



RELATIONSHIP WEALTH: A COUPLE'S GUIDE TO FINANCIAL HEALTH

A WEBINAR FOR EMPLOYEES FROM YOUR
EMPLOYEE ASSISTANCE PROGRAM

April 10, 2024

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OBJECTIVES

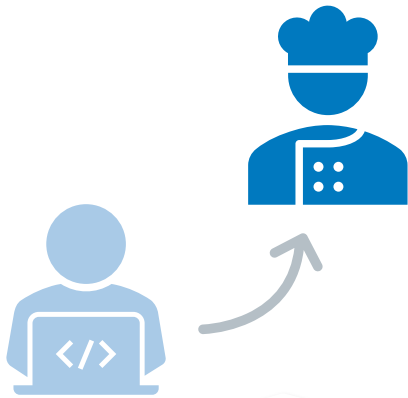
- Discuss life events that can cause financial setbacks for you and your partner
- Examine common money mistakes that lead to relationship issues
- Review budgeting tips and the importance of financial fitness

SECTION 1

LIFE EVENTS

Considerations for Couples

JOB TRANSITIONS



Career change



Job loss



Retirement

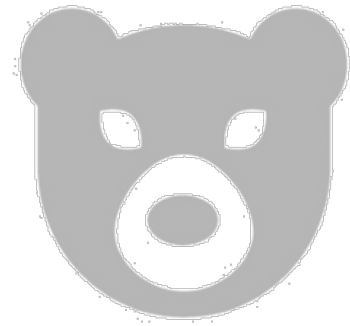
MARKET CHANGES



Corrections



Recessions



Bear markets

EMERGENCIES



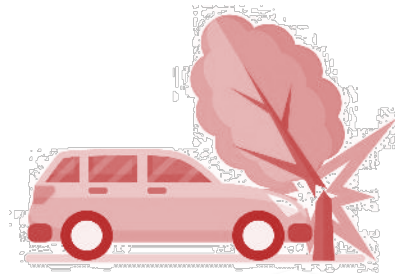
Health issues



Major repairs



Legal matters

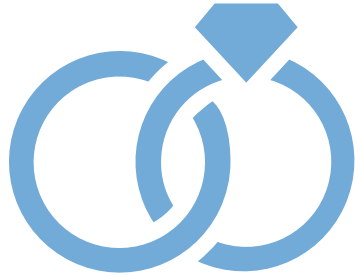


Accidents



Pets

FAMILY DYNAMICS



Marriage



Divorce



Co-parenting



Baby



Caregiving

SECTION 2

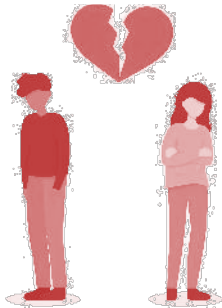
COMMON MISTAKES COUPLES MAKE

And how to avoid them

COMMON MISTAKES



Money is the
**#2 ISSUE MARRIED
COUPLES FIGHT ABOUT**



Arguing about money is the
#2 CAUSE OF DIVORCE

1. Keeping separate bank accounts

- Having at least one joint account opens communication

2. Disagreeing about lifestyle

- Compromise! Your lifestyle needs to align with your actual income, not the income you wish you had

TIP: Set a spending limit and talk to your spouse before purchasing over that limit

COMMON MISTAKES

3. Not talking about money often enough

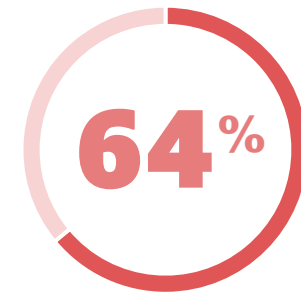
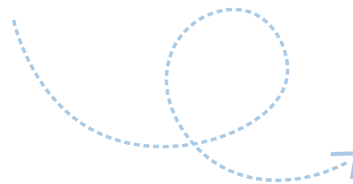
- Talk about money EARLY and often
- Discuss money with your partner regularly (e.g., once a month)

4. Letting salary differences divide you

- Don't hold a higher income over your spouse's head
- You are on the same team!

5. Committing financial infidelity

- Own up to purchases and clear the air



of people living together
**HID A PURCHASE
FROM THEIR PARTNER**
in the last year

COMMON MISTAKES

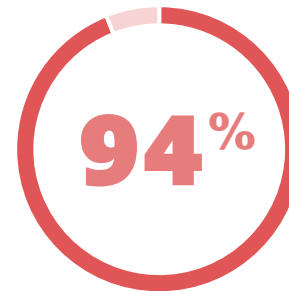
6. Comparing yourself to other couples

- Your plan and your relationship are unique

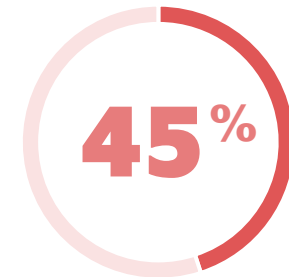
7. Not meeting financial expectations

- Get finances in order *now*, so they can become a reality later
- Spell out short- and long-term goals

