

A photograph of a person's hands holding a smartphone, with a blurred background of a park or outdoor setting. The person is wearing a dark jacket and a grey sweater. The phone is held in a way that the screen is visible, though the content is not clear. The background shows green foliage and a path.

COUPLES UNDERESTIMATE THE BENEFITS OF TALKING ABOUT MONEY

Technical Report

**Grant E. Donnelly
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Abstract

Six studies examine individuals' perceptions of financial communication with their romantic partner and explore how financial communication frequency and quality impact relationship and financial well-being. Using a mixed methods approach (i.e., survey data, diary studies, and an analysis of archival financial services data), we demonstrate that romantic partners express an aversion toward financial communication and anticipate that such communication will be much more negative than it is. Further, we demonstrate that financial communication within romantic couples is associated with indicators of financial health. We identify a strategy to improve financial communication quality: by encouraging romantic partners to have regularly scheduled conversations about money. Taken together, this work reveals that financial communication is ubiquitous within relationships, is distinct from communication about other conversation topics, and presents unique challenges and benefits to couples.

Max. 200 words.

Keywords: financial communication, financial decision-making, conversations, interpersonal relationships.

1. Introduction

Promoting better financial decision-making processes and outcomes is a critical component of enhancing consumer welfare. Most studies evaluating financial decision-making rely on paradigms that collect data from a single participant, or examine larger societal trends in consumption (e.g., debt balances). These approaches overlook the fact that many financial decisions are not made independently, but rather in conjunction with others, especially with a significant other (e.g., a spouse). As a result, these decisions often involve conversations between two people who influence each other through the exchange of relevant beliefs and preferences (Carassa & Colombetti, 2013).

Conversation—which we define broadly as turn-by-turn natural language communication—is one of the most important activities in which humans engage in and to which large parts of the human brain are devoted (Pickering & Garrod, 2004). Despite prior research finding that conversations allow for learning and the exchange of pertinent beliefs and ideas (Huang et al., 2017), many couples appear to struggle with financial communication. For example, couples often report hiding important financial information from each other (Garbinsky et al., 2020) and may strategically “offload” responsibility for many financial decisions to one person in the partnership (Ward & Lynch, 2019). Despite its ubiquity, prior research on conversation as a vehicle for financial decision-making has been limited, and little is known about the potential benefits and barriers of financial communication for couples.

Along with politics and race, personal finance ranks high on the list of taboo conversation topics (Pinsker, 2020). One reason financial communication may be so difficult is because money is more than a bank account balance—it can represent security, happiness, freedom, anxiety, and power. However, differing perceptions of money between people often become magnified through conversation. Building on prior research that has demonstrated that people often mispredict how conversations will go (e.g., Boothby et al., 2018; Gilbert & Wilson, 2007; Mastroianni et al., 2021), we propose, and empirically demonstrate, that individuals underestimate the interpersonal benefits of financial conversations with their romantic partner. Importantly, this misprediction could lead to avoiding financial communication and missing out on the short- and long-term well-being benefits that these conversations may bring to couples (e.g., increased savings, achieving mutual financial goals).

Six studies examine financial communication within committed romantic relationships. Study 1 demonstrates that conversations about money are ubiquitous within romantic relationships, yet distinct from communication about other potentially contentious conversation topics such as time use, sexual relations, in-laws, and chores. Study 2 uses a recall task paradigm to examine which factors predict more pleasant conversations about money among romantic partners. Studies 3A and 3B use a diary methodology to demonstrate that romantic partners underestimate the interpersonal benefits of financial conversations specifically. Study 4 is an experiment that further examines one factor to encourage more positive conversations about money: scheduling a time to talk about finances. Finally, Study 5 provides initial evidence to suggest that financial communication, when approached appropriately, can enhance financial well-being.

The remainder of this report will proceed as follows: in Section 2, we draw upon research on the psychology of financial decision-making and interpersonal mispredictions in social relationships to develop our key hypothesis: partners underestimate the interpersonal benefits of financial conversations. In Sections 3-7, we describe the methodology and results of six studies examining financial communication within romantic relationships. In Section 8, we discuss the theoretical and practical implications of our work and outline directions for future research.

2. Theoretical Framework

2.1. Financial Communication within Romantic Relationships

Financial communication dynamics (i.e., the frequency, quality, and dynamics of conversations about money) amongst couples may vary. While some couples may have planned and frequent conversations about money, other couples may have unplanned and infrequent conversations about money; the latter may only discuss money as various needs arise. Furthermore, the degree of financial communication between partners may be influenced by a host of factors. One important factor is couples' bank account structure. Most married couples have at least one joint bank account and/or merge their cash finances (Heimdal & Houseknecht, 2003; Klawitter, 2008; Vogler, Brockmann, & Wiggins, 2006; Vogler & Pahl, 1994). Previous correlational research indicates that couples who pool their money in joint checking and savings accounts tend to be happier and report more supportive relationships than couples who maintain separate bank accounts (e.g., Addo & Sassler, 2010; Gladstone, Garbinsky, & Mogilner, 2022; Kenney, 2006). There are many reasons why joint account usage may be associated with greater happiness (e.g., administrative ease, creates a sense of teamwork, pooling is a symbolic gesture of commitment; cf. Treas, 1993).

Another possibility is that pooling finances (vs. not pooling) is associated with greater transparency and open financial communication (Olson et al., 2022). Pooling finances may encourage more prudent behavior. If every transaction is visible to both partners, there are no secrets or unpleasant surprises. Indeed, married individuals with pooled finances are more likely to make utilitarian versus hedonic purchases because the former are easier to justify to one's partner (Garbinsky & Gladstone, 2019). Thus, couples who know where each dollar is going may be better equipped to achieve their long-term financial goals. Pooling finances—and subsequent implications for financial conversations—may also prevent one partner from becoming the “chief financial officer” of the family and driving financial decision-making, which may have negative long-term consequences for the non-dominant partner (e.g., lower financial literacy; Ward & Lynch, 2019). However, the increased transparency inherent in joint accounts may have its drawbacks. Being able to observe each swipe of your partner's credit card or each withdrawal from a shared savings account invites scrutiny (e.g., “why did you go out for lunch four times this week?” or “you spent how much on that massage?”; Olson & Rick, 2022). When couples maintain joint bank accounts, each partner's financial behavior can (and often does) directly influence the other partner's financial outcomes (cf. Kelley & Thibaut, 1978; Thibaut & Kelley, 1959). Thus, partners may feel entitled to comment on how the other is spending “their” money, resulting in difficult conversations or leading individuals to hide financial behaviors from their partner (Garbinsky et al., 2020).

