

# 7 Steps to a Marriage-Saving Prenup <sup>♥</sup>

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The financial partnership plan for a successful relationship.

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## **Money** – or disagreements on how to manage it – **is the number one cause of conflict** between otherwise happy couples.

After representing hundreds of clients in divorce proceedings, I've learned a lot about what doesn't work. Now I want to share this knowledge to help you and your fiancé build a future where the love and joy you feel right now will continue to grow for many decades to come.

### **This is your marriage. Your way.**

Building a successful marriage today simply requires a more thoughtful approach than it did in our parents and grandparents time.

In the 1960's getting married was kind of like a new business start-up. The average age for getting married was just 20 to 22. Young singles rarely owned property or had more than one bank account. Credit cards were rare, and student loans were minimal. Financially speaking, newlyweds were a blank slate, starting out their financial lives together.

Modern marriages are more like mergers between two established corporations. Today, the average age for first timers is 29. Many people enter marriages with their own property, retirement accounts, car loans, multiple bank accounts, and credit cards. They may also own a business – or bring along a six-figure student loan debt. And—perhaps most important—each partner has at least a decade of entrenched financial habits that now have to co-exist.



This guide provides 7 steps that promote transparency, communication, and fairness – both in your marriage, and in your preup.

## STRATEGY ONE

# Due Diligence

Buying a house is the biggest financial decision most people make, right? Nope. It's actually getting married.

The same process that helps you make smart decisions in buying your dream home— due diligence—can also save you a lot of heartache in building a future with your dream girl or guy. Why do so many people get married without understanding the full picture of their partner's assets and debts? Most of the time, it's not on purpose.

Talking about money can feel taboo or tacky in our society. You may feel embarrassed about your financial situation. Or like it's prying to ask your partner about theirs. However, getting married means you are legally combining your finances.

Far too many couples go blindly into marriage with no idea about what they're signing up for—and no plan for how to handle the changes. They're just hoping it will be ok.

I get it. Pulling out the spreadsheet feels like a romance killer. But, frankly, being honest and transparent about your finances—and creating a plan that works for you both— is one of the most loving things you can do to honor your marriage.

You need to know the details of each other's financial pictures. Don't just discuss it. Write it down. All of the assets and debts. Get it on paper and share it.

Establishing this practice of transparency around finances at the beginning of your marriage will yield long-term benefits that extend well beyond just your finances.

**Hope is not an effective marriage strategy.**

## STRATEGY TWO

# Happy Banking

Simply deciding the right structure for your bank accounts is a huge step forward in creating relatively stress-free money management. There are a few ways that couples typically set up their bank accounts – some work better than others.

### **PROBLEM STRUCTURE**

Combining everything in one account that is handled by one spouse. This is how many previous generations handled money, but today, it just creates unnecessary tension. It's easy for the person who isn't in charge of the finances to become frustrated and resentful – not only about how money is spent, but also about not having access to money without always having to ask for it.

### **PROBLEM STRUCTURE 2**

Keeping two separate accounts. Each partner puts their income into their own accounts, and they split the bills in half. The problem with this method is that it's inherently unequal. The partner who earns less pays proportionately more than the other. And in the end, both are likely to think they're getting the worst end of the deal.

### **THE HAPPY STRUCTURE**

The healthiest set up for marital bliss calls for three accounts.

You have an account for your expenses. Your partner has an account for his or her expenses. And you have a joint account for shared expenses. Each person is responsible for managing their own expenses – and will pay proportionally into the shared account.

This happy structure eliminates the tension inherent in the first two problematic options by creating a true partnership between equals.

Long-term happiness doesn't happen when **one half of the couple is treated like a child** or partners exist two different socio-economic classes.

## STRATEGY THREE

# Budget Bliss

Putting the right expenses in the right accounts is **the** most important strategy in avoiding disputes over spending. Sit down and make a list of all your expenses and decide together which ones belong to you, which ones belong to your spouse, and which ones are shared.

Some expenses are easy to assign:

- Rent/mortgage, utilities, insurance, and groceries are obviously shared expenses.
- Going out for a meal without your spouse would clearly come out of your account – as would the purchase of a new pair of shoes.

Others may depend on circumstances:

- If you both drive similar cars and expect to replace them on the same schedule, then treating those as joint expenses makes sense.
- But, if one of you likes your cheap, 10-year old sedan, while the other upgrades cars every two years, you'll likely want to keep those expenses separate.

Work through each category – remembering to consider financial goals, like savings for a house, baby, or travel – or how you'll handle paying for gifts for others, etc. This will help you determine how much of your collective income goes into your shared account – and how much goes into your separate accounts.

