First Comes Love, Then Comes… Conversations About Money

As couples prepare holiday marriage proposals, Northwestern Mutual study finds 1 in 3 Americans believe serious discussions about financial dreams – and debt – should happen in the early stages of dating

Almost half of Gen Z say financial compatibility is more important than physical compatibility

MILWAUKEE, Dec. 5, 2023 /PRNewswire/ -- December is, by far, the most popular month for couples in the U.S. to pop the big question, but many Gen Z'ers and Millennials think an honest conversation about money should happen well before marriage proposals, according to the latest findings from Northwestern Mutual's 2023 Planning & Progress Study.

By a wide margin, Americans believe that serious discussions about financial goals should happen before serious dating.

Nearly one-third (32%) of Gen Z say the conversation about money should occur even before a relationship gets serious, and among Millennials the number is even higher (40%). More than 7 in 10 Americans (72%) across all ages believe this discussion should occur "well ahead of marriage or living together."

When an honest conversation about money should occur	All	Gen Z	Millennials	Gen X	Boomers+
In the first few days and weeks of your relationship	10 %	7 %	14 %	10 %	6 %
After the initial stage of getting to know one another but before you decide to get serious	20 %	25 %	26 %	17 %	16 %
After you're serious but well ahead of marriage or living together	42 %	38 %	32 %	49 %	47 %
Right before marriage or moving in together	11 %	15 %	10 %	10 %	12 %
Shortly after marriage or moving in together	3 %	5 %	3 %	1 %	4 %
Well after marriage or moving in together	4 %	2 %	2 %	2 %	6 %
Never	11 %	8 %	12 %	10 %	10 %

"The rules for relationships are changing. First comes love, then comes real talk about financial dreams and debts, and then comes long-term commitment," said Christian Mitchell, chief customer officer at Northwestern Mutual. "By a wide margin, Americans believe that serious discussions about financial goals should happen before serious dating. A candid conversation about money can help a couple to fall in love with the future, too. Finances play a major role in many relationships, and more partners want to be on the same page before taking the plunge."

The Value of Financial Compatibility

Money lies at the heart of many couples' relationships – over a third (35%) say financial compatibility is more important than physical and intellectual compatibility. For younger couples, money is an even greater priority – half (49%) of Gen Z think financial compatibility is more important than physical compatibility.

"These findings put a new twist on what it means to have good chemistry between partners," said Mitchell. "It is clear that all Americans, especially Gen Z, see financial compatibility as one of the core ingredients of a solid match."

Financial compatibility is more important than…	All	Gen Z	Millennials	Gen X	Boomers+
Physical compatibility	35 %	49 %	40 %	35 %	30 %
Intellectual compatibility	35 %	43 %	35 %	32 %	35 %

Emotional compatibility	14 %	20 %	13 %	14 %	14 %
Lifestyle and interests compatibility	29 %	41 %	31 %	29 %	27 %
Spiritual compatibility	41 %	49 %	35 %	42 %	43 %

Financial Compatibility Gets Better with Age

The survey found that younger couples struggle more than older couples with seeing eye-to-eye on finances, and that can cause a significant strain on their relationships. Boomers+ are almost 20 percentage points more likely than Gen Z to say that they see eye-to-eye with their partner about managing money. Boomers+ are also 25 percentage points less likely than Millennials to say that finances are a significant issue in their relationship.

Seeing eye-to-eye	**Gen Z**	**Millennials**	**Gen X**	**Boomers+**
Always or most of the time see eye-to-eye in how to manage household expenses	67 %	77 %	72 %	85 %

Money strains	**Gen Z**	**Millennials**	**Gen X**	**Boomers+**
Finances are a significant challenge / the single most difficult issue we deal with in our relationship	34 %	42 %	27 %	17 %

The good news is that financial challenges within relationships seem to improve with time. While 24% of Gen Z say that one person in the relationship blames the other for a financial decision that led to a significant loss of money, just 4% of Boomers+ said the same. Almost across the board, reports of financial challenges in relationships tended to slope downward over time – as couples address financial issues, establish joint financial goals and plans, generate more income, and accumulate more wealth.

Financial Challenges in a Relationship	**Gen Z**	**Millennials**	**Gen X**	**Boomers+**
Merging and managing finances together has revealed differences in our approaches to spending and saving	26 %	27 %	18 %	14 %
We have different tolerance levels for financial risk and that has made investment decisions difficult	31 %	22 %	18 %	12 %
We have different incomes, and it has been hard to strike a balance of how to split expenses	32 %	22 %	20 %	7 %
One of us brought significantly more assets to the household, and it has therefore never felt like an equal partnership	25 %	21 %	14 %	8 %
One of us brought significantly more debt to the household, and it has been a point of tension	18 %	23 %	12 %	5 %
One of us blames the other for decisions that led to a loss of a significant amount of money (e.g., investments that didn't pan out, a failed venture or otherwise)	24 %	16 %	14 %	4 %

Among couples who have been together for more than five years, partners are much more likely to report becoming more financially compatible over time.

Financial Compatibility Over Time	**Millennials**	**Gen X**	**Boomers+**

We've become more compatible financially over time	52 %	42 %	46 %
We've become less compatible financially over time	21 %	14 %	7 %
Our financial compatibility hasn't changed	26 %	45 %	47 %

"Financial fusion is one of the best things for a harmonious relationship," said Mitchell. "When couples collaborate and follow through on a financial plan, their compatibility grows. Shared values, a supportive financial advisor and a clear financial plan can act like a magnet, bringing partners closer together instead of pushing them apart."

About The 2023 Northwestern Mutual Planning & Progress Study

The 2023 Planning & Progress Study was conducted by The Harris Poll on behalf of Northwestern Mutual among 2,740 U.S. adults aged 18 or older. The survey was conducted online between February 13 and March 2, 2023. Data are weighted where necessary by age, gender, race/ethnicity, region, education, marital status, household size, household income, and propensity to be online to bring them in line with their actual proportions in the population. A complete survey methodology is available.

About Northwestern Mutual

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