If joint accounts promote open financial discussions (for better or worse), is this beneficial for couples? Interestingly, the evidence is mixed. On one hand, money is consistently cited as a major source of arguments and marital tension (Britt & Huston, 2012; Stanley, Markman, & Whitton, 2002). Talking about emotionally-laden topics like supporting aging parents, paying for a child's private education, or an unsavory credit score can be particularly uncomfortable. Given that couples tend to marry partners with opposing financial tendencies (Rick, Small, & Finkel, 2011), financial conversations may introduce more tension as discussions reveal different goals, values, and preferences. On the other hand, open communication and self-disclosure within marriage is a positive predictor of relationship satisfaction (Hendrick, 1981). Specific to finances, surveys report that happy couples talk about money more often than unhappy couples (Ramsey Solutions, 2021; TD Bank, 2017). Unfortunately, the correlational nature of these surveys clouds interpretation: regular discussions about money might increase

happiness, and/or couples who are already happy may be more likely to discuss finances. In addition, survey data does not offer enough information about conversation dynamics: what topics are couples specifically discussing and how are they having these conversations about money?

2.2. (Mis)Prediction about Conversations

People often make predictions of how much they will enjoy a future activity, and these projections are generally not very accurate (Gilbert & Wilson, 2007). Forecasting errors appear to be particularly important to conversation and impression management. For example, people generally underestimate how much they will enjoy a conversation, often believing they would enjoy solitude (i.e., not talking or conversing with others) over talking to someone else (Epley & Schroeder, 2014). Further, people often mispredict conversation dynamics: they mispredict how easy a conversation will “flow” (Huang et al., 2017), how long a conversation should last (Mastroianni et al., 2021), and how much their conversation partner(s) will like them (Boothby et al., 2018), or enjoy listening to them (Cooney, Gilbert, & Wilson, 2017), and they mispredict how they will be perceived when talking about their finances (Donnelly et al., 2021).

Taken together, we predict that individuals in romantic partnerships will make similar forecasting errors by failing to anticipate how enjoyable and useful financial conversations are. Importantly, this misprediction could lead to avoiding financial conversations and missing out on the short-term and long-term well-being benefits of these conversations. Six studies examine the perceptions and conversation dynamics of financial communication within committed romantic relationships and its implications for financial well-being.

3. Study 1

3.1. Methods

We began by assessing lay beliefs about financial conversations in romantic relationships compared to four other potentially contentious conversation topics: spending time together, chores, in-laws, and sex. We chose these five topics because prior research identified them as common sources of marital problems (Dew, Britt, & Huston, 2012).

Participants. Four hundred and one participants living in the United States were recruited through Amazon's Mechanical Turk (MTurk) platform and completed an online study in exchange for monetary compensation ($M_{age} = 35.78$ years, $SD = 11.06$; 62.8% male).

Procedure. Participants read that the purpose of the study was to learn more about financial communication within romantic relationships, though it was not necessary for them to be currently in a romantic relationship to participate. A total of 71.3% of participants reported they were in a committed romantic relationship. We do not observe differences between single and partnered respondents across key measures, so we collapsed across relationship status in our analyses.

Study 1 featured a within-subjects design where all participants answered four sections of questions. First, participants estimated how often they thought couples have conversations about finances (1 = *never*, 8 = *daily*), estimated how many financial conversations an average couple has in a typical month (open-ended), and indicated what percentage of those conversations about money were positive, negative, and neutral (the only restriction was that the total had to add up to 100%).

The second section included four questions about five different conversation topics: finances, sex, chores, time together, and in-laws. Participants estimated how often they thought romantic partners discussed each topic (1 = *they never discuss this*, 7 = *they discuss this all the time*), how often they thought romantic partners have disagreements about each topic (1 = *they never have disagreements*, 7 = *they have disagreements all the time*), how comfortable they thought romantic partners feel discussing each topic (1 = *not at all comfortable*, 7 = *very comfortable*), and how serious they thought each topic was in the context of romantic relationships (1 = *not at all serious*, 7 = *very serious*). Each question was presented on one page and the order of questions was counterbalanced.

The third section included questions about the perceived benefits and challenges of financial communication, specifically. First, participants indicated the extent to which they agreed with six statements assessing whether the benefits of financial communication outweigh the costs (e.g., "Financial communication is an important component of a healthy relationship"; 1 = *strongly disagree*, 7 = *strongly agree*). Following these questions, participants indicated whether they thought having conversations about finances with a romantic partner is difficult and challenging via a scale (1 = *strongly disagree*, 7 = *strongly agree*) as well as by selecting a *yes or no* response. Next, participants indicated to what extent they agreed with 15 reasons for why talking about finances with one's partner could be difficult and challenging (1 = *strongly disagree*, 7 = *strongly agree*; see Appendix 1).

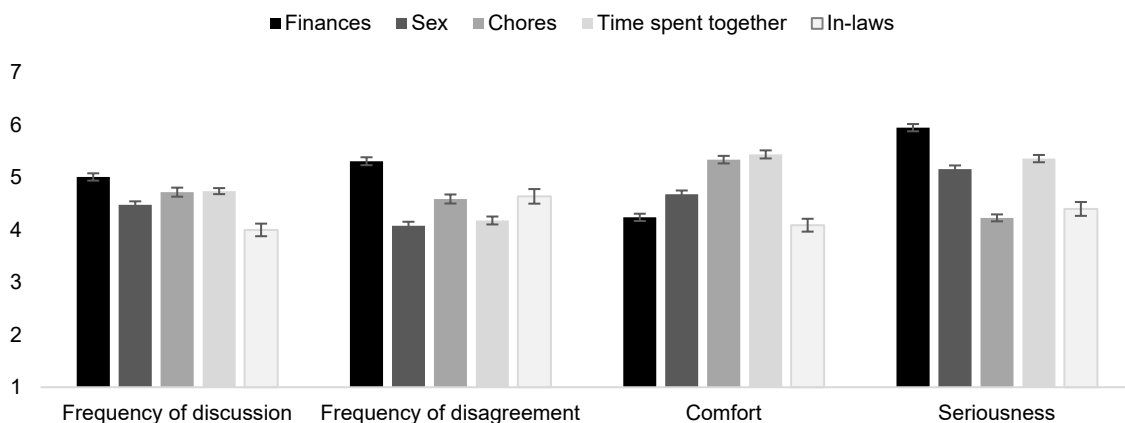
This and subsequent studies concluded with standard demographics (e.g., age, gender identity, education level, employment status, income, relationship characteristics, etc.). Finally, across all studies, participants had the option to skip questions so missing observations reflect the differences between the sample size and degrees of freedom in some of the statistical analyses reported.

