

## The Heart of Money Matters

by vcmorris - Thursday, May 20, 2010

<http://thethinpinkline.com/2010/05/20/love-marriage-and-money/>

The popular spring/summer wedding season is here. Do you know what else you need to do – before you say “I do”?

Now that love has brought you together, don't let financial issues drive you apart. As I regularly say to engaged couples: “You can talk about money now or you can fight about it later.”

When it comes to love and marriage – money is at the root of most arguments and is the number one reason for divorce. Though money issues will always have to be handled and reset and handled again – there are ways to keep a focus and keep the disagreements in check. Make that discipline part of your relationship *before* walking down the aisle.

Let's start with the big issue: spending. I think the best way to get a handle on that discussion is to address the issue of saving. Ask these questions:

- Have we agreed on financial goals, such as buying a house in 5 years?
- Are we saving 20 percent of our take-home pay?
- Are we taking advantage of 401(k) programs or similar plans?
- Do we individually track our spending on food, housing, transportation, utilities and other items?
- Have we agreed on a budget?

The answers to those questions will give each of you a snapshot and reality check. A snapshot of what your intended thinks about money. A reality check on how they actually handle money. The whole idea is to get a good picture of each other's money habits and frame a joint approach to how money will be handled in your new household.

Remember – even though you're becoming a couple - *it's your money so take it personally*™. Each of you should still maintain your own financial thumbprint. That way, your new marriage will have two financial legs on which to stand which help you in good times and in bad.

Make an appointment with a certified financial planner to get answers and resolutions to the following questions:

- Do we have an emergency cash fund equal to at least 3 months of expenses? If self-employed, do we have an emergency cash fund equal to at least 12 months of expenses?
- Do we have adequate life insurance coverage?
- Do we have long-term disability insurance?
- Do we have family health coverage?
- Have we both made out wills and durable powers of attorney?
- Have we updated beneficiary designations on insurance policies and retirement plans?

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- Have we notified the Social Security Administration of any name changes?

Sometimes money issues get lost in transition, so if you're combining households or both moving to a new location, be sure to let the U.S. Postal Service and the IRS know. Many financial documents can't be forwarded – so be proactive in keeping your financial institutions aware of your current address.

If there are any children from previous marriages, be sure to discuss and then amend estate-planning provisions for their support and/or inheritance. Mind over your money matters – before walking down the aisle.

Which one of you will be responsible for paying bills, balancing the checkbook and keeping the two of you on budget? It's an important question and a big part of the living "happily ever after" part of married life.

In order to be successful financially as a couple, you must commit to communicating about money so that each of you knows at all times how money is being spent, saved and invested. I personally favor the three money pot system: yours, his or hers, and ours. This allows both of you to contribute to covering household expenses while still maintaining individual personal money accounts.

Does either of you have credit card balances that are not paid off in full each month? And if so, is there a plan to do that – regularly? Controlling the amount of interest paid on debt can really be a huge savings. Keeping plastic under control should be a family affair.

Have you reviewed each other's credit reports? It's the best gift you can give each other – so that you each can see if you're starting life together debt-free or, if not, how heavy the debt load? This will allow you both to make a plan about how this debt will be handled and to make a commitment to how debt will be handled in the future.

*It's your money so take it personally* – before and during your marriage.

Here's to your health and wealth.

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