SHARING YOUR LIFE MEANS SHARING FINANCIAL INFORMATION, TOO

Before you say "I do," it's a good idea to sit down and discuss your finances. Even if you're already married or in a committed relationship, scheduling a regular "financial date" to proactively talk about money will help avoid any unpleasant surprises in the future. Here are some ideas of what to talk about:

Where would you like to be in five years? Ten years?
This is a good question to start a money conversation. You should discuss each other's hopes and dreams so you can set priorities and identify savings goals.

What are your assets and liabilities?
Each of you should fill out a detailed list of your assets and liabilities. Before you can move forward, you need to know where you stand right now.

Should you keep your finances separate or combine them?
There is no best way. Whether you have joint accounts, separate accounts or a joint account just for household expenses, you need to pick a system that works for both your individual money styles.

Should you combine investments or keep them separate?
Again, it is up to you. But, you should consider the overall portfolio and try to eliminate duplicate investments to minimize risk.

How will you handle spending decisions?
You should create a budget, set out how much you spend on groceries and other household expenses, and make sure you discuss major purchases.

Who will be responsible for paying bills and preparing taxes?
Even if one of you assumes this duty, you should both discuss it and have periodic budget reviews to discuss upcoming expenses.

What are your insurance options?
Will it be cheaper to add one of you to the other's coverage instead of maintaining separate plans? When it comes to employer-provided health insurance, the costs can vary widely. Combining auto insurance is usually cheaper, provided you both have clean driving records. Also check your beneficiary information as you may need to update it.

What is your tolerance for financial risk?
If you and your partner or spouse are on opposite ends of the risk spectrum, you may need to compromise. It is unlikely either of you will change how you feel. Try to find a strategy that both of you can embrace.

How does your credit report look?
Your spouse's credit report won't keep you from buying a car in your name, but if one of you has a low credit rating, it could impact joint purchases like a home. It's better to know in advance. You can get your credit report from www.equifax.ca. After you review your credit, come up with a plan to improve it if needed.

How will you tackle existing debt?
Getting out of debt is the best gift you can give your spouse or partner. Start with the credit balances that carry the highest interest rates. But don't merge your debt with your spouse's. It would create a mess that would be difficult to sort out if you were to divorce, and if one of you defaulted, the other would be left responsible.

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