

## March 2021 Newsletter



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### Financial Harmony with Your Significant Other, Preparing Loved Ones to Become CFOs When You Are Gone, & Tax Deadlines Extended

#### Financial Harmony

When you've been in this business as long as we have (152 years of combined experience on our team), you come to realize that everyone handles money differently. Some people talk about it, some people don't. Some people look at it as security and others look at it as a lifestyle. Some people are extremely comfortable handling it, and others are very intimidated by it. We meet lots of couples who differ on their goals, their outlooks, their risk tolerances, and their comfort levels. Often, our jobs are part financial advisor and part therapist as we try to help couples come to an agreement about what's important and where they're going. No matter which side you fall on, it is extremely important that there be openness, trust, compromise, and a sense of ownership in the process.

In an ideal world, you discussed money before you became a partnership. You disclosed your financial situation (mistakes and successes), you created a household budget, you talked about goals for the future, and you agreed on the level of financial autonomy each partner would have. In most couples, we find that one person is handling the finances. While we commonly see the other partner happy to hand over the reins, hopefully, there is still a sense of openness about and access to the finances.

According to an [article by Business Insider](#), "Money is the No.1 thing couples argue about". If you find yourself in frequent conflict with your partner about money, consider taking a few key steps to maintain financial harmony in your home.

1. Talk about it. It may seem obvious, but so many people don't talk about money. Their parents may never have openly discussed finances in the home, or perhaps there are a few skeletons lurking in the closet that need to be disclosed. If you are committed to a financially healthy partnership, there's no time like the present to come clean and confront whatever is keeping you silent.

2. Consider taking time to make two lists: One list prioritizing the different aspects of your finances and one list identifying how much money each partner believes should be allocated toward the various goals. Give yourselves a week to think about these things and then make a date to sit down and compare notes. Identify commonalities and negotiate the differences until both of you are feeling good about your compromises.

#### **Priorities**

Retirement Age  
Retirement Income  
Adequate Savings  
Education Funding  
Major Purchases  
Spending Money (AKA discretionary income)  
Debt reduction  
Stay-at-Home Parenting  
Travel  
Assisting Aging Parents  
Insurance Coverage (including Long Term Care)

#### **Budgeting**

Utilities  
Mortgage  
Groceries/Dining Out  
Car Loans & Maintenance  
Student Loans  
Credit Card Debt Service  
Insurance  
Taxes  
Home Maintenance & Repair  
Savings Account Contributions  
Education Savings  
Spending Money  
Entertainment  
Travel  
Tuition  
Clothing  
Retirement Savings  
Gas

3. Use a financial analysis tool that works for both of you, be it spreadsheets or computer programs. If your spouse would be more likely to download an app on their phone that keeps them informed of the finances, help them do that and adopt that as your system for maintaining financial transparency.
4. Meet with your financial advisor. Your time is valuable, and most people don't want to spend their weekends picking mutual funds. We can help you walk through many of the issues discussed above and help you invest and plan according to your shared goals.

### Preparing Loved Ones to Become CFOs When You're Gone

As we said above, most couples divide the household tasks with one partner handling the money. If you're the Chief Financial Officer of your home, consider taking some steps to bring your partner in on the things you do and how to do them. Sitting down and explaining how things are paid, where money and investments are held, what insurance coverages you have, and more can help make a difficult time of loss and grief a little less stressful. Consider having a binder that contains all the information your partner would need if you weren't there. Make sure that your estate planning documents are up to date

and complete. Don't forget to check your beneficiary designations on your retirement accounts, as a will often times will not override beneficiary designations. This is especially important in a 2<sup>nd</sup> marriage. Make sure you've listed the names of and introduced your spouse to your financial advisor, lawyer, accountant, Power of Attorney, insurance agents, etc. And finally, identify the person who will help as your partner wades through the process and bring them in on some of the things you've put in place to make the transition a little smoother. Putting in a little effort now, to make sure you're still taking care of your partner even after you've passed, is the ultimate in preparedness, love, and planning.



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## Tax Deadlines Extended

Good news for anyone whose taxes aren't filed yet. The IRS has extended the tax filing deadline from April 15th to May 17th. Per the IRS news release, *"Individual taxpayers can also postpone federal income tax payments for the 2020 tax year due on April 15, 2021, to May 17, 2021, without penalties and interest, regardless of the amount owed. This postponement applies to individual taxpayers, including individuals who pay self-employment tax. Penalties, interest, and additions to tax will begin to accrue on any remaining unpaid balances as of May 17, 2021. Individual taxpayers will automatically avoid interest and penalties on the taxes paid by May 17."*

White Pine Wealth Management is honored to be a part of your trusted circle. Wherever life takes you, we want to help you get there.