



You're Getting Married. What Next?

Marriage begins a new chapter in your life, presenting opportunities and choices with respect to a newly shared financial life. This raises new considerations for financial goals and priorities — some will remain yours alone and others will become shared goals as you plan your future together. There may be new resources to fund those goals or additional paths towards those goals to consider. As you take your first steps into your new marriage, remaining cognizant of these kinds of considerations can help you be intentional in your financial decisions.

► Financial Philosophy

Take time to reflect on and share the financial philosophies you and your spouse hold and how they shape your thought processes for the various decisions that newlyweds will make. For instance:

- How do you define and approach financial risk? This could affect whether one of you is willing to make speculative investments or how much you want in savings before taking a big financial step such as buying a home, making a career transition, or retiring.
- How do each of you view money? What is your emotional history with money?
- How would you describe your spending/savings habits, and how have they evolved over time?

► Where You Are Now: The Start of Your Partnership

In creating a shared roadmap, you need to define your starting point to plan for where you're going. Identify where you and your spouse are financially at the start of your marriage and be sure to include both your successes (like excellent retirement savings) as well as those areas of improvement (like a low credit score).

- Are either of you bringing significant assets or outstanding debts into this marriage? What are your credit histories like? Where you begin your marriage affects how realistic future goals will be, especially if they involve new loans or investments.
- Geography matters. Where will you be living after you are married? Is this a common law or community property state? As you generate wealth during marriage, be aware that your property may be presumed jointly or separately held in the eyes of your state.
- If you or your partner have any children or grandchildren from a previous relationship, discuss how your new marriage will affect their support streams, as well as your estate plan for them.





Finally, although a sensitive subject, you might consider a need for a prenuptial agreement. You may be more likely to consider this if you have children from a previous marriage, significant financial assets, or expect an inheritance in the future. If any of these considerations are a factor for you, it may be worth discussing whether a prenuptial agreement would be useful to secure those assets or financially protect those family members.

▶ Getting Started: Your First Steps in Marriage

One of the first shared financial decisions in your new partnership may be planning your wedding. If this is the case, talk with your fiancé about what kind of ceremony you would like — and what sort of budget you anticipate. Make a plan to save this funding if needed, and do not hesitate to work with your financial professional to manage the financial aspect of this process.

Next, discuss if you plan to merge your finances or keep them separate. Consider the emotional weight of intertwining your finances versus remaining independent, and remember, it does not have to be all or nothing.

Your decision impacts various elements of your financial life, including whether to keep separate accounts or create joint accounts, who will pay the bills or if you will share that responsibility, and whether you will use a family plan or keep separate insurance. While these are subjective decisions, it is helpful to discuss them early on. Such decisions may seem daunting, but you can always make changes down the road.

It is also important to make sure your financial documents, accounts, and assets are in order. To begin with, if either you or your spouse executed a name change, that person will need to update their passport, driver's license, Social Security card, insurance, and other important documents. You and your new spouse may also want to update your beneficiaries on financial accounts and insurance plans.

Quick Facts:

- The national average cost of a wedding in 2024 was \$35,000.¹
- A survey found that more than half (56%) of newlyweds took on debt to pay for their wedding, and 42% regret going into debt over wedding expenses.²
- More than half of married people say sharing housework is a key to a successful marriage.³



If you are moving in together, you may need to make decisions around home ownership. Are you planning to rent property, buy property together, or move into a residence that one of you already owns? Will you and your partner end up with a second property? If so, you can decide whether to sell the property or keep it as an investment.



► Keep an Eye to the Future: Investing and Planning

While it is important to address the immediate updates and decisions with regards to your marriage, aim to keep an eye on building your future together as well. Be thoughtful and outline major financial goals. These fall into three general categories: immediate (0-5 years), intermediate (5-15 years), and long-term (15+ years). For instance:

- Do you have any large goals, such as buying property, paying off a large loan, or retiring early?
- Do you plan to have or adopt children? Note that adoption rights may vary from state to state based on marriage status.
- Do you and your spouse plan to send any children or grandchildren to college? If so, how do you want to approach that? Depending on your investment strategy, what college savings options are appropriate?
- When do you and your spouse plan to retire? Based on your new household income, does a traditional or Roth IRA make more sense? If one spouse plans on retiring much sooner than the other, how does this affect your savings plan?

