

Engaged or Moving in Together? Time to Talk Money!

Talking about money is critically important – 38% of divorces involve disagreements about money.¹

Communication is key

- Don't keep spending secrets – know each other's debts and obligations beforehand.
- Discuss large purchases in advance.
- Set a regular schedule for discussing money to make sure you're both on the same page.

Who should pay the bills?

- Find out who is good at paying the bills, saving, and managing a budget.
- Decide if you are comfortable with a joint account for bill paying.
 - If not, consider dividing up the bills where one pays some of the bills and the other pays the rest.
 - Consider income differences.
 - Discuss how you both have handled money in the past.
 - Discuss some of your money goals, such as buying a house, earning a graduate degree, having children and others.
 - If and when you have children, will you both continue to work?

Make a budget

- How much income do you each bring home?
- What are your monthly expenses?
 - Review your credit card and bank statements for the past 12 months.
 - Don't forget occasional expenses like doctors and insurance.
 - Are there opportunities for savings?
- Pay yourself first by contributing to your employer retirement accounts.
- Housing should be less than 28% of take home pay.²
- Total debt should be less than 36% of gross monthly income.²
- Make sure you have 3–6 months' worth of living expenses saved in an emergency fund.
- Establish a joint savings account for your goals like a new car, home, children and/or vacation and agree on a monthly amount to save.
- Try to pay off your credit cards every month.

1. Revealing Divorce Statistics In 2023 – Forbes Advisor

2. What Is a Reasonable Amount of Debt? This Rule Can Help You Know (investopedia.com)

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Know your credit ratings

- A credit rating of 680 or higher is generally considered good.
- A lower rating may negatively affect your ability to get car loans and mortgages.
- With higher ratings, your interest rates may be lower.
- Some things to do to improve your ratings:
 - Pay your bills on time.
 - Reduce credit card debt to less than 30% of available credit.³
 - To avoid higher interest charges, try to pay more than the minimum amount due every month.

Helping each other understand your personal thoughts on finances and working as a team can help create a solid financial foundation for your future together.

Who is going to own what assets?

- Will investments, insurance, and other assets be left to each other?
- Will the house and cars be in joint name?
- Are there assets that have to stay in your respective families?
- See an attorney to ensure assets are left to your desired beneficiaries.

If you want help getting started, your LPL Financial professional is here to help.

3. How Much Credit Should I Have, And Does It Impact My Credit Score? – Forbes Advisor

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