3.2. Results

Lay beliefs about financial communication. Participants indicated that conversations about finances within romantic relationships were ubiquitous: 73% of participants thought couples talk about finances at least once a week and on average have 12.21 conversations in a typical month ($SD = 31.72$). Even though participants acknowledged that the benefits of financial communication outweigh the costs ($M = 5.31$, $SD = 1.21$; one-sample t -test against the scale mid-point: $t(400) = 21.65$, $p < .001$), participants recognized that a large proportion of these conversations (40.0%) could be negative. Moreover, 60.1% of participants reported that talking about finances with a romantic partner is challenging and difficult. When asked why talking about finances is difficult, the top three reasons were as follows: financial conversations (a) can highlight different values ($M = 5.20$, $SD = 1.49$), (b) force partners to discuss less-than-ideal financial habits ($M = 5.14$, $SD = 1.60$), and (c) often involve decisions that have long-term consequences ($M = 5.11$, $SD = 1.53$; see all statements in Appendix 1).

Perceptions about different conversation topics. As shown in Figure 1, participants thought talking about finances with one's romantic partner is one of the least comfortable topics (after in-laws) and also the most serious topic. Yet, these conversations are nearly inevitable: participants reported that finances were the conversation topic that is most frequently discussed and led to the most frequent disagreements. Repeated-measures analyses of variance (ANOVA) for each dimension revealed significant omnibus effects across all four dimensions ($F_s > 41.18$, $p_s < .001$, $\eta_p^2 > .09$). Within each dimension, planned contrasts revealed that finances were significantly different from the other four topics ($t_s > 1.80$, $p_s < .05$). The one exception was comfort, where participants reported that talking about in-laws was marginally less comfortable than talking about finances ($t(400) = 1.70$, $p = .090$, $d = .09$).

Figure 1: Study 1 results: mean ratings of conversation topics across dimensions. Error bars indicate ± 1 SEM.



4. Study 2

Study 1 demonstrates that financial communication is ubiquitous in romantic relationships. It is also distinct from communication about other conversation topics, thus possibly presenting unique challenges and benefits to couples. Next, we examined which factors predicted more positive conversations about money within romantic relationships.

4.1. Methods

Participants. We recruited U.S. participants who were married, engaged, or cohabitating with their romantic partner to complete an online study in exchange for a monetary compensation. We conducted similar surveys with three diverse samples of participants: sample 1 (individual workers recruited from MTurk: $N = 599$, $M_{age} = 36.09$ years, $SD = 10.04$; 57.8% male), sample 2 (romantic dyads recruited through Qualtrics Panels: $N = 202$, $M_{age} = 53.74$ years, $SD = 15.88$; 49.0% male), and sample 3 (individual workers recruited from Prolific Academic: $N = 501$, $M_{age} = 38.53$ years, $SD = 11.37$; 45.9% male).

Procedure. The focal task of these three surveys asked participants to recall and describe the most recent financial conversation they had with their romantic partner. Specifically, participants read “Write a few sentences about the conversation you had about money, why the two of you were having this conversation, the emotional tone of this conversation, and how you felt toward your romantic partner during this conversation.” To ensure that participants provided us with enough details about this conversation, they were forced to spend at least one minute on this writing task.

Next, participants indicated how they felt about that specific financial conversation and also how they thought their partner felt about it ($-5 = \text{very negative}$, $5 = \text{very positive}$) and answered follow-up questions about the conversation they described: they reported how long the conversation was (in minutes), how long ago this conversation took place ($1 = \text{years ago}$, $6 = \text{minutes ago}$), whether they had scheduled a time to have this conversation (*yes vs. no*), and who initiated the conversation (choice among *themselves*, *their partner*, and *do not recall*). These three surveys included other questions assessing financial communication more generally, financial well-being, relationship characteristics, and standard demographics (specific questions varied across surveys and thus will not be discussed further).

Once data collection was complete across samples, two coders (blind to our research question and hypotheses) coded a total of 1,302 financial conversations. Coders first reviewed all responses and flagged conversations that could not be coded: 10.14% responses were not about finances or were too vague to be coded, and thus were not included in the next coding phase (note: we observed 99% agreement between coders in this first phase). This left us with a total of 1,170 conversations that were used in a second phase: coders rated these conversations in terms of seriousness ($1 = \text{not at all}$, $7 = \text{very much}$), whether a solution was discussed (*yes vs. no*), whether the conversation was related to a past or future financial activity (choice among *neither*, *past*, *future*, or *both*), which financial issue was discussed (choice among *debt*, *savings*, *debt*, *budgeting*, *income*, *investment*, *retirement*, *other*), and whose financial behavior was discussed (choice among *self*, *partner*, *joint*). Intercoder reliability was 63-99% and disagreements were resolved between coders through discussion.

4.2. Results

To assess which factors predicted more positive conversations about money, we conducted linear regression models (one for each sample of data collection) entering 13 simultaneous predictors of participants' perceptions of how they felt about the conversation. This item of how participants felt about the conversation they recalled highly correlated with participants' ratings about how they thought their partner felt about that same conversation ($r_s > .85$, $p_s < .001$); thus, results are substantively equivalent when using partner's perceptions as the outcome measure instead. Also, given that we obtained responses from romantic dyads in sample 2, the analyses presented below for sample 2 correspond to a generalized linear mixed model entering dyad ID as a random-effects predictor.

As shown in Table 1, there were two factors that consistently predicted how pleasant a financial conversation was perceived. First, conversations that included a solution to a problem or issue were deemed as more positive compared to those that did not; this suggests that conversation dynamics fostering a constructive approach (e.g., "what can we do to fix this?") will be more helpful than conversations where partners merely evaluate or criticize a financial behavior. Second, conversations about joint behavior as opposed to individual behavior were deemed as more positive, suggesting that conversations that make couples feel on the "same page" are those that will be most helpful.

Third, there was one additional factor that yielded similar patterns (though not statistically significant in sample 1): whether the conversation was planned versus not. Specifically, conversations that were planned were perceived as more positive than spontaneous conversations. When couples schedule a time to have a financial conversation, they may have time to reflect on how they want to approach the conversation and what exactly they want to say. It might be possible that in these situations, partners have an opportunity to generate potential solutions to a problem or think strategically about how to frame the conversation as focusing on joint as opposed to individual behavior.

Table 1: Study 2 results: Predictors of perceptions about the financial conversation recalled.

