Credit score can doom a marriage

September 24, 2013 12:24 am

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By Tim Grant / Pittsburgh Post-Gazette

Your credit score affects whether you qualify for a mortgage and how affordable your car insurance will be. It also can indicate the success or failure of your most important personal relationships.

According to a study released earlier this month by the Federal Reserve Board, credit scores are not only highly influential when choosing a mate, but also are very predictive of whether the household will end up in divorce.

The study suggests there is a strong correlation between the difference in credit scores among partners and their likelihood of divorce. It found the closer their scores, the less likelihood of divorce.

"Nobody wants to admit that credit reports and credit scores have value in determining with whom to have a long-term intimate personal relationship. However, far too many couples ignore the topic of finance and debt until after they've gotten married, which is a recipe for disaster," said John Ulzheimer, an Atlanta-based expert on credit reporting.

"You don't want to learn your new spouse has excessive debt and poor credit scores on your honeymoon. It's much easier and better for everyone to get it out on the table well in advance of getting married so that you can have an honest discussion about whether your attitudes toward credit and money are consistent or, if not, can be overcome."

The importance of credit reports and credit scores has gone way beyond the original purpose of gauging the likelihood of someone repaying a loan. Insurance companies use them to determine who is a safe driver and employers use them to evaluate potential employees.

The Federal Reserve Board study highlights the importance of couples discussing financial matters before walking down the aisle.

"We know that one of the biggest reasons for divorce is financial differences. So, a study like this doesn't surprise me at all," said Carrie Coghill, president and CEO of Coghill Investment Strategies, Downtown. "Typically when we see differences in scores, one person is a saver and the other is a spender, which leads to fundamental differences.

"When you have these differences, one partner tends to feel they are being restricted, which leads to resentment, which then leads to divorce."

Lisa Turbeville, a Mt. Lebanon-based financial adviser who specializes in analyzing financial records for divorcing couples, said the study's finding are consistent with what she has seen over the years working with couples in her practice.

"People come to a marriage with a certain financial history," Ms. Turbeville said. "They could have very different approaches to finances. That alone can cause a certain amount of tension in a marriage.

"Money is always an important factor in determining the health of a marriage."

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First Published September 24, 2013 12:18 am