

Marriage Financial Planning Needed Before The Wedding

By Pam Trenchard

When you are thinking about getting married, it is also time to think about your financial plans. When you plan your wedding, you spend a lot of time deciding what you want in personalized wedding favors, wedding accessories, bridesmaid and groomsmen gifts, bridal apparel and even the honeymoon, but haven't yet planned for the day to day finances after the marriage. Many couples go into marriage with no idea on how to manage their money. Conflicts over money are the number one problem reported by married couples.

Before the wedding, the couple should get together and work out a financial plan. First of all, they should decide which partner should handle the day to day financial affairs. It is common for one spouse to have a good aptitude for money management and organization, while the other spouse does not. It is important to recognize which one has the better skills, and let them keep track of the finances on a daily basis. This would include paying the bills, reconciling the bank statements, and working within a budget or spending plan.

There must always be open communication between both spouses on all financial matters. This is a key point that many couples miss. With the union of a marriage, what was once "yours" now becomes "ours." A married couple needs to look at their total income, debts and savings as belonging to both of them. In a marriage relationship, two become one; this includes all aspects of your life. You become one in your emotional, physical, spiritual and financial relationships. There is no more "mine," it becomes "ours."

Many couples ask if one makes more money than the other, or has more assets than the other, whether those assets should be protected with a prenuptial agreement. It is good to think about how your assets should be distributed in the event of your death, and a prenuptial agreement could address that, but the purpose of a marriage is not for one spouse to be financially independent and the other one not. If you want to have financial peace in the household, then you must communicate together and share equally all financial matters. This does not mean that one spouse cannot spend more than the other spouse, such as on hobbies, if it is agreeable to both spouses.

There is no need to have separate saving or checking accounts. Separate accounts would be more like a roommate relationship. You are not roommates; you are in a committed, lifetime relationship when you get married. Do not keep secret accounts that your spouse does not know about, because sooner or later, the other spouse will find out about it. Putting your money in joint accounts is the best arrangement in most cases, and by having joint accounts with the right of survivorship (JWOS), there are other benefits as well. In the event of a death of one spouse, the ownership will pass directly to the surviving spouse, without having to go through probate and the cost, time, and public record required for probate. So, it is a good idea to have a joint owner or beneficiary on every account.

Working up a budget, or a spending plan, is a very necessary part of financial management. Too many couples have no idea how much they spend each month, compared to how much they earn in income each month. They then end up getting in trouble by running up credit card debt, and other debts that their income cannot pay for. If you have a budget or spending plan, this will help make sure that you are not going to spend more than you make, and will help you achieve financial success, and create the ability to save for things you want in the future, such as for college tuition or retirement. Your housing expenses, including your mortgage payment or rent, insurance, taxes, utilities and repairs and maintenance should be no more than 40% of your gross income. Then allocate your other expenses, such as food, clothing, medical, transportation, and entertainment among the remaining amount you have to spend. You need to build up an emergency saving fund equal to six months of income for emergencies that may arise, and then set up a long term saving and investment plan. Remember to include church and charitable contributions in the plan as well.

Couples must work together in managing their finances in an open, committed relationship so that the two become one in a lifetime, loving family unit.

About the Author

Pam is owner of <http://WeddingsAreFun.com> - Personalized Wedding Favors, Unity Candles, Bridesmaid Gifts and Groomsmen Gifts.

Source: <http://selectengagementring.com>