



How to be Financially Prepared for 8 Important Love Life Events



Being in a positive, committed relationship is one of the greatest things any of us will ever experience.

But let's be real – love is expensive! From the time you go on your first date to your golden years in retirement, you and your partner will face many significant expenses along the way.

Some occasions, like going on your first date or buying an anniversary gift, won't necessarily break the bank. But others, like buying an engagement ring, planning a wedding, or raising children, will require substantially more funding and may even mean having to sacrifice other expenses.

The real question is: How can you be prepared financially?

It's not uncommon for some couples [to put their marriage plans on hold](#) or delay having children because they don't feel like they have the money. But these delays can cause feelings that, left unresolved, can escalate into frustration or even resentment as the situation persists. And what's worse is that the delays could have been avoided if the proper planning had just been in place.

So what does it take to be financially ready for love? In this guide, we'll walk you through eight common events that nearly every couple faces. For each occasion, we'll talk about how you can prepare to afford it, plus some great pro tips that will help you save money along the way.

Ready to get started? Let's dive right in!



1

Going on that First Date

That first date is a make-it-or-break-it moment. Call it what you want, but the first date is effectively an interview to make sure you're not a crazy person and to help you decide whether the relationship should keep progressing forward.

Financially, first dates will cost a moderate amount of money. According to a survey from [Lending Tree](#), the average amount people spend is \$91.

However, what you say and do on this first date could set the tone for how the relationship will go and how the other person sees you. To make sure you're ready and don't end up burning yourself in the process, here's what you can do.

Don't pretend to be something you're not

Probably one of the biggest mistakes you can make on a first date is to give the wrong impression about who you are and what you can afford. Exaggerating will just set you up for failure down the line and possibly even make the other person question whether they can trust you.

Don't opt for fine wine and dining if you're more of a beer and Applebee's kind of person. Be genuine about who you are and pick activities more your speed.

Map out some hot spots ahead of time

Okay – so even if you are being genuine, you may still want to make a good impression and take your date someplace nice. That's understandable, and there's a smart way to do it financially.

Even before you ever ask someone on a first date, think about specific restaurants and entertainment spots where you already know you're comfortable. That way, when you do meet this person, you'll already have a menu of hot spots to suggest. You're less likely to end up going someplace unfamiliar and getting stuck paying for overpriced meals and drinks.

Make sure you're ready to afford it

The same survey by Lending Tree also mentioned that 1 in 3 of respondents said they've turned down a date because of a cash shortage. Can you imagine letting your potential soul mate slip away because you didn't have the money to ask the person out?

Don't let this situation happen to you. If you're in the market for a relationship, be sure you've got some cash set aside and ready to go. Even if you're not actively dating, putting away a few bucks with every paycheck will help ensure that you'll have the funds you need when the opportunity presents itself.

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Going on Regular Date Nights

Once you're in a committed relationship, date nights have a natural tendency to go by the wayside. Couples usually postpone dates due to time constraints, especially if they're both working full-time jobs or raising children. Or other financial demands may take priority.

Spending time together and giving each other some much-needed attention is a way to regularly rekindle your bond. That's why it's so important that you both make time to go out on dates and show one another how much you still care. Here's how you can be ready financially.

Make date night a priority in your budget

Every budget has some fat. Chances are there are things you're spending money on that aren't really that important or even necessary.

Your budget should be used to purchase things that are important to you, like showing your partner how much you care. Identify those surplus spending areas and reallocate the funds toward going out on a date night – even if it's just once a month.



Take advantage of coupons or gift cards

When you're in a relationship, there's absolutely no shame in looking for good deals that you can use for your next date night.

Take advantage of coupons or specials whenever possible. If you've got credit card points you can redeem for gift cards, use those for going out too.

Go to free local events

No one ever said there was a \$100 minimum spending requirement just because you'd like to have a date night. You could just as easily have fun going to a local festival, free outdoor concert, or art exhibit. Check your local news for free and low-cost events in your area.

