

## **Newly Married But Should Your Money Cohabitate?**

by vcmorris - Thursday, January 20, 2011

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Newly married? Have you figured out how money issues are going to be handled? To help avoid money mistakes in your new life together, consider the value of some money management suggestions for newlyweds.

Money talks – and since money problems are the number one cause of divorce, it's a good idea to do this as soon as possible before it becomes a problem. As I always say – you can talk about it now or you can fight about it later. Decide whether your money is going to be combined or kept separate. Until you decide otherwise, you might want to consider using the three pot system that keeps your money and your spouse's money separate but have a joint checking account for household expenses into which each of you contribute a set amount.

Set up a budget – also known as a spending plan – that will help you and your spouse keep expenses in check. Set money goals as a team. Then keep an eye on those goals, track the progress and stay mutually informed. There are lots of online financial tools that can help you to do that. Check out [www.Bankrate.com](http://www.Bankrate.com) and [www.cnnmoney.com](http://www.cnnmoney.com).

It's important to admit to each other what you *don't know* about money. That way each of you can contribute what personal finance knowledge you do have and better determine where as a couple you might need help. I'm a big proponent of asking questions of your employer, bank, retirement account holder and other financial professionals when it comes to become better informed about managing your personal money.

As newlyweds of whatever age, you're looking forward to building a secure future together, so be sure to update your will to include your spouse as a beneficiary because some assets and accounts *require* you to actively add your spouse if you want him or her as co-owner.

Get your new life and finances in order by being honest with one another about financial issues. Giving each other copies of each other's credit reports is a priceless gift of honesty and the kind of transparency – tough as it may seem - that will help your marriage weather financial storms. More details on balancing love and money in my book *MIND OVER MONEY MATTERS: It's Your Money So Take It Personally*™ now available for pre-order on Amazon.com.

Here's to your health and wealth.