	<i>Sample 1</i>		<i>Sample 2</i>		<i>Sample 3</i>	
Platform	MTurk		Qualtrics Panel		Prolific Academic	
Data collection date	June 2019		July 2019		May 2020	
Valid conversations (N)	488		202		480	
<u>Self-reported measures</u>						
Planned conversation	0.42	(0.27)	0.81	(0.49)	†	0.77 (0.30) *
Initiated by the self	0.02	(0.21)	0.25	(0.27)		0.16 (0.22)
<u>Coders' perceptions</u>						
Seriousness	0.08	(0.12)	-0.28	(0.18)		-0.54 (0.11) ***
Solution discussed	3.03	(0.24) ***	1.09	(0.34) **		1.02 (0.23) ***
Future oriented	1.11	(0.29) ***	0.45	(0.42)		0.20 (0.26)
Joint behavior	1.52	(0.27) ***	1.18	(0.47) *		1.55 (0.33) ***
<u>Financial issues discussed</u>						
Debt	-0.34	(0.27)	0.23	(0.41)		-0.17 (0.33)
Savings	-0.02	(0.25)	0.11	(0.47)		-0.07 (0.24)
Spending	-0.31	(0.26)	0.21	(0.37)		-1.28 (0.27) ***
Budgeting	0.29	(0.32)	0.17	(0.75)		0.34 (0.33)
Income	0.26	(0.35)	0.12	(0.55)		0.03 (0.31)
Investment	0.71	(0.46)	1.02	(0.59)	†	0.03 (0.47)
Retirement	0.43	(0.51)	1.18	(0.69)	†	0.82 (0.59)

Note. Outcome variable: Overall, how did you feel about this specific financial conversation with your partner? Estimates correspond to unstandardized coefficients; standard errors are in parentheses. Significance: † $p < .10$, * $p < .05$, ** $p < .01$, *** $p < .001$.

5. Studies 3A & 3B

Study 1 documented a potential (perception-based) barrier to pursuing financial communication and Study 2 sheds light on which factors are associated with financial conversations being more pleasant. But the question remains: are financial conversations experienced as negatively as they are anticipated? Next, we conducted two studies to assess whether romantic partners underestimate the benefits of financial conversations. Using a diary methodology, we measured participants' perceptions about a future conversation at Time 1, and then we measured their reactions after having said conversation at Time 2. In Study 3A, participants were asked to have a conversation about money with their romantic partner; we then contacted these same participants 24 hours later and asked them to report how their conversation went. In Study 3B, we randomly assigned participants to have a conversation about money or about a self-selected topic at Time 1; like in Study 3A, participants returned 24 hours later and answered questions after having their assigned conversation.

5.1. Study 3A: Methods

Participants. At Time 1, we recruited 103 U.S. participants who were married, engaged, or cohabitating with their romantic partner ($M_{age} = 40.36$, $SD = 10.32$ years, 48.5% male) through MTurk. At Time 2 (24 hours later), these same participants were invited to take a follow-up survey: 87 participants returned ($M_{age} = 40.46$, $SD = 10.55$ years, 46.0% male; attrition = 14%). Participants received monetary compensation for each survey they completed.

Procedure. At Time 1, participants took a short survey where they first answered measures about their financial well-being as a couple (nine items adapted from Netemeyer et al., 2018; e.g., "Because of our money situation, I feel we will never have the things we want in life;" $\alpha = .93$) and relationship satisfaction (five items from Rusbult, Martz, & Agnew, 1998; e.g., "I feel satisfied with our relationship"; $\alpha = .92$). Next, participants were asked to have a financial conversation with their partner that night; specifically, they were instructed to spend at least 10 minutes talking about finances with their partner. Immediately after, participants were asked to describe what the conversation would be about and estimate how they and their partner would feel about it (open-ended question); participants were asked to spend at least one minute reflecting on this future conversation.

Next, participants made predictions about how they thought the conversation would go. First, they indicated the extent to which (1) they would enjoy the conversation, (2) they would learn a lot from this conversation, (3) they would feel connected to their partner during the conversation, and (4) they thought the conversation would bring them closer (1 = *disagree completely*; 7 = *agree completely*). In this and subsequent studies, we averaged these four items to create an anticipated conversational benefits index ($\alpha = .86$). Next, participants indicated the extent to which they would feel 13 different emotions during the conversation (1 = *not at all*, 7 = *a great deal*). We averaged proud, happy, optimistic, energized, empowered, and relaxed to form a positive emotion index ($\alpha = .95$). We averaged guilty, embarrassed, ashamed, anxious, disgusted, sad, and angry to form a negative emotion index ($\alpha = .94$).

On the next few pages, participants provided relationship characteristics and standard demographics for themselves and their partner. At the end of this survey, participants were asked if they wanted to be contacted 24 hours later to answer a follow-up survey reporting how the conversation went; all but one participant agreed.

At Time 2, participants first reported whether they had had their assigned financial conversation with their partner last night (everyone reported that they had). Then, they described the conversation using a similar question like the one asked at Time 1 (i.e., an open-ended question with a 1-minute timer). Immediately after, participants reported details about this conversation: which financial topics they discussed (choice among *spending, savings, debt, income, investment, retirement, other*), whether they had the conversation in-person or online, and how long the conversation lasted (in minutes). On the next pages, participants answered the same conversational benefits questions included at Time 1 but rephrased to capture feelings about the actual conversation they had (actual conversational benefits: $\alpha = .88$). Participants also indicated the extent to which they experienced the same 13 emotions during the conversation (positive emotions: $\alpha = .94$; negative emotions: $\alpha = .93$). On the next few pages, participants answered follow-up questions about the conversation as well as the same measures about their financial well-being as a couple (nine items adapted from Netemeyer et al., 2018; $\alpha = .93$) and relationship satisfaction (five items from Rusbult et al., 1998; $\alpha = .94$) included in the survey at Time 1.

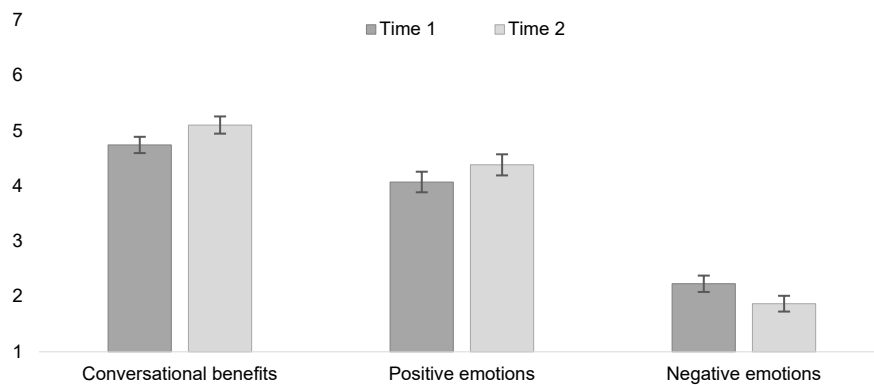
5.2. Study 3A: Results

Anticipated versus actual conversational benefits. We compared predictions about the financial conversation measured at Time 1 to actual feelings about the conversation measured at Time 2. We find a significant effect of time such that participants significantly underestimated the conversational benefits of having a financial conversation ($M_{Time 1} = 4.74, SD = 1.48$ vs. $M_{Time 2} = 5.10, SD = 1.45, t(86) = 2.64, p = .010, d = .28$; see Figure 2).