COUPLES IN HEALTHY MARRIAGES are **TWICE AS LIKELY** to discuss money dreams together



"GREAT"
MARRIAGES



"OKAY" OR "IN CRISIS"
MARRIAGES

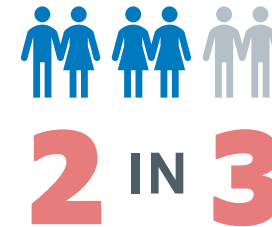
COMMON MISTAKES

8. Letting kids run the show

- Budget together
- Know when to cut the cord

9. Lack of guidance

- Find a Financial Advisor who can help bridge differences, work on compromises, and keep long-term goals present



Married couples say they

**NEED TO WORK ON
THEIR MARRIAGE**

Tips:

- Communicate openly and honestly, including about money
- Support each other's goals and dreams

SECTION 3

10 STEPS TO A FINANCIALLY HEALTHY RELATIONSHIP



SET FINANCIAL GOALS

- Three types of goals:
 - Short-term: Monthly
 - Mid-term: Six months to one year
 - Long-term: Five to ten+ years
- **Write down your goals** and put them where you can read them every day!
- Access financial education resources
 - A financial mentor or coach
 - EAP financial services
 - FDIC: Consumer protection information
 - Mymoney.gov
 - Thrift Savings Plan (TSP)



MAKE A STEP-BY-STEP FINANCIAL PLAN

This is imperative for your overall financial well-being and critical for long-term success

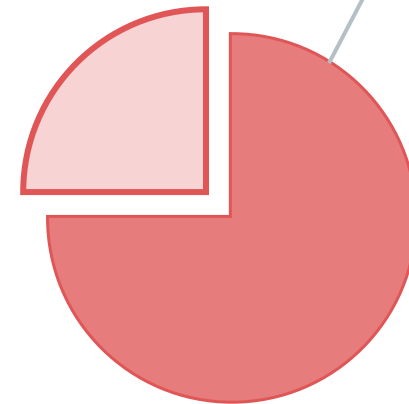
- Your plan should address:
 - Short and long-term financial goals
 - Cash flow needs
 - Ways to earn or increase interest
 - Improving credit
 - Saving for and investing in retirement
 - Estate plans (e.g., wills, trusts, etc.)



CREATE YOUR BUDGET

A step-by-step plan to help you reach your goals

- Determine your net income
 - This is the **actual** amount of money received after state, federal, social security, and other taxes have been deducted
- Categorize all expenses
 - Daily living, monthly, quarterly, and yearly bills and fees
- Evaluate your spending
 - Review all credit card and checking account transactions for at least the past 60 days
 - Sort by merchant or description to identify where you can reduce or eliminate costs



You need to be living on **70-75%** of your net income



UNDERSTAND YOUR CREDIT

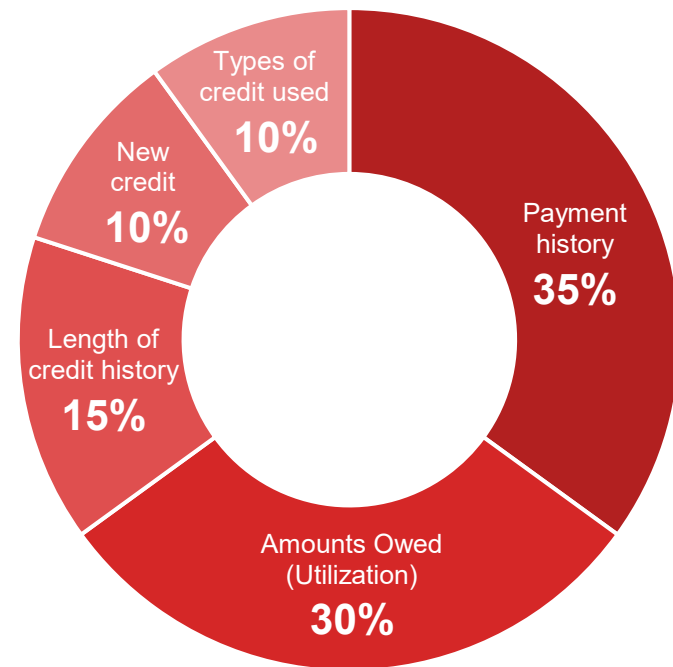
Review your credit report

- Personal information
- Account information
- Inquiries
- Collections
- Public record information
- List of creditors

Retrieve your credit report up to once a year for free at:

annualcreditreport.com

How scores are calculated





BUILD AND IMPROVE CREDIT

- Watch credit card balances
 - Optimum usage is 30%
- Eliminate credit card balances
 - Consolidate spending
 - Consider zero balance transfers
- Leave old debt on your report
- Use your calendar
 - Rate shop every 15-45 days
- Pay bills on time





UNDERSTAND INTEREST

Interest is the money paid at a set rate for the use of money lent, or the cost of delaying the repayment of a debt.

Those who **owe**, *pay it*. Those who **own**, *earn it*.

- The average stock market rate of return from 2003 to 2023 was 9.69%*
- The average credit card interest rate in America for 2023 was 22.77%#
- Decide how your money is best spent
- Pay your debt and increase cash flow!

