

# Money Questions to Ask Each Other



## 1. Do you carry around a lot of cash?

If either one of you carries around a lot of money, it could mean one of a few things: You're trying to flaunt your wealth; you're oblivious to the fact that carrying a lot of cash is not a safe practice; or you like to spend wads of it carelessly. Get your betrothed or yourself into the habit of keeping an ATM card handy. Debit cards also allow you to keep track of spending so you can better manage your money and accounts.

## 2. Do you have a checking account?

This question identifies stability. You should know if your partner has a checking account and how long he has had it. An account maintained over years shows you that he knows how to manage finances. If you are both young and just starting out, you can learn to manage your money right together.

## 3. Do you balance your checking account each month?

Even with today's advanced technology, banks can make mistakes. You'll want to know that your partner cares enough about his money to protect it and wants to prevent overdrawing on the account by keeping withdrawals and deposits in order.

## 4. Do you have a savings account?

This shows that your partner is thinking about the future. Over time, orderly savings can easily convert into investments to help build wealth.

## 5. How many credit cards do you have?

Too many credit cards could indicate that your partner is an out-of-control spender. How many is too many can be hard to judge, as it depends on a few factors, including your debt-to-credit ratio. Ideally, your credit utilization should be less than 30 percent of

your total credit. However, if you find yourself sifting through a stack of plastic, that is usually a sign that you have too many.

## 6. Do you carry and use your credit cards?

Of course, in today's world, there are certain purchases that are best made with a credit card. Reasonable use of credit cards eliminates the need to carry large amounts of cash and makes purchasing certain goods and services convenient. However, having and carrying around too many is a financial no-no. You'll tend to overspend and accrue debt.

## 7. Do you use credit cards for everyday expenses?

Using credit cards for everyday expenditures, such as lunch, does not show a wise use of dollars. If the credit-card bill is not paid in full every month, you could get slammed with interest fees.

## 8. Do you pay your credit-card balance in full each month?

If so, this shows that you or your partner has control over spending and credit-card use. If the answer is no, encourage him or yourself to pay as much as possible each month. Making only the required minimum payments can show that you don't have adequate control over your credit or the means to manage it.

## 9. Have you ever maxed out your credit cards?

Spending to the limit may negatively affect your debt-to-credit ratio on your credit reports and, again, can show that your partner is not well prepared financially or organized.

## 11. Do you do research before making major purchases?

A man who does his homework before making big purchases

## Money Questions to Ask Each Other (continued)



knows he can save a lot of money and get a quality product. If you are the one doing all the research, it will impress him to know how savvy you are.

**10. Do you keep receipts?**

It's important to save receipts for accounting purposes, especially around tax time. They are also invaluable in helping you keep track of your spending and accounts.

**12. What are your debts?**

You don't marry just the person; you also marry his debts and financial obligations. Find out about any debts or liens your fiancé may have acquired, which will affect your own financial status and future.

**13. Do you track your finances? How—by computer or paper? And how often?**

You'll want to be sure that your partner is on top of his finances and knows how his money is growing—or not. Finding out if he does it by computer or on paper just tells you how he likes to organize his accounts. These days, Internet banking is popular, so it would be good if at least one of you is comfortable with online banking.

**15. Do you save paycheck stubs?**

Saving paycheck stubs is helpful in keeping track of and verifying your income. You may also need them to show a prospective mortgage company if you will be buying a home together.

**16. Do you have health insurance?**

Insurance protects your new family financial situation in case of illness. Compare who has the better insurance plan. The

person who has the best benefits should consider putting the other on his or her policy after the wedding.

**17. Do you have life insurance?**

You both should have adequate insurance, especially if you plan on having children. In the unfortunate event that something happens to either you or your spouse, your family will be taken care of financially.

**18. Are you aware of all your benefits at work?**

It's important to know the benefits that your job offers you. If you don't, go to your human-resources department to find out what you qualify for and make sure you take advantage of it. Even discounts on a gym membership can help you save money together. Be sure to find out if and when you qualify for a 401(k) plan and enroll.

**14. Do you have a budget or a spending plan?**

This answer shows how organized your partner is. It is also helpful in knowing each other's plans about money for the present and the future, to help eliminate any financial obstacles and misunderstandings that might arise. You should both be on the same page regarding how money is being spent and will be saved.

**19. Have you looked at your credit reports in the last year?**

About 32 percent of Americans don't know what is on their credit reports, which is scary, considering the fact that credit reports often contain inaccuracies. It's important to know what your credit history and score look like to be sure you are on a good financial track or to know what threw you off.

## Money Questions to Ask Each Other\* (continued)



**20. Did you ever require a cosigner for a loan?**

The ideal answer is no, as requiring a cosigner for a loan indicates a lack of financial preparedness. If the answer is yes, try to work together to build or repair your or your partner's credit. A financial adviser at a reputable institution can help.

**21. Are you a cosigner on anyone else's loan?**

When you cosign for any credit, you serve as the guarantor of the account, meaning if the other person for whom you co-signed does not pay, you become responsible for the account. This can seriously ruin your and your spouse's financial stability and credit.

**22. Do you have any tax or other liens pending?**

You can avoid overpaying by knowing which tax breaks you could take advantage of, but you have to pay what you owe. A tax lien could cost you your home, other property, or additional money.

**23. Have you ever been put into collection by a creditor?**

This also indicates a lack of financial wellness, but find out why your partner defaulted on the account and if the debt was paid. If not, encourage him to get it taken care of, or work together to do so.

**24. Do you own any U.S. savings bonds?**

Bonds are an easy way to save and to help you set aside money for your future children's education. If you purchase the bonds in your child's name, you get a tax break when you redeem them.

**25. Do you own any mutual funds or stocks?**

Owning funds or stocks shows a commitment to building financial security and wealth. Investing on a monthly or regular basis shows stability.

\* Suggested by Bettye J. Banks of the Consumer Credit Counseling Service of Greater Dallas.