Emotional reactions. Consistent with the results for anticipated benefits, participants experienced significantly more positive emotions ($M_{Time 1} = 4.07, SD = 1.87$ vs. $M_{Time 2} = 4.38, SD = 1.78, t(86) = 2.10, p = .039, d = .22$) and fewer negative emotions ($M_{Time 1} = 2.23, SD = 1.49$ vs. $M_{Time 2} = 1.87, SD = 1.33, t(86) = -3.79, p < .001, d = .41$) than they predicted.

Relationship and financial well-being. While having a financial conversation with a partner did not change relationship satisfaction ($M_{Time 1} = 5.79, SD = 1.11$ vs. $M_{Time 2} = 5.76, SD = 1.23, t(86) = -0.37, p = .710, d = .04$), it did impact perceptions of financial well-being. Namely, participants reported feeling significantly less stressed about their finances at Time 2 versus Time 1 ($M_{Time 1} = 3.08, SD = 1.50$ vs. $M_{Time 2} = 2.92, SD = 1.54, t(86) = -1.99, p = .049, d = .21$).

Figure 2: Study 3A results: mean ratings; error bars indicate ± 1 SEM.



5.3. Study 3B: Methods

Participants. At Time 1, we recruited 301 U.S. participants who were married, engaged, or cohabitating with their romantic partner ($M_{\text{age}} = 42.04$ years, $SD = 10.77$; 47.5% male) through MTurk. At Time 2, we contacted these same participants and 239 returned to take the follow-up survey ($M_{\text{age}} = 42.18$ years, $SD = 10.61$; 46.9% male). Attrition was not significantly different between our two conditions (control: 18.5% vs. finances: 22.6%; $\chi^2(1, N = 301) = .77, p = .381$, Cramer's $V = .05$). Participants received monetary compensation for each survey they completed.

Procedure. Like Study 3A, participants first answered questions about their relationship including subjective financial well-being as a couple (nine items adapted from Netemeyer et al., 2018; e.g., "Because of our money situation, I feel we will never have the things we want in life;" $\alpha = .93$); Study 3B did not include a relationship satisfaction measure. Next, we included a filler task to disguise the purpose of the study where participants answered several questions about their relationship (e.g., "Between you and your partner, who is the animal lover?"). Next, participants were asked to think about a conversation they would have with their partner that night. At this point, we randomly assigned participants to think about a conversation of any topic (*control* condition) or about money specifically (*finances* condition); participants were asked to spend at least 30 seconds on this writing task. Then, participants answered the same questions as in Study 3A making predictions about how the conversation would go (anticipated benefits: $\alpha = .88$) and the emotions they would experience during the conversation (positive: $\alpha = .93$; negative: $\alpha = .94$). At the end of this survey, participants answered standard demographics and indicated whether they wanted to take a follow-up survey 24 hours later; all but three participants agreed.

At Time 2, we re-contacted participants and asked them whether they had the conversation they were prompted to have the previous night (only two participants said no). Participants who complied were asked to describe the conversation (same open-ended question used in Study 3A with 3-seconds timer) and answered the same follow-up questions as in Study 3A about the conversation they had. Next, participants answered our key measures using analogous items to those used in Time 1 to assess actual benefits ($\alpha = .87$) and the emotions they experienced during the conversation (positive: $\alpha = .92$; negative: $\alpha = .91$). Finally, participants answered the same questions about financial well-being included in the survey at Time 1.

5.4. Study 3B: Results

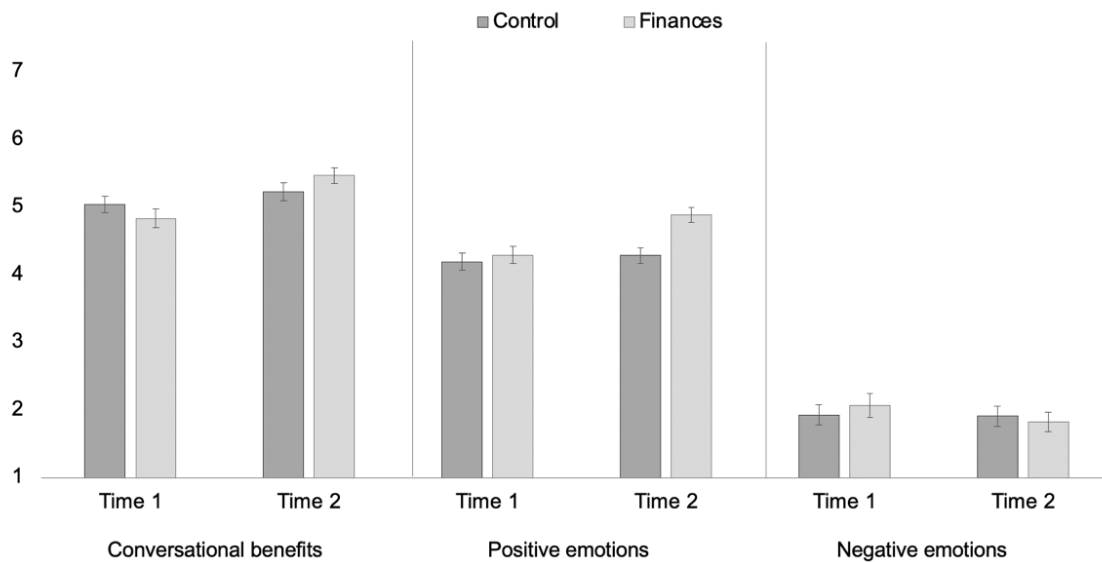
Anticipated versus actual conversational benefits. A 2 (Time: 1 vs. 2) \times 2 (Conversation Topic: Control vs. Finances) mixed ANOVA on the conversation benefits index revealed a significant interaction ($F(1, 235) = 8.90, p = .003, \eta_p^2 = .04$; see Figure 3). Simple effects revealed that while participants were fairly accurate in assessing the benefits of control (i.e., non-financial) conversations ($M_{\text{Time 1}} = 5.04, SD = 1.33$ vs. $M_{\text{Time 2}} = 5.22, SD = 1.42$; $F(1, 235) = 3.10, p = .080, \eta_p^2 = .01$), participants significantly underestimated the benefits of financial conversations ($M_{\text{Time 1}} = 4.83, SD = 1.51$ vs. $M_{\text{Time 2}} = 5.46, SD = 1.28$; $F(1, 235) = 35.93, p < .001, \eta_p^2 = .13$). These results hold when excluding participants from the control condition who reported talking about money ($n = 30$) and when including these participants in the finances condition.

