

If you've recently gotten engaged or married, you're probably not desperately trying to think of ways that your relationship might fail. That would seem a bit pessimistic. But if you do want to spend the rest of your life with this person, maybe you should at least familiarize yourself with some of the most common causes of failed marriages, if only because they can be avoided.

One such problem that is both common and avoidable is trouble with money in a marriage. Think about other married couples you may know; think about what your parents argued about when you were a kid. There's a good chance that a lot of those arguments were over money.

Money problems are one of the leading causes of difficulties in a relationship. That shouldn't be such a surprise: money problems are most likely one of the leading causes of problems, period. No matter who you are or how much you have stashed away, if you aren't careful with your finances, you will just make your life (and the lives of your loved ones) more complicated down the line.

But once again, this all seems a little pessimistic. Let's put it another way: couples who successfully manage their money have the happiest relationships. That sounds better.

This doesn't mean that you need to have a lot of money to have a happy and successful marriage. In fact, the more money you have, the more opportunities you have to make things worse for yourself if you don't properly manage your finances. The couple that spends more than they can afford will always have strains in their relationship, no matter how much they make.

The key to reducing the pressure money puts on your relationship is first understanding how both you and your partner look at money. Depending on your circumstances, you may already have an insight into this. If you lived together before you were married or decided to get married, you probably already know a little bit about how the two of you spend money, and how each of you spends money on your own.

No matter how much you know about each other's spending habits, it's probably a good idea to sit down and dedicate an evening to talk about money. Find out what money really means to each of you. No matter how alike the two of you are or have become, everyone comes from different backgrounds. What did money mean to you when you were growing up? Did it mean freedom or liability? Was there a lot of it or never enough?

Also be sure to discuss credit. Go over how your partner and his or her family used credit, and how he or she uses credit today. Look at how your better half's credit report fares. You better believe that the bank will when you apply jointly for a mortgage.

None of this is meant to suggest that you don't know the person that you plan to spend the rest of your life with as well as you thought. But marriage changes everything,

emotionally and legally. Taking some time out to see where each of you stands on certain money issues might save you some grief later on when you have to deal with arising situations anyway.

When you sit down to discuss your money matters, future and present, you might already have a list of topics in your head to review. In addition to your ideas, there are some things that you definitely need to go over that will save headaches later on.

After you go over how each of you treats money, think about how money is treating each of you. Is one of you hopelessly in debt while the other has an impeccable credit record? Are you both hopelessly in debt? Do you both have impeccable credit?

Well, that last one is possible but unlikely. But no matter what your credit looks like, or how much debt you are in, you and your spouse will need a plan. Whether that plan is to keep the status quo or if it is to enact some type of program to reduce your debt, discuss this with your spouse, maybe even before he or she is your spouse.

When you have this conversation, obviously figure out who has more debt and decide how that debt will be shared, if at all. It may be a wise decision to have legal counsel review your debts so that one of you isn't tied down to the other's liabilities unnecessarily.

Next you will need to make a decision regarding how your checking and savings accounts are to be established. Do you want to have joint checking accounts and savings accounts, or would you rather keep your accounts in your own name? Maybe you could have one joint account for household finances, but still keep separate accounts.

There really isn't a cut and dry way of figuring out whether you and your spouse should open an account together or just keep your accounts separate. It ultimately depends on how you and your partner feel about it. Many couples decide to open a joint account after marriage, as a symbol of dedication to one another.

On the flip side of the coin, some people want to keep their own account, even after marriage. This is fine, too. Money means different things to different people and their feelings about money probably won't change immediately after marriage.

If one spouse wants to open a joint account while the other harbors reservations about the idea, this shouldn't be taken as a slight to the marriage commitment. The rings on your fingers, the fact that you've decided to spend the rest of your lives with each other are more symbolic of commitment than any checking account that comes with a free toaster ever will be.

Once the two of you have made a decision about the accounts, figure out which one of you will be responsible for handling the majority of the money matters, or if you will do this together each month. Maybe this has already been decided; maybe one of you does

the bills every month; that's the way it's always been.

If one person does the accounting each and every month, it's probably a good idea for the other spouse to check in every once in a while to see how the finances are going. The ideal way to do this would be for both husband and wife to go over the monthly expenses together. This way there are no surprises, surprises that can lead to misunderstandings and dilemmas.

It's understandable that it won't always be possible for a busy young couple to set aside time to go through their bills together. It is essential though, for the person that most recently paid the bills to provide financial updates. If a bill goes unpaid for a month because it was simply not possible for it to be paid, tell your spouse. That way, there won't be any "Why didn't you pay this last month?" when the next bill comes.

