

# 4 Money Mistakes And How To Avoid Them

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Money mistakes are one of the top reasons that marriages end in divorce, yet unfortunately, most engaged and newly married couples fail to prepare themselves. Though you both may be handling your finances separately, now that you're joining together as one, being on the same page is critical.

Here are four of the common money mistakes newlyweds make that end up costing them big later.

## **1. Not Sharing Financial Habits and Debts**

Once you're married, your money and finances are a joint effort. As such, you must know how your partner deals with their finances, and how much financial "baggage" they're carrying. Knowing if your partner is a saver or a spender, whether they pay bills timely or whether they procrastinate, and having a general idea of how much debt they're carrying around can help you both to make a plan that will secure your financial future.

## **2. Spending Too Much on Housing**

The prospect of buying a new house can be exciting. You're ready to start your new lives together and want the perfect place to build from. Be that as it may, it is imperative to consider all expenses before purchasing a house. If you fail to analyze the true cost of homeownership and buy more of a home than they can afford, you could end up in debt or have your home foreclosed on.

Though getting a home is ideal for a married couple, it should be done with careful consideration. Review your options with a mortgage company to find the best loan rates and mortgage programs for first-time home buyers. Then analyze your finances to ensure that you can afford to own a home.

If you're unable to afford the big family home you desire, consider a condo or starter home and then relocate once you have the money to do so.

## **3. Not Having a Rainy-Day Fund**

You never know what could come up that requires a large amount of cash to fix. It's easy to forget to plan for a rainy day. An issue with the house, the loss of a job, a need to pay for something for the kids, anything could occur, and unfortunately. If you aren't prepared, it forces you to have to go deeper into debt by taking out a loan.

Savings should be a staple of your financial plan. Putting aside at least 3-6 months' worth of income is a good umbrella to start with.

## **4. Not Having a Budget**

Work together to create a budget and stick to it. Be open and honest with one another about your debts, monthly bills, and income. Then agree on a financial plan that will cover all your bills. Budgeting also helps you to make informed decisions and it most certainly keeps you out of debt.

**Avoid these money mistakes at all costs by openly talking to your spouse and creating a budget that will allow you to live out the life you've always dreamed of.**