Emotional reactions. Participants also underestimated the level of positive emotions they would feel during the financial conversation and overestimated the level of negative emotions, though this was not the case for control conversations. A 2 (Time: 1 vs. 2) \times 2 (Conversation Topic: Control vs. Finances) mixed ANOVA on the positive emotions index revealed a significant interaction ($F(1, 235) = 7.91, p = .005, \eta_p^2 = .03$). Simple effects revealed that

while participants were accurate in assessing positive emotions during control conversations ($M_{\text{Time 1}} = 4.19$, $SD = 1.63$ vs. $M_{\text{Time 2}} = 4.28$, $SD = 1.67$; $F(1, 235) = 0.54$, $p = .463$, $\eta_p^2 = .00$), participants significantly underestimated the degree of positive emotions during financial conversations ($M_{\text{Time 1}} = 4.29$, $SD = 1.85$ vs. $M_{\text{Time 2}} = 4.88$, $SD = 1.58$; $F(1, 235) = 22.33$, $p < .001$, $\eta_p^2 = .09$). A second mixed ANOVA on the negative emotions index revealed a similar pattern (interaction: $F(1, 235) = 4.23$, $p = .041$, $\eta_p^2 = .05$). While participants were accurate in assessing negative emotions during control conversations ($M_{\text{Time 1}} = 1.93$, $SD = 1.35$ vs. $M_{\text{Time 2}} = 1.91$, $SD = 1.27$; $F(1, 235) = .075$, $p = .785$, $\eta_p^2 = .00$), they significantly overestimated the degree of negative emotions during financial conversations ($M_{\text{Time 1}} = 2.07$, $SD = 1.38$ vs. $M_{\text{Time 2}} = 1.83$, $SD = 1.18$; $F(1, 235) = 10.16$, $p = .002$, $\eta_p^2 = .04$).

Financial well-being. Participants reported feeling less stressed about money at Time 2 when they had a financial conversation ($M_{\text{Time 1}} = 2.98$, $SD = 1.60$ vs. $M_{\text{Time 2}} = 2.81$, $SD = 1.46$; $F(1, 237) = 6.59$, $p = .011$, $\eta_p^2 = .03$) than a control one ($M_{\text{Time 1}} = 3.14$, $SD = 1.51$ vs. $M_{\text{Time 2}} = 3.03$, $SD = 1.51$; $F(1, 237) = 2.45$, $p = .119$, $\eta_p^2 = .01$). However, the interaction of time and conversation topic was not significant ($F(1, 237) = 0.49$, $p = .484$, $\eta_p^2 = .001$).

Figure 3: Study 3B results: mean ratings; error bars indicate ± 1 SEM.



Taken together, Studies 3A and 3B demonstrate that romantic partners underestimate the benefits of having financial conversations. Moreover, they underestimate the level of positive emotions they will experience during the conversation and overestimate the level of negative emotions. Furthermore, Study 3B addresses the alternative explanation that people underestimate the benefits of *any* conversation with their romantic partner and, instead, demonstrates that this misprediction error is unique to conversations about money.

6. Study 4

Studies 3A and 3B demonstrate that romantic partners underestimate the benefits of having a financial conversation. Study 4 was designed to identify one factor that might encourage more positive conversations about money: scheduling a time to talk about finances. Thus, we examine whether planning a financial conversation is more beneficial than having one spontaneously. This study was preregistered on AsPredicted.org (#60943).

6.1. Methods

Participants. We recruited 406 U.S. participants who were married, engaged, or cohabitating with their partner ($M_{age} = 40.44$ years, $SD = 11.90$, 53.4% female) through Prolific Academic.

Procedure. In this study, we randomly assigned participants to recall and write about a time they had a planned or an unplanned conversation about money with their partner (open-ended). As in Studies 3A and 3B, participants then answered the same follow-up questions about the conversation.

Then, participants answered the same four items used in Studies 3A and 3B to assess conversational benefits (e.g., “I enjoyed this conversation”; 1 = *not at all*, 7 = *very much*). As preregistered, the average of these four items served as our conversational benefits composite ($\alpha = .87$). On the next page, participants indicated the extent to which the conversation helped them make a decision, helped them reach a solution, and ended on a positive note (1 = *not at all*, 7 = *very much*). As preregistered, the average of these three items served as the decision closure index ($\alpha = .90$).

Next, participants indicated the extent to which they felt 13 different emotions during the conversation (1 = *not at all*, 7 = *a great deal*). As preregistered, the average of proud, happy, optimistic, energized, empowered, and relaxed served as our positive emotions index ($\alpha = .93$), and the average of guilty, embarrassed, ashamed, anxious, disgusted, sad, and angry served as our negative emotions index ($\alpha = .89$). They also, indicated how they felt overall about the conversation they described (-5 = *very negative*, 5 = *very positive*). Finally, participants reported how difficult it was for them to (a) think of a conversation to write about and (b) remember details about the conversation (1 = *not at all difficult*, 7 = *very difficult*), answered a manipulation check question, and answered standard demographics.

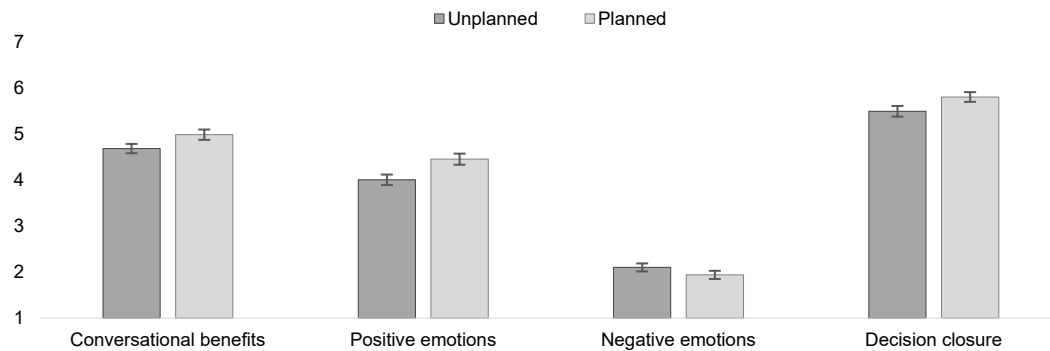
6.2. Results

Conversational benefits. Participants who recalled a planned financial conversation reported significantly greater conversational benefits than those who recalled an unplanned conversation ($M_{planned} = 4.99$, $SD = 1.59$ vs. $M_{unplanned} = 4.70$, $SD = 1.45$; $t(404) = 2.00$, $p = .046$, $d = .20$; See Figure 4).

