

## Newlyweds: Don't Let Financial Stress Take The Cake

There are so many things to think about when you are just married, or about to be, and no one would rate finances as the most exciting of them. In fact, studies show that money (not relatives) is the number one reason couples argue. Those financial arguments (again, not relatives) are one of the top predictors of divorce.

So, how can you avoid becoming a statistic? Here are some tips.



### Talk To Each Other

A poll by the [National Foundation for Credit Counseling](#) found that 68% of engaged couples held a negative attitude about [discussing money](#). 45% considered it "necessary but awkward," while 7% said it was "likely to lead to a fight." Five percent said they thought it would cause them to call off the wedding.

The result? Couples just do not talk about finances. A Fidelity survey said more than one-third do not even know their partner's salary. The irony is that 72% of those same couples said they communicate "very well" about financial matters.

It is not surprising, when you think about it. What is romantic or sexy about debt, budgets, taxes, wills, and the like? However, while there is not a plan to keep every newly married couple happy, experts agree: Do not wait to talk about money.

Taxes, for example, are boring (and scary), but they may be important right now. If you and your spouse are employed, the "marriage penalty" may force you to pay more taxes when married than while you were single. So, think about marrying in January rather than December. But if one spouse earns most of the money, you'll enjoy a "marriage bonus" and pay less than two singles; a December wedding might be wise in that scenario.

Speaking about money now is definitely important, but so is how. A 2004 study by *SmartMoney* found that more than 70% of couples talk about money at least weekly. So what's the problem? "Most of us don't know how to talk about money," says Mary Claire Allvine, a certified financial planner. "People tend to be emotional and reactive, not strategic."

Whether you talk about money weekly, monthly or on some other schedule, what matters is that you agree on a system and stay open to changing it.

## Get Started

Taking the first step can be difficult, so start easy, with questions like "What's your first money memory?" or "How did you spend your allowance?" Then move on to some of these:

- **"Are you a spender or a saver?"** - If one of you is a saver and the other a spender, create a budget that considers both styles. Studies show that men and women spend differently. Women often take care of daily expenses (groceries, utilities, clothes) while men make larger purchases, such as TVs, cars or computers. The amounts might be the same, but the perceptions are very different. About 36% of partners don't talk to each other about big purchases, and that's a recipe for disaster.
- **"Are you in debt?"** - A TD Ameritrade survey found that 38% of couples were "only somewhat" or "not at all" aware of their partner's debts. When you get married, your spouse's debt doesn't automatically become yours, but what he or she owes will affect both your choices. For instance, heavy credit card debt could make it more difficult to buy a home. Make reducing debt a priority.
- **"What are your financial goals?" or "Where do you want to be five or twenty years from now?"** - People who identify specific goals make faster progress toward savings and investing targets. But first, you need to agree on what those targets are: buying a home, starting a family, being debt-free? List your individual goals, then share them with each other and make a joint plan.

Know what's important to each of you. What do you value more, things you can keep or experiences to remember? Maybe one of you wants to buy a house while the other thinks saving for retirement is essential. Get these things out in the open early.

## Trust Each Other

A recent *Money* survey revealed that couples who trust their partner with finances feel more secure, argue less, and have more fulfilling sex lives. That level of trust, though, 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, a marriage and family therapist.

Be honest. If you made a purchase you shouldn't have, own up to it. Some 40% of men and women confess they have lied to their spouse about the price of something they bought, and lying about money can have huge repercussions.

Support each other. Retreating does not help, and neither does finger pointing. Work together to come up with a game plan.

## You are Still Individuals

Celebrate the differences. If your partner is a bargain-hunter, put him in charge of the spending while you invest the savings. In addition, decide on a monthly amount each of you can spend, no questions asked. The average amount couples say this should be, according to *Money*, is \$150.

There are pros and cons to opening a joint bank account. *SmartMoney* found that 64% of couples put all of their money in joint accounts, while 14% kept everything in separate accounts. For many newlyweds, the ideal choice may be both: yours, mine, and our accounts. Once you have determined shared living expenses, both of you can contribute your portion of those costs to the joint account based on your share of household income.

## Ask For Help

If you and your spouse find money conversations tough, you might want to bring in a financial planner or other professional. Your credit union can help - that's why they're there. Take steps now to ensure that money will not put rocks on your path to wedded bliss.