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Is Your Partner Cheating On You Financially? 31% Admit Money Deception

By JENNA GOUDREAU



Financial infidelity may be the new normal. In a recent survey, one in three Americans (31%) who have combined their finances admitted lying to their spouses about money, and another one-third of these adults said they'd been deceived.

The online poll, commissioned by ForbesWoman and the National Endowment for Financial Education (NEFE) and conducted by Harris Interactive, surveyed 2,019 U.S. adults from December 17 to 21. Among both offenders and victims, the leading money crimes were hiding cash, minor purchases and bills. Meanwhile, a significant number of people admitted hiding major purchases, keeping secret bank accounts and lying about their debt or earnings.

“A third of the population admits to not being honest with their spouse,” says NEFE chief executive Ted Beck. “That is a big number. These indiscretions cause significant damage to the relationship.”



Among couples impacted by financial infidelity, 67% said the deception led to an [argument](#) and 42% said it caused less trust in the relationship. Perhaps most alarming, 16% of these respondents said the money lie led to a [divorce](#) and 11% said it led to a separation.

“Betrayal regarding money can be just as painful and damaging as other kinds of [cheating](#),” says Tina Tessina, psychotherapist and author of *Money, Sex and Kids: Stop Fighting about the Three Things That Can Ruin Your Marriage*. When a partner is caught concealing huge amounts of [debt](#) or involved in money-related addictions, the result can be a “total loss of trust, feelings of betrayal and destruction of the relationship.”

Seattle-based Theo Pauline Nestor, 49, learned this the hard way and eventually published an account of her experience, *How to Sleep Alone in a King-Size Bed*. She and her husband were happily married for 13 years until one day in 2003 when she noticed a curious dip in their [joint checking account](#). When she confronted her husband, a real estate agent with unpredictable hours, she discovered he’d been secretly gambling for years. Not only had he opened several [credit cards](#) without her knowledge, he’d racked up thousands of dollars in debt.

10 Red Flags Your Partner Is Lying About Money

“It was terrifying,” she recalls. “My biggest fear was that we would lose our house.”

The couple had two children, ages five and nine, and Nestor made a modest salary as a part-time writing instructor at the [University of Washington](#). Ultimately, fearing for her children’s future and bewildered by the long-term lies, she filed for divorce.

“It felt like finding out about an [affair](#),” says Nestor. “But when your spouse cheats sexually, you can walk away and it’s gone. When they cheat financially, you have to live with the effects for however long it takes to dig out of the hole.”

According to the survey, over half of all financial cheaters admitted hiding cash (58%) or minor purchases (54%). NEFE’s Beck says this is particularly concerning, as [small lies](#) often compound over time to become increasingly larger and more harmful deceptions. Of the offenders, 30% have hidden a bill, 16% have hidden a major purchase, 15% had a secret bank account, 11% lied about their debts and

another 11% lied about the amount of money they earned.

Breakdown Of Money Lies



None of this surprised Nancy Chemtob, founding partner of matrimonial and family law firm Chemtob Moss Forman & Talbert LLP in New York, who says she's seen it all. According to the survey, money deception occurs equally across [income levels](#)—no matter if you're earning \$30,000 or \$300,000.

Chemtob only accepts clients with a net worth of \$5 million or more and has observed that having more money only means more elaborate schemes.

Example A: she once worked with the owner of a hedge fund who secretly spent millions on a [mistress](#). In five of their 10 years of marriage, his wife had no clue that he was spending over \$20,000 a month on the other woman, ultimately buying her a house, car and extravagant jewelry.

Another of her clients is in her 30s, remarried and has a son from a previous marriage, Chemtob says. Three years ago, she lied to her new husband that she wasn't receiving [child support](#). She was. Now he pays for the child's expenses and private schooling while the woman stashes about \$7,000 a month in a hidden bank account.

In one of the most extreme deceptions Chemtob's come across, a 20-something woman fabricated her entire financial history. The original lie happened on the [first date](#). Because he was very well-educated, successful and high-earning, she didn't think he'd like her when she told him she didn't have a degree or a job. She lied, saying she had her masters and a salaried position.



The woman continued the fib while they dated and into their eventual [marriage](#). When he left home for work, she left too. When he returned home in the evening, so did she. Because he was so successful, he paid for everything and never noticed that she didn't have an income. Eventually he did discover the truth and promptly filed for divorce.

Boston-based family therapist Carleton Kendrick has been counseling couples for over 30 years and says money deception has become a huge issue in the last decade. He suspects the ease of using [credit cards](#) and purchasing online may make the act easier but doesn't explain the lies.

Kendrick says the chief reasons people lie about money to their partners are pragmatism, control, guilt and fear. The pragmatic lie may result from planning an eventual split and not wanting the other to know how much money is available. Financial infidelity for control may include revenge spending, as one partner overspends to prove their independence or to get back at the other for something lacking in the relationship. Knowingly irresponsible behavior may cause [guilt](#) and embarrassment, so the person attempts to cover it up. Deceit may also occur because they fear their partner's reaction to the truth.

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Kendrick notes that how we are raised influences our money philosophies in relationships and can create some gendered behaviors or assumptions. "Girls still see their mothers at check-out, saying, 'We won't tell Daddy about this; it will be our little secret,'" he says.



The survey revealed that men and women are equally guilty of financial infidelity, though women were slightly more likely to say they'd caught their partner. Differences emerged in men and women's perceptions of their partner's guilt, however. Men were more likely to say their partners hid a minor purchase from them compared to women (59% vs. 44%, respectively). Women were three times more likely to say their partners lied about their [earnings](#) (23% vs. 8%, respectively) and also more likely to say their partners lied about the amount of debt they owed (38% vs. 26%, respectively).

NEFE's Beck advises that couples have the money talk early—well before marriage—to avoid money lies in their relationships. If you are already married or in a committed relationship, he suggests using [tax season](#) as a nonthreatening way to ask your partner questions and gain a better grasp of shared finances. Those who suspect or discover that they are currently victims of financial infidelity should first figure out how deep the lies go and gather all the details.

One-third of those in relationships impacted by money deception say they have [resolved](#) to do something this year, with most planning to communicate more openly and create a shared budget for [2011](#).

