Top 5 Money Mistakes of Young Couples

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When you're newly married, you'll probably face some new challenges and might not feel that you're ready for these new responsibilities. A lot of young couples don't anticipate how different managing their finances can be once they get married.

It's important to understand how merging your finances will impact the way you spend and manage money. There are common mistakes most couples make, and you can avoid some difficulties by being aware of these errors.

These are the five most common money mistakes young couples make:

1. **Not communicating about money.** It's crucial to talk about money and agree on how you wish to spend and save money as a couple. You'll find yourselves fighting over money issues if you avoid this for too long or if one spouse isn't upfront about money.

2. **Failing to build your savings.** You might feel that you're not earning enough to save money, but most couples can find at least a little to save by cutting back on the more flexible expenses. ***Cover your bases and prepare for a brighter future by saving for these events:***

   - Starting a family. Going through a pregnancy and raising a baby is expensive!

   - When you're ready to settle down, you'll need a down payment to buy a home.

   - Children's education. College is expensive and it is never too early to start saving.

- Health expenses. Open a health savings account if you don't have a comprehensive health insurance policy.

- Retirement. Being young means you can take more risks when you invest and saving up early will help you retire more comfortably. It also gives your savings time to grow from the interest you'll earn over many years.

3. **Failing to effectively manage debts and credit cards.** Some couples encounter challenges because one person wasn't upfront about how deeply they're in debt or because they use their credit card too often. ***Even though both spouses still have separate credit scores, both should be responsible for managing debt and credit:***

    - Set some goals and strategies to raise both your credit scores.

    - Decide what your credit cards should be used for and how much you can charge on them.

    - Make paying off your loans or outstanding credit card balances a priority.

4. **Buying a house before you're ready.** You'll see benefits in waiting until you're financially stabile before purchasing a house. ***There are still some costly mistakes to avoid once you are ready to buy a home:***

    - Buying a house that is too expensive to fix or maintain.

    - Applying for a mortgage you can't afford.

    - Not making a down payment that is large enough to lower your mortgage.

- Failing to take advantage of the help available to first-time buyers.

- Buying a house before taking the time to raise your credit score.

5. **Not looking for ways to strengthen your financial standing.** You can set some financial goals and do your best to save money, but most young couples eventually need to find a way to earn a higher income to meet their goals.

    - ***You could, for instance, make some plans for your career, move to a city where you can get better jobs, or decide to go back to school.***

If you think you're making any of these mistakes, it's a great time to schedule a money discussion. Make plans to bypass these mistakes and get started on the right track for a bright financial future together.

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