hitched

# Simple Financial Happiness

Newly married couples should be aware of all possibilities when it comes to saving for the future.

**BY LISA BRINIG**

Thinking about money isn't nearly as much fun for newly married couples as planning the wedding or taking the honeymoon, but it is certainly more important. Once the thank-you notes are written and the wedding gifts stored away, it's time for couples to formalize their approach to money.

First, the big questions—do you want to buy a house someday? Do you plan to save for college for your future children? Do you hope to retire and at what age?

More often than not, the answers to all of the above are "yes," so the next step is to figure out how to begin to execute these plans.

Beginning with the end in mind (it takes a *long* time to accumulate enough money to retire), it's a no-brainer to contribute to your company's 401k, at least up to the company match. Who doesn't want free money?

The next step (and one that many newlyweds don't think about) is to establish an "emergency fund" for unexpected expenses that could blow the budget. One of you loses your job and struggles to find a new one, or a relative passes away and you have to fly home at the last minute or the car dies and must be replaced immediately.

It's important to have about three months' worth of living expenses set aside in an emergency fund to cover these little bumps in the road of married life. This way you can stay out of credit card debt when such emergencies arise.

Because you want to keep this money safe, don't invest it in the stock market. At the same time, it's a good idea to earn as much interest on this money as possible. Look for a high-yielding money market account at a low-cost mutual fund company such as Vanguard or Fidelity and begin diverting a portion of your paycheck into this account each month. Current interest rates on these funds are more than 4.5%.

If you run up against a requirement for an initial minimum deposit in the beginning, open a savings account at a local credit union until you have accumulated enough to cover the minimum requirement.

Another option is to open a savings account at an online institution such as ING. These accounts don't have a minimum required deposit, and they are paying 4.1% interest right now.

Once the emergency account is fully funded, the next step is to begin saving for a house. This money also needs to be kept safe, yet earning some interest, so divert the emergency savings amount into a new account at the same institution (or into the same account if you are disciplined enough to keep the emergency savings and house savings amounts segregated in your own minds.)

These simple steps at the beginning of married life together will help lead to financial and marital harmony, long after the wedding memories have faded.

*Lisa Brinig, CFP, is a manager at CBIZ Financial Solutions in San Diego, CA. She may be reached at 858-795-2117 or lbrinig@cbiz.com*