

marriage & money

**Setting Up
Your
Financial
Household**



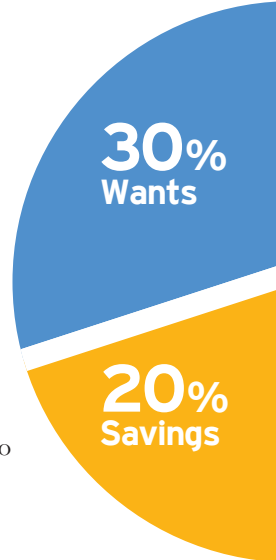
5 Keys to Keeping the

1. Create A Budget You Can Both Live With

If you and your spouse are new to budgeting, there is a simple rule to get you both started. The 50/30/20 Rule allows couples to effectively allocate their expenses into three categories:

- **50% Needs** – living essentials such as rent, insurance, food, transportation and utilities
- **30% Wants** – flexible spending for items you want to buy, but don't necessarily need
- **20% Savings** – financial goals including debt reduction, savings and investments¹

Keeping finances separate or joining your bank accounts is a matter of personal preference. But whatever you decide, don't forget to communicate! If you're feeling left out of the financial loop, you need to schedule a money talk once a week.



“Moneymoon” Alive

2. Learn the Debt Dos and Don'ts

DO break your bad debt habits before they stress your marriage. Seven out of ten Americans get married with some amount of debt — mainly credit card and student loan debt. While having debt is common, it can unfortunately be a relationship dealbreaker no matter how long you and your partner have been together.²

DON'T live beyond your means. More than half of Americans, including individuals across a broad spectrum of income and age, are living paycheck-to-paycheck. This includes 40 percent of consumers with annual incomes over \$100,000, 53 percent who earn between \$50,000 and \$100,000 annually, and 72 percent of those who make less than \$50,000 per year.³ Live within your means and plan accordingly.

DO communicate honestly about your spending habits. Set a monthly “date” to discuss your finances together. If you think that sounds unromantic, think of it in terms of safeguarding your marriage against financial infidelity (such as “hiding compulsive shopping or gambling debts”), which experts say is on the rise. More than 40 percent of couples across generations who are married or partnered admit to being deceitful about something money-related. That number is even higher among Millennials, with more than half committing financial infidelity against their significant other.⁴

DON'T abuse your credit. Although it might be tempting to buy furnishings or electronics for your new home, impulse purchases can really add up and harm your credit down the road. Low credit scores can cost consumers tens of thousands of dollars over the life of a loan. A good rule of thumb is to use 30 percent or less of your available credit to maintain a healthy credit score.⁵

3. Save For A Rainy Day ... And More

Starting a family or retiring from your job might seem like a long way off, but it pays to start planning early. Saving and investing is an essential part of your financial game plan — and it means more than just putting a few dollars in a savings account. Your savings game plan should include:

Emergencies: Experts recommend having at least three to six months of expenses tucked away in an emergency fund, never to be touched unless the worst-case scenario happens: job loss, an illness, an accident.⁶ But fewer than 4 in 10 Americans have enough money set aside to cover an unexpected \$1,000 expense. The rest would have to use a credit card, take out a loan, or borrow from family members, friends, or other means to finance it.⁷

Short Term Goals: Maybe you're dreaming of a summer vacation, new appliances for your home or another big-ticket purchase. Save up for things like travel — it's better to pay cash than get locked into high interest credit card debt.



50%
Needs

Child's Education: If you plan to start a family, it's smart to consider education costs as well. The average annual cost of an undergraduate degree not only increases every year but has experienced a steep rise between the last two generations that have graduated from college. Tuition inflation has risen at a faster rate than the cost of medical services, child care, and housing.⁸ The average cost of tuition and fees for the 2020–2021 school year was \$41,411 at private colleges, \$11,171 for state residents at public colleges and \$26,809 for out-of-state students at state schools.⁹ That said, if saving for college is in your plan, starting early makes a BIG difference.

Retirement: The pandemic has had a profound impact on many Americans' confidence in living comfortably throughout retirement and their ability to save for it. A majority of workers, agree that preparing for retirement makes them feel stressed.¹⁰ Moreover, 65 percent of survey respondents reported having less than \$50,000 saved for retirement, with another 14 percent having only between \$50,000 and \$150,000 saved. A majority of participants said they waited too long to save for retirement and 63 percent admitted they wished they knew more about savings and investments while they were working.¹¹

4. Plan For Tomorrow ... Today

When you're married, you may depend on your spouse's income to help pay the mortgage and other living expenses. No one wants to think about tragedy or loss, but you should discuss with your spouse a game plan if something unexpected should happen.

While nothing can replace a spouse, a term life insurance policy protects your family if something should happen. Term is almost always your best choice.

In addition to considering a life insurance policy, it's important to talk about each other's wishes if one of you should die. A will gives legally binding instructions for the distribution of your property and the care of your children if you pass away.

5. Get Your Financial Snapshot

Planning for the unexpected, saving for retirement, paying off debt ... as you start your new life together, does all of this seem daunting? It doesn't have to be.

Before you smile for the wedding photographer's cameras, get a "financial snapshot" taken. Call the Primerica representative who gave you this brochure for a free Financial Needs Analysis (FNA). The FNA gives a detailed overview of your current financial situation and offers suggestions on how to prepare for a secure financial future. The FNA is complimentary, confidential and customized for you and your spouse.

¹ Bankrate.com, "What Is the 50/30/20 Budget Rule?," May 13, 2021 ² CNBC.com, "4 Steps to Take When You or Your Partner Is in Debt," July 21, 2021 ³ PRNewswire.com, "Nearly 40 Percent of Americans with Annual Incomes over \$100,000 Live Paycheck-to-Paycheck," June 15, 2021 ⁴ Acorns.com, "51% of Millennials Are Keeping a Major Money Secret from Their Partner: Here's What They're Hiding," February 19, 2021 ⁵ TheBalance.com, "What Is the Credit Utilization Rule of Thumb?," March 11, 2021 ⁶ Forbes.com, "Here's how the Pandemic Shattered the Emergency Savings Rule of Thumb," June 23, 2021 ⁷ CNN.com, "Most Americans Couldn't Cover a \$1,000 Financial Emergency, Survey Finds," January 11, 2021 ⁸ Forbes.com, "A New Study Investigates Why College Tuition Is So Expensive," August 31, 2020 ⁹ USNews.com, "What You Need to Know About College Tuition Costs," September 17, 2020 ¹⁰ EBRI.org, Retirement Confidence Survey, June 10, 2021 ¹¹ GoBankingRates.com, "A Troubling Look at the State of Retirement in 2021," March 15, 2021

Everyone looks forward to their honeymoon ... but what about the

“moneymoon?”

It's when the wedding is over and life together begins – including your financial life. Creating a few simple programs in the beginning of your relationship can lead to nuptial and financial bliss in the long run!

Marriage and Money Checklist

- Create a household budget – and stick to it!
- Pay down any debt accrued before you got married.
- Start saving for your future together.
- Plan for the unexpected.
- As a couple, create a total financial strategy.

New Beginnings.

Your wedding is only the beginning of sharing your life with someone and the FNA is only the beginning of creating a total financial solution. Your Primerica representative will work with you — in your home — to provide solutions that can help you get off to a great start financially.

Where your financial future is concerned, are you ready to live happily ever after?

Contact your Primerica representative today!

