

With This Ring . . . We Plan!

*Cindy Williams, Agent, Meadowlark Extension District,
K-State Research and Extension*

*Elizabeth Kiss, Ph.D., Associate Professor and Extension Specialist,
School of Family Studies and Human Services, Kansas State
University*

Planning a wedding is thrilling. It can also be stressful. There are many decisions to be made, from the smallest details to bigger ones that include what sort of wedding to have. For example, are you considering a traditional wedding at your place of worship or a destination wedding on the beach?

You hope that your wedding will be a joyous occasion that brings together families in celebration and ultimately starts a lifetime of happiness for two people. But, amid the list of decisions to make during this planning period, now is also the time to consider the financial aspects of both the wedding and your marriage before heading down the aisle. Behind all of the decisions, such as what food to serve and what to do about a reception, a wedding is a ritual consolidation of your commitment to one another, both legally and financially.

When you marry, you formally acknowledge your responsibility to care for your partner for the rest of your lives. Yet, few people may truly understand the implication of getting married. This fact sheet explores wedding planning and getting married from a financial standpoint, and it suggests several areas you and your partner will want to discuss as you build your future life together.

Planning the Wedding

"Dream Big, Plan Real"

Weddings are expensive. According to one source, in 2014 the average wedding in the U.S. cost approximately \$30,000, and 45 percent of couples went over their budget (*weddings.about.com*). Regardless of the size of your budget, unexpected costs always occur. Last minute additions can add up to big dollars. Being diligent about sticking to your budget



will better help you to handle whatever expenses may come up.

Begin by deciding on a total budget. If you have no idea where to start, sit down with your fiancé and begin with the basics. Create a list of two or three must-haves that are important to each of you. For example, do you place a high value on spending more for a venue or having an expert photographer? Does your fiancé want to have a blow-out party for the reception or an exotic honeymoon? Your wedding budget affects all of your wedding choices. It doesn't matter how much money you have; you still need to think carefully about how and where you're spending your money.

Be sure to consult with your parents or other family members about what is affordable for them, as well. Maybe you and your fiancé will be paying for your own wedding. Either way, having open and honest communication with other family members is

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important when discussing finances and who will be paying for what.

Below is a list of typical wedding expenses along with a rough estimate of the portion of the wedding budget couples spend on each category. Your priorities may be different, so consider this as a guide only. Space is also provided for you to begin planning your own wedding budget, too.

Item	General Percentage of Budget	\$\$ Amount We Will Spend
Ceremonies	3	
Reception	48	
Attire	10	
Rings	3	
Flowers	8	
Entertainment	8	
Photo/Videographer	12	
Transportation	2	
Stationery	3	
Gifts	3	

Researching wedding costs in the area where your wedding will take place will give you a realistic idea of what you can get for your money. It will also give you some market prices to work toward, and you can be thinking about how much you want to spend. It is important to prioritize the elements of your wedding that are the most important to you and your fiancé. You may want to allocate more money to certain areas. Be aware that just because something is important to you, it doesn't necessarily mean you need to spend more.

Developing Your Wedding Budget

How will you pay for your wedding? Be realistic. Look at your entire financial picture, then work out how much you can afford and want to spend. Going into debt for your wedding may not be the way you want to start married life. Are you planning to start saving for the big day or do you already have money set aside for your wedding?

Are there any family members who want to help? If so, it's worth talking to them early in the

planning process. You will want to establish what they are expecting in return, if anything. For example, will their support be a no-obligation gift or will they expect to have a say in what the money will be spent on?

Friends and the wedding party may also be able to help with planning and even financial support; some couples ask the wedding party to pay for their own dresses, tuxedos, travel, and other incidentals. If you decide to do this, be considerate of these people who you've asked to stand up with you. Many times they may be taking on a financial obligation by being in your wedding that is unrealistic or causes a financial hardship for them. Let them know ahead of time what you expect when you ask them to be in your wedding.

Get organized by creating a budget planner, spreadsheet, or list to keep track of your spending. There are free budget planners online or make up your own personalized one. Keep in mind that any template you choose during planning isn't a list of all the things you "should" have at your wedding, but it's a good, general starting point.

After you've decided on your target spending limit, set up a written budget where you list everything needed for the wedding, including cash tips for vendors. Include as much detail as you can. Don't forget little things such as postage and alterations. Then, allocate the amount needed for each line item.

Plan for the unexpected. Things may end up costing more than you thought, or something may come up that you haven't budgeted for. This is your contingency fund. General wisdom suggests that



your contingency fund should be equal to about 20 percent of your budget. In other words, if you and your fiancé decide the amount you're willing to spend for your wedding is \$10,000, add another \$2,000 to that amount to cover unanticipated and unexpected costs you will certainly have.

Whatever your budget is, there will always be areas where, with a little time and some creativity, you can keep costs manageable. Compromise and trade-offs are key.