Pick activities where the two of you can connect

Some of the best date nights I've ever had with my spouse were ones where the two of us grabbed a drink, sat down, and just talked. Especially when you've got busy lives with a ton of things going on, it feels good to spend some time reconnecting with someone you love who is ready to listen.

3

Buying Gifts for Special Occasions

Valentine's Day, anniversaries, birthdays ... these are the dates you'll want to celebrate with one another to show the other person that he or she is special. To make sure you can do so without breaking the bank, use these simple tips to get ready.

Budget for special occasions

It's no secret that a birthday or anniversary will happen once every year. So just like your mortgage or any other bill, plan ahead! Add expenses for these special days by including them when you plan your budget.

Set realistic expectations

If you don't want to overspend on special occasions, then don't lead your partner to believe you will. Speak openly about what you feel an appropriate gift should be. Talk about spending limits as a couple and agree ahead of time.

Use your credit card points

If you've got some unused rewards points, why not apply them toward your gifts to one another? I've had plenty of credit cards where I was allowed to use points with retailers from Amazon or as statement credit for any purchase I made.

Make it a personal gift instead of an expensive one

A \$100 gift card to your partner's favorite store is nice, but he or she may not think it's very heartfelt (depending on how your partner feels about gift cards). I've received handwritten notes and framed pictures of the two of us together that cost less than \$10, and they were far more meaningful.

Give an experience instead

Some of my favorite gifts of all time were when my spouse would surprise me with dinner or an outing just for the two of us. Again, spending time together and putting thought into the gift will always triumph over the price tag.

4

Saving Up for an Engagement Ring

Buying your partner an engagement ring is such a huge step in your relationship. It's more than just a beautiful diamond and gold band. It's a symbol of your love and the commitment you plan to make to one another.

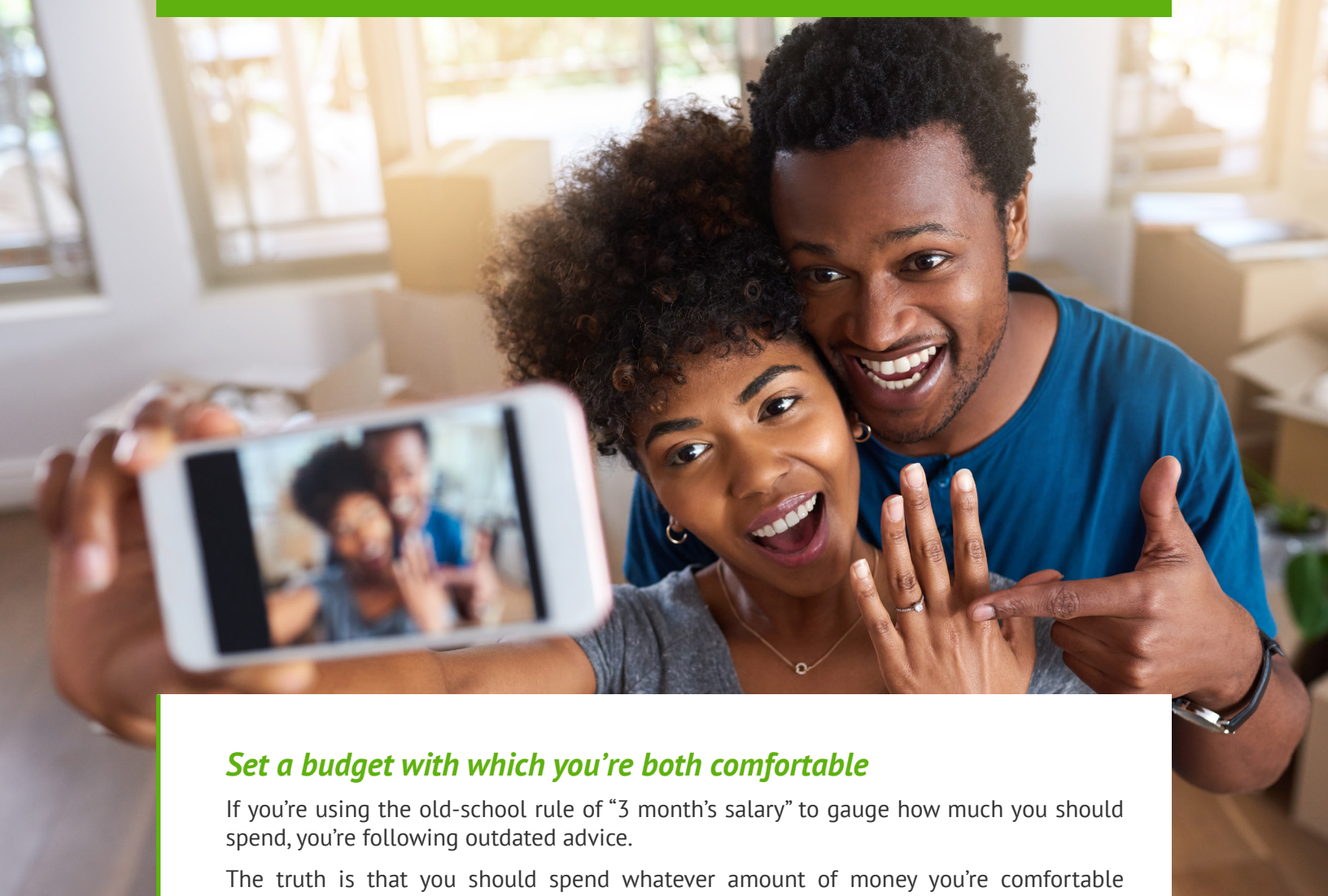
With the average engagement ring costing \$6,000, according to the wedding site [The Knot](#) the engagement ring is a purchase that should not be taken lightly. Here's how you can start preparing:

