobody expects constant perfection. When you open up about your finances, you'll find we're all in similar boats.

If you approach these conversations calmly and reasonably, and give each other respect and understanding, you shouldn't kick off rows. In some cases you'll start fairly sensitive conversations, but you should end up feeling things are fairer, you're feeling more secure, and that you can make exciting plans for the future.

So it's time to stop putting it off: we need to talk about money.

All investments can fall as well as rise in value so you may not get back what you have invested. This article should not be viewed as personal advice, should you be unsure, please see advice.

Conversations with a potential partner

1 WHO ARE YOU FINANCIALLY?

If you broach money issues fairly early on, it doesn't have time to become a taboo. You can start with the easy stuff, like whether your partner is a saver or a spender, and if they've taken steps towards financial security, such as saving or buying a home of their own. It's also important to ask the more difficult questions – like whether they have significant debts, or tend to live on their overdraft. You may decide you can live with whatever answer they give, but you need to know before you make a commitment.

2 HOW EQUAL ARE OUR FINANCES?

When you move in with someone, you need to establish how much you both earn, and how you're going to fairly divide the household expenses. Some couples divide everything 50:50 regardless of any earnings disparity, others split outgoings depending on affordability.

3 WHAT ARE OUR JOINT SPENDING PRIORITIES?

Budgeting and planning are far easier if you're both clear about your priorities. Do you want to travel, is your social life a priority, are you very keen to buy a home as quickly as possible, or is early retirement your ultimate goal? It's important to work out an approach to spending and saving that works for both of you.

4 WE NEED TO START SAVING

Whatever your shared financial goals, it's important to build a savings habit to help you meet them. Once you have an emergency cash safety net in an instant access account, you can consider start monthly savings into products such as an ISA. This opens up conversations about where you want to invest, and how you want to get your money working for you.

5 SHOULD WE BUY A PLACE OF OUR OWN? AND IF SO, HOW?

At some stage you may face the question of whether you buy a home together. If you're starting from scratch you'll need a savings strategy, if you're under 40 this can include a Lifetime ISA. You also need to decide how you'll split the saving between you, how you'll split the subsequent mortgage, and whether that's going to be reflected in the proportion of property you own.

It's important to have an emergency fund in cash of 3-6 months' worth of expenses you can get your hands on easily.

6 WHAT IF WE SPLIT UP?

It's never going to be easy to bring up, but if you're getting married, you should consider a pre-nuptial agreement. If you move in together for the long term, you should consider a co-habitation agreement. If you have assets you are bringing to the relationship, it will help protect your position. You can also outline the approach you'll take to any assets you build up together. It seems heartless, but anyone who paid half of someone else's mortgage for years and then moved out with nothing to show for it will tell you how valuable this can be.

7 WHAT IF SOMETHING ELSE GOES WRONG?

In more established relationships, if you think you'll probably stick together in sickness and in health and for richer or poorer, you need to plan for the worst. It's important to have an emergency fund in cash of 3-6 months' worth of expenses you can get your hands on easily. You should also have a will drawn up, so you can decide what happens to your assets after your death. It's also important to consider protection products in case you fall seriously ill or were to pass away to help provide some financial security while you recover or for those you leave behind.

8 HOW WILL WE HANDLE THE FINANCES OF HAVING KIDS?

The financial aspect of this conversation often gets overlooked, but it's often the most expensive decision you'll ever make. If you have kids, do either of you have preconceptions about whether one of you will take a career break or go part time? If this happens, how will you share expenses, and how will you both maintain pension contributions?

9 CAN WE AFFORD TO RETIRE?

This should start with a retirement plan rather than retirement planning. It's important to talk about when you want to retire, where you want to retire to, and what you plan to do in retirement - to make sure you're working towards the same things. This will help you know how much you need to save for retirement, and how much you ought to be contributing each month to a pension. You should factor in the state pension, but be aware of planned changes to the state pension age. This conversation should encompass where you both are with your retirement savings, and how much you expect to lean on one another in retirement.





Conversations to have with your friends

10 DO YOU HAVE MONEY OF YOUR OWN?

Nobody wants to think of something going wrong in their relationship, but if it does, you need something to fall back on. It's worth having some financial independence you can call on if you need to start again.

11 DO WE KNOW ENOUGH ABOUT MONEY?

If there's a gap in your knowledge – whether it's about credit cards, loans, mortgages, savings, stocks and shares, ISAs or pensions, don't just put it out of your mind. Don't feel embarrassed: we weren't taught these things, so the only way to find out is by asking. Talk to your friends and see if they can fill in the blanks. If they're in the dark too, you can find out about it together, so nobody has to feel like they're on their own.

Remember, you can't access money in your pension until you're 55 (57 from 2028).

Conversations to have with your employer

12 WHAT BENEFITS DO YOU OFFER?

When you're starting a job it's easy to focus entirely on pay, but there are other benefits that could prove incredibly valuable, so it's worth checking what's on offer. Everything from death in service benefits to sick pay and parental leave will vary between employers, so ask about the things that are important to you before signing on the dotted line.

13 CAN I JOIN THE PENSION?

If you earn £10,000 or more with any one employer you will usually be automatically enrolled into the workplace pension, but if you don't reach this threshold, you can still join the scheme and make contributions. If you earn at least £6,032 they have to make some contributions too.

The government's auto-enrolment rules mean that if you qualify, you and your employer have to make certain minimum payments into your pension at work. However, in many cases, your employer may be more generous. Some will structure this so that when you pay extra money in, your employer will boost their contributions too. Check what's on offer, and whether you can get more from your employer.

Conversations to have with your parents

14 WHAT DO YOU PLAN TO DO IF YOU NEED CARE?

Given the gender roles of many of the older generation, there may be an assumption that the women in the family will look after them – and they may even expect to move in with them. Talk to your parents about what they expect, so they know whether that's realistic. Have this conversation early, so if your expectations differ from theirs, they have a chance to think of an alternative approach.

15 DO YOU HAVE A WILL AND A LASTING POWER OF ATTORNEY?

Sons and daughters both need to talk to their parents about this. If they become unable to make good decisions for themselves about their health and finances, they need to have nominated someone to make these decisions for them through a Lasting Power of Attorney (LPA). It will save their offspring an enormous headache. Likewise, the only way they can ensure their wishes are carried out after their death is if they make a will.