

COUPLES & MONEY STUDY

A FEW WORDS ABOUT THE STUDY

The 2018 Fidelity Investments Couples & Money Study **analyzes retirement and financial expectations and preparedness among 1,662 couples (3,324 individuals), ages 22 years or older in a married or long-term committed relationship.** This is the sixth installment of the study, which was first launched in 2007.

So, how well do American couples communicate when it comes to financial issues? First the good news: according to this year's Couples and Money study, most partners give themselves fairly high marks, with **seven in ten couples** saying they generally communicate **at least very well** with their partner— and **one in four** indicating they communicate **exceptionally well.** Furthermore, two-thirds of couples indicate they discuss some aspect of their finances at least monthly.

Despite this, the survey did uncover some room for improvement and **a number of critical misunderstandings and misconceptions** that could unknowingly be causing cracks in the financial foundation—particularly for couples worried about debt. Here are the key findings.

THIS YEAR'S KEY FINDINGS

KEY FINDING: COUPLES AND DEBT THE IMPACT OF BRINGING DEBT INTO A RELATIONSHIP

More than half of married couples carried debt into their relationship. Of those that carried debt into the relationship, approximately 4 in 10 said it had a negative impact.

Generationally, the **younger generations brought more debt** than the older generations and were more negatively impacted.

MILLENNIALS
74% BROUGHT DEBT
46% NEGATIVE IMPACT

GENERATION X
62% BROUGHT DEBT
41% NEGATIVE IMPACT

BABY BOOMERS
39% BROUGHT DEBT
30% NEGATIVE IMPACT

WOULD YOU RATHER...

Share your full financial history with your partner or your full dating history? On this question, there was little debate.

78% Would rather **share their full financial history** over their full dating history

49% of those who carried debt into the relationship contradict each other on whose responsibility it is to pay off their debt. This disagreement comes more from older couples: Baby Boomers 51% disagree, Gen X 47% disagree, Millennials 45% disagree.



55% Feel responsible for **helping pay off their significant other's debt**

33% Expect their partner to **help pay** off theirs

The good news: respondents are more likely to **feel responsible for taking on their other half's debt.**

While the majority of respondents felt they should help pay off their partner's debt, **a significantly higher number of younger respondents felt their partner should help pay off their debt.**



MILLENNIALS



GENERATION X



BABY BOOMERS

KEY FINDING: COUPLES AND DEBT
THE IMPACT OF DEALING WITH DEBT IN THE HERE AND NOW

Debt can often feel like a burden, and those presently concerned about debt also are more inclined to identify money as their biggest relationship challenge.

| | COUPLES CONCERNED ABOUT DEBT | COUPLES NOT CONCERNED ABOUT DEBT |
|--|-------------------------------------|---|
| Agree money is their biggest relationship challenge | 46% | 16% |
| Argue about money | 67% | 41% |
| Communicate extremely well/very well | 57% | 76% |
| Have difficulty having budget/spending conversations | 33% | 11% |
| Have difficulty having conversations about managing debt | 34% | 7% |
| Have difficulty having conversations about money overall | 29% | 9% |
| Have difficulty talking about saving and investments for the future | 24% | 7% |

Generationally, there's no discernible difference for many of these topics between couples that are/are not concerned about debt, **except for the following:**

| ARGUE FREQUENTLY OR OCCASIONALLY ABOUT MONEY | COUPLES WHO ARE CONCERNED | COUPLES WHO ARE NOT CONCERNED |
|---|----------------------------------|--------------------------------------|
| MILLENNIALS | 72% | 45% |
| GENERATION X | 64% | 43% |
| BABY BOOMERS | 72% | 39% |



* Of note: **same sex couples tend to say they argue less than their opposite sex counterparts about money.** 45% of opposite sex couples say they never argue—as opposed to 54% of same sex couples who say they never argue.

KEY FINDING: OTHER CRITICAL DISAGREEMENTS

WHAT ELSE ARE COUPLES DISAGREEING ABOUT?

Aside from debt, the study revealed a host of other misunderstandings and knowledge gaps, even though **seven in ten** couples feel they generally communicate at least very well with their partner— and **one in four** say they communicate exceptionally well.

