

Newlyweds: Don't Let Financial Stress Take The Cake



Of all the things to discuss before marriage, finances are the least exciting. Statistically, money is the top reason couples argue and financial arguments are among the top predictors of divorce.

So, how can you avoid becoming a statistic? Here are some ideas from the experts:

Talk To Each Other

- A 2013 poll by the [National Foundation for Credit Counseling](#) found 68% of engaged couples have negative attitudes [about discussing](#) money. To 45%, it's "necessary but awkward," and 7% say it's "likely to lead to a fight." Five percent predict it would call off the wedding.
- The result? Couples don't talk finances. A Fidelity survey found that over one-third don't know their partner's salary, of which 72% think they communicate "very well" about finances.

It's not surprising: What's romantic about debt, budgets or taxes? Nobody can ensure newlywed happiness, but experts agree: Don't wait.

Discuss taxes now. If you're both employed, the "marriage penalty" may cost you more; consider marrying in January. But if one spouse earns the majority, you'll enjoy a "marriage bonus" and a December wedding might be wise.

Talking about money now is important, but so is how. *SmartMoney* found that over 70% of couples talk about money weekly. The problem? "Most of us don't know how to talk about money," says Mary Claire Allvine, certified financial planner. "People tend to be emotional and reactive, not strategic."

Whether you talk money weekly or monthly, agree on a system and stay open to change.

Get Started

Start easy: "What's your first money memory?" "How did you spend your allowance?" Then, go further:

- **"Are you a spender or saver?"** – If one saves and one spends, create a budget considering both styles. Studies show that men and women spend differently. Women

tackle daily expenses (groceries, utilities, clothes); men make larger purchases (TVs, cars, computers). Amounts might be equal, but perceptions differ. About 36% of partners don't discuss big purchases; that's a recipe for disaster.

- **“Are you in debt?”** – Your spouse's debt doesn't become yours, but it affects your choices. Heavy credit card debt complicates home buying. Make reducing debt a priority. A TD Ameritrade survey found 38% of partners unaware of the other's debts.
- **“What are your financial goals?” “Where do you want to be in five or 20 years?”** – Goal-oriented people progress toward savings and investing targets faster. Decide on the targets: buying a home, starting a family, being debt-free. List your goals, then share and plan together.

Know what's important to each other: things or experiences? A house or saving for retirement? Clarify these values early on in the marriage.

Trust Each Other

A *Money* survey revealed that those who trust their partner with finances feel more secure, argue less, and have more fulfilling sex lives. That trust isn't common among newlyweds. “We're intimate with our partners in so many ways before marriage, and yet money remains off the table,” says Paula Levy, marriage therapist.

Be honest. If you made a foolish purchase, own up to it. Some 40% of partners have lied about the price of a purchase. Lying about money has huge repercussions.

Support one another; finger-pointing or retreating won't help. Instead, work together on a plan.

You're Still Individuals

Celebrate differences. Your bargain-hunter should do the spending while you invest the savings. Choose a monthly amount each can spend, no questions asked. *Money* claims the average is \$150.

A joint bank account has pros and cons. *SmartMoney* found 64% of couples put all their money in joint accounts; 14% kept everything separate. Many newlyweds choose both: yours, mine, and ours. Calculate shared living expenses and then contribute your portion of those costs.

Ask For Help

If money conversations are tough, hire a professional. Your credit union can help. Act now to ensure money won't prevent your wedded bliss.

Your Turn: Whether you're long-married, newlyweds or planning a wedding, tell us how money matters have come into play. How did you deal with them? What worked best for you?

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