

Creative Family Finances

When my husband and I married, we never considered closing our separate bank accounts and putting all of our money together into one joint checking account and savings account. Uh! Uh! No Sir! OK, so we're both fiercely independent, but we were both used to handling our financial affairs in our own ways and were content to continue that.

All our accounts are joint accounts so either of us can access any of them if necessary, but that rarely happens and only after prior discussion. We each have one debit card, for the accounts managed by that person. To keep bank records organized, we listed his name first on the accounts he uses and my name first on the accounts I use. When the statements come in the mail, it's easy to see by the address which it belongs to.

We decided which of us would be responsible for what monthly bill. When it came to bill paying, we both had our own methods in place and it seemed easier to continue that than to have to fight about things or hash out compromises. I pay my bills immediately and now mostly online. He prefers to toss his into his "basket" (which was part of his life long before me) and sort through it weekly, writing checks for what needs to be paid.

I was really used to having my checkbook all the time, with a running balance, and knowing that no one else was going to be writing a check, or using a debit card, for the same money I just spent. That happened a few times in my earlier marriage and was really annoying!

The most important decision about separate accounts deals with our credit accounts. We both had credit card accounts that we'd had for a long time. We decided to keep those accounts. We made them joint so that we could access them but we do not carry cards for the other's accounts! It makes tracking our purchases easier. We can each look over our statements and determine quickly if the charges are ours, without having to track the other person down and ask.

Most importantly, if either one of us loses our wallet, or has it stolen, we do not lose access to all our financial resources. We can cancel one wallet-full of cards and still have access to other bank accounts and credit accounts. This really makes us feel more secure, especially when traveling! Unfortunately, pick-pockets abound and are really good. I prefer to think ahead and be prepared for possible problems rather than wait to be hit and then have figure out what to do.

Another interesting situation, that happened accidentally, is that I gave my son a credit rating. When he turned 16, and was driving around, I put him on my Master Card account and got him his own card. He was very responsible and used the card only for emergencies or with prior permission. I did not realize that, because they had his social security number, he would receive equal credit rating for my account.

When he applied for his first car loan, at age 20, the loan officer was intrigued that he had an excellent credit rating on an account he'd had since age 10. (That's how old he was when I opened that account.) That credit rating allowed him to qualify for a loan on his own. It's usually difficult for young people to establish credit but I had accidentally given him a wonderful gift.

I've intentionally done the same for my younger son. I cannot wait until he applies for his first loan and shows an excellent credit rating on an account he has had since he was two years old!

I encourage you to think about situations and determine what would really be best for you. Don't settle for doing something the same old way just because it's what everybody else does. If you can think of a more advantageous solution – do it!

Patricia Kenworthy June 2006