1 IN 5

Couples **cannot agree** on how long they've been together

15%

Couldn't accurately **report their partner's employment status**

34%

Couples cannot agree on how much **salary their other half makes**

43%

Disagree about what age **they plan to retire**

This is **more of a disconnect with Millennials** at 51%, with only 44% of Gen X disagreeing and 33% of Baby Boomers disagreeing

By contrast, **only 25% of same sex couples overall disagree** with the age at which they plan to retire

54%

Disagree on **how much should be saved** by the time they reach retirement age

49% said they have 'no idea' – including 46% of Baby Boomers who are either in or nearing retirement

Millennials are the most in-the-dark as to how much they should save, perhaps because it is much further away for them

KEY FINDING: PRIVACY AND IMPORTANT DOCUMENTS

HOW WELL ARE COUPLES SAFEGUARDING IMPORTANT INFORMATION?

Passwords, privacy, and miscommunication issues abound when it comes to access to important documents and financial information in the event of an emergency.

Over half of respondents know their spouses' passwords to bank (64%), investment (53%), credit card (58%), and social media accounts (53%)— **but that leaves nearly half who do not.**

| | MILLENNIALS | GENERATION X | BABY BOOMERS |
|---------------------|-------------|--------------|--------------|
| Bank Account | 59% | 62% | 70% |
| Safety Deposit Box | 23% | 28% | 37% |
| Investment Accounts | 47% | 49% | 60% |
| Credit Cards | 54% | 56% | 63% |
| Social Media | 50% | 49% | 58% |

The number of couples who share this information increases as the generations get older in every category.



20% of couples disagree on **where important financial and legal papers are located**. In addition, about **three in 10 couples disagree on whether or not they may have shared access to this information**.

Younger couples are much **more likely to disagree** than older couples

| MILLENNIALS | GENERATION X | BABY BOOMERS |
|-------------|--------------|--------------|
| 26% | 24% | 17% |

* **Same sex couples tend to have far less disagreements** than opposite sex couples, with disagreement ranges being far lower across all access categories (ranging from 18 to 28%).

KEY FINDING: COUPLES AND STRESS

Couples are trying to stress less, both now and later. When asked if they would rather have their significant other work in a job that causes stress but earns more money or have them be happy at work but earning less, **the overwhelming majority of couples would prefer their partner choose the latter**. At the same time, assuming they are happy in their jobs, **they'd prefer to work more now so they can have more money to enjoy their free time in retirement**.

WOULD YOU RATHER HAVE YOUR OTHER HALF WORK IN A JOB THAT:

STRESSES THEM OUT BUT BRINGS IN BIG BUCKS

OR

HAVE THEM BE HAPPY AT WORK BUT EARNING LESS

* The answer is similar across generations: Millennials – 85%; Gen X – 81%; Boomers – 90%

12%

86%*

WOULD YOU RATHER WORK:

MORE NOW, BUT SPEND LESS TIME TOGETHER TO HAVE MORE MONEY FOR RETIREMENT

OR

LESS NOW, BUT POSSIBLY HAVE LESS MONEY TO SPEND TOGETHER IN RETIREMENT

* Most generations answered similarly, Work More: Millennials – 57%; Gen X – 57%; Boomers – 53%

54%*

43%

KEY FINDING: WHAT ARE COUPLES CONCERNED ABOUT?

Even though couples are trying to reduce stress, **concerns still remain**. Couples expressed concern about the following:

| DEBT & EDUCATION | MILLENNIALS | GENERATION X | BABY BOOMERS |
|--|-------------|--------------|--------------|
| Paying off debt in general | 36% | 37% | 19% |
| Paying off student debt | 24% | 19% | 5% |
| Saving enough money for my child's college education | 47% | 39% | 6% |
| HAVING ENOUGH MONEY SAVED FOR RETIREMENT | 66% | 66% | 44% |
| PAYING FOR HEALTH CARE IN RETIREMENT | 46% | 63% | 51% |



KEY FINDING: FOR FINANCIAL SUCCESS, IT TAKES TWO

Overall, **most couples are feeling good about their financial health** (69% total: 22% say they feel their finances are in excellent shape, 47% percent say "very good"). Those that work as a team benefit even more.



of couples say they are **joint decision makers** when it comes to their **day-to-day household finances**



of couples say they are **joint decision makers** when it comes to their longer term **retirement and investment planning**

PEOPLE WHO MANAGE FINANCES JOINTLY ARE:

JOINTLY

INDEPENDENTLY

More likely to say they **communicate well with their spouse**

73%

67%

Less likely to say it's difficult to start a conversation with their spouse around **household spending/budgeting**

13%

20%

More likely to be confident in their significant other's ability to **assume full responsibility of retirement finances if needed**

85%

57%

In other couples, **one spouse or the other takes the financial lead.**

30% OF MEN

say they are the **primary decision maker** when it comes to **day-to-day finances**

BABY BOOMERS: 33%

GENERATION X: 29%

MILLENNIALS: 29%

23% OF WOMEN

say they are the **primary decision maker** when it comes to **day-to-day finances**

