

THE BRIDE, THE GROOM, AND THE FINANCE DEPARTMENT

Not long ago, a bride-to-be and her fiancé turned to a member of their wedding party and confessed an intimate secret. Former college roommates, the bride and the bridesmaid had dissected every detail of their love lives, their career anxieties, their family traumas. But the bride had never before broached one delicate subject with her friend—money.

“I’ve always told my friends everything about my personal life,” said the bride. “But talking about my money . . . that’s private.”

But now the bride and her fiancé sorely needed discreet guidance in the secrets of marriage—the financial side of it, that is. Money issues were threatening to derail their relationship months before the wedding date.

Until the happy couple started planning the wedding, they hadn’t thought much about finances. Both had been out of school for nearly a decade when they got engaged. Neither worked in lucrative professions—she was a journalist, he worked in the arts—but both felt competent handling money. She often wrote about business and money, and she had budgeted and saved since her first job. He managed large budgets at work. Both had 401Ks and savings accounts. When they moved in together, they ran their money as if they were still single, keeping their own accounts and splitting the bills like roommates.

Then came the wedding plans. The dress. The food. The expanding guest list. Because they hadn’t yet talked about how to merge their finances, making smart money decisions about the wedding was like scuba diving in the dark. The few times they tried to discuss money, they floundered. She had trouble breathing when she saw the size of his credit card bills; he was disoriented by the half-dozen small savings accounts she had set up for various goals—taxes, a car, Christmas presents, vacation. They both got headaches every time money came up. Each had doubts about the future.

Fortunately, the bridesmaid was a partner at a high-powered firm of financial advisors.

At first the couple hesitated to ask for advice. Money, after all, remains a taboo topic in a culture where sex, family trauma, and health problems are anatomized over lunch. Besides, the bridesmaid worked with wealthy individuals; they feared that asking her advice about handling their little bankbooks would be like asking Emeril to make a sloppy joe. But after a particularly upsetting battle, the bride-to-be finally screwed up her courage and asked her friend for help.

It turned out that this wasn’t the first time the bridesmaid had been asked for premarital money counseling. And she had the answer.

“You need a CFO,” she said.

In fact, she added, the newly formed union would need an entire corporation behind it, with husband and wife filling all the officer-level jobs, from Investment Manager to Cash Manager to Board of Directors. In short, she

encouraged the newlyweds to think of the financial side of their marriage as a business, a company incorporated with one mission: to make their dreams come true. If they adopted a few simple business tools and techniques, their friend counseled, they could avoid arguments and anxiety and achieve not just their financial goals but their life goals together.

It worked. The wedding went off without a hitch, the couple's finances got back on track—and *The Family CFO* was born. The bridesmaid and the bride are really us, the authors: Mary Claire Allvine, Certified Financial Planner, and journalist Christine Larson.

Since Christine's wedding to Rich, we've become even more persuaded that sound business principles should be applied to help committed couples manage their money. Throughout her career Mary Claire has used this approach with her clients, and together we've shared our Family CFO program with hundreds of partners through lectures and seminars. In the process of writing this book, we've interviewed dozens of couples around the country and asked them how they make their financial decisions. Over and over again we've seen that the most financially successful couples adapt common business tools and processes to run their family finances, even if they've never thought of their habits as businesslike.

Finally, we know that the Family CFO approach works because we've used it ourselves. It worked for Christine and Rich, and now Mary Claire uses the principles to guide her recent merger—oops, we mean marriage—to her husband, Doug. Now we want to share it with you.

What You'll Learn

After reading this book, you and your partner will know how to:

- Make effective financial decisions together without tension or arguments.
- Reduce the time it takes to run your finances.
- Use money as a tool to help you define your long-term vision and set goals, bringing you closer as partners and moving your relationship *forward*.

Throughout this book we use real-life examples to show how the Family CFO process applies to actual situations. The couples we interviewed were remarkably candid with us, and so to protect their privacy we've changed their names, the cities where they live, their occupations, or some other details of their stories. (By the way, when we talk about a "family" or "couple" we mean romantic partners who live together or are married, parents with one or more children, or any two people looking to make a long-term financial commitment.) But every story is based on a real situation and all the quotes are taken from actual interviews.

How We Can Help

We like to say that personal finance is 90 percent common sense and 10 percent rocket science. We've tried to make the 90 percent easier to put into practice, and we've given you systems and resources to make the other 10 percent—the complex details of investment and growth—less daunting.

Most of this book will be written from our combined point of view. But since one of us, Christine, is a skeptical layperson—and lazy about math, frankly—she'll pipe up from time to time with Reality Checks on Mary Claire's M.B.A. view of the world. She'll offer shortcuts and timesaving ways to work with numbers. In turn, Mary Claire will provide pointed Memos for readers who want precise instructions and formulas for making financial forecasts—and she'll show how some of Christine's commonsense money assumptions aren't always so sensible after all.

Between the two of us, we hope to show that managing your money with your partner can be romantic and that smart financial moves can make your dreams come true.

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