

Your Cheatin' Wallet

How to recognize financial infidelity and stop it from eroding your family's trust.

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When my daughter was a newborn, I fell into a routine of shopping during her afternoon nap. Too foggy-brained to read, I'd scroll through website after website of baby clothes, soothed by the parade of sherbet-colored onesies, socks and tiny cardigans.

Then I started buying. And buying.

As packages began piling in our hallway, I would breezily mention to my husband, Tom, that I got the baby a "few new things." What I neglected to inform him was that I was spending hundreds of dollars a month — money that we most emphatically did not have lying around.

As a couple who married relatively late, Tom and I found it easier to split bank accounts and finances down the middle — he does health insurance, I do the mortgage — so my purchases were easy to hide. I finally had to come clean one day when I couldn't pay the bill for a boatload of soon-to-be-outgrown rompers I'd impulsively bought.

I had committed what is known as "financial infidelity," described by Emily Garbinsky, an assistant professor of marketing at the University of Notre Dame, as "engaging in a financial behavior expected to be disapproved of by one's romantic partner, and intentionally failing to disclose this behavior to them." It can run the gamut from mild deceptions, such as neglecting to mention your daily coffee habit, to huge transgressions, like gambling away the kids' college fund.

As it turns out, Tom had also been up to some financial skullduggery. A fanatical cyclist, he always seemed to be bringing a dizzying procession of bike-related merchandise into the house, the price of which he was constantly playing down. (We managed to talk it out, however, avoiding this fateful headline from a few years ago: "Man buys new bike — wife is NOT happy and takes to Facebook to crowdsource revenge plans.")

We're not alone. A 2018 Harris poll found that 42 percent of adults in relationships admitted to financial waywardness. A 2019 survey from TD Bank found the most pervasive secrets people kept from their significant others were, in order from most common to least: credit card debt, hidden bank accounts, a gambling hobby and unpaid student loans.

“I’m definitely guilty of not mentioning purchases until, say, a living room chair arrives,” said Christina Lombardi, a digital strategist from New York City. “I make my own money; it’s silly, but sometimes you don’t want someone gasping at the price or debating whether we need something. My beauty purchases are also kept on the down low.”

Patrice Ramsay, a Utah mother of five, said that she and her husband, Brady, fight over his habit of purchasing the contents of foreclosed storage units without her knowledge. “He just came home from work one day with a truckload full of someone else’s junk, which cost \$400,” she said. “One of the many amazing things inside was a bag full of old-lady wigs covered in dust. Yet he had the audacity to buy two more storage units after that without telling me.”

Brady had pointed out that the last time he came home with a truckload of junk, Patrice had left the house in a fury — and had pulled into the driveway shortly afterward in a brand-new S.U.V. “It was a test drive,” she explained. “I didn’t buy it, of course, but I used that test drive to prove a point that if he makes financial decisions without me, I should be able to make them without him, too.”

The problem is that financial secrecy can snowball, said Marguerita Cheng, CEO of Blue Ocean Global Wealth in Gaithersburg, Md. “It can start out with small lies and purchases, but can lead to more serious problems in the future,” she said.

And because relationship conflicts over money tend to be recurrent and intense, Garbinsky added, they have become a top reason for divorce. A 2017 survey from financial advisers Ramsey Solutions found that money fights were the second leading cause of divorce behind extramarital affairs.

When children enter a relationship, long-simmering money worries can be turned up to full boil. Parents know that raising a child is astronomically expensive. According to United States Department of Agriculture statistics, middle-income parents of a child born in 2015 (the most recent data available) can expect to spend \$233,610 before the child turns 17.

When you have children, said Cyrus Purnell, a Memphis-based personal financial coach with Financial Finesse and father of three, it can be a lot harder to justify the more frivolous purchases you made pre-kids, causing a spouse to “go into the shadows” by lying, covering up or rounding down purchase prices. “The things that you enjoyed doing before you had kids could easily push out other expenses like childcare, diapers, food and clothing,” Purnell said.

Technology can make hiding a purchase all too easy. “What I’ve seen is that people will just fold other transactions into a larger one,” Purnell said. “If you go to a grocery store, you can buy any gift card and add it to the bill. So, the grocery bill goes up, and one spouse may say, ‘Man, we’re spending a lot on groceries,’ and the other can just blame it on inflation.”

Even ordering from Amazon can abet stealthy behavior. Its website offers an option to ship the item in an Amazon box “if you don’t wish to reveal the contents.” (That way, when your

pricey skin serum shows up in a plain Amazon box rather than one emblazoned with a fancy brand, you can loudly announce, “Oh, thank God, my shoe orthotics have finally arrived.”)

Because money can be easy to conceal — from cash purchases that leave no trail to hidden credit cards — the warning signs of a financially perfidious spouse can sometimes be hard to detect. Experts advise watching for these warning signs: passwords to bank or credit card accounts that were changed without your knowledge; a credit card statement for an account you knew nothing about; and defensiveness or anger from your partner when you bring up money matters.

If you’re the one who is hiding purchases from your spouse, Cheng said, make a commitment to transparency. “That means full disclosure, including sharing details about debt, credit scores, bank balances and spending habits.” When taking this first step, she said, listen without judgment. “Like it or not, your approach to money is often strongly influenced by your parents and a lifetime of experiences that molded you,” Cheng added. “Make a point to understand *your* motivations as well as those of your partner.”

If financial infidelity appears to be an ongoing problem, consider seeing a financial therapist, who can address the emotions and psychological issues behind money. If you don’t understand your emotional relationship with money, it can be tough to follow a financial plan.

Purnell recommended that partners have regular meetings about finances. Even if one person is generally the financial administrator, he said, “the other needs to be at least aware of what’s going on and review it. I’ve worked in trusts, and seen cases where the surviving spouse knew absolutely nothing. You should at least know where the numbers come from, and where to find those numbers.”

And set clear ground rules for discretionary spending, whether it’s “any purchase over X amount requires a conversation” or agreeing on a monthly sum that each partner can spend any way they like — even on unopened storage units — without having to review it with each other.

“My wife and I have come to an agreement on what that number is, and whatever she does with it is fine with me,” Purnell said.