

Discussing money before the wedding pays off

By **MELISSA KOSSLER DUTTON**

Associated Press

When Missy Gillen met her future husband, Mike, she hadn't given much thought to a rainy day fund or investing money. But as the Westlake, Ohio, couple got serious, she started paying attention to their finances, something Mike Gillen encouraged.

"We're both very aware of our goals," said Missy, who married in July, but not before creating a budget and starting to save for a house.

Talking about money before marriage is essential for wedded bliss, according to financial experts, since it can eliminate a lot of surprises and arguments. Conversation can help a couple understand each other's financial standing, spending habits and savings goals.

Financial stress is one of the main causes of divorce, said Gail Cunningham, spokeswoman for the National Foundation for Credit Counseling, in Silver Spring, Md.

"People bring financial baggage into a relationship and often don't deal with it until problems arise," she said.

Many newlyweds do not foresee that money can be an issue, added Julie Baumgardner, executive director of First Things First, which offers financial education classes to couples in Chattanooga, Tenn.

"It's not a topic that people tend to put a lot of weight on," she said. "Learning how to manage your money together is a big deal."

These experts and Denver-based financial counselor Taffy Wagner offered some tips for addressing finances before exchanging wedding vows:

1. Sit down with your partner and discuss your finances. Bring copies of your credit score; pay stubs; credit card bills; details about loans, child support payments or debt; and any other relevant financial information. This will help both parties develop a picture of their financial responsibilities after marriage.

2. Examine one another's credit scores. If one person's score is below 700, consider keeping your finances separate. Work as a couple to help the person with the low credit score improve it by paying off debt and taking care of overdue bills. Do not apply for any joint credit cards. Instead, put the cards in the name of the person with good credit and make the other person an authorized user.

3. Decide which of you will be in charge of managing the money and paying bills. It's important to develop a system so the bills are paid on time. Make sure the other partner has a basic understanding of the system and is aware of all bank accounts and investments.

4. Develop a budget the two of you can live on. Make sure allocations for groceries, clothing, etc., are reasonable. No more than one-third of your gross income should go toward a mortgage. Don't spend more than 25 percent of your gross income on rent.

5. Set limits on spending.

Determine how much money you are comfortable spending without consulting your spouse. For example, agree to discuss any purchase over \$100, \$500 or \$1,000.

6. Find out how your partner handles unexpected expenses, and decide whether you agree with the approach. After you're married, you may decide that turning to mom and dad or using a credit card to cover emergencies is unacceptable.

7. Agree to create an emergency fund. Financial experts recommend setting aside enough money to cover living expenses for three to six months. Start by setting aside 10 percent of your paycheck.

8. Develop a policy about lending money. Decide whether you would be willing to give a loan to a friend or relative. If you're comfortable doing that, discuss whether you would charge interest and how much you could afford to lend. Always put the details of a loan in writing.

9. Discuss whether one of you will stay home after the birth of a child. If that is a goal, start planning how you could live on one income.

10. Share details about the way your parents ran their household. Did they

employ a housekeeper, landscaper or other help that you would expect in your household? Was charitable giving or religious tithing an important part of your upbringing and what are your attitudes toward it?

Ask Carley

By **CARLEY RONEY**

Scripps Howard

Q: What should I bring with me when I'm ready to try on wedding dresses?

A: Before you go dress-shopping, invest in nude pant-

ies and a nude strapless bra that fit you well so you can wear them when trying on gowns. Also bring a pair of heels close to the height you want to wear on wedding day. If you hate walking barefoot, throw a pair of socks in your bag for running around the salon.

(Carley Roney, co-founder and editor in chief of The Knot, the nation's leading wedding resource, advises millions of brides on modern wedding etiquette at www.theknot.com.)