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# Financial infidelity: Why we lie about money and how to solve the problem

Why are we tempted to lie about money when it can truly poison a relationship?



Many people commit financial infidelities for the same reasons they commit romantic ones — it's not planned, it just happens. [junce/GettyImages/iStockphoto](#)

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By Jean Chatzky

How many times have you lied to your partner about money? Turns out 15 million of us are currently hiding a credit card or bank account from our significant other, according to a study from [Creditcards.com](#). That's despite the fact that a third of us think that financial infidelities are worse than cheating physically. But what constitutes a financial infidelity, really? When does a financial fib — or lie through omission — become sometime more sinister, something toxic and potentially relationship-destroying? And is the complete truth the only option for keeping your relationship strong?

## The Most Toxic Lies

At its most basic level, a financial infidelity is an outright lie about money or spending, but in terms of how toxic these things can be to a relationship, Jill Fopiano, CEO of O'Brien Wealth Partners and certified financial planner, says you have to look at the intent. Is it malicious? "I've heard stories of people taking their income and funneling it into a separate account, and then using their spouse's income to pay all the household bills until they're ready to end the marriage. That is extreme malicious intent," Fopiano says. Other examples of toxic financial infidelity could include a hidden gambling addiction, or a partner who withholds money to satisfy a desire for power or control.

Failing to disclose credit card debt or any other debt that is incurred is also high up on the "toxic" list, according to Shelly Church, advisor with Raymond James financial services in Naples, FL. "When one spouse handles all the money in the family, the uninformed spouse may assume that because their lifestyle is good, they're doing just fine and there's nothing to worry about," she says. "A recent divorce client came to me and shared that they had an airplane, a boat, a \$3 million house, and everything appeared to be good on the outside. But while going through discovery for the divorce, she found out their \$3 million home had a \$2.5 million mortgage, and her husband had also maxed out their credit cards."

## Why It Happens

Many people commit financial infidelities for the same reasons they commit romantic ones — "It wasn't planned, it just 'happens,'" Church says. "And once it starts, quite often people end up getting in deeper than they thought they would. They figure the market will save them over time, or they'll be able to get things paid off before it's noticed. But more often, than not, they can't work themselves out of it, and the hole gets deeper."

In other words, it's very easy to dig your own grave with your financial lies, and you might even start out well-intentioned, explains certified financial planner Kimberly Foss, founder of Empyrion Wealth Management and author of "Wealthy by Design". "Money fibs can start out relatively innocently — like concealing a charge account in order to buy a surprise gift for a spouse — but the behavior often develops a compounding effect for those who are susceptible," she says. "After you get away with it once, it becomes easier the next time, and if you are able to successfully lie about buying a \$400 blouse, it's easier to try it again with a \$2,000 piece of jewelry. And it goes from there." Once the deception starts, it can get its hooks into you and make it very difficult to come clean, Foss stresses.

## **How It Can Ruin Your Life**

As if the heartbreak of being betrayed weren't bad enough, the financial fallout from a partner's lies can take years — a lifetime, even — to recover from. From a legal perspective, you are on the hook for any debt that your spouse incurs, Fopiano says. “So let's say your spouse goes out and generates a large amount of credit card debt, or takes out loans you don't know about. That's now your debt, legally, and as a factor in your own credit score, so it could be incredibly damaging,” she says.

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Even in circumstances when your partner is only lying about a few thousand dollars, it can have long-term consequences where your big picture financial goals are concerned. “If your spouse were to make a very risky investment and end up losing money, it could jeopardize your financial future in a manner that you would be completely unprepared for,” Fopiano says.

## **Solving The Problem**

Financial infidelities happen because couples don't talk about money — they don't sit down and look at bank and credit card statements together, and they don't have an open dialogue about spending. Those doors are completely closed, Fopiano says. “In many cases when there is financial infidelity, there is one partner who is responsible for day-to-day household finances, and one partner responsible for the bigger financial picture, like the tax returns and the investments. The partner who is paying the bills may think they have a handle on the big picture, but they really don't.” In successful relationships, both partners have a clear view on the money coming in and going out, what's listed on the tax returns, the mortgage, and all things financial. “If you're being told, ‘Sign here and don't worry about it,’ that's a major red flag. When one partner limits access to information, it's easier for them to commit financial infidelities.”

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If you and your partner are having trouble broaching those first conversations about money, Fopiano suggests sitting down with a financial planner who can act as an

impartial third party and help you pull together all the necessary account information. He or she can also help you start a dialogue with your partner that you can continue once you get home. “Your first conversations should be about how can we, going forward, agree on how we want our money to work for us? Let’s set the big goals, and then carve out some fun money for each of us to spend the way we want to,” she says.

## **You Can Agree To Disagree**

Finally, know that if you and your partner don’t always see eye to eye on every expense, that’s okay, says Fopiano. Couples who agree on big financial goals, like being debt-free, or saving for their kids’ college education, may have very different spending patterns. “One may want a \$5 coffee every day, while the other may be content with free coffee at the office, but want a designer bag once a year. In the healthiest of relationships, there is plenty of room for that to be allowed.”

*With Kathryn Tuggle*