Even if you know that your partner would have made the same decision that you made, don't expect them to completely understand when he or she sees a late charge on the next statement. You have time to discuss these things, no matter how busy you are. A few seconds is all it takes to say, "Oh, about the Sears bill..." A good rule to follow: communication prevents future problems.

One thing that you'll definitely need to do together is decide what kinds of changes you will need to make to your individual wills and investments. This is especially important if this is not the first marriage for one or both of you. You will need to make decisions on inheritance and if children are involved, guardianship. A will is something everyone should have, but it becomes absolutely essential when you are married.

While you're on the subject of allocating wealth, it may be a good idea to look at your plan for building that wealth.

Everything that has been discussed so far has pretty much been to keep money from causing strains on your marriage. Getting decisions made and out of the way will make day to day living much less stressful, and with any luck, your relationship with your spouse will benefit. Now comes the serious stuff.

Instead of brushing aside the small problems that money can cause, it is time to embrace the ways that money can work for you and maybe someday, your children.

You need to find a way to initiate a savings plan into your budget. A good place to start looking is at work.

Opening an employer-sponsored 401(k) plan is a popular way to start a nest egg, and for good reason: it's tax-deferred. This means that you don't have to pay taxes on your 401(k) account until you withdraw money from it. Hopefully, you won't need to do this until you are in or nearing retirement.

Another way that a 401(k) plan helps you beat the taxman is by reducing your taxable

income. The money that you withdraw from your paycheck to be deposited into your 401(k) account is taken out before the IRS takes their share.

Ask your employer about starting a 401(k) account. If one is available, you will choose a percentage to be deducted from each paycheck and deposited into your 401(k). As of 2003, the maximum deferred annual amount you can put into your 401(k) is generally \$11,000. This means that anything over \$11,000 deposited into your 401(k) in one year is subject to taxes. However, there are many different rules concerning this limit, depending on your age and tax status. Check with your employer and the IRS (www.irs.gov) to determine exactly what the rules are that govern your 401(k).

When you deposit your money into a 401(k), you will direct how it is invested in a mutual fund of your choosing. Investing in a mutual fund means that your money is invested in the stock market by professionals that pick stocks for you. In general, you can expect to see about a 10% rate of return from your mutual fund, and in turn, your 401(k).

Don't delay opening a 401(k) account. Assuming a 10% return, each dollar you invest in a 401(k) today will be worth about \$12 in 25 years, \$20 in 30 years, \$32 in 35 years, and so on. But if you wait until you're 45 to begin investing, that dollar will only be worth \$2.71 when you are 55. So you can see why it is important to begin investing as soon as possible.

Another reason that a 401(k) is so attractive as a retirement plan is that many employers offer matching contributions, which means that they will give employees more money to deposit into their 401(k), provided the employee is investing a large enough percentage of his or her paycheck. For instance, if your employer matches 50% on the first 5% you contribute, they will add 2.5% of your salary into your 401(k) account each year, provided you contribute at least 5% of your salary to the plan.

If you began a 401(k) or any other type of retirement account before you married, be sure to update your named beneficiary.

Now that you have a plan for providing for your retirement, you need a plan to protect that plan. While many people will tell you that you don't need a large life insurance policy when you're single, the situation obviously changes when you become married. Even if you or your spouse has insurance through work, it may not be enough.

There are two types of insurance you should focus on the most when you first get married: life insurance and disability insurance. Both types protect you and your spouse against loss of income, but in different circumstances.

Long-term disability insurance will replace income in the event that you are hurt and unable to work. And that's exactly what it should do: replace your paycheck. Insurance experts recommend that people with careers should have at least some type of disability insurance.

Depending on what you make, you may not be able to find a disability insurance policy that would completely replace your income. However, the benefits you receive should at least be enough to get by on until you're ready to go back to work. Most disability policies will cover about two-thirds of your salary. But if your policy is so small that you cannot afford to leave your job or your spouse needs to find a second or third job, then you really haven't insured yourself against anything.

Life insurance is a bit different; it protects the surviving spouse and/or children in the case of the other spouse's death. The policy should be large enough that it pays off all debts owed by the policyholder and the funeral expenses, estate taxes, etc. There should be enough money left over for the surviving spouse to use to maintain your current standard of living as well as providing for your children's education and the surviving spouse's retirement.