Investing a few hours **NOW** pays huge dividends—not only in fights avoided, but also in **goals achieved**.

## STRATEGY FOUR

# Appoint a CFO and Schedule Regular Stakeholder Meetings<sup>♥</sup>

While you're both equal stakeholders in your marriage, one person should be in charge of actually tracking the finances. You probably already know which one of you is better suited to this role.

In a business – the CFO is responsible for regularly updating shareholders with all relevant financial information. Most corporations hold quarterly financial meetings. For a marriage, I'd recommend regular monthly check-ins.

**At least once a year**, you should schedule a deeper dive to discuss larger financial items: upgrading your life insurance, new options for car/home insurance, setting annual retirement and savings contributions, and creating the next year's financial goals. This is also a great time to bring up bigger ticket items like overseas travel, buying a new car, having a child, or buying or renovating a home.

**Your monthly reports can be as simple as an email highlighting how much went to savings, large upcoming expenses, and the status of your investments.**



## STRATEGY FIVE

# Practice Ongoing Transparency

You and your spouse will benefit from each other's earnings -- and you can be held legally responsible for each other's debts. You have a responsibility to each other to share information about both your income and expenses.

Your monthly check-in is the ideal time to bring up any issues and make adjustments to ensure your financial structure continues working for you both.

Many couples avoid problems by agreeing to limit the size of an expense either spouse can make from the joint account without consulting the other. How much that is depends on your situation. For some couples, it's \$100, for others it could be \$1,000. Regardless of the amount, a simple agreement can prevent loads of complications.

This happy structure eliminates the tension inherent in the first two problematic options by creating a true partnership between equals.

In a healthy marriage, financial information flows in **BOTH directions**.

## STRATEGY SIX

# Contingency Conversations

What makes you nervous? What worries you when you think about the future? Make a list of anything that makes you nervous when you think about your finances and your marriage. And then set aside some time to talk about them.

For example:

- What are our expectations around both of us working?
- Do we want kids? If so, how many?
- Public school or private?
- What if a family member or friend needs money?
- Will either of our parents need help as they age?
- Would we ever have anyone move into the house with us?
- What if one or both of us died? Do we have enough life insurance?
- And finally, what happens if we don't work out? Are we clear about what's mine, what's yours, and how we'll divide what's ours?

Contingency conversations aren't always fun. And fortunately, a lot of the things that keep you awake at night will never happen. But there's power in shining a light into those shadows -- and knowing you and your partner have a plan. Having difficult discussions BEFORE you're under fire eases the anxiety, allowing you to better handle and sometimes completely avoid many undesirable outcomes.

**Being open about finances improves communication in other areas of your marriage.**



## STRATEGY SEVEN

# Put Your Agreements in Writing

I created this guide based on my experience representing hundreds of clients in divorce proceedings. Far too often, my clients' marital woes started with frustration and resentment around money.

This guide provides a structure to help you anticipate financial disputes that will almost certainly arise at some point during your marriage. It also offers strategies that will help you manage your marital finances more powerfully and build a stronger foundation for a long-lasting and happy marriage.

**The last step in this process is writing it down.** Writing things down helps you remember your goals and eliminates disputes about the details of the agreement.

Putting your intention for your financial relationship on paper also makes it real, and if necessary, makes it enforceable.

There's **power** in knowing  
you and your partner **have a plan.**



## Let's talk about the P word.


Yes. I'm talking about a prenup. You may think prenuptial agreements are only for people who are fabulously wealthy or famous. Or for people who just want an easy out to go with their vows. I disagree.

Building a successful marriage today simply requires a more thoughtful approach than it did in our parents' and grandparents' time.

By spelling out your financial agreements in a prenup, you're committing to the financial health of your marriage so that you and your spouse can move forward without worry that inevitable disagreements about money will erode your foundation.

And yes, it will include a plan for how you would want to handle a divorce should it ever come to that. Think about it – when you're in love, it's a lot easier to imagine and commit to a fairer division of assets and debts than it would be after the relationship has broken down. If you can't stay together, a prenup offers a much healthier path for you and your family to follow.

I'm a great divorce lawyer. But helping couples end their marriages is not my goal in life nor my purpose. I have a commitment to family. And I want to do everything I can to make your marriage and your family as strong as it can possibly be.



A prenup can be the difference between problems that tear us apart and **challenges that bring us together.**

Learn Why It's Called "The Premarital Contract  
Designed to Save Your Marriage".

Let's talk about how a loving prenup can help you sustain  
a happier relationship and a happier life.

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