

Taking the Financial Vows

How will you approach finances as a married couple?

By Joseph Matthews



Congratulations, you're engaged! Many discussions await: about the wedding itself, honeymoon, where you'll live, plans for a family, and much, much more.

But before you tie the knot, you should have an open, honest conversation about how you will approach finances as a married couple. Here are some talking points to get you started:

Assets – What are they? Will you co-mingle or keep separate?

Bills – In a two-income relationship, who will be responsible for paying what?

Debts and liabilities – What are your liabilities? Will you be responsible for the other's debt? What about student loans? Will you borrow from your parents? Will you pay it back?

Credit profile – What are your individual credit scores? Are you on-time or late payers? Do you prefer cash or credit?

Asset protection/insurance – Who is the beneficiary? (Hint: make sure it's not a former spouse or parent!) Do you have adequate insurance, especially if children exist or are planned?

Retirement assets – Have you begun to save for retirement? Are you taking advantage of 401(k) plans at work?

Investment profile – Are you daredevils willing to take risks while young? Do you have money to invest and not touch for the foreseeable future, letting it accumulate slowly, riding out the market ups and downs?

Priorities – Is putting money away for future children's education more or less important than buying a new car? How do you feel about carrying debt?

Budget – Are either of you accustomed to creating, and sticking to, a budget? Are you both willing to do so?

Couples should discuss spending patterns and beliefs. Are you both willing to discuss your financial habits, or does one of you believe it's a private matter? If one of you has been living paycheck to paycheck, has no savings, and acquires every gadget, pair of shoes, or toy that money can buy, it could be a problem if the other is frugal or simply believes it is important to save.

During marriage, if one takes most responsibility for investing and maintaining the couple's assets, you should consider at least an annual family meeting. It might be just the two of you doing a thorough review, or it might include a financial advisor. Regardless, both partners should know where the assets are, how they are titled, and who has access. Good luck!

Joseph Mathews is a Financial Advisor with the Global Wealth Management Division of Morgan Stanley Smith Barney on Post Road in Fairfield. He can be reached at 203-319-5165.

The information contained in this column is not a solicitation to purchase or sell investments. Any information presented is general in nature and not intended to provide individually tailored investment advice. The strategies and/or investments referenced may not be suitable for all investors as the appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. The views expressed herein are those of the author and may not necessarily reflect the views of Morgan Stanley Wealth Management, or its affiliates Morgan Stanley Smith Barney, LLC, Member SIPC.