Get to know her expectations

A ring is something your future spouse will cherish forever. Discussing her expectations up front so you know exactly what they are is important.

Does she have a specific diamond cut or size in mind? What about the band color? Maybe she's a minimalist and doesn't want a big ring at all.

No matter her preference, the important thing is to have an open and honest conversation – preferably way in advance of when you actually plan to propose, so you can adequately prepare financially.



Set a budget with which you're both comfortable

If you're using the old-school rule of "3 month's salary" to gauge how much you should spend, you're following outdated advice.

The truth is that you should spend whatever amount of money you're comfortable spending. Period.

Again, talk about the budget with your partner so you know both your positions well in advance.

Get familiar by comparison shopping

Chances are shopping for a wedding ring is something neither of you have ever done, and probably will never do again after you're married. So do you really even know what you're looking for?

Most likely the answer is "no." And that's okay. The best way to get in the game is to get out there and start shopping around!

Visit as many stores as possible to learn what they have to offer. You'll get familiar not only with how much rings cost, but also how criteria like clarity or style influence the price (sometimes by a lot).

You'll also learn that jewelry retailers are constantly throwing sales, which can be useful to help you save hundreds of dollars.

While shopping around, don't forget to look online. You'd be amazed at how much more cheaply you can buy diamonds from Internet jewelry retailers.

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How to Afford Your Wedding

Your big day! For some people, it's an occasion for which they've waited and dreamt their whole lives.

With those kinds of expectations, and your closest family and friends in attendance, you'll understandably want everything to be perfect!

But given that the average wedding costs \$30,000 (according to Weddingstats.org), it's easy to get caught up in over-thinking every little detail and spending way more than you need to.

To avoid doing that, here are a few simple tips to ease the financial strain.

Begin saving way in advance

Although this may sound premature, if you're in a serious relationship, it would be a great idea to start setting money aside for a wedding as soon as possible.



