



Joined By Marriage, But What About By Money?

It was love that brought you together. Now that you're married, how to keep money matters from tearing you apart?

While differences over finances can signal trouble for a marriage — talking regularly and openly about money matters can help keep newly married couples on solid footing through good times and bad.

“Marriage is all about partnership and communication, and that extends to how you handle your money as a couple,” said Grant Meyer, CFP[®], with Fure Financial in Bloomington, Minn. “It’s really important to establish communication around money, either before you get married or as soon as you get married, because chances are, you’re going to be going through some major life changes that also have major financial ramifications — things like buying a house and having kids. Talk about it upfront and there’s less likely to be tension around the money issue.”

Newlyweds generally have three financial paths from which to choose. They can: (1) fully join their finances; (2) partially join their finances; or, (3) keep their finances separate.

Choosing a path starts with having a **money conversation** (or series of conversations), said Meyer, who’s not only a financial planner but a newlywed himself. Here’s an opportunity for each spouse to figure out a few important things about their individual financial identities while also forging a financial identity for themselves as a couple. Assess each of your money habits; are you spenders or savers? What positive and negative money habits do you bring to the mix? What’s your attitude toward debt, and about adhering to a household budget? What are your financial goals, expectations and priorities as individuals and as a couple? Where is there common ground and if there are differences, how to reconcile those differences? What financial ground rules make sense for you to establish and follow?

Answering these questions should put you in a good position to choose one of the three aforementioned paths for handling your finances. Let’s look at what each entails:

1. **Combining finances** means moving your money into joint savings and checking accounts, using joint credit card accounts, making major purchases (home, car, etc.) jointly, and taking on any debt associated with those purchases jointly, sharing bill-paying responsibilities and so on. For couples with similar attitudes, goals and expectations about money, this is typically the most simple, sensible route, said Meyer. “Sharing financial responsibilities really makes handling money so much easier. ‘What’s

yours is mine' — that money and that debt is the couple's. Marriage is a partnership anyway, and your finances become an extension of that partnership.”

2. Partially combining finances typically means spouses maintain joint accounts alongside their own separate accounts. All joint expenses might be paid out of a joint checking account, for example, while individual accounts might be used as “fun money,” to buy gifts for one another, etc. Such an arrangement works for couples in which one spouse is a spender and the other a saver, or in situations where each sees merit in combining finances but also wants a measure of individual financial freedom. Couples with a single income or with large discrepancies in income also might opt for this route, said Meyer, “so you don't have one spouse nickel-and-diming the other.”

3. Keeping one another's money separate is the third, least traveled and perhaps least desirable path for a newlywed couple, said Meyer. However, it is a good option for couples where one or both spouses bring serious money issues into the mix, such as bankruptcy, major debt problems and the like, might follow this path, at least temporarily, until those issues are resolved, at which point they may consider combining some of their finances.

Whichever route you and your spouse ultimately choose, don't hesitate to rely on expert guidance and tools to make your lives easier. Check out sites such as Mint.com and www.FPAnet.org for a wide range of money-management resources. And make a point to consult with a certified financial planner to be sure you've chosen the right path. To find one in your area, visit the Financial Planning Association's national database at <http://www.FPAnet.org/PlannerSearch/PlannerSearch.aspx>.

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