

June Wedding Check List, Don't Forget the Financial Plan!

You're getting married and preparations for the nuptials are nearly complete. You go down your checklist to see if everything is progressing according to plan. Let's see:

- Cake ordered? Check!
- Bridesmaid dresses chosen? Check!
- Flowers decided on? Check!
- Honeymoon details done? Check!
- Financial plans for two in place? WHAT?

Financial planning often takes a back seat to the wedding cake.

People spend months; even years planning their wedding details but barely give a thought to their finances beyond the nuptials. They put off dealing with money because it makes them feel uncomfortable.

Since **money is one of the top causes of friction in a marriage**, it's important to have a financial plan in place before you walk down the aisle.

The professionals at the **Divorce Resource Centre of Colorado** know first hand how this can impact the stability of a marriage and offer these 8 tips to help you get your marriage off to a solid start:

Eight steps toward securing your financial future as a couple:

- Begin the conversation about money today
- Have a plan for MERGING two households into one
- Have a discussion about the money messages received during childhood to assess your and your partner's money attitudes
- Put everything on the table regarding existing financial obligations
- Decide how money decisions will be made and how roles will be divided
- Realize that marriage can affect TAXES
- Set financial goals and then live by them
- Reevaluate WILLS, or prepare one for the first time

More detail on things to consider when combining finances:

- **Have a plan for MERGING two households into one.**
Couples who both own homes should consider selling versus renting the second home. Should the spouse's name be added to the deed? Will they need to refinance? Or, perhaps they should sell both homes and purchase a new home jointly.
- **Discussing a BUDGET is CRITICAL!**
Discuss who is going to pay the bills by asking important questions, such as: Where will paychecks be deposited? Pay all bills with a joint account or divide them up and use separate bank accounts? Individual spending money; how much is reasonable and will this be accounted for? Prepare a realistic budget and incorporate incentives to make it work for both of you. Set financial goals and review them periodically.
- **Attitudes regarding CREDIT and DEBT often differ.**
This financial stumbling block can potentially undermine a relationship. People are often embarrassed about their debt and hide it from the other. When it is discovered, there is a huge blow up, causing lingering doubts about trust. It's best to come clean up-front and resolve the situation. If there is a lot of unsecured debt, have a plan for paying it off and discuss how and when to use credit in the future.
- **Realize that marriage can affect TAXES.**
Since their filing status may change from Single to Married filing Jointly, should each change the withholdings from their paychecks? Are there other tax-related issues, such as back taxes owed, that they need to inform the other one about?
- **What ASSETS does each one bring to the marriage?**
People who have children from a previous relationship or marriage or valuable assets need to decide whether certain assets should remain separate or if they are going to combine all assets. Laws differ depending upon the state of residence.
- **Time to reevaluate WILLS, or prepare one for the first time.**
This can be a sensitive issue when both have children from previous relationships and one has considerably more assets than the other. Compile an inventory of all assets and liabilities (debt) and review your beneficiary designations. Re-title the designations if you want your new spouse to be the owner should you pre-decease him or her. Death, the last thing on your mind as you plan your marriage, can occur at any time. It's important to know each other's wishes.

- **If your name changes, so should your identification documents.** Obtain a new Social Security card and driver's license, as these are often used for identification. If you have a passport, don't miss out on a trip – even your honeymoon - because you forgot to obtain an updated one.
- **Review and coordinate your insurance coverage.** Now is a good time to review existing policies. Eliminate duplicate coverage and look for lapses in coverage.

Remember, embarking on a lifetime partnership without a financial plan in place is like sailing without a compass. For more detailed information, go to the Divorce Resource Centre of Colorado website at www.drcofcolorado.com.