Financial Tips for Newlyweds

People are waiting longer to get married. According to the U.S. Census Bureau, the median age in 2010 was 28 for men and 26 for women anticipating their first marriage. This means people also have time to accumulate more debt when they tie the knot.

The average credit card balance per borrower in America is $4,679. Student loans and financial aid for graduating seniors range from $20,000 to $25,000. The best way to avoid financial stress is to reveal these debts early in the marriage planning process.

Here are some financial tips for newlyweds:

- Before you get married, know how your future spouse will treat money. A free spender prior to getting hitched will probably be a free spender after. Ask about your future spouse's regular indulgences.
- Reveal everything in your financial closet. Be honest about your income, debts, and money problems. Explain your financial strengths and weaknesses.
- Each of you should get a copy of your credit reports from the three bureaus. This will give you a clear picture of accounts, debts, and how creditors will judge you. Aim to get your scores over 750 to receive the lowest interest rates for your first mortgage and other loans.

- If your partner has been married before, find out about his or her financial obligations to the ex-spouse and children.
- Have a wedding and honeymoon you can afford.
- Avoid credit card debt. If you can't pay for something with cash, you can't afford it.
- If you have a credit card balance, pay as much as you can above the minimum each month.
- Before the first bills come in, decide who will pay and when this will take place.
- Reduce your debt-to-credit limit ratio to improve your score. Your monthly obligations, including your mortgage, should not exceed 35% of your gross income.
- Each spouse should have a credit card in his or her own name. Use it for several purchases each month and pay the bill in full immediately.

Contact a financial counselor at America First Credit Union for your free budget analysis at (800) 999-3961.

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