

Life Letter

Financial strategies for newlyweds

John and Jane had spent many months planning for their *special day*. They had also budgeted and spent many thousands of dollars to celebrate their wedding. Now what?

Since John and Jane have made a *for richer or poorer* commitment to each other, it's time to do something about it; and they need to start right away. Following is a list of the primary areas that will need their immediate attention:

Get your wills made - Unless they had wills prepared in anticipation of their marriage, any wills John and Jane did have automatically became invalid the moment they said "I do." If either dies without a will, the survivor will need a lawyer to have the estate settled. There will be extra costs and delays.

Change the beneficiary on life insurance policies and RRSPs - John and Jane will need to contact their insurance advisor and have the beneficiary on their policies changed. Also, they will have to change the beneficiary on their group benefits at work and on their RRSPs. This is something that does not automatically happen when you get married.

Review life and living benefits insurance - All too often, people rely almost entirely on their group benefits at work for their insurance protection. Remember, the group plan has been set up to provide all employees with almost exactly the same benefits. That means that the single person John or Jane works with has the same coverage that they do. So does the married person with children. A qualified insurance

advisor can coordinate a plan, tailored with group benefits, to suit their individual needs.

Get into the habit of paying yourself first - This is the best way to build personal wealth, regardless of income level. It means John and Jane take their savings off the top of their pay cheques rather than from what little, if any, is left at the end of the month. A good *rule of thumb* is to save at least 10% of gross income. Lifestyle expenses should come from what they have left after they save. All too often, savings plans are put off until after the lifestyle is established. Invariably, those who pay themselves first employ those who pay themselves last.

Avoid personal debt - Too much personal debt is the most serious and common obstacle to achieving financial success. It is also a major contributor to divorce rates. Even modest levels of debt can put a drain on John and Jane's cash flow, leaving little or nothing to invest. Since interest on personal debt, such as credit cards, car loans and a mortgage, is not deductible for tax purposes, paying it off is one of the best investments they can make.

Don't delay - The most important step in getting on the road to financial success is simply getting started. John and Jane will gain absolutely nothing by putting it off until "tomorrow."

Too many people put financial planning on the back burner until their early 50's, when panic sets in. Start early and the financial goals you set for yourself will be much easier to achieve.

Want help implementing your financial strategies? Call today!

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