



Introduction: Welcome to the Paragon Financial Partners Podcast, where we discuss the markets, our strategies, and how to live better today while planning for tomorrow.

Elean: Hello, and welcome to another episode of the Paragon Podcast. This is Elean Mendoza, and I'm here with Evan Shorten the firm's Founder and Principal.

Evan: Hello. I'm Evan Shorten, and I want to thank everyone for tuning in to this podcast. It's nice to see our number of listeners steadily increasing with every episode. With that said, if there are any topics that you would like to hear about, please feel free to reach out to us, as today's topic was one we were asked to record. You can send us your topic ideas via our Facebook page or to info@paragonfinancialpartners.com.

Elean: As we approach wedding season, we thought it would be a good time for us to discuss the important financial aspects around marriage, and provide you with a few key points to help you create a strong financial foundation. If you're already married, congratulations! It's still a good episode to listen to, because it can help give you some guidance in order to review and assess the current financial health of your marriage. Evan, could you start off by discussing some of the very first things you and your significant other should do with regards to your finances?

Evan: Yes, of course. The first thing you and your partner should do is sit down and share your finances and credit reports with each other. Make no mistake, this is emotionally difficult and puts both of you in a potentially vulnerable spot. But, the sooner you do this, the sooner the two of you can make a plan and work on building a stronger foundation. Start off with the easy things first. How much is in your checking and savings account? How much do you have saved for retirement? Do you own any life insurance?

Don't just say it, though. Both of you should have your account statements on hand. Having the account statements brings a lot of transparency to the discussion. It also provides a transition to discuss your expenses and spending habits. Even if you already live together and know each other's fixed expenses, such as rent, utilities, and cell phone bills, you may not fully be aware of your partner's outside spending habits. This is the time to present not just fixed expenses, but also how you'd like to spend your money together and when you're not together.

This is really a great time to highlight some of the financial expectations each of you have, and even discuss some financial habits that may be worrisome to you or your partner. Finally, you and your partner should discuss your level of debt if you have any. This includes credit card debt, auto loans, student loans, perhaps a mortgage. Do you have any business debt that you're personally liable for? This is also very important.

Elean: If you find this difficult or it makes you feel uncomfortable, don't forget you're not alone in this. This is probably just as difficult for your significant other as well. So just remember, regardless of where you stand financially, if you're ready to tie the knot, your partner should be more than willing to adopt goals to help build a strong financial foundation for the two of you.



Evan, so what would come next? You and your significant other have brought all of your financial information and presented it to each other. Both of you have a clear picture of where you are financially, and you've identified strengths and potentially some areas of improvement. What would be the next step for a couple to take?

Evan: Now that you have a clear picture of each other's finances, it's important to set goals. I would suggest starting with the following. First, be prepared with an emergency fund. If you do not have one already started, work toward building three months of covering your fixed expenses. Then, move towards six months, until you have a full year set aside. Second, pay down your debts focusing on eliminating consumer debt first, such as credit cards and auto loans, then student loan debt. Third, max out your retirement savings whenever possible as a priority.

While these are not the only goals you should be establishing, they do provide an excellent starting point. The next step is to take each other's financial picture and your shared goals and make a savings and spending plan. This is your blueprint for accomplishing your financial goals. You should discuss and come to an agreement on how much to save for emergencies, retirement, and then fund vacations. You also need to come to an agreement on how you're going to pay down debt. All of these items will be incorporated into your savings and spending plan.

It's important to decide and come to an agreement on how you plan to make financial decisions. How will you tackle larger expenses such as furniture, a car, or buying a home? What constitutes a large expense? What seems large to you may not be large to your partner. Never make a decision that affects you and your significant other by yourself. Have a system in place with checks and balances to ensure both of you are always in the loop when it comes to spending. It is also okay to agree on having a little bit of your own money for discretionary spending.

Elean: Also, we should mention that ideally you and your partner should do this before you walk down the aisle. If you're already married and have not done so already, this should be a priority to consider. If you've been married for a number of years, it's important that you sit down and revisit the financial health of your relationship. Ideally, you and your significant other should sit down a few times a year to review your finances and ensure you're accomplishing your goals. Evan, any other things couples should focus on?

Evan: Yes. Once you're married, you have a couple of tasks that need to be completed. You should update your tax filing status; update the beneficiaries on your retirement accounts and insurance policies. Also, decide whose work sponsor health plan is best for you. Marriage is considered a qualifying event, which allows you to change your health plan without having to wait for your annual open enrollment period. Finally, execute on the financial goals you and your significant other agree to.

Elean: Okay, great. Thanks, Evan. Hopefully this podcast shed some light on some initial to-dos for couples who are about to get married, and even those who are already married. If any of this seems difficult or daunting, don't worry. You can always seek out the help of a financial professional to sit down with you and walk you through the process. Evan, any last words?



Evan: Yes, if you visit our blog you can download a summary sheet that includes many financial to-dos for you and your significant other. We will have that sheet posted in our blog at ParagonFinancialPartners.com/blog and under our Client Resources tab. If you would like to stay up to date with our podcast and whitepapers, please use the link below to sign up for our mailing list. Thank you again for listening and tuning in.

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