

PAYING FOR WEDDING BELLS: IS THE BIG PARTY WORTH A SOLID FINANCIAL START?

Do you want a wedding or a car? How about a wedding or a down payment on a home or condo? How about a wedding or no student debt? With the average American wedding costing approximately \$27,000, (not including the ring or the honeymoon trip), couples really need to consider whether the cost of their special day is worth more than a solid head start on their financial future.

The Condé Nast Bridal Media statistic shows that the price of the average wedding can derail a solid financial start for most couples. One good way to consider whether a pricey wedding makes sense is to consider immediate expenses and financial goals waiting for you after you say “I do:”

What is your total debt? Add up credit card, student, auto and any other debts owed by you and your future spouse. Consider what giving yourselves the dollar amount of your wedding cost would do to extinguish that debt and put you on a road to saving for a home, a car paid for in cash or an early start on your retirement. A debt-free future might not sound romantic, but it certainly diminishes one of the major issues that sink many marriages – money problems.

Do you plan to own a home? The National Association of Realtors reported that at yearend 2006, the average median price of a U.S. existing single-family home stood at \$219,300. Granted, many people are buying homes with little or no down payment these days, but does that have to be you? A 20 percent down payment on a home selling for that amount stands at \$43,386. A smaller wedding would give you a jumpstart on that amount.

How's your credit? If you and your future spouse have had money problems or a bankruptcy in the past, it's not a bad idea to focus on saving and conserving assets instead of blowing a large lump of cash at the beginning. You'll find yourself in a much better position to borrow and invest once bad credit details are removed from your credit report.

Do you plan to have kids soon? Kids cost a bundle. The U.S. Department of Agriculture compiles an annual survey on what it costs to raise a child from birth through age 17. In 2006, annual child-rearing expense estimates ranged between \$10,220 and \$11,290 for a child in a two-child, married-couple family in the middle-income group. And we're not even talking about college. By 2424, the College Board estimates you'll be paying an average of \$129,845 for a four-year public school education and private school will cost \$314,674.

However, you're lucky because your parents are paying for the wedding, right? You might consider asking them whether they're really in a position to spend that much money, particularly if they're not caught up on their own retirement spending or have to support an elderly relative. But no matter who's paying the bill, there are smart things to do to make sure your biggest day isn't your biggest debt:

Time the engagement to a savings goal: Put a budget and savings goal in place from the moment you

get engaged. After checking basic prices, set a ballpark figure and then add on an extra amount for contingencies such as gratuities and unforeseen expenses that might happen by the big day.

Make savings automatic: Designate a certain amount to be taken out of your paychecks each week to go into an interest-bearing account or CDs that will come due by the wedding. Make sure your money is insured.

Reset your spending: Engagement means parties, planning for a new household, travel and a number of other new spending priorities, but make an effort to curtail your spending so you don't destroy your savings goals for the wedding.

Keep an open mind: Your reception doesn't have to be at the fanciest hotel in town, nor does the bride necessarily require a \$15,000 wedding dress. Increasingly, couples are looking to alternate venues and creative but affordable choices for food and clothing for the whole ceremony.

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