BABY BOOMERS: 21%

GENERATION X: 26%

MILLENNIALS: 22%

36% OF MEN

say they are the **primary decision maker** when it comes to longer term **retirement and investment planning**

BABY BOOMERS: 38%

GENERATION X: 34%

MILLENNIALS: 41%

18% OF WOMEN

say they are the **primary decision maker** when it comes to longer term **retirement and investment planning**

BABY BOOMERS: 15%

GENERATION X: 22%

MILLENNIALS: 18%

* **87% of men** feel confident **they could take over full decision making responsibility** for longer term retirement and investment planning if need be (76% of men feel confident their spouse could take over).

* **79% of women** feel confident **they could take over full decision making responsibility** for longer term retirement and investment planning if need be (82% of women feel confident their spouse could take over).



40% of men are concerned about making sure their partner is financially set, in the event they were to pass away first. (Compared to 18% of women who worry about this).

27% of women worry about being financially prepared in the event that their partner passes away. (Compared to 13% of men who worry about this).

WHEN IT COMES TO RATING THEIR "FINANCIAL IQ:"

38% of men give themselves an "A" grade

27% of women give themselves an "A" grade

WHEN ASKED TO RATE THEIR SPOUSES "FINANCIAL IQ:"

32% of men would give their spouse an "A" grade

42% of women would give their spouse an "A" grade

KEY FINDING: FINANCIAL ASSISTANCE MAKES COUPLES MORE ALIGNED

Couples that use an advisor are more likely to agree on their vision of retirement, which includes both partners fully retiring from their careers and not going back to work, either by choice or necessity (40% versus 31%).

Across the board, more couples with an advisor agree that it is not difficult to start a conversation about a range of topics, compared to those that don't use an advisor.

Couples' agreement on ease of starting conversations:

| | HAVE AN ADVISOR | DO NOT HAVE AN ADVISOR |
|---|-----------------|------------------------|
| Your household's spending and budgeting | 80% | 73% |
| Your careers | 86% | 84% |
| Your relationship | 79% | 73% |
| Savings and investments for the future | 86% | 79% |
| Will/Estate planning matters | 84% | 78% |
| How you manage your debt | 85% | 74% |
| Health | 88% | 84% |
| Lifestyle | 89% | 84% |
| Money overall | 82% | 75% |



As a general rule, **couples' with an advisor also tend to be less concerned** about money matters, too:

| Couples agreement on ease of starting conversations: | HAVE AN ADVISOR | DO NOT HAVE AN ADVISOR |
|--|-----------------|------------------------|
| Building up an emergency savings | 20% | 33% |
| Feeling financially secure enough to have and support children | 20% | 26% |
| Having enough money saved for retirement | 36% | 49% |
| Making enough income to be able to live the lifestyle you always dreamed of | 31% | 40% |
| Saving enough for my child's college | 35% | 36% |
| Paying for health care costs in retirement | 39% | 43% |
| Getting married /paying for a wedding | 11% | 13% |
| Paying off student debt | 22% | 23% |
| Paying off debt, in general (e.g. credit cards, personal loans, etc.) | 17% | 26% |

METHODOLOGY

The 2018 Fidelity Investments Couples & Money Study (formerly known as the Couples Retirement Study) **analyzed retirement and financial expectations and preparedness** among 1,662 couples (3,324 individuals). **Respondents were required to be at least 22 years old, married or in a long-term committed relationship and living with their respective partner, and have a minimum household income of \$75,000 or at least \$100,000 in investable assets.** This online, biennial study was launched in 2007 and is unique in that it tests agreement of both partners in a committed relationship on communication, as well as their knowledge of finances and retirement planning issues. Generations were defined as follows: Millennials: ages 22-36 born between 1981 -1996; Generation X: ages 38-53 born between 1965-1980; Boomers: ages 54+ born between 1946-1964. Fidelity Investments was not identified as the sponsor. GfK's Public Affairs & Corporate Communications division executed the study, which was fielded in April 2018. For more information, a fact sheet can be found on Fidelity.com.



DEMOGRAPHICS

GENDER

50% MALE
50% FEMALE

MARITAL STATUS

99% MARRIED
1% MARRIED-LIKE

ORIENTATION

87% OPPOSITE-SEX COUPLES
13% SAME-SEX COUPLES

EMPLOYMENT

62% EMPLOYED
26% FULL OR PARTIALLY RETIRED
12% OTHER

AVERAGE AGE

52

AVERAGE HOUSEHOLD INCOME

\$131,000

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