

Roommates and Money

Many students and recent graduates need a roommate to make ends meet. After all, what could be better than having someone pay half of your bills?

Unfortunately, the realities of sharing the financial responsibilities of running a home can cause friction even among friends. Some people are meticulous in their record keeping and always plan to have enough money available to pay the bills. Others have more difficulty in doing so.

The best way to ensure an equitable relationship is to develop a plan for ensuring fairness in financial aspects of your relationship. Here are a few ideas for making sure that both you and your roommate have a good experience:

Divide Responsibility for Bills Equally

A common situation is that one roommate sets up all the utility bills (and maybe even the lease) in his or her name alone, and bears all of the financial and legal responsibility.

A good plan is to have each roommate take responsibility for one or two of the bills with the goal of each roommate taking responsibility for the same dollar amount per month. For example, if the total amounts per month were similar, one roommate could have responsibility for internet, cable and electricity while the other course take responsibility for heat and water.

Set a schedule for totaling each set of bills and reimbursing the roommate who spent more each month. Some landlords may also permit each roommate to pay one half of the rent.

Be Honest with Your Landlord

If there is a roommate change, be sure that both of your names are on the lease. Otherwise, the original occupant has total legal responsibility for the lease. Involving the landlord also ensures that the landlord, not the roommate, holds the security deposit.



Remember, you may need your landlord's recommendation for your next rental.

Stick to Cell Phones

Since most people have a cell phone, a landline is not only an unnecessary expense, it's another potential source of conflict.

Avoid Joint Purchases

Rather than going in together on a sofa, for example, coordinate your purchases so that it is clear who owns what. In the event of a "breakup," life is much easier without having to determine who gets to keep which piece of jointly owned furniture.

Buy Your Own Food

Unless you are making a meal together, it's best for each roommate to maintain his or her own supply of staples and to respect the food of the other roommate (no snacking, in other words).

If you and your roommate mutually agree on your financial roles and responsibilities at the start of your relationship, the chance of financial misunderstanding will be greatly reduced.