



JOINT ACCOUNTS WEDDINGS ARE A MARRIAGE OF SPENDING, SAVINGS - FOR BETTER OR FOR WORSE, TILL DEATH DO YOU PART

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Forget pre-wedding jitters. For Jake Jundef, 26, an automotive publicist, the stress started months before the ceremony when he and his fiancée bought a house together in Canoga Park in the San Fernando Valley.

"Buying the house was almost a bigger step for me," said Jundef, who is set to marry his college sweetheart later this month.

"I feel no anxiety about the wedding day. But when we were buying a house - I had to make sure I had the credit reports ... having to sign papers - if I had done it after (the wedding) or right before, it would have put on a lot more pressure."

Marrying means not just giving another your heart and soul, but also the PIN number to your bank account.

And since money problems are consistently blamed as the main cause of marital conflict, being on the same page financially is at least as important as agreeing on what flavor the wedding cake should be.

The first rule of financial merger is that it's different for every couple.

Jundef and his fiancée, Erin Falkowitz, got a crash course in financial merging with the purchase of their home. But for day-to-day transactions, they've opted to maintain some independence.

"We keep separate checking accounts and then we pay into a joint account for

monthly expenses. It was a mutual thing. It's just easier than deciding who's going to pay the mortgage this month or the gas bill," said Falkowitz, who adds that having her own money in a separate account allows her to buy, say, a new pair of shoes without feeling guilty.

For others, the idea of keeping separate accounts is completely foreign.

Atisthan Riddhisinha, 28, a finance director in Sierra Madre, has had a joint account with her fiance Andrew for years. They also have a joint savings account that will eventually be used as a college fund for their 2-year-old daughter, Alyssa, and they even sit down together monthly to pay their bills. That way, Andrew can see what the electricity bill is, for example, and seeing it will remind him to turn off lights that aren't being used.

People who live together before marrying seem to be at an advantage in terms of merging their financial lives because they already have their own systems set up for paying bills and contributing to retirement plans.

But living together doesn't always simplify things.

Liz Spradley, 56, a human resources executive at Raytheon Corp. in Long Beach, had a prenuptial agreement drawn up before she married Gary last month, even though they'd been living together for 17 years.

"He has no problem with it," said Spradley. "You have to approach it from a nonemotional angle."

Money matters

In the process of setting up the agreement, Spradley learned that in California, naming a beneficiary other than a spouse must be acknowledged by that spouse in writing and notarized. She and Gary, who has four children from previous marriages, both wanted to do that for various benefits, and the agreement reiterated their wishes so there's no confusion.

"You hope you love this person for the rest of your lives, but you never know what will happen," said Spradley, who was married once before.

The couple lives in a condo she bought before they got together. So she set up a living trust specifying that if the condo is sold the proceeds will be divided between

beneficiaries she has named. That should pre-empt any community property claims, although she said her lawyer advised her to keep all financial transactions related to the condo separate to avoid any ambiguity.

For JW Cheatham, 50, a computer manager, and his wife of two years, Kathryn, 26, sorting out retirement was toward the top of the list, right after paying off her credit card debt and joining their bank accounts.

To ensure that Kathryn would be covered no matter what, the Cheathams, of Windsor Hills, set up a joint and survivor annuity for withdrawal on his 401(k). Under the arrangement, part of JW's payout upon retirement will be diverted for a future benefit for Kathryn.

Because of her young age, the annuity payments he will start receiving at 65 will be substantially lower, based on her life expectancy, said Robert Goldsmith, the Cheathams' financial planner at Financial Fitness & Living Trust in Simi Valley.

"Everyone talks about how should I accumulate money for retirement and how much will it appreciate. But no one talks about how do I take it out. That's the most overlooked issue," said Goldsmith, who adds that marriage isn't usually the trigger that prompts most couples to delve deeply into long term financial planning.

Unless newlyweds have been married before or have substantial personal assets, they probably aren't thinking about insurance, retirement or investments yet.

But they should.

"The way you start your financial plan initially will affect your retirement," said Goldsmith.

The toughest thing for most couples to accept, in terms of finances, is the importance of saving and staying on a budget.

"You have to treat the savings with the same priority as if it's a bill," said Timothy McVey, a certified financial planner in Long Beach.

"I always have to do encouraging to get people to save. For most, once they get in the habit they don't miss it." The amount can be tiny - he tells people to ease into the savings habit by putting away \$25 a month initially.

Learning to Save

McVey also advises couples to treat a raise as extra savings. He suggests a test for couples planning to buy a house: Take out the difference in rent and expected mortgage, put it into savings, and see if it's possible to live on that amount for six months or so before making the purchase.

Stella Rollog, a nurse in Long Beach, has learned fiscal discipline from Russ, her husband of two years.

Prior to their engagement, Stella, 40, was carrying about \$10,000 in credit card debt, which Russ, a Vons grocery clerk, promptly paid off. In return, Stella was charged with socking away \$700 a month in their savings account, which she has faithfully done. The savings ritual has given Stella a new respect for her husband's money handling.

"As a nurse, I earn more, but he is so much more financially savvy. You could put \$100 in my pocket, it would be gone in a day and I couldn't tell you where I spent it. I'd say I bought some birthday cards, lattes. He could tell you where he spent it. He knows where his money goes."

The Rollogs have separate checking accounts, though Stella said she's open to having a third joint account, just as long as she can keep her own, too.

There's nothing wrong with mad money, said McVey. In fact, he advocates it for couples.

"Agree on some mad money, say \$100, that you can't question each other on," he said. "Hopefully, that relieves some of the arguments about money."

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