## CREDIT CARDS

Using credit is one area where you might have differing approaches or attitudes. If that's the case, maintaining separate credit cards might help you avoid disagreements over credit card debt.

If you are co-signers on a credit card, you are both responsible for the debt on that card. However, if your spouse is an authorized user of your card, instead of a co-signer, you are solely responsible for the debt, and use of that card will affect only your credit history.

Another good reason to maintain separate cards is so that you are each building your own credit history. If you both have strong credit histories, that can help you qualify for loans at lower interest rates. And if one of you has a stronger credit history than the other, that partner should be the primary applicant on credit purchases and loans.


## INVESTING

Investing, especially when you start as early as possible, can help you create wealth that will fund your vision of a life together, complete with specific goals and aspirations. There are specialized types of investments and accounts that are designed to help you pay for some of those goals, like 529 plans to help pay for a child's education, or retirement savings plans, such as a 401(k) or an IRA. All of these plans provide tax advantages.

In addition, one or both of you may have investment portfolios with a broker-dealer or investment adviser. While you may decide to keep these taxable accounts separate, it may be worth opening a joint account that you both fund. You can then share in the potential growth of the account over time, making it possible to realize your long-term financial goals.

Make sure you understand the risk level of your investments, and adjust your allocation as needed to reach a risk level with which you both feel comfortable.

Don't let the fear of missing out guide your investment decisions. Take the time to discuss investment options and do your research. You may be investing on our own through a brokerage app, but if you decide to use a financial professional to assist you with your investments, make sure he or she is properly registered by doing a search on BrokerCheck, a free online resource.

### YOUR SPOUSE AS SAFETY CHECK

While it might be tempting to make a big investment without first running it past your spouse, surprises like this are rarely good ones. A second opinion can be an indispensable reality check, helping you avoid potentially damaging financial decisions, like acting on unsubstantiated tips, high pressure sales pitches, or investing on margin.

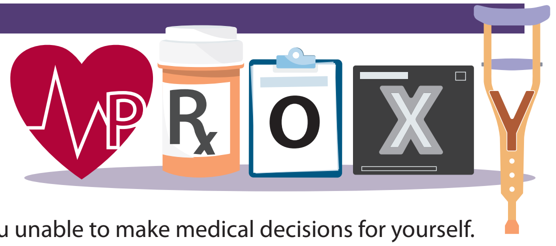
## YOUR SPOUSE IS YOUR BENEFICIARY

When you get married, in most cases you will want to name your spouse as the beneficiary of your employer retirement plans and IRAs. That way, if anything happens to one of you, those assets will automatically become the other's property. Similarly, any assets you own jointly with right of survivorship, such as bank and investment accounts or real estate, automatically become the property of the surviving spouse.

You might also want to think about life insurance. If either of you already has a policy, you're likely to want to update the policy to make your spouse the beneficiary. And if you don't have an insurance policy, now might be the time to consider purchasing one, at least for the higher earner.

Creating or updating a will that names your spouse as your beneficiary helps ensure that he or she will inherit your individually held assets, with fewer legal hassles or holdups. Although you can write a will on your own, consider consulting an attorney who specializes in wills and trusts and who can address all legal requirements.

## HEALTHCARE PROXY



When planning for the future together, you should also address the possibility that one of you may face a serious injury or illness that leaves you unable to make medical decisions for yourself. To ensure that your spouse can legally make those choices for you, you should each sign a health care proxy, giving your husband or wife that power. It is not automatically granted just because you're married. Be sure that each of you know the other's wishes for treatment should the situation arise.

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*Marriage & Money* was funded by the Investor Protection Trust.

# MARRIAGE & MONEY:

# STARTING YOUR FINANCIAL LIFE TOGETHER

As you start your new life together, getting aligned on how to handle your finances is essential to a strong, positive union. Creating a financial plan as a team is one of the goals that you should put at the top of your to-do list, both for today and for the future.

You may have differing attitudes towards money, and different financial habits. An honest, detailed conversation about your current financial situation, including debts and other obligations, as well as income and additional financial resources, is step one towards building financial stability together. Now that you'll be combining at least some of your assets and taking on some legal responsibility for each other's finances, it's time to put everything on the table. Step two is discussing your individual financial goals and the goals that are important to both of you.

