



YOUR WEALTH JOURNEY — NAVIGATING LIFE'S FINANCIAL MILESTONES

Getting Married: 5 Financial Considerations

How to successfully merge financial lives with your partner

Getting married or entering a legal civil union with your significant other is one of the most exciting times of your life. Yet, it is important to recognize that you and your partner will also be merging some or all aspects of your finances—legally and logistically.

Make sure to consider and discuss the financial implications of your union and get to know your partner financially. Of course you know the person you are marrying, but have you fully discussed your financial situation, behaviors, goals, and values? Having candid conversations about financial matters can help ensure you are on the same page when it comes to how you will manage money together. It can help prevent future misunderstandings and ultimately allow you to make better decisions about how you will operate financially as a team. Here are important steps to prepare for marriage from a financial perspective.

**Talk About Spending
and Saving Habits**

Know Your Debt

**Understand
Your Assets**

**Discuss Future
Financial Decisions**

**Protect Yourself
Financially**

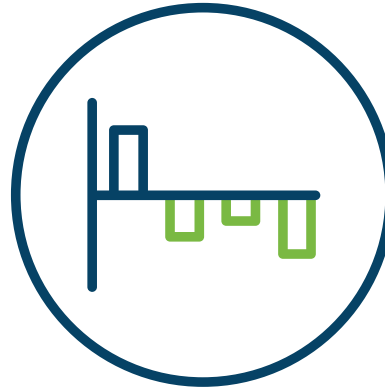


Talk About Spending and Saving Habits

It is important to understand how your partner thinks about the value of money and spending versus saving it—and to share your own views. You do not have to approach spending and saving in the same way, and some couples have very different expectations. But you should be comfortable with each other's approach and talk through how you will accommodate or address any differences.

Talking about it openly can help you make decisions such as:

- Whether or not a budget will be needed and, if so, how you will work together to create one
- Should you have joint and/or separate checking and savings accounts
- Who will be responsible for managing specific bills and expenses



Know Your Debt

Likewise, you should understand how much debt your spouse has and how they are paying it off—and vice versa. You both need to be clear, transparent, and specific about your debt situation. If your spouse has significant college debt, for example, how might that affect your ability to spend and meet financial goals? And how will any debt be paid off once you are married—by the one who took out the debt originally or by both of you? Other types of debt that you or your spouse could be bringing to the union include mortgages, car loans, credit card debt, or financial obligations such as child support and alimony if this is a second marriage.



Understand Your Assets

You should understand how your full financial situation will change once you are married, including knowing the assets you will continue to own individually and assets you will own and be responsible for managing jointly.

This includes:

- Checking and savings accounts
- Brokerage accounts
- Retirement accounts
- Insurance policies
- Property, such as a house or condo (If you both own homes, will you sell one or keep both and turn one into a rental?)



Discuss Future Financial Decisions

It also helps to discuss how you and your spouse think about other future financial matters such as:

- Charitable giving—and how important that is to both of you
- Kids (if you plan to have them) and how you intend to pay for their expenses, ranging from childcare to higher education
- Potential future financial obligations, such as aging parents who may need financial support later in life
- Expected inheritances of assets from extended family that you might need to plan for or manage in the future



Protect Yourself Financially

There are a number of steps to take to ensure you protect yourself financially once you are married. For example, make sure to update the beneficiaries on your 401(k)s, IRAs, insurance policies, and other assets to ensure they reflect your union. If you have a will or other estate-planning documents, update those as well. This will help ensure your assets are directed properly. You should also consider establishing or updating your power of attorney and any healthcare directives you might have or want.

Finally, consider whether you need a prenuptial agreement. Prenups are used for a variety of reasons, including one or both spouses having children or businesses they want to financially protect. A “prenup” is a legally binding contract you must set up before you get married that states each partner’s rights and responsibilities around premarital and marital assets and debts. It also lays out what would happen should the marriage end in divorce. A prenup should be coupled with estate documents such as a living trust to ensure assets are distributed to the appropriate parties rather than having state laws dictate the distribution of assets.

Talking in-depth about your financial situations, values, and priorities before you get married or form a civil union can only help make your journey together stronger. If you are interested in learning more, contact a William Blair wealth advisor.

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