WALDRON
Private Wealth

FINANCIAL CHECKLIST FOR NEWLYWEDS

For couples who have recently married, or who are about to marry, we have prepared a checklist of 10 commonly overlooked aspects of this new chapter in your life

1. **Change married names with the Social Security office immediately:** If you plan to take your spouse's name, you must first legally change it with the Social Security office – no financial or legal institution will update your name until it has been formally changed by the Social Security office. Plan to begin this process as soon as you've received your marriage certificate, or as soon as you can after the wedding – most couples assume this process is fairly simple, but in reality, it requires a lot of paperwork, and it can take up to two weeks to receive your new social security card once that paperwork has been submitted.

2. **Create an emergency savings account:** According to CNBC, the average cash gift per guest at a wedding is $160. For a wedding with 200 guests, that figure adds up to more than $30,000. While a substantial sum of money can be a huge benefit for a couple starting out their lives together, many newlyweds do not spend this money wisely. To help lay the groundwork for your financial future, put part of that money into an emergency savings account with the goal of funding the account with at least three months of income for each individual to ensure you're fully covered.

3. **Put together a consolidated net worth statement:** Most couples don't look at their combined net worth until they start pulling together their assets to apply for a home loan. Take the time to review your individual financial situations and use that information to make informed decisions together, now and in the future. This process opens up larger discussions about how you'd like your money managed as a married couple. Would you prefer to tackle everything jointly, or would you like to keep some things separate? How much money should be set aside for your kids' education? What do you consider to be a reasonable amount to allocate for annual vacations, or a monthly car payment? Answering these important questions will help ensure that you don't have vastly differing opinions about budgeting, saving and spending.

4. **Update beneficiary designations on life insurance and retirement accounts:** As a single person, people often list a sibling or a parent as beneficiaries on their life insurance and retirement accounts. Assuming you'd like to name your spouse as a beneficiary, be sure to meet with your financial planner and/or insurance provider to update the appropriate documents.

5. **Complete all legal documents, including wills, power of attorney and health care directives:** Much like your insurance and retirement accounts, legal documents are often left untouched until it's too late. Meet with an attorney to update or create wills, financial and health care power of attorney and medical directives, to guarantee that your spouse will always be in control of your family's important decisions.

6. **Review life insurance needs:** When a couple gets married and starts a life together, that usually entails taking on larger financial obligations, such as buying a home and raising children. Purchasing an appropriate amount of life insurance ensures that your family will be able to continue living a comfortable life, even if one spouse passes away.

7. **Discuss your big picture goals:** While you may not have enough funds to tackle all your financial goals immediately, there are probably large-scale expenses that you'd like to start saving for as early as possible. For instance, do you plan on having kids? Should you consider setting up a separate savings plan for major family expenses (college, weddings, etc.)? Do you want a vacation house at some point? How much do you envision spending in retirement? Discussing these items sooner rather than later will allow you to build consensus with your spouse early in your life together, and to start working together to achieve your shared long term goals.

8. **Bundle your insurance and monthly service bills:** Efficiencies can often be gained by combining separate recurring payments into one joint account. For instance, consider bundling your insurance policies or cell phone plans to make sure you're not overpaying on your monthly expenses, and in some cases, to realize discounts.

9. **Consider a pre- or post-nuptial agreement:** Having conversations about pre- and post-nuptial arrangements can be uncomfortable, but these documents truly are the best way to protect an individual in the event of a divorce. There is no difference between a pre- or post-nuptial agreement, so even if you're a newlywed, you can still make the necessary assurances with your spouse after your wedding.

10. **Understand investment risk tolerance:** Almost every relationship includes different appetites for risk. Make sure that you and your spouse are on the same page when it comes to how risky or conservative you want to be with your investments. Discussing this at the outset of your life together will allow you to make any necessary adjustments and will prevent presumptions and surprises down the road.