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## Domestic Dollars

When two hearts beat as one, save some restraint for the accounting

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In the mainstream, the milestones are more easily recognizable. Boy meets girl. Often, cohabitation follows. An engagement -- or accidental pregnancy -- may follow or precede the move-in. Then marriage, and its attendant benefits, from tax-free commingling of the wealth to a survivor's Social Security benefits.

For the same-sex couple, it's a bit trickier. Trained to forge our way as taxpayers whose relationships -- from Vermont civil union to imported Provincetown marriage -- have no standing whatsoever from the federal government, including the IRS, that second-class snub encourages us to be a bit more independent than our opposite-sex counterparts.

There's no way, for example, John Curtin and Aaron Overman, a professional couple in Columbia Heights, could ever handle their finances in their parents' footsteps.

"My parents, basically, put everything in one account -- and my mom controls every penny," says Overman. "She likes it that way, and my dad's okay with it."

Curtin saw the same in his family.

"My stepfather just hands over the check," he says, before adding with a laugh, "I think both of us have control issues. That wouldn't work out very well for us."

When it comes to money and same-sex couples, what should you blend? And when?

"Until there's federal marriage recognition, I advise same-sex couples to keep investment accounts separate, and keep only a joint-operations account," says David M. Taube, president of Kalorama Wealth Strategies. If it's for more than routine household expenses, best to keep separate piles. Beth Jones, president of Third Eye Associates financial planning, agrees. And she speaks from firsthand experience.

"Ultimately, it was a legal nightmare," she says, referring to a relationship she ended in New York state in the 1980s. Without knowing better, she and her partner had mixed more than the milk money.

"My attorney had to treat us as a business," she says. "It's totally insulting. It doesn't acknowledge your relationship. The judge was fond of my attorney, thank God, but it was definitely not pretty."



It was also expensive.

Jones says it's not uncommon for clients who are single to apply their romantic enthusiasm to their finances when their status changes. As a professional manager of money, it's her job to keep a level head for her clients' sakes.

"Whenever emotions are involved, people's sense about money goes out the window," she says. What she recommends as a first step is not a celebration of newly communal wealth, but a partnership agreement that includes how finances should be handled in the case of a dissolution of the relationship. Such an agreement can be to the benefit of both. Whereas conventional wisdom assumes the agreement primarily protects the wealthier of the two, Jones says the IRS may make assumptions about the wealthier one being the sole owner of wealth. If the person with less income, for example, is paying half the mortgage, he might consider sending in a separate check for his share to document his contributions.

"My first recommendation is always to have a partnership agreement," says Jones. "If you've planned for the demise of the relationship, it makes the relationship stronger."

With Overman and Curtin, a couple for nearly six years who have lived together for about five, they moved rationally. After shacking up, they tracked household expenses in both low-tech and high-tech fashion.

"We had a tally," Curtin says of the pen-and-paper accounting notes, which Overman vaguely remembers being attached to their refrigerator. "We also had an Excel spreadsheet. That was the first step."

After tracking household expenses, they dove into a joint-checking account to simplify their life together. Today, they manage that account by making automatic, once-monthly payments to the account, each depositing the same amount. Debit cards on that account might be used to pay for dinner out or a run to Target.

Going from apartment renters, they've now got a joint-savings account up and running. That account is funded with the rent from their basement tenant, providing some protection for the sorts of worries that keep homeowners up at night, whether it's being prepared for a new water heater at moment's notice or a leaky roof. The savings account can also come in handy for cheerier scenarios, such as backyard landscaping or a new fence.

Both say they've managed these two relatively simple accounts stress-free, though Overman -- the bad cop of money management compared to Curtin's admitted history of being "very, very bad" with money -- says Curtin may have once gone overboard with some dinner-party expenses funded with the joint-checking funds. If marriage equality ever makes it into the U.S. Tax Code, they say they may have to reconsider planning for retirement and other money matters of similar caliber. As for the day-to-day, these independent-minded men like things just the way they are, with "yours" and "mine" distinct from "ours."

"I think we both like having our own money to do what we want with," says Overman. He adds with a chuckle and dramatic flair: "If John wants to go buy a bunch of shirts, it's not my business. I don't want it to be my business."