

COUPLES QUIZ: WHAT'S YOUR FINANCIAL COMPATIBILITY?

Couples frequently avoid talking about money before marriage. That's unfortunate, because sharing perspectives about money can help couples resolve the financial issues that doom many marriages.

The following financial compatibility quiz can help couples discuss financial issues before they wed. Answer true or false to each of the following statements.

1. We are aware of and comfortable with each other's money personalities.
2. We have discussed our short- and long-term financial goals.
3. My future spouse and I are well versed in personal finance.
4. My future spouse and I have discussed a plan to structure our finances.
5. We have planned for the affect that marriage will have on our taxes.
6. We have decided how to divide the money management tasks.
7. We understand the importance of establishing a realistic budget.
8. I know my future spouse's investment personality and risk tolerance.
9. I know how much debt my future spouse is bringing into our marriage.
10. We have made a commitment to discuss money regularly.

Answering "true" to eight or more statements indicates that you and your future spouse are on your way to a stable financial future. However, it's still a good idea to continue to communicate and work together.

If you answered "true" to five–seven statements, you and your future spouse need to devote more time to planning your financial future together. With a little luck, you can achieve financial compatibility.

If you answered "true" to fewer than five questions, you don't need to call off the wedding just yet. Instead, make a sincere commitment to discuss these issues and consider meeting with an experienced financial planner who can help you start your marriage on firm financial footing.

Read on to learn more about the importance of each question.

1. We are aware of and comfortable with each other's money personalities. Some of us grew up in families where our parents watched every dime; in other families money flowed easily. Some people measure self worth in terms of money and possessions. Some people are natural spenders, others are savers.

Understanding your future spouse's background and values can help avert problems down the road.

2. We have discussed our short- and long- term financial goals. Setting financial goals helps you develop priorities and define the type of lifestyle you will lead. Break down your goals into manageable pieces. If you want to buy a house in five years, determine how much you need to save monthly to meet the down payment.

3. My future spouse and I are well versed in personal finance. Parents and schools rarely provide training in personal finance. Work together to develop your financial knowledge and build confidence by taking a course, meeting with a financial planner or purchasing a reputable book.

4. My future spouse and I have discussed a plan to structure our finances. Will you pool all your resources into joint accounts, maintain separate accounts or devise some combination of the two? There is no right or wrong answer. The key is to come up with a plan that works for you both.

5. We have planned for the affect that marriage will have on our taxes. The marriage "penalty" means that you and your future spouse together are likely to pay more taxes than you each did as singles. Check with a CPA or tax professional to ensure that you are prepared to meet your



tax responsibilities and aware of any tax law changes in this area.

6. We have decided how to divide money management tasks. Decide who will be responsible for balancing the checkbook, filing taxes and tracking investments, or better yet, set up a plan for rotating these and other financial tasks.

7. We understand the importance of establishing a realistic budget. Couples without a budget tend to live and spend from day to day. A valuable budget helps you save regularly, use income wisely and avoid misunderstandings about how money is spent.

8. I know my future spouse's investment personality and risk tolerance. Investing styles are different, ranging from conservative to risky. Take the time to arrive at a level of risk where you both feel comfortable.

9. I know how much debt my future spouse is bringing into our relationship. Couples must enter marriage knowing how much debt they each carry and how it will be paid.

10. We have made a commitment to discuss money regularly. Differences are inevitable. How you handle them is important to your marriage.

CPAs agree that ongoing, honest communication is the key to a lifetime of financial compatibility. 📞

