Surviving Family Finance

From the snake pit

By Rich Pliskin
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Managing money and maintaining respectful, loving relationships is tough enough when times are flush and fat. When they're lean and scurvy -- like now -- look out. Every word, every breath, every gesture is a potential count in a divorce complaint. Screw up just once, and you can kiss consortium goodbye.

I know. In our own struggle to stick to a financial plan, my wife and I have traded plenty of words and gestures over the years. I'd like to say we're stronger for it. I'd also like to say we won $70 million in the multistate PowerBall lottery game last week, that I can run the mile in four minutes, and that I've mastered the revised food pyramid.

Still, we've stumbled on a few good money rules over the years:

Rule One: Communication is the key to financial maturity. If you fear your spouse is overspending, signal your concerns. Smart moves here include catatonic moping, suspension of all personal hygiene, and burying your head in your hands at the dinner table. Try quietly weeping for effect; this will scare the children, but it'll also teach them the emotional value of a dollar.

Rule Two: Don't get clever when discussing money. In the recession of '92, I told my wife we needed to shift to an austerity budget. I softened the demand with a cheery quip borrowed from the Clinton campaign: "It's the economy, stupid!" We had austerity all right, but it had nothing to do with money.

Rule Three: Avoid Quicken, Microsoft Money, and the lesser financial-management programs. It's OK to load them onto your PC, but don't actually use them, especially the budgeting feature. Do you really want a four-color bar chart showing your monthly expenditures on S'mores, beer, and wrinkle cream?

Rule Four: Follow the financial press as closely as possible. It's kinetic out there, and you've simply got to stay on top of developments *as they occur*.

Rule Five: Ignore the financial press. No one knows what the stock market's going to be like five seconds from now, let alone in five weeks or five months. Recent financial scandals prove that no one knows anything about any of it. If they did, they sure wouldn't share it with mugs like us.

Rule Six: Don't go on ski trips. Ever. This has nothing to do with the state of the economy.

Rule Seven: Forget about investing, already. That's so '90s, and it's out. Stocks, bonds, futures, funds, puts, calls -- whatever. If there's one lesson we learned from the Nasdaq bubble, it's that your losses will always be proportionate to your exposure. The less exposure, the less pain.

Rule Eight: Get back to investing, already. You've had plenty of time to lick your wounds and stalk your broker. Now's the time to load up. Stocks, bonds, futures, funds, puts, calls -- whatever. If there's one lesson we learned from the Nasdaq bubble, it's that your gains will always be proportionate to your exposure. And you don't want to be the one loser left on the sidelines the next time the market explodes -- which, between you, me, and the lamppost, is supposed to be sometime around the end of Q1, early Q2, at the latest.

I hope these tips help. My experience is that they're as effective on the rebound as in the depths of a downturn. They've helped us through some rough patches and allowed us to focus on what's truly important in a relationship: calling each other names, hurling kitchenware, and squabbling over why the kids just won't listen to reason.

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