If you don't have any children just yet, you and your spouse may not need life insurance. That would depend on your unique situation, and what exactly would be needed to be provided for one spouse if the other passed away. On the other hand, if you do have children, it is almost a certainty that both you and your spouse will each need a life insurance policy in case something happened to either one or both of you.

There are many different types of life insurance: term life, whole life, universal life... Refer to the Spend Smart Insurance Purchasing Tips Handbook for more details on life, disability and other types of insurance.

Once again, be sure to change the named beneficiary on your life insurance if you had your policy before you were married.

While you are changing the beneficiary names on all of your documents, think about other legal documents that you might need. Find an attorney that can advise you on exactly what documents you will need now that you are married. Some legal documents that come to mind are a living will, a power of attorney, and maybe an additional living will if you have specific instructions on how you want your estate to be divided.

A power of attorney is a document that grants someone legal powers to make financial decisions for you in the event that you become unable to do so. Normally, a power of attorney becomes void in the event that the grantor of the document becomes incapacitated. This wouldn't do you or your spouse much good.

A durable power of attorney, however, remains valid even if the grantor becomes unable to act on his or her behalf. A durable power of attorney would prevent your spouse from having his or her hands tied in the event that you were seriously injured or incapacitated.

There are other clauses to look at when drafting a durable power of attorney, such as a "springing" clause. A springing power of attorney allows the holder of the power to use it

if and only if the grantor becomes incapacitated. A successor clause passes the power of attorney to the next of kin or whomever you choose in the event that the first holder becomes incapacitated along with you. For example, your power of attorney may grant power to your spouse and his or hers would grant power to you, but what if you were both hurt in an accident? In this case, a successor clause would grant both of your powers of attorney to a successor, such as a son or daughter or brother or sister.

A living will does more than determine to whom your prized baseball card collection will go to. It will also allow your spouse to make medical decisions on your behalf in case you are hurt and unconscious. It is a grim but necessary decision to make regarding whether or not you would wish to be resuscitated in the event you become comatose. Share your wishes with your spouse as well as documenting them in a living will.

A second will, or a separate will for each spouse might also be a good idea, particularly if you have specific ideas about how your estate is to be distributed. For instance, if there are certain funds that you want to be earmarked for your children's education, or placed in some type of trust fund, an individual will might be a good way to make sure that this is done in accordance with your wishes.

Find an attorney that you trust to review and draft these important legal documents. Don't be afraid to keep looking around for another lawyer if the first one you visit doesn't seem to understand how you want these documents prepared. Listen to his advice, but don't let an attorney talk you into doing anything that you're uncomfortable with.

Of course while you are drawing up a living will, you're going to have to think about how you want your estate divided. Now that you are married, you can take advantage of a convenient tax law known as the marriage deduction. A single person can have her estate taxed by as much as 55% before it reaches her heirs. But by taking advantage of the marriage deduction, a spouse who dies can leave everything to her surviving spouse, tax-free.

But the marriage tax deduction is only useful once. The surviving spouse will still have his or her estate heavily taxed unless certain preparations are made. It is a good idea to seek the advice of an attorney and/or a financial planner to make these preparations, but we can review them here so you and your spouse have some idea of what to discuss when you get to the professional's office.

First, as discussed above, you and your spouse should each have a separate will. Your wills should include instructions for establishing a trust with your estate.

When you discuss all of your assets with your attorneys and financial planners, they may tell you that some of your assets should not be held jointly. Instead, some accounts and other properties should either be held by you or your spouse alone. Any assets held jointly by you and your spouse will not be able to fund a trust.

Another tax shelter the recipients of your estate can benefit from is a type trust called an irrevocable trust. An irrevocable trust cannot be altered or closed without the consent of the beneficiary. Once you, the grantor, sets the irrevocable trust up, you cannot take money out. Irrevocable trusts have tax advantages that revocable trusts don't, such as being able to give money and assets to your heirs before your death, tax-free. Now it's time to find an attorney that the two of you trust and feel comfortable with. He or she would be able to answer any questions that weren't answered here. Also, you'll get a better feel about where you are in the financial and legal planning process when someone sits down with you and has all of your unique information available.

Take your time going over all of these steps with your spouse, making sure you're financial and legal matters are well intact. Of course the sooner you can complete these steps, the better, but there's no need to cut your honeymoon short to rush to your attorney's office.

The happiness of your marriage doesn't depend solely on you and your spouse's ability to balance a checkbook, but if you can reliably nail down your financial plans early in your marriage, your relationship might be all the better for it.