ARBOR ADVICE

Helpful financial tips provided by Arbor Bank

Marriage Prep 101

February 7, 2014

Congratulations on your big day! While it's easy to get caught up in the excitement of the future, don't forget to prepare for the challenges that may occur when combining finances. While it's not always easy, the best way to handle this tough phase is by being completely open and honest with each other. Here are some tips to help you make it through the first years of joint financial planning and beyond.

1. Look at the Numbers. It's important to discuss finances with your new spouse as soon as possible. You'll need to discuss how much money you both earn and the assets you hold, as well as the debt that you carry. This is also a good time to talk about your spending and saving habits.

2. Create Your Budget. Take the outcome of your numbers discussion to create a monthly budget. It's not enough to simply create a budget - you must also track all of your purchases. Find a system that works for you; whether it's a spread sheet, the envelope system or something else. You'll also want to be clear about whether you expect to discuss purchases over a certain dollar amount with each other.

3. Discuss Bank Accounts. There are pros and cons to both opening a joint account or maintaining individual accounts after you're married. Combining accounts can simplify your finances and may help breed trust in a marriage; however, some level of independence may be preferable. Discuss this at length with your spouse to make sure you're both comfortable with whatever you decide.

4. Write Down Your Goals. After you have determined your financial status, have an in-depth discussion about your financial goals. The first thing on your list of goals should be to develop an emergency fund of 3-6 months worth of expenses. After that, discuss your short term goals (such as saving for a down payment on a house) and long term goals (such as saving for your children's educations).

5. Work as a Team. When a sticky situation arises that upsets you, bring it up to your spouse with care and out of love. View yourself as a team and look at what the team needs to do to improve. Work together to find ways to accomplish your goals. Always encourage each other, and whatever you do, don't point the finger.

*****

The tips above are just the beginning of the financial discussion for newly weds. Please join us for a **Marriage and Money Seminar** to have all of your questions answered. Please call 402-873-3388 for more information.