



# Money Conversations to Have BEFORE MARRIAGE

Studies have shown that money is a frequent topic of arguments in many marriages. One of the reasons may be that couples don't spend enough time talking about money before the "big day." To help get the discussion started, here are a few financial topics couples should address before walking down the aisle.

## Financial Goals

Prospective spouses need to talk about financial goals and priorities. Do they want to dine out often, or eat in and save? How much do they want to spend on traveling, buying a home, leasing a car, etc.?

It's important to set aside money for emergency expenses or in case of sickness or disability. Experts recommend saving three to six months' living expenses, and in some cases, even more. For example, if only one spouse is a wage earner, a larger cushion may be a good idea. (It's also important to address the need for disability insurance.)

As a couple, assess your current life insurance coverage and how it may need to change. Depending on whether you are just starting out, or combining a household that already includes children, you should answer the question: how much life insurance do we need? As your family grows, you may need to revisit this question multiple times through the coming years.

Finally, consider how your combined finances affect the long-term financial goals, risk tolerance and other investment objectives you want to achieve together. Work with your Financial Advisor to create or update an Envision® profile so you can answer the question: "how are we doing?"

## Debt

Debt can be a touchy subject. Some people are raised to never borrow money unless it's absolutely necessary. Others are taught that it is acceptable to take out a loan — even if it's for a luxury item. Reconciling these positions in a marriage can be challenging. It's usually a good idea for couples to discuss their attitudes toward borrowing in an attempt to reach a compromise they both can live with.

In addition, it's important to know before the wedding what, if any, debts each spouse is bringing to the marriage. If there is debt, the couple must decide whether to combine it or to keep separate credit histories and records. Many advisors recommend that each individual retain his or her own credit cards and credit history. Doing so helps ensure financial independence and provides greater flexibility if either spouse finds himself or herself alone at some point in the future. Also, if one spouse has a poor credit history, it may be advisable not to commingle debt in order to retain the other spouse's better credit rating.

## Estate Planning

Here's another tough topic. No matter how young or old the couple, addressing estate planning is vital. However, because

there’s really never a “good” time to discuss issues involving death and disability, couples tend to put off estate planning — sometimes until it’s too late.

When two people decide to take responsibility for each other, it’s appropriate to talk about how they want to provide for an orderly transfer of assets. Included in the discussion should be considerations of the financial implications of life insurance and what would happen if a spouse were lost.

It’s important to pay particular attention to beneficiary designations on life insurance policies, IRAs and 401(k) plans. These designations will supersede instructions for distributing assets included in a will or trust. Each provider — insurance company, financial institution or plan administrator — needs to be contacted to update the beneficiary designations on these valuable assets. This step is particularly important in the case of a second marriage.

### Budgeting

Some say that the key to financial success is to spend what you have after saving, rather than saving what’s left after spending. Many couples find themselves in the latter position because they lack a budget to control their expenses, often leaving them with nothing to save. It’s usually better for a couple to sit down and list their monthly income and expenses. Then it becomes a matter of determining how they will control expenses so they can set money aside to help achieve their goals.

If you don’t yet have a clear picture of your combined income and spending, **contact us** for our **Income Planning Worksheet** to help you get started.

### Tips for Accessing Your Online Accounts

To help you minimize the risk of fraudulent activity in your accounts, please consider these friendly reminders from [Bonnie Keller, Financial Consultant](#):

1. The best ways to access your account are by using the “Access Your Account” link on [hertelkonish.com](http://hertelkonish.com) or going directly to [www.wellsfargoadvisors.com](http://www.wellsfargoadvisors.com) (*not* wells-fargo.com). Wells Fargo will never send you an email requesting that you access your account or reset your password using a provided link.
2. Unless you are using Wells Fargo banking features (e.g., bill pay, online transfers) then you should be viewing your account from the Brokerage site. [A rule of thumb: if the bar at the top is red you are on the Bank site, if the bar at the top is gold, you are on the Brokerage site. If you find yourself on the Bank site, you have the option to select “brokerage tab” at the top.]
3. Utilize the secure messaging system. You can correspond with HKWMG via the website messaging center, including to send documents easily and securely.
4. We encourage clients to be vigilant about checking account activity at least once a week.

If you have any questions, please give us a call or feel free to set up an online tutorial session with Bonnie or Teresa.

## Complimentary Budgeting Tool



**Request yours today**

The **Income Planning Worksheet** is a detailed workbook that can help you track your total income and expenses, including savings, healthcare and more. This tool also offers the ability to compare current numbers with expected changes after retirement.

Request yours by emailing Brian Konish, Senior Vice President - Investments at [brian.konish@wellsfargoadvisors.com](mailto:brian.konish@wellsfargoadvisors.com) or call us at 617-289-9512.

## Client Spotlight

A big **congratulations** to our clients and their family members who participated in this year’s Boston Marathon. We’re honored to have you as part of our HKWMG family and are truly inspired by your heart and dedication. Cheers to many more!

#### Investment and Insurance Products:

NOT FDIC-Insured	NO Bank Guarantee	MAY Lose Value
------------------	-------------------	----------------

CAR-0417-03165

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC, Member SIPC, a registered broker-dealer and non-bank affiliate of Wells Fargo & Company.

Insurance products are offered through non-bank insurance agency affiliates of Wells Fargo & Company and are underwritten by unaffiliated insurance companies. Wells Fargo Advisors is not a legal or tax advisor. You should consult with your attorney, accountant, or estate planner before taking any action.