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PRESS RELEASE

FOR RICHER OR POORER

How To Ensure Finances Are Not An Issue In Your Marriage

SAN DIEGO, June 8, 2009: “For richer or for poorer” – wedding season is upon us, and many couples will say those exact words during their ceremony. But talking about money seems to be the last item on the list to check-off when planning a wedding. In fact, research done by the **Center for Marriage and Family** shows that money issues are the number *one* problem for newlyweds, and the least desirable topic to discuss among married couples.

In knowing the statistics, engaged or newly married couples can work together so that money and financial issues are not a problem in their relationship. It is important for couples to educate themselves on basic financial items, and create an environment of open communication and team work.

Before you ride off into the sunset with your loved one, read on for tips from San Diego Metropolitan Credit Union – on how couples can work together to address money issues and responsibilities:

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, each spouse should be an active participant.

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? There are benefits to having a joint account:

- **Simply Put - It’s Just Easier:** By reducing the number of accounts you have, you simplify your life and reduce the number of potential errors. It also makes paying bills easier, rather than having to split them between you and your spouse.
- **Higher Balances and Better Returns:** Most accounts offer higher returns on larger balances, so there can be financial gain to having a joint account.

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 to use toward whatever they would like – shoes, electronics, clothing or dinners out with friends. This way, one spouse is not left feeling like they have no say in where/how their money is being spent.

Other Important Financial Guidelines

First & Foremost: No Secrets

Many couple talk about religion, children and career goals, but they often forget to talk about money – or they aren't open about the topic. You should disclosed as much as you can to each other about money – including salary, spending habits, debt, student loans, inheritance, savings and credit status.

Have Regular Financial Meetings With Your Spouse

Initially, start by having small conversations, but have these conversations on a regular basis. Do your best to be open and honest, and if you hit problems during these talks, work together to come up with financial solutions. Once you get the hang of working together on financial issues, plan a regular meeting – pen it into the calendar, and make sure you allot enough time to discuss all concerns.

Communicate, Communicate, Communicate

Not only is it important to regularly communicate with each other, but it is imperative to continue the conversations and be clear on your spending habits. As mentioned above, money is one of the most common arguments newlyweds face when beginning a marriage. To remedy this, couples 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 – and can cause unnecessary 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 states that: a couple should live off of 70% of income and save the other 30%, which ideally is broken down 10% retirement account, 10% emergency and 10% should pay off credit card debt.

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.

San Diego Metropolitan Credit Union (SDMCU) is committed to its community and members and provides services to families and individuals to manage their personal finances. SDMCU has been in business since 1934 and serves over 20,000 members. SDMCU's corporate headquarters are located in San Diego and information about SDMCU is available on the worldwide web at www.sdmcu.org.

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