► Why We Can Help

So many elements of your life are impacted by your marriage, and hopefully this provides you some food for thought as you move toward making those decisions. Remember that while some decisions will be cut and dry, others will be heavy with sentiment. Approaching these conversations with your new spouse with honesty and an eye toward your future will help create a solid foundation for your financial life together. We want to help you navigate those conversations as well as implement the decisions you come to. Thank you for the opportunity to help guide you through this key moment in your life.

► Financial Foundation – The Start of Your Partnership

- ❑ **Money Philosophy:** Talk with your fiancé about your individual views toward money, including:
 - How you define and approach financial risk
 - Whether you generally would prefer to keep your finances together or separate
- ❑ **Define Your Current Financial Picture**
 - Sources of income, including job earnings, job benefits, Social Security benefits, alimony, child support, unemployment compensation, rental income, pensions, annuities, investment income, and IRA distributions
 - Major assets, including stocks, bonds, mutual funds, life insurance, real estate, and vehicles
 - Accounts, including savings, checking, IRAs, 529 savings plans, and custodial accounts for minors
 - Debts, including mortgage, auto, credit card and business debts

☐ **Credit History:**

- Review your and your fiancé's credit reports and credit scores in case they affect any joint decisions around loans, joint accounts, or other key financial decisions.

☐ **Geography:**

- Determine whether you are in a community property or common law state in order to understand whether any wealth accumulated during marriage will be treated as jointly or separately owned.

☐ **Children:**

- Discuss any current dependents, their support streams, and your estate plans for them.

☐ **Prenuptial Agreement:** Determine whether a prenuptial agreement is right for you, taking into account:

- Whether you have children from a previous marriage
- Whether you have significant assets from before marriage
- Whether you expect a large inheritance in the future

▶ Getting Started

☐ **Wedding:** Make a plan to fund/save for your wedding.☐ **Accounts:**

- List your current bank accounts and titling.
- List your beneficiaries by account and update beneficiaries as needed.
- Decide whether you want to re-title your bank accounts with your spouse, if any.

☐ **Bills:**

- Decide whether one of you will be the primary bill-payer or whether you will split responsibilities.
- If you decide to split up bill responsibilities, decide whether you will both pay part of the same bills or which bills each of you will pay.

☐ **Insurance:**

- Decide whether you will retain separate insurance policies or if both will be on one spouse's plan. You may choose a combination depending on the type of insurance.
 - Health insurance
 - Life insurance
 - Disability insurance
 - Auto insurance
 - Homeowners insurance
 - Any other insurance plans





- ☐ **Documents:** Update your name, if changed, on important documents including:
 - Your driver's license
 - Your passport
 - Your bills
 - All your financial accounts and insurance policies where you are an account owner or beneficiary
- ☐ **Home:**
 - Decide where your primary residence will be.
 - If both you and your partner owned property, decide whether you will sell or retain ownership of your other property.

▶ Looking to the Future

- ☐ **Savings:**
 - Identify any large saving goals, such as buying property, retiring early, or paying down large debts. Make a plan to tackle these goals together.
- ☐ **If you have/plan to have children:**
 - If you plan to save for your children's education, decide whether a 529 savings plan or other savings vehicle is appropriate.
- ☐ **Retirement:**
 - Discuss when you and your spouse plan to retire.
 - If you or your spouse plan to retire much earlier than the other, factor this into your retirement plans.
 - If you are modifying your retirement plan(s), decide whether a traditional or Roth IRA makes more sense for you as a couple.
- ☐ **Documents:**
 - Update your documents to reflect whether any name changes or new beneficiaries:
 - Your will
 - Your power of attorney
 - Your living will
 - Any other estate documents

▶ If you have any questions, please reach out to your D.A. Davidson financial professional.



1 <https://www.theknot.com/content/average-wedding-cost>

2 <https://money.usnews.com/loans/personal-loans/articles/2024-wedding-debt-survey>

3 <https://www.pewresearch.org/fact-tank/2016/11/30/sharing-chores-a-key-to-good-marriage-say-majority-of-married-adults>

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