Financial Advice for Newlyweds

Love is in the air! According to the popular wedding planning website The Knot, in 2014, June was the most popular month to get married.

It is well documented that financial disagreements can put a strain on a marriage and can ultimately lead to decreased satisfaction by one or both parties in the marriage, and unfortunately can ultimately lead to divorce. A 2009 study\* done by Jeffrey Dew at Utah State University concluded that financial disagreements tend to be more heated and spouses tend to use more negative conflict tactics. Dew notes the frequency and complexity of financial decisions were one reason financial disagreements tended to be more heated than did other areas of disagreement.

With this harsh warning, what should a newly married couple do to better prepare for their financial future? As the idiom suggests, “The proof is in the pudding”! I asked several long-time married couples what financial advice they would offer to newlyweds. Averaging nearly 40 years of marriage, these couples had many insightful suggestions for couples just starting their lives together.

The main points emphasized by these couples included to starting saving early and often, be financially conservative, and keeping credit in check. Constructing, writing down and sticking to a disciplined and realistic budget are imperative. One couple suggested dividing out cash into separate envelopes to limit the amount you spend on gas, groceries, etc. Invest in things that tend to go up over time such as real estate and tax deferred accounts to create wealth long-term.

Some of the financial insight given is best to be recited directly, as little further explanation or elaboration is necessary:

* “Some people are spenders and some are savers. It helps to find that out early.”
* “For big purchases, wait a bit before you buy.”
* Regarding higher education costs for children, “Make it a priority to set monies aside early on for their college education. If families have not saved to assist with higher education, some young people may be discouraged from attending college and fulfilling their dreams due to the fear of a high debt load”.
* “Know what your financial goals are and keep striving to reach them. On a yearly basis figure out your net worth so you can see your progress”.
* “If two (spouses) are working, try living on one salary early on before children. Perhaps that would foreshadow if it would be possible for one to eventually stay home and parent a child or children”.

Being married for seven years, I believe the ultimate wedding gift is a calculator, pencil, and a notepad. True, this isn’t very romantic, but they are necessary to proactively budgeting prior to each month. With a written budget, you proactively control your money; you don’t let it control you.

Beyond the financial aspects of the relationship, additional general marital advice was solicited from these couples. These couples overwhelmingly mentioned that a mutual respect for each other was the key to a happy marriage. “Your spouse is your best friend and should always be treated as such” wrote one happily married couple of 32 years. Open communication, trust, and prayer were also mentioned as being key ingredients to a happy marriage.

Walking down the aisle does not guarantee happiness. It is important to work together in taking the first steps together in establishing good financial habits from the start. Reflecting on and implementing advice from other happily married couples may increase your chances of having those first steps down the aisle be the best walk you ever took!

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*\** “*Financial Disagreements and Marital Conflict Tactics”, Jeffrey Dew Utah State University*