



Saying "I DO" To A Financially Strong Marriage

Getting to know your future spouse's financial side

While all engaged couples dream of married bliss, finances can often be the number one problem in marriage and a leading reason for divorce. Family Foundations suggests that as couples mull over which fine china to select, where to honeymoon or even where to live, they also talk about their current financial situation, future financial goals, and attitudes toward spending and saving.

Family Foundations provides the following tips for engaged couples to ensure that the marriage can start on financially strong footing.

- **Calculate your net worth individually and as a couple.** Share information about full-, parttime or supplemental income, monthly expenses, and existing loan and credit card debt. For better or worse, you inherit all of your fiancé's finance issues – the good, the bad and the ugly.
- **Map out short- and long-term financial goals – including preferred living standards.** Perhaps you've talked about how many kids you want, what type of pets you prefer and who gets to sleep on the left side of the bed. But have you truly shared your feelings on short- and long-term goals? Does your future spouse have a desire to retire in his/her 50's? Or does s/he want a second house on the beach? What about retirement savings plans, insurance policies, life insurance plans or investment accounts? Or perhaps you are on a strict budget to pay back the debt you've accumulated. It is important to talk now about long-term goals and any necessary short-term sacrifices.
- **Develop a plan to reduce debt redundancies and to pay down debts.** Identify areas where bills unnecessarily overlap and look for opportunities to use your married status to decrease expenses. For example, most cellular phone companies offer family plans that can cut monthly phone costs, or see if joining the same gym can help to reduce monthly dues. Family Foundations also suggests creating a plan to pay down both of your debts. Credit cards in particular can be the most expensive debt and have significant impact on the types of interest rates you might qualify for when applying for a mortgage or car loan. Find ways to pay off credit cards entirely or at least double your payments – never pay just the minimum on credit card bills.
- **Create a comprehensive budget.** Take into account current income and expenses. While the income generally increases with a marriage, often times the expenses increase too. Take a realistic look at what your new monthly expenses will be as a married couple. Keep in mind that certain bills will increase such as groceries, commuting costs and even dry cleaning expenses. Be sure to plan the amount of money you plan to place into savings each month to create a joint emergency fund, to save for a down payment on a house or even to build a joint retirement nest egg. Consider setting aside a small amount of money per week that each spouse can spend at his or her discretion.
- **Share your credit reports and credit scores.** For many couples, marriage signifies the impending desire to purchase a new home or make other major purchases. But it is crucial to know about your fiancé's credit report. Americans are entitled to a free credit report from each of the three credit reporting agencies every 12 months. Log onto www.annualcreditreport.com to obtain a copy of the report and consider purchasing your credit score (for a nominal fee). In the process, carefully review the reports and correct any erroneous listings. Be sure to examine both of your credit scores and debt-to-income ratios since lenders use this information when assessing loan applications.

- **Decide when to merge accounts.** Discuss early on the pros and cons of maintaining separate or joint accounts. If your fiancé has bad credit, maintain separate accounts for the time being, but work with him or her to pay down the debt and begin the process of repairing a bad credit rating. If you both have good credit, consider opening joint accounts for household expenses and savings, but possibly maintaining a separate account for personal spending money.
- **Plan the wedding of your dreams – and of your financial means.** Now that you are headed on the right path to financial bliss, be sure that the happiest day of your life does not become the one that ruined your finances and credit rating for years to come. Be sure to set a budget prior to planning the wedding and stick to it! There are lots of convenient ways to cut costs and still have a beautiful wedding.

Family Foundations stands ready to help. To reach us, call (904) 396-4846 or go online to www.familyfoundations.org.

About Family Foundations

You don't have to solve your financial problems alone. Family Foundations has trained and certified credit counselors who offer financial management and debt reduction services. Family Foundations is a nonprofit, community-based organization and a Member of the National Foundations for Credit Counseling (NFCC). For more information on Family Foundations, call (904) 396-4846 or visit www.familyfoundations.org.