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Make your money smarter.

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What you may not have is a plan to help you reach them.

## WE CAN HELP.

*Harmony is your free personal financial planning resource.*

We put the best of everything financial at your fingertips: financial education and tools, money-saving tips, financial news, access to professional financial advice, access to best-in-class financial products, and more.

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Starting out on your own can mean dealing with unfamiliar situations, especially when it comes to finances.

Check out our 160-page guide

### WELCOME TO YOUR FINANCIAL LIFE

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## Getting Married

When you tie the knot, finances and ownership can get tangled.

Marriage is a big step in terms of emotional commitment, and it often means a big financial change as well.

Merging your financial lives can be easier than splitting up the closet space or deciding who takes out the garbage. Or it can be a source of constant tension. The bottom line is that being financially compatible—or finding a way to work out your differences—is essential to a happy marriage.

### MERGE AHEAD?

Many married couples own most, if not all, of their investments and possessions jointly. Among other reasons it's so popular is that sharing ownership of the things you acquire can make your marriage more equal. And if you both have a stake in your assets, you may both be more inclined to handle them wisely.

Merging your property and finances isn't always the smartest thing to do, though. If either of you works in a profession that might make you vulnerable to lawsuits or has had trouble with creditors, it may be a better idea to keep your assets separate. That way, if one of you finds yourself in financial trouble, you'll be able to keep the other person's finances secure. Similarly, many financial advisers suggest you each keep the assets you had before getting married in your own names.

### MANAGING MONEY

You'll have to work out a way to handle your household finances. You can adopt one of the conventional methods or experiment until you find a system that works for both of you—recognizing that it might mean surviving some fairly intense discussions. You can try:

- Pooling your earnings in a joint account and paying all bills from that account, including your individual expenses
- Keeping separate accounts but splitting the common expenses, with

one of you paying rent or mortgage, for example, and the other making car payments and buying food

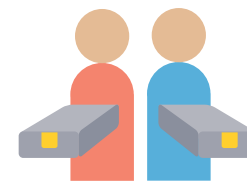
- Contributing a percentage of your income to a household account to cover the bills and putting the rest in your own accounts

What happens if one of you makes a lot more money than the other, or if one of you isn't working? It can be a problem, but it's one you should try to discuss frankly, especially if the alternative is nursing feelings of inadequacy or resentment. It might help to acknowledge that your roles could switch if the current breadwinner got sick or lost a job.



### WHO OWNS WHAT (AND HOW)

There are four ways to own property. Each comes with its own rules, which govern ownership for just about every kind of property, from bank accounts to investments and real estate.



**Sole ownership.** As the name suggests, with sole ownership you alone own the asset, and you're free to sell it or give it away

as you wish, including by way of a will or trust. But if you buy something on your own when you're married and then you get divorced, it could be counted as marital property and be subject to division.

**Joint tenants with rights of survivorship.** Under this form of ownership, you own property equally with two or more people. That could mean owning property with just your spouse

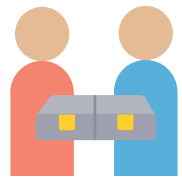


or as part of a larger group—for example, you and your siblings. You can sell your share of the asset, but you've usually got to get consent from the other owner(s). And you must split the proceeds of the sale evenly with them. If the other owner is your spouse, the asset is considered marital property and it gets split up if you get divorced. When you or any other owner dies, that share becomes the property of the remaining owner(s).

**Tenants by the entirety.** You have to be married in order to be tenants by the entirety, which means that you own the property together. As long as you stay married, the property remains both of yours—neither of you can sell without the other's permission. If one of you dies, the other becomes the sole owner of the property. If you get divorced, you become tenants in common. Either of you can sell your half without the other's permission.



**Tenants in common.** If you and your spouse are tenants in common, you each own a share of the property, usually in equal proportions. Ownership isn't limited to the two of you—any number of people can own property in common. Each of you can sell your share independently and keep all of the profits. If you get divorced, property you and your spouse have in common could be subject to division.



### COMMUNITY PROPERTY STATES

You might want to be extra wary of switching your premarital assets to joint ownership if you live in a community property state. In these nine states—Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin—you give up the right to own something exclusively in the future once you designate it a joint possession. And anything you earn during your marriage is automatically part of this joint pool. But you can protect what was yours beforehand if you keep it in your own name.