

Money Talks... So Should Couples

Cindy and Jeff see eye to eye on most things, such as music, TV programs and food. But when it comes to spending and investing, they couldn't be more different. The result? Their financial priorities are not aligned and causing financial disharmony. If you're like Cindy and Jeff, it's time for some ground rules to get on the same page financially

Create a budget

A budget will help you both keep track of where your money goes. Make a list of your monthly living expenses and subtract the total from your monthly net pay. What's left is your discretionary income. With a budget in place, you can spend wisely, control debt and plan for major purchases and emergencies.

Discuss money and financial goals

Regularly set aside time to discuss your joint finances. Talk about you and your partner's money strengths and weaknesses and your long- and short-term financial goals. Try to find common ground on spending and saving. For example, agree ahead of time on how much you plan to spend on any major purchase.

Share responsibilities

Decide how to handle your day-to-day finances. You can divide up the responsibility or put one person in charge of your finances. But whatever you do, be sure to review household finances together at least once a month so that you both know what's going on.

Talk about "what ifs"

How would you manage financially if one of you were to become disabled, incapacitated or die unexpectedly? If you don't know, then you need to talk about having a Will and Powers of attorney drafted and buying or increasing disability income insurance and life insurance. Make sure your beneficiary designations on retirement or Tax Free Savings Accounts and life insurance policies are up to date.

Not being on the same page financially as a couple, can be expensive and could impact your future financial security. We believe proactive planning and professional advice go hand in hand. Consult your BMO financial professional to help you manage your financial future together.

BMO Financial Group provides this publication to clients for informational purposes only. The information herein reflects information available at the date hereof. It is based on sources that we believe to be reliable, but is not guaranteed by us, may be incomplete, or may change without notice. It is intended as advice of a general nature and is not to be construed as specific advice to any particular person nor with respect to any specific risk or insurance product. Comments included in this publication are not intended to be legal advice or a definitive analysis of tax applicability or trusts and estates law. Such comments are general in nature for illustrative purposes only. Professional advice regarding an individual's particular position should be obtained. You should consult an independent insurance broker or advisor of your own choice for advice on your insurance needs, and seek independent legal and/or tax advice on your personal circumstances.

®"BMO (M-bar roundel symbol)" is a registered trade-mark of Bank of Montreal, used under licence.