The amount you save doesn't have to be too much or even a specific amount each time. But the sooner you get into the habit of saving for this occasion, the easier it will be to actually afford it later on.

Discuss YOUR vision of how the wedding should be

One of the easiest ways to overspend on your wedding is not to be on the same page about your expectations. Have a candid discussion about how each of you believes the wedding should go, where it should take place, and who should be invited.

Big? Small? Fancy? Modest? ... The choice is yours. What's important is that you each understand what the other wants so your special day will be just right.

Get quotes for everything you want

With your desires out in the open, the next task is to make a list of everything you need and events that will take place. Then start collecting realistic costs for each item.

These don't have to be hard quotes. You could just call the vendor and ask for ballpark pricing. You'd be amazed at how much of this information is already on the Internet.

Determine where costs fall in line with your budget

Add up your list of prices and see where you stand. If it's a total you're comfortable with, great! But if not, you may have to dial back your expectations.

Determine what's truly a priority and what's not. For instance, do you really need a twelve-piece band? Chocolate fountain? Custom wedding favors? Perhaps not.

Go through your list and organize which expenses are absolutely critical and which ones are dispensable. Make sure you both agree on which ones make the cut.

Comparison shop for better prices

Just because you've already collected some prices doesn't mean you should stop there. Contact at least three vendors for everything you need and see who can offer you the best price and quality.

Determine what you can DIY

If you're really looking to cut corners, start identifying activities or tasks that you or other family members can do. For instance, can someone handle making the centerpieces? How about the cake? The videography?

Ask for money instead of gifts

Decades ago, it might have been considered taboo to ask for money as wedding gifts. But times have changed, and these days lots of couples have started setting up GoFundMe-style pages where friends and family can contribute to paying for the wedding. It's definitely far more useful than getting a bread-maker that you'll probably never use!

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Going on the Honeymoon

I'm not going to lie – one of my favorite things about getting married was the honeymoon! It was my first time flying, going to another country, and traveling without my parents.

But with the average honeymoon costing \$5,100 (according to the honeymoon planning site [Honeymoon Always](#)), this outing represents no small expense. Here are a few ways to prepare.

Shop around for the best vacation packages

Immediately after you propose, go online and start researching the cost of vacation packages. Not only will this research help you gauge which destinations are in your price range, but you also can spot different times of the year when good deals come available.

Build up some travel rewards

Travel rewards have been my secret weapon for getting free flights, hotel nights, and car rentals for years. But it takes time to acquire rewards.

Before you're even engaged, I'd recommend you both start applying strategically for credit cards with travel rewards and use them responsibly. That gives you plenty of time to build up reward points so you can visit any destination you want – preferably for as close to free as possible!



Be strategic about when you go

There's nothing that says you have to go on your honeymoon the day after your wedding. If there's an awesome deal or cheaper, off-season rates a few months down the line, then wait until it makes sense financially. Again, start your research as early as possible to spot these steals.

Drive instead of fly

Let's be honest: flying is expensive. If the cost of round-trip flights is holding you back, then why not have fun with it and go on a road trip instead.

Don't go broke in the process

No matter what you do, don't break the bank just to go on vacation. Your honeymoon is the first of many, many great trips you'll take together as a couple (and family). So be realistic and stay within your budget.

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Raising a Child

Having children will be one of the greatest expenses a couple faces during their lifetime. From pregnancy through college graduation, your kids will need money for food, clothes, daycare, education, and so much more.

The [U.S. Department of Agriculture](#) estimates the cost of raising a child to be around \$233,610. But that figure doesn't even include the \$25,290 per year it takes to send your child to college (according to [Value Penguin](#)).

But that figure doesn't even include the \$27,940 per year it takes (on average) to send your child to college (according to the [College Board](#)).

Health Insurance

Although it may not seem intuitive, having the right health insurance in place can end up saving you tens or even hundreds of thousands of dollars in medical costs per year. If you don't think so, Google how much it costs out-of-pocket to give birth to a child or spend a night in the emergency room. Trust me – it's not a bill you ever actually want to have to pay.