Tips for Managing Wedding Costs

How can you keep wedding costs down while still enjoying this major event? Consider these ideas:

Marry off-season. Popular wedding months are June and October. The most popular day to marry is Saturday, and nighttime is the most competitive time for receptions. Consider a January wedding when the post-holiday rush is over; cold-weather venues are generally empty and priced accordingly. Weekday weddings have the added bonus of guests drinking less on a work night, and weekend brunch weddings can be served buffet-style with more reasonably priced menu choices.

Consider alternative venues. Farms, barns, art galleries, family property, etc. can help keep the venue costs down, but don't stop your due diligence at catering issues. Insurance is a big issue — liability related to alcohol, food, or other party-related risks may not be covered in the owner's homeowners' or business coverage and the venue may require the purchase of a special policy for this event. Many party venues must be properly licensed and/or zoned to avoid fines or legal action.

Watch the extras. From flowers to photography, cake to a wedding planner, look for options that fit within your overall priorities and spending plan. If a venue will let you supply your own flowers and decoration, plan far enough in advance to comparison-shop and do your own. Look for skilled amateurs who meet your tastes and budget.

Consider an alternative online gift registry. Consider online gift registries that allow guests to directly fund honeymoon trips or specific expenses associated with the wedding.

Become your own wedding planner. If you are very organized, consider setting up all venue, food service, and entertainment details of your wedding. This may save you a significant amount of money. Be realistic about what you can handle, and be careful not to let the workload overwhelm you.

Plan a destination wedding. Consider inviting friends and family members who like to travel, or if you can afford to pick up everyone's bill, to a destination wedding. Compared to an in-town wedding with dozens of guests, per-plate dining, and entertainment, it might turn out to be a cost-effective option. If this is something you are considering, resorts around the world and well-known domestic wedding/travel destinations offer wedding packages that combine the ceremony and vacation getaway.

Be flexible. Spur-of-the-moment decisions may save money. If you have a venue in mind, put your name on a call list and see if you can negotiate a reduced price if the venue has a cancellation.

Watching the bottom line. As weddings get more expensive, searching for ways to "trim" costs and considering untraditional venues and services can help couples who don't want their celebration to overwhelm other important financial goals.

You can save considerable money through creative scheduling, direct planning, and most importantly, treating your wedding as just one of many financial decisions you will navigate in your lifetime. That's why you need to consider a financial plan before the wedding planning begins.

Planning for Your Life Together

Getting married is not just about the wedding, but couples often forget that being married is so much more. Couples might begin with a first-time or repeat viewing of their current spending and credit status. No matter how long you and your partner have been together or whether you already share children, pets, or property, it's still important to sit down, and talk these things over before getting married. A meeting with a qualified financial advisor can provide additional guidance on how the couple could handle all financial decisions after marriage.



Take These Financial Vows

While you might be busy finalizing wedding plans, make time to discuss your credit histories, savings and spending philosophies, and your long-term financial goals as a couple. You have probably seen statistics about the high percentage of marriages that end in divorce and how money disagreements are the No. 1 cause of marital distress.

Are either of you in debt? What would you do if one of your parents got sick and needed to move in with you? Do you have children from previous relationships to include in your will? Have you talked about your retirement plans? Do you own property with family members or a former spouse?

These are all areas to discuss ahead of your wedding. If you can identify and defuse potential problems, you stand a much better chance of living happily ever after.

Discuss outstanding debts. Begin by tallying up all your outstanding debts and financial obligations. This might include: student loans, credit card balances, car payments, apartment leases, unpaid child support, and other debts. Be honest about past credit mishaps, late payments, foreclosures, or anything else that might negatively affect your ability to qualify for new credit together.

Keep in mind that debts accumulated before marrying remain your own responsibility and they shouldn't affect your spouse's credit rating. However, you will be jointly accountable for any future accounts and debt you take on together. You will need to budget for paying off old debt as well as new.

Disclose credit reports. Because lenders often base credit decisions and loan rates on whichever spouse's credit score is lower, share credit reports to avoid any surprises. You can receive one free credit report per year from each of the three major credit bureaus. Go to AnnualCreditReport.com for more information. It is a good idea to order your credit score to establish a baseline for where your credit stands. If one or both of you have low scores (below 700), it is a good idea to boost them before applying for a mortgage or car loan. The resulting lower interest rates could save you thousands of dollars over the life of the loan.



Align your goals. Nobody expects spouses to share identical views on everything, but you could be headed for trouble if you don't reach agreements or aren't willing to compromise on important issues such as use of credit cards, home ownership, continuing education, starting a family, and when you hope to retire. Premarital counseling can be a good idea, and financial issues should be part of the mix.

Share financial duties. Many couples opt to have one person manage all the finances, from balancing the checkbook to choosing retirement investments. It is a good idea for both of you to take an active role in all major financial decisions. In the worst-case scenario, what if something happened to one of you? The other spouse should be able to step in and take care of the financial responsibilities.

Create a household spending plan. One good way to make sure you're both moving in the same direction is to sit down together and come up with a workable budget. A good budget will help you track money coming in and going out so you can manage day-to-day spending, pay down any debt, and start saving for future needs.

