Work With Life Partner To Achieve Mutual Goals

When you and your life partner work together to achieve your important long-term goals, such as a comfortable retirement lifestyle, the experience can be greatly rewarding. However, your success will require commitment and discipline. So, what steps should you take along the way?

One key move is to decide early in your relationship how you will handle money. Many couples merge their finances and make joint decisions on major purchases. But some couples like to keep at least part of their finances distinct, perhaps by maintaining separate checking or savings accounts. There's really no one correct solution for everyone, but whatever you decide, you'll want to be assured that all the bills will be paid and that neither one of you feels the pressure of an unfair financial burden.

Here's another suggestion: Try to avoid keeping financial secrets from your partner. That means disclosing your debts, hidden funds or uncommon investments. These types of surprises can lead to difficulties and mistrust. Even if you're entering the relationship carrying something like a heavy student loan, it's best to get it out in the open right away so, together, you can strive to gradually eliminate it.

Of course, there's also a practical side to not keeping secrets. Your large student loan could affect your credit rating – an issue that may arise when you and your partner are seeking a mortgage or some other type of loan. Clearly, you both should be aware of this potential stumbling block before you begin the application process.

Now, let's consider your investments. You each may have your own IRA and 401(k) or similar employer-sponsored retirement plan, but you might also share a joint investment account. However, you might not share the same risk tolerance – perhaps one of you tends to be more aggressive, willing to take more risks in exchange for potentially higher returns, while the other is more conservative, preferring to keep down the risk level of a portfolio, even if it means lesser capacity for growth.

Again, neither you nor your partner is necessarily "right" or "wrong" in your views on investing – and nobody's feel ings about risk should be ignored. But once you've clearly identified your retirement goals and estimated their cost, you may find that compromise is possible. In other words, perhaps the conservative partner will realize that a too-cautious approach could hinder progress toward the desired retirement goal, while the partner who focuses on maximum growth will learn that a somewhat less aggressive approach can still yield the desired results. This type of compromise may affect the investment choices you make in your individual accounts as well as your joint accounts. And the way you choose your investments may even change over time, especially if your financial goals evolve.

Ultimately, *communication* is the key. As long as you're talking to each other and openly expressing your wishes and concerns, you and your partner can find a way to keep moving toward your mutual goals.

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