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PRESS RELEASE

'TIL DEBT DO US PART

Financial Tips to Consider Before You Tie the Knot

SAN DIEGO, June 4, 2008 – “For richer or for poorer” – Many couples say these exact words during their wedding ceremony, but talking about money seems to be the last item on the list to check-off when planning a wedding, and the least desirable topic to discuss among married couples. Research done by the Center for Marriage and Family, shows that debt brought into marriage is the number *one* problem for newlyweds. Premarital couples must stop this trend before it gets out of control, through preparation, education and team work.

Debt-Free America would like to offer the following tips on how couples can work together to address money issues and responsibilities:

Communicate

Before dragging debt down the aisle couples must be open and honest about their preexisting monetary issues. Money is one of the most common arguments newlyweds face when beginning a marriage. To remedy this, couple's should have no surprises about their spending habits no matter how minimal or unattractive. Excessive spending habits happen to all of us but can become a detrimental problem when it comes to managing marital expenses.

Marriage Prep 101

Education is the key for newlyweds to keep the debt sharks at bay. Newlyweds must be educated on the trials and tribulations of marriage, especially when these involve money management. Premarital education is proven to be a divorce repellent; the Journal of Family Psychology discovered that couples who received premarital education had a 31% lower chance of divorce.

Premarital education saves couples from the stresses they will encounter later. Couples going down the alter should have no fear when attending educational marriage classes because premarital education takes place in a group and provides helpful general relationship advice. No pressure is felt by any party.

Communication is one of the most valuable skills that should be taken from marriage prep and is the biggest asset to any union of two people, without communication a couple is doomed for a life of debt.

Discuss financial goals & values

Evaluate what is important to both of you to spend your money on. Would you like to own a home and a yacht? Would you like to travel? Discuss each other's financial goals and accommodate for each individual's ideas for the future, in order to accomplish both.

Set a budget

A budget allows for everyone to be on the same page about finances, it shows where the money should be going and also eliminates living beyond your means. A budget should fit both partners' needs and accommodate both incomes. When budgeting, consider everything you spend money on, a budget doesn't

do any good if you leave things out. It's a good idea to track your spending (write down everything you spend money on) for a few months.

A suggested formula for new households put forth by financial advisors Cheryl Broussard and Michael Burns, states that: a couple should live off of 70% of income and save the other 30%, which should be broken down 10% retirement account, 10% emergency and 10% should pay off credit card debt. Newlyweds that use teamwork and follow a plan will squash debt in no time.

Discuss joint versus individual checking accounts

Traditionally, when a couple gets married, both incomes go into one account and one partner manages the finances. While it is a good idea for one partner to be in charge of the budget and the bills in order to avoid confusion, the husband and the wife should both be active participants.

While having separate bank accounts have become the new trend in marital finances there are pros and cons of both situations. Having a joint account encourages open and free discussion about finances. But, having your own accounts helps liberate you from the marriage and avoids the "I'm an adult, it's my money, why should I have to ask?" feeling.

What should you do? All of the money should go into the joint account, but as part of the budget, it is important to allot each person a "slush" fund for them to use toward whatever they would like – shoes, electronics, clothing or dinners out with friends.

The bottom line is to be honest and communicate with your partner. You are not only partners for life in love but also are in a business together. Being open about each other's financial situation will save for possible heartache later in life and will lead smoothly to your golden anniversary.

Debt-Free America is a 501(c)3 non-profit, community service organization offering confidential and professional credit counseling, debt management programs, and financial education to consumers nationwide. Debt-Free America is dedicated to providing FREE services to help financially distressed families and individuals effectively manage their personal finances. The Board members and operations staff have a long-term commitment to helping anyone in debt crisis, and even those not in a debt crisis. Debt-Free America has been in the business since 1997 and is now serving over 16,000 clients nationwide. Visit them on the web at www.debtfreeamerica.com.

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