

BRIDAL FACTS & FIGURES

Money Talks For Newlyweds

(NAPSA)—Two out of three married couples consider money a major source of potential conflicts in their marriages, according to a survey conducted by the non-profit Consumer Credit Counseling Service. As newlyweds prepare to make exciting plans for their new life together, Loretta Abrams, senior vice president of Consumer Affairs, HSBC-North America, offers the following tips to help couples address the challenges of managing money together:

- **Develop a financial goal.**

Share your plans together. Create a list of short-, medium- and long-term goals and then compare notes (buying a house or a car, having children, moving to a new city or starting a business). For each goal, figure out how much money you need to get there and how long you think it should take.

- **Decide how to handle the money.**

Will the two of you maintain separate accounts and divide up household expenses or will you maintain separate discretionary accounts with a combined household account? Are you willing to merge all finances? Let your individual “money personalities” dictate the right approach for you. If you share similar habits and priorities, combining all finances may be the perfect approach; however, if your habits are vastly different, it may make sense to maintain separate accounts.

- **Create a budget together.**

Check your past spending history and calculate your past debts. You have probably each developed very different money styles. Spending Thursday night out with your



When planning their family budget, newlyweds should remember to KISS: “Keep It Simple, Sweet-heart.”

friends or buying season tickets for your favorite team may still be in the cards but talk it through so you’re clear about priorities. Create a budget that will let you maximize your income and track your actual cash flow to make sure you’re staying within the boundaries you’ve set for yourself. Usually, it’s a month-to-month projection of the amounts allocated to each expense item based on your income. When you make a purchase or pay a bill, write it down and subtract it from the total you planned for that expense.

Sticking to a budget can be difficult and at times frustrating and there’s no guarantee you’ll see huge savings in the short term, but these two suggestions may make the process easier:

Go digital—Budgeting software packages and online resources can help. Most programs can perform basic budgeting tasks as well as sophisticated transactions.

Keep it simple—Most experts agree that the key to a successful

budget is to keep it simple and practical. Most of all, be realistic. If you love going to the movies, don’t drop them completely. Instead, try to cut back on the number of times you go or start a new tradition of movie nights at home.

- **Take advantage of tax-saving plans.**

If you’re planning to have children, look into some specific tax-saving accounts or the 529 plans now. The cost of a higher education is steadily rising, so the prospect of paying for a four-year college education is not an insignificant obligation.

If you have the option of saving for retirement through an employer-sponsored retirement plan, such as a 401(k), open an account immediately. You can defer a certain amount of your pretax salary into the account. In many cases, your employer will match a portion of your savings. In this way, you have the double advantage of saving money on taxes now and building your retirement account for the future.

- **Build emergency reserves.**

Be prepared for unexpected events such as job loss or major household repairs with an emergency account equal to three to six months’ expenses. To build up this account, have between 2 and 10 percent of your paycheck automatically deposited into savings—consider an online savings account, which offers higher yield and is easy to manage.

Learn More

More information on budgeting and other personal finance topics is at www.yourmoneycounts.com.