

Sort out your assets before you tie the knot.

Key Message: When merging households, honesty and advance planning are essential.

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Americans are getting married later than ever, according to the U.S. Census Bureau. While a variety of factors influence this trend, an important one is the widespread belief that education, a job, and some financial stability should precede wedding bells. Likewise, as people marry later, they are increasingly bringing children into the new relationship.¹

These realities of adulthood add to the challenges of setting up a new home together. But with a lot of honesty—and a little planning—it's possible to realize the dream of domestic tranquility. Here is a to-do list to get you started.

Have the money talk: As adults who probably have established careers and paper trails, you and your fiancé may have accumulated not only assets but debts. It's a much better idea to stage the big reveal now than to stage a big surprise later (like being turned down for a car loan or apartment). And while you're at it, take the time to check your credit scores and fix any mistakes.

Is an estate plan necessary? Consider creating an estate plan to lay out how assets will be held and—if necessary—provide for dependents. An estate lawyer can also advise you about setting up a trust to secure harder-to-quantify assets, such as stock options, an existing business, or an anticipated inheritance.

Don't forget home sweet home: If you're moving into a property one of you already owns, consider who will pay the mortgage (if there is one) and whether the property should be re-titled.

How will household finances and tasks be divided? Discuss the division of household finances as well as household financial chores. Will you keep money meant for day-to-day spending in separate accounts, or commingled? No matter the arrangement, someone will have to pay the bills. Will the person who pays the bills also take the lead with savings and investments?

Check on benefits: Finally, be sure to update workplace benefits for both you and your soon-to-be-spouse. Update beneficiaries on IRAs and 401(k)s. Also update beneficiaries on existing life insurance policies, and examine your coverage to see if it is still appropriate. As your family circle expands, so does the circle of those whose well-being you've committed to care for and protect.

Americans overwhelmingly cite love over financial stability as a reason to marry.² But why not have your (wedding) cake and eat it, too? As is so often true in life, communications and planning are keys to success—whether you're talking about your finances or your relationship.



¹ Jonathan Vespa, “The Changing Economics and Demographics of Young Adulthood: 1975–2016,” United States Census Bureau, April 2017, <https://www.census.gov/content/dam/Census/library/publications/2017/demo/p20-579.pdf>
² Gretchen Livingston and Andrea Caumont, “5 Facts on Love and Marriage in America,” Pew Research Center, February 13, 2017, <http://www.pewresearch.org/fact-tank/2017/02/13/5-facts-about-love-and-marriage/>

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