Emotional reactions. Participants who recalled a planned versus unplanned financial conversation reported significantly greater positive emotions ($M_{planned} = 4.46$, $SD = 1.70$ vs. $M_{unplanned} = 4.01$, $SD = 1.64$; $t(403) = 2.71$, $p = .007$, $d = .27$). Negative emotions was not significantly different between conditions, but trended in a direction consistent with our theorizing ($M_{planned} = 1.94$, $SD = 1.25$ vs. $M_{unplanned} = 2.10$, $SD = 1.25$; $t(403) = 1.30$, $p = .193$, $d = .13$).

Decision closure. Participants who recalled a planned versus unplanned financial conversation reported significantly greater decision closure ($M_{\text{planned}} = 5.81, SD = 1.50$ vs. $M_{\text{unplanned}} = 5.50, SD = 1.66; t(404) = 1.98, p = .048, d = .20$).

Figure 4: Study 4 results: mean ratings. Error bars indicate ± 1 SEM.



In sum, Study 4 demonstrates that romantic partners recall more favorable outcomes when having planned versus unplanned financial conversations. Not only do they recall more conversational benefits and positive emotions, they also report a stronger sense of closure. It is possible that spontaneous conversations are prompted by unpleasant surprises (e.g., observing an unusual charge on the shared credit card), whereas planned conversations tackle more pleasant and consequential issues like retirement or vacation planning. Importantly, these results suggest that scheduling a financial conversation may be an effective intervention to nudge partners to have better conversations about money.

7. Study 5

The studies presented thus far examine subjective predictions and outcomes of financial conversations. In this last study, we examine the relationship between financial communication and financial well-being using data from actual conversational exchanges we acquired through a mobile application that helps couples manage their finances.

7.1. Methods

Participants. We obtained bank account data (i.e., balances in checking, savings, and credit card accounts) and chat data from 288 couples over a two-year period.

Procedure. We partnered with a mobile app that allows couples to manage their finances jointly. Specifically, couple members can create a joint account in the app, link different bank accounts to it (e.g., savings, credit cards, etc.), set budgets, and track expenses together. Importantly, partners can communicate with each other using a chat function built into the app (see examples of financial messages from this app data in Appendix 2). The final dataset included a total of 3,110 messages.

A research assistant blind to the hypotheses coded all chat messages we had for whether its content was related to financial matters or not (1 = *the chat message was about financial matters (e.g., savings, spending, budgeting)*, 0 = *otherwise*). In addition, we coded the content of each chat message using the Linguistic Inquiry Word Count (LIWC) software (Pennebaker et al., 2015), specifically focusing on the four summary variables: emotional tone, analytical thinking, authenticity, and clout. Descriptive statistics of the chat data are presented in Table 2. We used the proportion of chat messages exchanged within each couple about financial matters as our measure of the amount of financial communication. The couple's financial well-being was assessed using the difference between the couple's total savings and credit card debt.

Table 2: Study 5: Descriptive statistics of coded variables.

Variable	Mean (SD)
Proportion of chat messages related to financial matters	16.4% (29.9%)
Analytical Thinking (higher numbers reflect formal, logical, hierarchical thinking)	67.01 (30.78)
Emotional Tone (higher numbers indicate a more positive, upbeat tone)	41.87 (25.37)
Authenticity (higher numbers indicate more honest, personal, and disclosing content)	24.31 (31.06)
Clout (higher numbers indicate speaking with high expertise and confidence)	76.52 (25.02)

7.2. Results

We conducted a simple linear regression in which we regressed each couple's financial well-being on the percentage of messages about financial matters from all chat messages exchanged by the couple. Results showed that the more the couples communicated about financial matters, the greater their financial well-being ($b = 16,814$, $SE = 5,274.01$, $t(285) = 3.19$, $p = .002$), thus providing initial evidence (albeit correlational) of the positive impact of financial communication on couples' financial well-being. We also ran a multiple linear regression entering couple's financial well-being as the outcome variable and the following variables as predictors: the number of messages about financial matters exchanged by the couple, emotional tone, analytical

thinking, authenticity of their chat conversations, and clout. As shown in Table 3, the percentage of chat messages related to financial matters had a marginally significant effect on the couple's financial well-being when controlling for other factors ($b = 20,361$, $SE = 11,842$, $t(85) = 1.72$, $p = .09$).

Table 3: Study 5 results: Multiple linear regression results.

Variable	Parameter Estimate	Standard Error	t Value	Pr > t
Intercept	-17,772	18,847	-.94	0.35
Percentage of chat messages related to financial matters	20,361	11,842	1.72	0.09
Emotional tone of chat messages	1,023.05	3,053.03	0.34	0.74
Analytical thinking of chat messages	21.95	160.22	0.14	0.89
Authenticity of chat messages	209.98	158.48	1.32	0.19
Clout of chat messages	99.69	187.87	0.53	0.60

Note. Outcome variable: The couple's financial well-being was assessed using the difference between the couple's total savings and credit card debt.

This last study provides initial evidence that financial communication is associated with greater financial well-being. However, given that this data is correlational and also context-specific (i.e., we only use chat messages as a proxy for financial communication), this link warrants further investigation. For example, it is possible that couples who are already having regular conversations about money in-person are those who (a) decide to sign-up to use this app and (b) use the app more frequently. Thus, our ongoing work investigates the dynamics that will lead to having more positive and helpful conversations about finances, which could improve relationship well-being and help couples make better financial decisions.

8. Conclusion

Falling in love with someone, moving in together, and registering for new household items are exciting experiences, and money is a critical component to all these experiences. As couples start making financial decisions together and merging their financial lives, they may avoid having conversations about money, preventing each other from learning and understanding the financial preferences of each person in the couple. Previous research has documented that money is a leading cause of divorce and relationship dissatisfaction (Amato & Rogers, 1997). In this work, we document a potential barrier for couples to establish better financial communication: partners mispredict how unenjoyable a conversation about money will be. While financial conversations might be perceived as relatively serious and uncomfortable (Study 1), there are different factors that predict more versus less pleasant conversations about money such as discussions focusing on joint behavior or discussions that involve a solution to an issue (Study 2). Importantly, when couples were assigned to have a financial conversation, they experience important relational benefits (Studies 3A-3B). We also find that when couples set a time to have a financial conversation, they report better interpersonal outcomes as well as decision closure (Study 4). Finally, financial communication can be beneficial for financial well-being if approached appropriately (initial evidence from Study 5).

Very little research has examined financial conversations within relationships. Yet, financial conversations are ubiquitous as couples are expected to have 12 conversations about money in a typical month. While prior work has evaluated bank account structure and its potential effects on financial conversations (Olson et al., 2022), research has not evaluated how specific features of financial conversations will impact relationship dynamics and decision making. The current work identifies a key, perception-based barrier that may be preventing people from wanting to engage in financial communication: consumers underestimate the positive benefits of having financial conversations. Further, we demonstrate that while relationship partners are relatively accurate in their predictions of how much they will enjoy other types of conversations, it is specifically conversations about money that are anticipated to be less enjoyable. Finally, we provide initial evidence to suggest that having the right financial conversations can improve financial well-being.

