

# For richer or poorer ... hey! Poor isn't an option darling

Financial advisers frequently finding themselves having to play amateur marriage counselor

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By

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**NEW YORK** — With investors falling in and out of love with Wall Street at a rapid pace, some financial advisers are finding themselves playing a new role — that of marriage counselor.

In general, people don't appear to agree about one of the most critical investment decisions of their married life: How they plan to retire. Advisers say they often find themselves in the middle of financial misunderstandings.

A key reason: Less than half of couples handle their retirement savings jointly, according to a survey of middle-aged couples conducted by Fidelity Investments earlier this year.

"I have definitely been involved with more conversations with couples to make sure they are on the same page," said Brian Ward, a Wells Fargo adviser based in Brentwood, Tennessee.

If couples do talk, it seems they might need a referee. Sixty-two percent of the 648 married couples surveyed said they didn't agree on when they would retire, Fidelity said. Half didn't agree on whether they would continue to work after retirement.

And as financial markets remain in turmoil, couples are getting more anxious as they watch their nest eggs wither.

That's meant an ever-increasing number of advisers are having to ensure their clients still agree on their goals and plans of action.

## Spending arguments

Over recent weeks, Wells Fargo's Ward has worked with one wife who was alarmed about her husband's excessive spending habits, and the husband of another who disagreed with his wife's idea that a kitchen remodeling was immediately necessary.

The challenge for financial advisers is to make sure both parties in the marriage agree to any changes, said Robert Dowling, a financial adviser with Modera Wealth Management, LLC.

"Usually the one who is most nervous is the one who calls," Dowling said. "And while legally we can take direction by either party, I usually ask 'did you talk to your spouse about this?'"

It's very important that advisers make sure both spouses attend meetings with them, said Chris McDermott, Fidelity senior vice president, retirement and financial planning. Sometimes it's the husband that takes care of the finances, but given the fact that women tend to outlive men, it's imperative that women are well-informed on all decisions, he said.

"Usually it's the woman who has to take on the unexpected healthcare costs of taking care of a spouse in the later years and that can really erode retirement savings," McDermott said.

## Panicking clients

Many advisers try to address potential conflicts proactively, rather than handle them when their clients are panicking.

Fred Amrein, an adviser with Amrein Financial in Wynnewood, Pennsylvania, said he arranges three meetings with new clients. The first is to gather general facts, the second to review all the couple's assets and a third is for proposing adjustments needed for the couple to achieve their goals.

"I try to get them to identify what are luxury needs in retirement and what are things they need to live," he said. "Doing all that work on the front end makes it less traumatic than having to tell them during a market swing that they have to stop spending."

Indeed, spending is a source of much contention these days for couples in retirement or nearing retirement, advisers said.

Just recently, Rand Spero, president of Street Smart Financial, a Lexington, Massachusetts-based registered investment adviser, said he talked recently with a 65-year-old husband keen on retiring — while his 53-year-old wife was worried that given the turmoil in financial markets, she wouldn't have enough money to live off of.

"The market volatility makes these discussions, which are by nature already challenging, even more charged," he said.

In that particular situation, Spero showed the couple their assets and their liabilities, and that resolved the conflict.

"It was fairly clear that they couldn't afford for him not to continue to work," he said.

The compromise was that the wife had to agree to scale back on some house improvements she had planned. "I told them we would revisit it in a couple of years," he said.

## Adult kids

A hot-button issue that advisers confront often, which has the potential of being more contentious in the current market climate, is whether or not to gift an adult child money.

"This is a very tricky issue and as a financial planner it's not my job to help them decide," Spero said.

What he can do is work with the couples on a compromise. In the case of a couple squabbling over whether they should help with their

offspring's downpayment on a home, Spero offers suggestions, such as making it a loan instead of a gift, or just gifting part of it.

Spero tends to work with couples on areas where they can compromise.

"Rather than take sides, I come up with an alternative," he said.

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