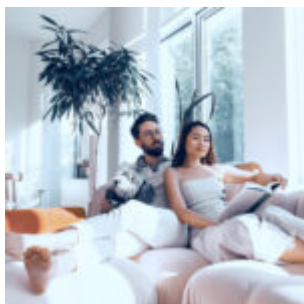


# How to Approach Financial Planning for Couples: The Ultimate Guide



Wedding planning often involves hiring a wedding planner, choosing a venue, deciding between a band or a DJ, and other specifics for the big day. Financial planning for couples is rarely part of the wedding planning discussions—but it should be.

According to a survey of 191 nationwide Certified Divorce Financial Analyst (CDFA) professionals, one of the three leading causes of divorce is money issues. Even the other two reasons, incompatibility and infidelity, may begin with money mistakes made early in the marriage.

Luckily, couples have an opportunity to prevent the main causes of divorce that money can create by hiring a financial advisor before or early into the union. And while educating and engaging couples is the right thing for them, it's also a smart business move for your practice.

## **Why Provide Financial Planning For Couples?**

A 2021 Fidelity study found that, over the last ten years, on average, women outperformed their male counterparts by 40 basis points. That can add up to more than tens of thousands of dollars over a few decades.

Over the next few years, an unprecedented amount of assets will shift into the hands of women. Yet, a recent survey shows only nine percent of women think they make better investors than men.

Unfortunately, much of this can be attributed to historic gender roles, wherein

many husbands controlled the finances and investing. On the bright side, though, Millennial husbands and wives not only want to be included themselves, they also want their spouses involved in financial decisions. As a result, couples are looking for advisors with whom they both can connect, regardless of gender roles.

This means that attracting and retaining couples will be critical to your growth as an advisor. Plus, engaging both partners from the beginning will keep you from losing either of them as a client. Research indicates that 80% of widows who switch advisors after their husbands pass do so due to a disappointing advisor relationship.

### **3 Ways to Serve Married Couples**

Begin financial planning for couples by getting to know both parties. Addressing both spouses during your initial client meeting is the first step toward building the necessary trust to keep your relationship with both parties strong, no matter what happens within the marriage itself.

Once you've established a solid initial rapport and communication with both partners, get started on serious topics.

### **Pre- & Postnuptial Agreements**

No one wants to hear "In case this marriage doesn't work out..." but it's an essential conversation. Encourage this conversation as a way to help avoid discord and legal fees that could result in the case of divorce. Offer to work with the couple and their attorney to ensure both parties are comfortable and fully understand the financial terms.

Topics to address:

- Assets (real estate and investment accounts) each partner owned prior to the marriage
- What should happen to assets in the case of divorce
- Children from previous relationships and their inheritance and property rights

### **Get Clients on the Same Financial Page**

Not all couples will show up in your office on the same financial wavelength. It's

not unusual to find out one spouse has no idea what the monthly household spending or saving is, or that one defers to the other entirely when it comes to their taxes.

Get both parties involved in considering short- and long-term goals, as well as the more tactical aspects of financial planning, including:

- Cash flow analysis
- Taxes
- Estate planning
- Insurance
- Investments
- Retirement planning

Doing so will help both spouses understand how their money is managed, and it will help keep them on track towards achieving their ideal lifestyle.

### **Support Couples With Financial Technology**

Instant access to data is important to all Millennials, married or not. In fact, industry reports show that almost 40% of NextGen clients would leave their financial advisor if they did not offer sufficient online services.

You can keep couples more involved in their financial management by introducing them to tools that give a better picture of their finances and investments.

Consider implementing digital tech that will help both you and your clients, with:

- 24/7/365 access to information
- Financial planning tools
- Customized products and investment services
- Automated trading and rebalancing tools

The good news for advisors is that while 79% of Millennials don't currently work with an advisor, 39% say they would like to\*.

Using the tips above can help you connect with and educate potential married clients in a low-pressure engagement meant to overcome Millennial skepticism around investing. According to Dr. Daniel Crosby, Orion's Chief Behavioral Officer, "The true value of a financial advisor is the education and empowerment

that comes from a place of genuine care, understanding that business and relationships will be an eventual byproduct.”

**Want to learn about how to bring more value with financial planning for couples by implementing a successful financial planning process? Watch our demo to see how Orion Planning enables you to more seamlessly deliver personalized financial planning services.**

*\*Ally study, 2021.*

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