



Love & Money: Laying it all on the table before you say “I do”

By Sarah Cuddy, February 2019

It's February again, and lovebirds all over the United States are preparing to celebrate with flowers, candy, and maybe even a beautiful engagement ring. It's easy to get swept up in the romance of getting married, and planning a wedding can be one of the most fun and joyful times in a person's life. But before you light the unity candle, say “I do,” jump the broom, or break the glass — make sure you've done your financial homework together.

Money is among the top things couples argue about, but a little bit of work today can save you from plenty of disputes later.

Communicate

If you go through any pre-marital counseling, you'll learn that one key to a healthy relationship is effective communication. The sooner you learn to talk openly and honestly about money, the better. Some couples struggle with where to start and how to structure the conversation; we find that learning about your intended's goals and priorities is a good jumping off point. After that, you'll need to get into the nitty gritty of what you each own, what you each owe, and your credit history.

Align

Start your conversation by asking a simple question of each other: “What financial goals are important for us to achieve in the next 3 years, 15 years, and 30 years?” Those goals might include buying a home, starting a family, paying off student loans or other debt, starting a business, saving for retirement, finishing a degree, or earning a certification. It's vital for you to know what matters to your spouse-to-be (and vice versa). If you don't know where you're headed, how will you work as a team to get there?

You'll likely realize that you are not on the same page in all respects — and this is where loving, open, and honest communication will be important. Will you have to put a dream on hold so debt can be paid off? Will you need to adjust your ambitions for that huge house in the suburbs? Will it take longer to pay off your student loans that you anticipated? Is there a goal that really matters to him or her that wasn't even on your radar? Work as a team to narrow down your short-, medium-, and long-term goals to a list you both can agree on and work toward.

Disclose

When you marry, you'll share more than a life, home, family, or name. You'll also share each other's income, assets, debt burden, and (to some extent) credit scores. Now is the time to share with your intended what you own, what you owe and how creditworthy you are (or aren't).

The process of sharing information about assets generally doesn't lead to too many nasty surprises. Just make sure you tell your spouse-to-be the nature and value of anything you own, including bank accounts, retirement plans, real estate, and business interests. Now is a good time to consider whether you want to execute pre-nuptial and post-nuptial agreements to protect your existing separate property.



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We tend to find more unpleasant surprises on the debt side of the balance sheet. Where there is debt, be prepared to disclose the identity of the creditor, the minimum monthly payment, the expected payoff date, and the interest rate. If either party's debt is significant, you'll need to work as a team to develop a plan for paying it off. Once again, pre-nuptial and post-nuptial agreements may protect you in the event that your marriage is dissolved.

Lastly, discuss your credit scores. Most banks and credit cards now offer credit monitoring and will show you your credit score on request. If you don't know your credit score, now is a good time to find out what it is. Why? Most major short-term goals for newlyweds (like buying a home or new car) require a decent credit score. If only one of you has a good score (or neither of you has a good score), find out now so you can plan to build up your credit over time.

Most people cringe at the idea of talking about money. Some women may have even been taught that the best thing to do is let their spouse handle the finances completely. But buying into the idea that money management is taboo or only one spouse should handle the money is likely to set you up for failure. By following these tips, you'll instead be prepared to communicate openly, honestly, and lovingly about money. There are plenty of things to disagree about in a marriage — don't let money be one of them.

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