“Compound interest is the 8th wonder of the world. He who understands it, earns it; he who doesn’t, pays it.”

– Albert Einstein



REDUCE DEBT

- 1 Pay yourself first – build an emergency fund
- 2 Make a list of all debts
- 3 Sort debt by lowest balance owed
- 4 Review your plan with a mentor, if possible
- 5 Pay off, or as much as you can, the smallest debt first
- 6 Pay the minimum payment on larger debts
- 7 Repeat steps 5 and 6 until you are debt-free
- 8 Acknowledge your accomplishments as you pay things off and give yourself credit for your efforts to reduce debt





HAVE AN ESTATE PLAN

Ensure

Beneficiaries are up to date

- If you die without a beneficiary, your account will go to a probate court

Create

A Will

- Each spouse must have a will
- Does not bypass probate
- Especially important if there are minor children
- Marriage does not grant automatic Power of Attorney

Consider

Using a trust

- Separate legal document that ensures your wishes are carried out
- Bypasses probate



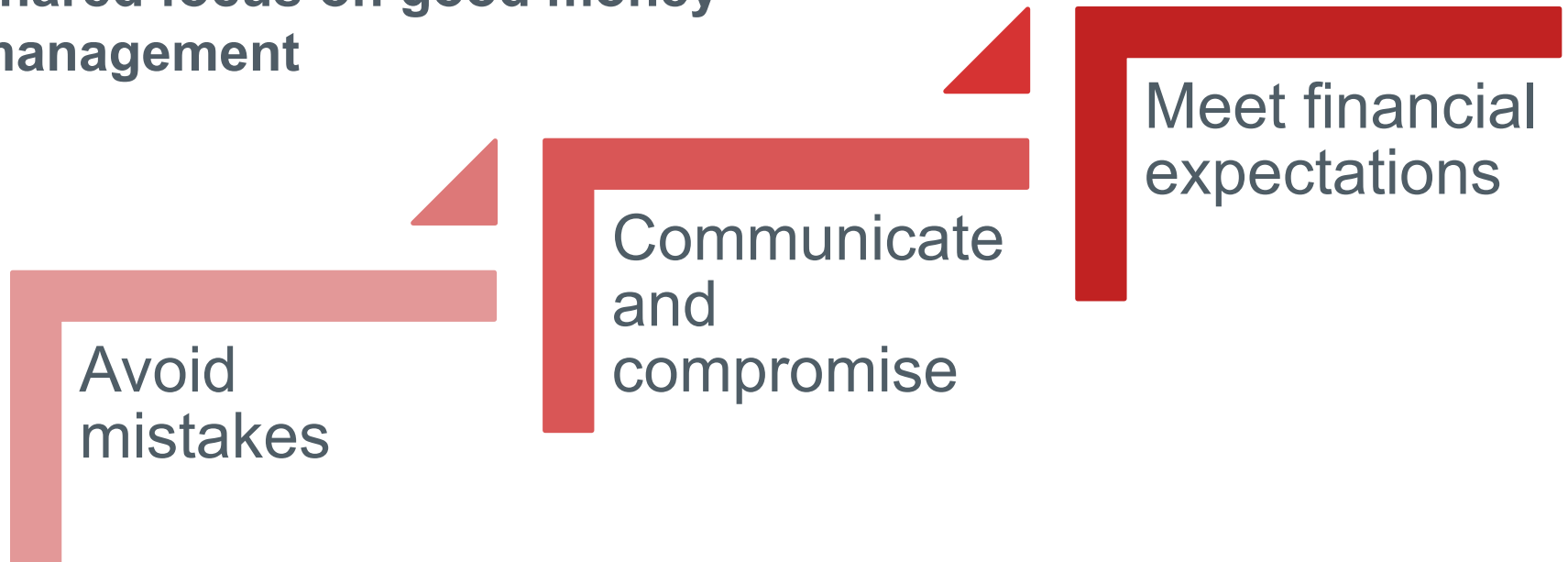
LAY THE PATH TO WEALTH ACCUMULATION





USE THE STEPS TO DESIGN YOUR IDEAL FINANCIAL PLAN

Grow your relationship and your future with open communication and a shared focus on good money management



RESOURCES

Websites

- **MyMoney.gov**
mymoney.gov/lifeevents
- **Office of the Assistant Secretary for Planning and Evaluation**
aspe.hhs.gov/report/foundations-strong-families-201
- **Credit.org**
credit.org/services
- **The Institute for Financial Education**
ifeonline.org | ifeonline.org/foh
- **PracticalMoneySkills.com**
practicalmoneyskills.com

Podcasts

- [Marriage, Kids, and Money](#)
Suggested episodes:
[How to Create a Money Date with Your Spouse](#)
September 14, 2023
[Financial Pros & Cons of Marriage](#)
August 28, 2023

Online Articles

- The Balance
[Collection of Articles on Relationships and Money](#)

Free Budgeting Apps

- [Honeydue](#)
For couples
- [Zeta](#)
For couples and families

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