

# Stages in Money Management for Stepfamilies

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Money may not be everything—but money *is* a factor in most matters that are important to life. Money affects where you live, how you live, what benefits you can give your children, what you buy, what your household activities include, how you spend your leisure time, and just about everything else. All families must make a multitude of decisions about ways money will be earned, spent, and saved. All families start out with, and continue to face, money issues that require management and control decisions of utmost importance to their well-being.

Money matters are of particular importance for remarried couples; they are considered second only to children as major problem areas that stepfamilies face. Stepfamilies often find themselves starting out with previous resources depleted as a result of earlier divorce, and their current (and future) resources strained as they build new relationships while also retaining ties to past ones.

## Why the avoidance?

Given the importance of money matters in all families, the unique circumstances of stepfamily situations, and the wisdom each spouse has gained from experiences with money in earlier marriages, one might expect that couples would make every effort to confront important money issues before remarriage. Yet this isn't the case. Indeed, studies have shown that even when financial problems contributed to an earlier divorce, when the merger included children on both sides, or when couples claim to know better, they simply do not spend sufficient time discussing finances before remarrying. Why does this happen?

For one thing, stepfamilies start out with a strong desire to succeed. If money problems were a factor in a previous marriage, either or both persons may be reluctant to “open up a can of worms.”

If a remarriage unites partners of unequal means, there may be reluctance on the part of the one who stands to benefit economically in the marriage to appear too greedy by seeming overly eager for financial gain, or on the part of the other spouse to appear too selfish, if there is a strong desire to retain ownership rights and controls.

For many individuals, money may also be a taboo topic—more so than political or religious views, or even sex.

## Make haste slowly

Much has been written about the dangers of unrealistic expectations in terms of relationships with stepchildren. Advice on how to deal with the most pervasive problem stepfamilies face presents a “go slow” message. Writings about stepfamilies frequently discuss the disappointment of expecting (and unlikelihood of attaining) “instant love.”

Money clearly is considered the next-biggest problem. Yet, if money is mentioned at all, it is often with the implication that things should be taken care of quickly and smoothly. In the few instances in which money is given more than a passing nod, statements such as the following are common: “It is essential to work out all money matters prior to remarriage.” “Before the wedding is the time to consider how money will be handled in the wills.” “The time for a couple to talk about money—how much or how little there is and their attitudes about it—is before marriage.”

Family finances, money management strategies, and property issues require greater attention. Giving them such casual treatment can cause havoc in stepfamilies who are led to believe that money matters can be worked out easily, or within a short time. However, things don't work that easily.

For one thing, remarriage unites individuals who have over a long period of time developed independent, different, and potentially conflicting methods and attitudes regarding earning, spending, and saving money.

Another deterrent to having things all worked out in advance is the complexity of finances involved in stepfamilies.

Both present circumstances and matters that evolve over time require that attention be given to the information, attitudes, and feelings being disclosed, discussed, and understood. Stepfamily money matters don't stay the same: support payments change, the family may expand, jobs and income change, even children can and do relocate from the house of one parent to another.

An extremely important point is that while it certainly is advisable to discuss money matters in advance and get as many things into place as possible, couples need to understand that in view of the complexities and sensitivities involved, success can't be expected to

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happen overnight. Instead, progress generally occurs over time.

Understanding the stages of that progress can give a stepfamily a better sense of how to deal with money matters. Each stepfamily is unique, and will move through stages at different speeds, both before and after remarriage. It is also true that different kinds of money matters involve different time-frames for working things out. Indeed, one spouse may at times find himself or herself out of step with the other. Nevertheless, recognizing the stages is useful for providing insights into what stepfamilies go through in the normal evolution of dealing with money matters.

### Stages in attaining long-term stability

#### Stage 1—Rose-colored glasses:

Romantic beginnings in marriage include the belief that love will conquer all. Initially, couples may feel there will be no money problems (out of ignorance) or that they will easily handle whatever comes up (out of naiveté). This clearly is wishful thinking.

#### Stage 2—Don't rock the boat:

Feelings such as "What's wrong with me? Why do I feel resentful?" "I knew he had previous obligations when I agreed to marry him, so what right do I have to complain now?" "I knew she had children that would consume our time, attention, and money when I agreed to marry her, so what right do I have to feel jealous?" are submerged in an effort not to rock the boat. Stresses build, tensions increase, relationships are strained. The worse it gets, the harder it is to deal with. Remarrieds not prepared for this stage may panic. Rather than doing anything to risk the relationship, they may put on blinders and refuse to face the realities of problems ahead.

**Stage 3—Lay it on the table:** At this point, couples are finally able to communicate and compromise, with the feeling that it's okay to be honest with each other, to argue about spending

priorities, to speak candidly about their feelings, frustrations and fears concerning their financial situation. Trust is established, and each spouse can finally confront the other with the reality of his or her feelings, needs, and wants and also be open to hearing what the other spouse wants and needs. There will likely be some rough times during this stage. Feelings freely expressed can be painful for both partners.

**Stage 4—Getting it together:** The couple has arrived at a mutually satisfying lifestyle, and has established an effective, comfortable method of handling finances and making financial decisions. This stage doesn't necessarily involve total commingling all assets and incomes of both spouses, but it does mean that the couple has worked through what each spouse's contribution in market and household work is, and they have in place a system for managing both jointly owned and separately held property. They feel comfortable about coping with money problems.

**Stage 5—Achieving stability:** With time and experience, couples feel in control of their finances, and things really seem "settled into place." Given the ups and downs of family life, money plans are always subject to change as life situations change. At this stage, couples are able to adjust their goals or spending patterns as circumstances require because, over time, they have developed to the point where perspectives are integrated. They now have mutually accepted goals and processes for managing change.

### Pathways to progress

Progress through these stages does not happen in the same way for all stepfamilies. Depending on the particular family, and financial circumstances involved, it will take different amounts of time and effort to work things through. Some couples may find that they are able to talk openly, plan together, and readily move ahead; they may spend little time in the early stages.

Others may communicate easily but lack the tools to implement a successful money system without giving time and effort to gaining additional knowledge of finance and legal issues. Some families may even remain permanently stuck in a early stage.

A strong commitment to the marriage is required, along with a willingness to expend the necessary effort to move through the stages. It takes time and trust as sensitive and important money matters are attended to. For those couples who do what it takes to achieve the final stage, the rewards in the quality of life are great.

### For further reading

*Estate Planning for Families with Minor Children*, FS 313. Reprinted May 1998. No charge.

*When You Marry: Some Financial and Recordkeeping Tasks*, FS 317.

Revised December 1999. No charge.

*Premarital Agreements*, FS 318.

Reprinted July 1998. No charge.

*Personal Financial Statements: Income and Expense Statement*, FS 330.

Reprinted January 2000. No charge.

*Personal Financial Statements: Net Worth Statement*, FS 331. Reprinted January 2000. No charge.

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