Financial and Legal Checklist for Getting Married

Below is a list of items to discuss before saying "I do." It is designed to help start the discussion of finances and legalities. There may be other issues or topics to consider that are unique to you and your situation.



Checklist for Getting Married

1. **Previous Marriages:** If you have ever been married before, are you now legally divorced? Do you have an annulment or proof of divorce?
2. **Marriage Planning:** What does an ideal marriage look like to you? How does it fit in with your career goals, your ideal family, your financial plan, and the kind of life you want to lead?
3. **Prenuptial Planning:** Should you sign a prenuptial agreement? Who will legally own your respective property if you divorce?
4. **Budget Planning:** What is your savings plan going to be? What will your monthly budget look like?
5. **Financial History:** Do you have any loans or debts? What is your credit rating and have you ever filed for bankruptcy?
6. **Personal Assets:** What personal assets do you own? What will you inherit from your family and will that be kept in your name alone?
7. **Financial Duties:** Will you keep your finances together or keep them separate (bank, checking, or savings accounts, etc.)?
8. **Bills and Taxes:** How will you file your tax returns? Who will be responsible for which bills, and how will you manage your personal finances?
9. **Insurance and Mortgage:** What health, life, auto, and home insurance do you need? How are you going to pay for your mortgage?
10. **Family Planning:** How many children would you like to have? Will one of you need to take a break from work to raise your children?
11. **Future Planning:** Do you have a pension plan, and how do you want to spend your retirement? Do you have a will or estate plan?
12. **Other Family Considerations:** Do you have children from previous relationships or marriages? If so, how will your property/assets be shared between your spouse and children?

Other topics to discuss include the following:

After the Wedding, Now What?

After the wedding, you'll need to notify various government agencies, financial institutions, and insurance companies of your change in marital status and if you've decided to change your name. Everyone you would notify of your change of address should be notified of your name change.

Some places may require an in-person visit, while others will let you change it over the phone, online, or by letter. Find out what the process is, as well as the rules and the documents required. It will vary by entity and from state to state. Update your address at the same time if you moved to a new residence.

Process for Changing Your Name

If you decide to change your name there are some things you'll need to do.

Get certified copies of your marriage license. Obtain certified copies (no photocopies) from the agency that filed your marriage license. Newly married people changing their names need one certified copy of the marriage license that they will probably never see again to send to the Social Security Administration.

Start with the Social Security Administration. Start with this agency because it needs your correct name and Social Security number (SSN) for payroll tax withholdings and retirement benefits. A mismatch between your name and SSN could trigger a rejection of your tax return.

Having your new SS card will also help you change your name with financial institutions. You will need to file Form SS5 with your local Social Security office to obtain a new Social Security card. Notifying the Social Security Administration will also notify the Internal Revenue Service of your new name.

Get a new driver's license. Getting an updated license or identification card should make subsequent name changes with financial institutions easier. You may be able to update voter registration as well as your vehicle registration and title in the process. Check with your state Department of Motor Vehicles for instructions.



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Update work records and benefits. Inform your employer so that paychecks and benefits reflect the new name. Review your tax withholdings and make changes if necessary. Remember to go over your insurance coverage and beneficiaries now that you have new family members.

Contact your bank. Updating your name with your bank may require an in-person visit. For a name change on your account, the bank will need to see your updated driver's license.

Update end-of-life and estate documents. Making sure wills and power of attorney documents on file accurately reflect your wishes is especially relevant for blended families.

Notify creditors to link credit files. If you don't tell lenders of your new change in status, you won't have a credit history under your married name, which can pose a problem during a credit check. Once notified, creditors will update their records and report the new information to the credit reporting agencies. Consumers should see the new name on their credit reports within a few months after contacting creditors.

Contact others. They may include some of the following:

- Landlord or mortgage company
- Other insurance accounts (auto, life, home, etc.)
- Physicians' offices.

- Professional licensing boards
- Investment accounts
- Utilities
- Passport office
- Post office
- Voter registration board
- Alumni association.

After completing all the important updates, it will be a matter of changing your name as you come across miscellaneous accounts and subscriptions. It is best to start early on this process because it can take a few weeks to get some of these agencies/documents changed and updated.

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Your wedding day will certainly be an important day in your life as a couple. With open communication and thoughtful planning of not only the wedding but also your of future life together, you can begin building your future today.

Resources

BridalMusings.com (website)

weddings.about.com (website)

Bankrate.com (website) Leslie McFadden

CuttingEdgeLaw.com (website) J. Kim Wright

huffingtonpost.com (website) Jason Alderman

Couple Talk: Enhancing Your Relationship fact sheet (MF3223)

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Authors

Cindy Williams, Agent, Meadowlark Extension District, K-State Research and Extension, csw@ksu.edu

Elizabeth Kiss, Ph.D., Associate Professor and Extension Specialist, School of Family Studies and Human Services, Kansas State University, dekiss4@k-state.edu

Publications from Kansas State University are available at:
www.bookstore.ksre.ksu.edu

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