1. **BE HONEST ABOUT FINANCIAL SITUATION**

2. **TALK ABOUT YOUR GOALS**

## UPDATING ACCOUNT NAMES

When you get married, it's important to make sure that the right name is on your financial accounts, both to protect your assets and your access to them. If either of you is changing your last name, you'll need to have that change made official on your government-issued IDs, as well as on your Social Security account, and bank, credit union, and investment accounts. You should keep records of these documents, as well as your marriage certificate, in a safe place.

## MANAGING MONEY


Chances are you've each been managing your own money. Now's the time to create a money management strategy together. Options include a single joint account for your combined income that is used to pay all expenses, or separate accounts with each of you being responsible for paying specific expenses. You may also consider a combination: a joint account for household and other shared costs plus separate accounts which you use to pay for your individual discretionary expenses.


These choices can always be updated to reflect changes in careers, parenthood, or other major milestones. If one of those changes involves one of you leaving the workplace for a while, it may be important to maintain a shared account for joint expenses that helps to ensure financial empowerment and a level of comfort for both of you.

In certain situations, it may make sense to keep all accounts separate—for example, if one of you is vulnerable to being sued or managing a significant amount of debt. You may want to consult with a financial professional or attorney when facing these kinds of decisions.

Whichever way you set up your accounts, you'll still need to decide how costs are divided and who pays the bills. This can be extra challenging if one of you makes a lot more than the other: will you each contribute the same amount to shared expenses, or instead, an equal percentage of your income?

Additionally, there may be some expenses that only one of you is responsible for, like supporting a family member or paying back a personal or student loan.

There's not one right answer. What's important is that you're both comfortable with your arrangement.


## A JOINT BUDGET

To manage your combined finances, you're going to need a budget that provides an overview of all your finances, and a spending plan. List the money you both have coming in, compared to the money you'll need to cover monthly bills, debt payments, other recurring expenses, and, hopefully, savings. Whether you use an app, a spreadsheet, or even a notebook, the important thing is to get all the numbers in front of you.

If you are cash positive, meaning you have more coming in then going out, then you're in a great position to pay down debt, put money into a savings account, or invest.

But if you're cash negative, or if one of you is struggling to pay bills or make debt payments, now is the time to take a careful look at how you can reduce costs, increase income, or do both.

The good news is that there are some cost savings and economies that come with being a married couple, including sharing rent, living expenses, and insurance costs (if you weren't already) and, in many cases, filing taxes jointly.

## MANAGING DEBT, TOGETHER


One of the biggest stumbling blocks to a healthy financial partnership can be dealing with debt. When you get married, you will likely take on at least some responsibility for debts that your partner incurs. You may have different opinions about how to handle debt—for example, whether it's okay to carry a balance on a credit card or spend more than you can afford on non-essentials by charging them. What's important is to develop an achievable plan, that you both agree on, for paying down existing debt and avoiding taking on more.

## WHAT'S MINE IS YOURS: LIABILITY FOR YOUR SPOUSE'S DEBT

When you get married, you take on legal responsibility for some, if not all, of your spouse's finances. Any debt that you incur together once you are married, by co-signing a car loan, for instance, you are equally responsible for repaying. However, debt obligations that one of you assumed before the marriage, such as student loans, remain the sole responsibility of that spouse.

If you live in community property states, any debt incurred by either of you after you are married—but not before—is equally the responsibility of the other. And in common law states, while you are not usually liable for your partner's individual debt, a creditor could force you to sell jointly held property to pay off the debt.

The community property states are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. The rest are common law states. Because state laws can change, and they vary from state to state, be sure to verify your state's law. If you move to a different state after you're married, that may also affect how your property is classified. It's a good rule of thumb to keep careful records of any property transactions and consult with an expert as necessary.

Whether you live in a community property or common law state, assets that one of you owned before you were married remains solely that person's property. So, for example, if you owned an apartment before your wedding, that property remains yours alone as long as you keep it in your own name. In many marriages, couples own property jointly with right of survivorship. That means when one spouse dies, the property is automatically owned by the living spouse.

> If your student loan repayment plan is income-driven, the amount of your payments may change when you get married—affected either by your spouse's income, his or her own student debt, or both factors.
>
> You can find more details at **studentaid.gov**.

## PRENUPS

A prenuptial agreement, or prenup, is a legal contact signed before a marriage that lists all the assets and liabilities of each partner and spells out how they will be divided in case of divorce. It can protect you from losing an asset that was yours before marriage as well as from being responsible for your spouse's debts. A prenup should always be drafted by an experienced attorney.