

A Bride's Guide to a Successful Financial Partnership

❑ Prepare a Net Worth Statement [assets - liabilities]

Once you're married, your finances and properties [as well as debts] will merge to a certain extent. See where you stand once this happens. It is a good jumping off point to creating a financially healthy home.

- Assets may include:
 - Certificates of Deposit (CDs)
 - Money Market accounts
 - US Savings bonds
 - Mutual funds
 - Stocks, bonds and other securities
 - 401(k), 403(b), IRAs and other retirement accounts
 - Your principle residence
 - Other real estate owned
 - Time shares, boats and RVs
 - Automobiles
 - Closely held businesses and partnership interests
 - Cash value in a life insurance policy
 - Variable annuities
- Liabilities may include:
 - Credit card debts
 - Student loans
 - Car loans
 - Mortgage(s) on your principle residence
 - Other mortgages
 - Home equity loans
 - Other consumer debt
 - Margin within an investment account

❑ Prepare a New Budget

Now you're splitting bills, but things like groceries may double. Allocate properly for changes in household spending.

❑ Set Savings & Debt Reduction Goals

This is one of the most difficult things for couples, newlyweds in particular, to discuss, but setting goals will help you to be more efficient in paying off debt. Make sure to set appropriate time frames and be patient. You may need to go over this step several times before finalizing a goal or budget.

❑ **Assign Responsibilities**

Be clear with each other about who is in charge of paying which bills. This will help to maintain timeliness with debt goals, as well as keep you safe from late fees.

❑ **Complete a Tax Projection**

A married couple, in which both spouses work, pay more taxes annually than those listed as “single”. It is not rare for newlyweds to owe thousands to the IRS the first year they file jointly. Look into which filing status would benefit you more; “married filing joint” or “married filing separate”.

Also be sure to file a Form SS-5 with the Social Security Administration. The name on your social security card and your taxes need to match. [Don’t forget your marriage certificate!]

❑ **Look Into Life & Disability Insurance**

A married couple with kids & only 1 income should look into insurance on both spouses as soon as possible. A couple with 2 working spouses and no children may not be in as much of a rush. Analyze your situation and make sure to come back to the topic if you decide to wait!

❑ **Have an Attorney Draw up Necessary Papers**

It is important to have these documents up-to-date in case something tragic occurs.

- Durable Power of Attorney
 - allows spouse [or another person] to make financial decisions
- Living Will
 - allows spouse [or another person] to make medical decisions
- Wills
 - Each spouse should have their own will. The government can take upwards of 55% of what someone leaves behind, in the form of estate taxes. To avoid this, consider establishing trusts to be funded upon death and holding assets separately.

❑ **Change Beneficiaries**

Wills, 401(k)s, life insurance, disability insurance, bank accounts. Make sure if you want your spouse to be the beneficiary that you let the appropriate people know so changes can be made.