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Soon-To-Be-Married and Newly Married Financial Checklist

By Tim Murray, CFP®

- ✓ **Joint checking accounts, individual accounts, or a combination:** If you are a newly married couple, you may want to establish a joint checking account. A joint account forces you to be accountable to each other about where your money is going. Keeping separate accounts can encourage unnecessary spending under the radar of your partner. A marriage is a partnership – emotionally and financially.
- ✓ **Savings goals:** How much of your income do you plan to save and how will you do it? A rule of thumb is to save 10 percent of your gross income through automatic monthly withdrawals deposited into a savings/investment account. In addition, you should have a minimum of three months of savings within reach for emergency expenses.
- ✓ **Retirement plans:** If both of you have a 401(k) plan offered by your employer, invest in each plan, at a minimum, up to the level where you get each employer's full matching contribution. You should also have a savings plan outside of your 401(k) so that you have access to funds without penalty. If you aren't eligible to contribute to a 401(k), invest in a Roth Individual Retirement Account, which allows tax-free withdrawals at retirement if you follow the rules.
- ✓ **Employer benefits:** Examine the health, dental, and other benefits each of your employers provides. Compare deductibles, co-payments, benefits provided, and monthly costs. If you don't have children, you still should purchase life insurance to replace your salary if you die. If you do have children, you may want to buy enough insurance to cover your salary and your wife/husband's salary so she/he does not have to work.
- ✓ **Investment accounts:** This can be a sensitive subject for many people who've accumulated wealth on their own and now are faced with sharing it with their spouse. Depending on the significance of your wealth, you would be wise to explore financial- and estate-planning matters both before and after marriage.
- ✓ **Investment personality:** Your investment portfolio should reflect how much risk each of you is willing to take in achieving your joint goals. Do you feel comfortable investing in stock funds or would you prefer more conservative investments such as bond funds or CDs? These are questions you should ask each other and then talk to a financial advisor who can recommend securities that match your objectives, time frame, and risk tolerance.
- ✓ **Budget expectations:** Do you both agree on how much should be spent on discretionary expenses such as clothes, dining out, and home-improvement projects? The best way to handle this is to agree on a monthly amount for every expense not fixed (i.e. mortgage payment) and stick to that plan. This can prevent disagreements down the road when you discover your spouse has spent money on something you believe is unnecessary.
- ✓ **Name and Beneficiary Changes:** Be sure to fill out name change forms for all bank accounts, credit cards, car registrations, insurance policies, investment accounts, and most importantly, with the Social Security Administration. Change beneficiaries and/or include your spouse on any pre-existing health/disability/life insurance policies or investment accounts.
- ✓ **Estate Planning:** Create or update your wills to reflect your married status. Organize your important records and be sure a trusted friend or family member knows where they are.

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