8.1. Theoretical and Practical Implications

This research makes important theoretical contributions to two streams of work. First, this work advances the current understanding of conversation dynamics in the specific context of financial communication within romantic couples. Whereas recent work on conversation has documented a series of misprediction errors (e.g., Boothby et al., 2018; Mastroianni et al., 2021), we empirically demonstrate that partners underestimate how helpful and pleasant financial conversations are, possibly leading them to miss-out on short-term and long-term benefits of having these conversations. Second, this work contributes to the literature on financial decision making in close relationships (Garbinsky & Gladstone, 2019; Gladstone et al., 2022; Olson & Rick, 2022; Rick, Small, & Finkel, 2011) by examining how communication shapes interactions with partners and decision-making outcomes.

Given this misprediction, this research also has important practical implications for consumer well-being. For example, financial service providers can encourage financial communication focusing on factors that lead to having helpful conversations. For example, financial service providers can suggest that their clients engage in a brief financial conversation before meeting with the service provider to help facilitate discussions about financial products when they all meet. By suggesting to the couple that they plan to have a conversation sometime before the meeting, this conversation should result in better outcomes versus having a spontaneous conversation and will likely help coordinate the dyad in making a financial decision with the service provider.

8.2. Future Directions

Our research offers several avenues for future research. First, one important future direction is further understanding how financial communication influences financial decision-making amongst couples. Do couples make better or worse decisions after discussing financial issues together? Though Study 5 provides initial evidence demonstrating that financial communication can be beneficial for financial well-being, this link warrants further investigation. As shown in Study 2, not all conversations about money are equally positive and this might extend to the context of financial decision-making where only certain conversations will help couples make better and more informed decisions about finances (e.g., questioning a partner's past spending might not only trigger conflict but it would not help making better financial decisions if the couple does not adopt a joint behavior perspective). Given previous research demonstrating that one partner tends to specialize in managing finances (Ward & Lynch, 2019), it is possible that financial performance of the dyad ends up being worse when involving a low-expert partner versus having the high-expert partner make solo decisions. Thus, examining the link between financial communication and financial well-being using experimental methods will shed light to answer some of these questions.

A second future direction is understanding the nuances of financial communication with the goal of developing interventions to encourage couples to have more positive (e.g., pleasant and productive) conversations about money. Building on the findings from Study 4, future research should identify which planned financial conversations are most beneficial. For example, discussing one partner's debt accumulation may be more negative than conversations about saving for a nice family vacation. Relatedly, future studies could examine whether discussing finances more concretely (e.g., specific actions that must take place for a specific financial outcome) versus more broadly (e.g., discussing general goals and thoughts) is beneficial for financial well-being. For example, communication about broader topics may produce more relationship benefits by allowing partners to get "on the same page," while communication about specific money actions may lead to greater conflict.

Finally, another important direction for future research is evaluating the effectiveness of financial communication by delivery mode. Couples can communicate in a variety of mediums, including synchronous, live, person-to-person verbal exchanges (as documented in Studies 1 – 4), but communication can also occur through text messaging and emailing (as demonstrated in Study 5). Recent research suggests that when disagreeing with others, speech communication is more humanizing than text-based communication, leading to improved conversational outcomes for verbal (vs. text) communication (Schroeder, Kardas, & Epley, 2017). However, as documented by the current findings, discussions of finances are distinct from other contentious conversation topics, and future research should evaluate whether there are differences in text and verbal communication.

8.3. Concluding Thoughts

In sum, this work advances our understanding of an important feature ubiquitous to everyday life: having conversations about money and coordinating financial information between two individuals in committed romantic relationships. While financial communication is anticipated to be negative, most people report experiencing unanticipated benefits: greater positive emotions, less negative emotions, and decision closure. Encouraging couples to plan conversations may increase these benefits, suggesting that when members of the couple can plan, reflect, and share their thoughts at an agreed upon time, more positive benefits are experienced, and possibly enhance their financial well-being.

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10. Appendix

Appendix 1: Study 1 results: Mean ratings of statements about financial conversations.

Rank	Talking about finances with one's romantic partner is difficult because these conversations...	Mean	SD
1	can highlight different values (e.g., one partner wants to live for today, but the other partner wants to save for tomorrow)	5.20	1.49
2	force partners to discuss less-than-ideal financial habits	5.14	1.60
3	often involve decisions that have long-term consequences	5.11	1.53
4	can be emotional and uncomfortable	5.08	1.63
5	can highlight self-control issues (e.g., one or both partners have trouble resisting temptations)	5.07	1.60
6	make partners feel scrutinized by each other	5.00	1.73
7	often involve a problem	4.93	1.59
8	make partners feel guilty about their financial decisions	4.90	1.69
9	prevent partners from spending money on things they (personally) like	4.78	1.61
10	threaten financial independence (e.g., for better or worse, one partner's habits influence the other partner's well-being)	4.62	1.71
11	compromise the couple's sense of unity and togetherness	4.35	1.75
12	often involve high stakes	4.35	1.69
13	make partners feel (unnecessarily) dependent on each other	4.28	1.72
14	threaten moral identity (e.g., one or both partners are seen as a "bad" person for their financial habits)	4.21	1.79
15	bring up issues from childhood (e.g., how parents talked about money)	3.92	1.85

Appendix 2: Study 5: Example of financial messages.

"\$100 a month is clearly not cutting it"

"\$230? I thought it was supposed to be \$160-\$180"

"Damn you're onto me. I should have used my other card from my other bank account"

"Did you end up calling Wells Fargo to get rid of the overdraft fee?"

"Greetings love I need some money!"

"Hey baby we have a few bills to discuss"

"Hi honey. We're rich! Oh wait we have to pay rent"

"I want us to be putting about \$140 aside for Disneyland every 2 weeks"

The authors



Grant E. Donnelly, Assistant Professor, Marketing & Logistics / Ohio State University Fisher College of Business

E-mail: Donnelly.177@osu.edu



Ximena Garcia-Rada, Assistant Professor of Marketing / Texas A&M University Mays Business School

E-mail: xgarciarada@tamu.edu



Jenny G. Olson, Assistant Professor of Marketing / Indiana University's Kelley School of Business.

E-mail: jgolson@iu.edu



Hristina Nikolova, Assistant Professor of Marketing / Boston College Carroll School of Management

E-mail: dzhogleva@bc.edu



Michael I. Norton, Harold M. Brierley Professor of Business Administration / Harvard Business School

E-mail: mnorton@hbs.edu

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