Daycare vs. family care

My wife and I used to joke that paying for our daycare was like making our second mortgage. But sadly, there was some truth to the jest. The two expenses are pretty much the same.

If one parent is willing to stay home and care for the children, weighing the financial pros and cons of doing so may be worthwhile. Alternately, if you've got a family member (like an adult sibling or grandparent) who will watch your kids, seriously consider their offer.

Public vs. private school

Many people will argue that private schools offer higher-quality education over public schools. However, the opportunity will not come cheap. Some private schools cost as much as a local university; others even more.

If you live in an area where private school is the only viable option, you may want to consider moving to a different community or city where public-school education is more feasible.

Take advantage of an FSA

Want to get a break on your daycare and medical expenses from the IRS? You can get some relief by signing up for a FSA.

A FSA (flexible spending account) is a special type of fund where you effectively pay yourself tax-free money that can later be used to reimburse yourself for daycare or medical expenses.

Check with your employer to find out if they offer this benefit.



Contribute to a 529 Plan

Saving for college can be a daunting task. But there are some tax-advantaged ways to do so.

Most states offer what's known as a 529 college savings plan. A 529 is just a special account (similar to a retirement plan) where you can slowly save money each month toward your child's higher education needs later on.

Individuals can open 529 plans. Check with your favorite financial institution to learn more about how to get started.

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Preparing for Retirement

How much money do you think you'll need to leave your job behind and transition into your golden years? According to [The Motley Fool](#), the average couple will need to replace about 80% of their pre-retirement income to last through their golden years.

Make no mistake – no matter what your number is, it's probably going to be a lot. The good news, though, is that you've got your entire working career to save, invest, and prepare.

To make your retirement planning efforts successful, here's what you need to do.

Get on the same page about your retirement goals

Nothing will derail your finances quicker than two people who have totally different ideas about what retirement. Maybe you just want to spend time at home or visiting family, while your partner wants to buy a beach house and travel the world.

Regardless of your individual goals, the important thing is to discuss them up front and start tailoring your plan to accommodate them. Talk with your spouse candidly about retirement plans and be open to all possibilities.

Make retirement a SMART goal

Experts agree that one of the best ways to set a goal and actually achieve it is to make it "SMART." SMART stands for specific, measurable, achievable, realistic, and timely.

For instance, don't say, "I want to retire someday." Instead, be more intentional. Say something like, "I will save up \$1 million and retire by age 55."



Take advantage of tax-advantaged retirement plans

If you haven't started saving your money using a 401k or IRA, then you're missing out on a golden opportunity. Such retirement plans are given special privileges by the IRS that allow you to delay paying taxes on both your contributions and the earnings they produce until you begin making withdrawals (which you can make after age 59½ without penalty).

The tax delay may not sound like much. But compared to other methods, like regular savings or brokerage accounts, you can save thousands of dollars every year just by avoiding taxes. Not a bad arrangement!

Start saving as early as possible

The most valuable resource every investor has is the power of compound interest.

Compound interest is the money that grows on top of the contributions and earnings you've already accumulated. It's like a snowball rolling down a hill, getting bigger and bigger the farther it goes.

With compound interest, you'll be able to multiply your savings several times over. But to make that happen, you have to give it time to take effect. In other words, start making your contributions right now.

Make achieving retirement a priority

I get it. Life is going to get in the way. Other expenses like mortgage down payment, children, and emergencies are going to strain your budget from time to time. But when they do, don't let them derail your efforts.

Treat your retirement savings not as a piggy bank that you can raid any time you want, but as a bill that must be paid. Because in reality, it is a bill – one that you and your spouse owe to your future selves.

Again, think about your retirement goals and why you're saving money in the first place. Let your vision of the life you will both enjoy someday reaffirm retirement savings as one of your top financial priorities.