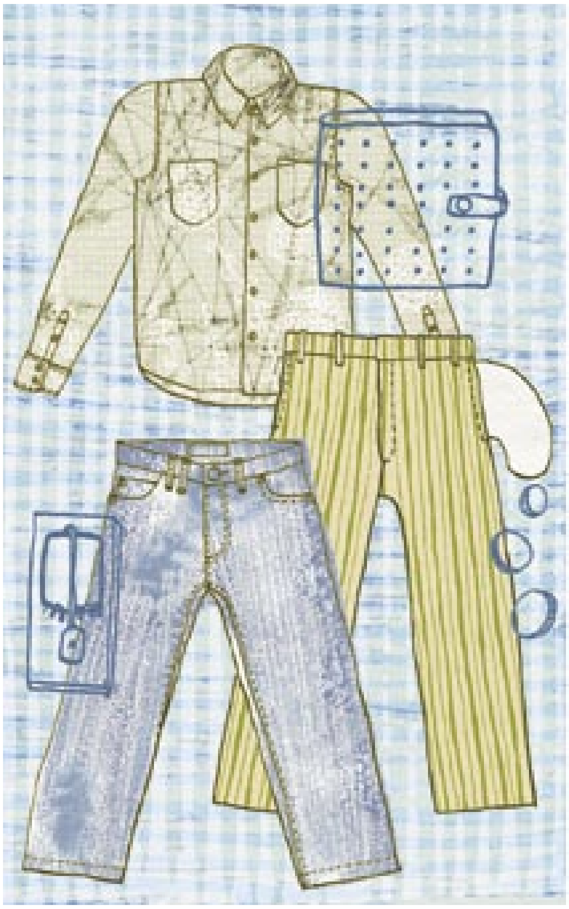

MONEYTALKS

Susanna Stuart suggests fair and square ways of handling household spending

SPLIT DECISIONS

In 1905, Mrs Joseph Schultz of New York State was looking for loose change in her husband's pockets when a rat-trap snapped down on her fingers. She went to the police and laid charges against her husband. The law journal *Bench & Bar* later reported that the charges were dismissed by the judge, who upheld the right of husbands to protect what was theirs.

That same year, Mrs Theresa Marabella, also of New York State, was convicted of theft and sentenced to four months in a country jail for stealing $10 from the pockets of her husband, Frank.

These events of more than 100 years ago illustrate how far we've come in sorting out an equitable way of handling household finances. It highlights the fight women had to even have a say. We often equate the economic liberation of women with our entry into the paid workforce during the 50s and 60s, but housewives successfully fought a more hidden battle for economic recognition a generation earlier.

The issue of what's fair in household spending is still with us, however. Is it fair that one partner can go out on a spending binge using the income that the other has worked hard to earn? What happens when partners have different spending priorities? And in an age where most couples live together before they get married, or choose not to marry at all, where do the lines get drawn? Should people keep separate accounts? Should they split the bill at the restaurant, and at the supermarket?

My advice is that a couple should keep three accounts:

- A joint savings account for long-term shared goals, eg holidays.
- A joint account for household expenses, including groceries, power, rent or mortgage payments.
- Separate expense accounts for each partner.

If you want to buy something, or if your partner does, neither of you should need to beg for permission – or risk rat-traps. N

MAKINGCENTS

Send your questions to next@acpmagazines.co.nz

Q A friend of mine has recently been widowed at 59. She has been left a lot of money by her husband. How does she protect herself against gold diggers?
Jane, Wellington

A There's an element of risk with any new relationship, but your friend has many ways of protecting her wealth. Two avenues are:

- Setting up a trust to protect her assets. She can choose who will benefit from that trust.
- If the relationship is serious, drawing up a property relationship agreement which keeps assets separate rather than commingled.

considering your options: kiwisaver

Your employer may offer you the option of diverting some salary into KiwiSaver, the Government's voluntary savings initiative starting on July 1. It's run by the IRD and intended to help Kiwis save for retirement. Before you leap in, make sure you have your mortgage payments under control and remember that for most people, all contributions will be locked in until you turn 65. There are three clear benefits:

1. The Government will give you a $1000 top-up after three months of contributions.
2. Your employer may contribute to your KiwiSaver. This income is then effectively tax free for you.
3. The money is diverted from your pay before you receive it so it's an easy way to save.

If you're under 45, you'll be saving for 20 years or more, so pick a fund that includes high-returning shares. You can let the Government decide if you're not sure where to invest, but you will end up in a low-return, cash-like fund. So seek advice and factor in your own situation.

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