

# Who Handles The Money When You Get Married?

FINANCIAL E-BOOK



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When you get married and take your vows, it goes something like this. I take you to be my lawful wife/husband/partner, to have and to hold, for better, for worse, for richer, for poorer, in sickness and health, until death do us part. It does say for richer or poorer, but unfortunately many couples across America just don't spend time discussing money when they get married. More often than not money can be one of the leading factors that can lead to an ugly divorce.

We think the more secretive and separate things are in a financial relationship, the worse it always turns out in the long run. However, merging your finances when you are newly married can be one of the most difficult processes to handle after you tie the knot. What happens is you have more money than your partner/spouse? What happens if your career is growing and you bring in more money than they do? Does that give you power and control? Should you change the titles on all of your accounts? Who thought that one of the greatest moments of your life could turn into this kind of mess?

We continue to believe more and more that happiness or unhappiness is largely a product of expectations met or unmet. Thus, the starting point of merging your family finances is to clearly define roles and expectations. If you are able to accomplish this as a family, you'll likely have less arguments and disagreements along the way. Here are four important building blocks to consider when you merge the family finances.

**1. Independence** - We believe that each partner will need to have some financial independence. If you choose as a family to have a joint money market account or savings account in which to place the bulk of your cash reserves, it is still important to have a separate checking account to allow you some financial freedom. This will range anywhere from being able to buy birthday and anniversary gifts to being able to treat yourself to something when the time is right. Credit cards can become more challenging as a discussion, but having credit cards that are in each of your names is important especially for establishing credit overall. However, no credit cards should be hidden as unwanted debt can build up.

**2. Who Pays For What Bills** - Who pays the bills is one of the most important discussions for newly married couples. You will need to decide does one of you pay the mortgage and the other pay for the basic utilities each month. Will each of you have basic bills like your credit cards or cell phone bill that each of you decide to just pay and keep in your own name? The bill paying conversation is one of the most important expectations conversations when you get married. Without clarity about who plays what role with bill paying, it could be a topic that creates significant ill will every month.

**3. Your Financial Goals** - Take some time to discuss what financial goals are important to the both of you. How much do you both want to have in a cash reserve for emergency money? Do you want to buy a house if you don't have one already? What kind of resources do you want to save for retirement vs. enjoying life today? Are there children from prior marriages and college education costs looming down the road? Whether you do this with a financial advisor or within the four walls of your house, this will be one of the major building blocks to getting your finances in order.

**4. Your Childhood** - Since we all had different upbringings and money experiences, our attitudes about money and what it means to us will be substantially different. Did you take lots of vacations as a family? What was present gifting like during the holidays? What kind of birthdays did you have as a child? Did you grow up in a small home or a big home as a child? Was there something you always wish your family had bought when you were growing up? These attitudes and thought processes we develop over time shape the way we think about money. It's important to understand how your partner thinks about these money decisions.

There is no real wrong or right way on how to merge your family finances when you get married. What methodology you use to keep your relationship together for many years is up to you. If you use these four smart money moves for newly married couples, you can set the right expectations to stay happy for many years to come.

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