

# How to Avoid Bankruptcy as a Couple

Money problems are the number one reason couples break up. Money, whether we like it or not, is symbolic for our values. We spend our money on things or experiences that we value. When one person in the relationship is spending like crazy on shoes, clothes, material items and the other person is busy saving up for the future, this is essentially where the values can clash.

When values clash, individuals within the relationship clash. It makes for some very stressful situations and arguments. It's so easy to just want 'out' of the relationship to start off fresh and with a clean slate, just like it might be easy to want 'out' with the debt by filing for bankruptcy.

However, it's not always about taking the easy road. Bankruptcy has serious stigma associated with it, and for good reason. Filing for bankruptcy should be the absolute last resort. The bankruptcy scar will remain on your credit report for 7 years. It's life changing and ranks up there along with death of a loved one, serious illness, changing jobs etc. as one of the most stressful events in our lives. Sometimes it's hard to realize how much debt you're actually in, and how much paying the minimum payment will cost you in the future.

Serious change needs to occur as a couple to avoid continuing down the path to more debt.

## Communicate.

It's so important to communicate so set a time to talk, (talking while watching television doesn't count). It's very important here to work as a team and grab a pen and paper so that how much you owe and how much you need to pay to get out of debt. Communicate what each of you is willing to do, and what each of you is willing to sacrifice, don't focus on fault, what's done is done and the only way you as a couple can go, is forward.

## Talk to the Creditors.

One way to try and reduce the debt you already owe is to slow down the interest and accumulation of that debt. Some creditors are willing to negotiate with you and you can consolidate the debt you have to a lower interest rate. So

instead of paying 19.99%, some creditors are willing to decrease it down to something like 9%.

## Use cash only & budget.

Set out a budget and use cash jars! For example \$300 for groceries for the month, and \$10 for entertainment. You can see the money and you can see how much money you have left.

## Hustle it up with some side income.

There are many different ways people can make money on top of their regular jobs. This is where your entrepreneurial spirit can come alive. Keeping busy will also keep you from spending money.

## Get professional help.

Debt as a couple doesn't have to be dealt with alone. There are lots of credit counselling agencies (many of them not for profit and run by the government) who can be of great service. Oftentimes professional help can be the "mediator" between you and your partner. Sometimes things can get really heated when you're talking about money, values, and what you're willing to give up in terms of lifestyle. It can be hard to be objective because you're right in the middle of it, so someone who is looking in from the outside can help.

For more information about credit counselling, visit the [Credit Counselling Services of Atlantic Canada, Inc.](#) website.

For more information about bankruptcy, visit the [Office of the Superintendent of Bankruptcy Canada](#) website.