

How to prevent debt from spoiling your wedding

By Daniel Workman

Hope and joy run high on your wedding day -- but so can post-ceremony bills and financial stress. Swept up in emotion planning their special day, some couples assume huge risks when they turn to their credit cards as a way to make up the difference between what they want and what they can afford.

Judith Cane, an Ottawa-based money coach, counsels her clients to think about their wedding as one element in a larger plan that has other financial priorities.

Cane recalls one engaged twosome who approached her because they were having trouble managing their money. The bride came from a very well-to-do family but the groom did not.

"Although the bride's family was contributing most of the money, the problem was that the groom was trying to keep up with his side of the wedding costs such as rings, a bachelor party and groom's gifts -- and as a result had maxed out two credit cards and a line of credit," says Cane.

Drawing on credit to finance marital expenses is common. The 2014 BMO Investorline Wedding Study found that, on average, engaged partners expect to use credit cards or lines of credit to cover 13 per cent of wedding-related costs.

But wedding debt can have dire consequences. "The last thing you want to do is have fuel for a fight going into a marriage," says Cane.

To prevent those kinds of problems, Cane has a number of suggestions:

1. Start with a budget. There is a significant gap between what most couples plan to spend and the reality of their incurred expenses. Canadians expect to pay, on average, \$15,000 for their nuptials, according to the BMO wedding study, yet Weddingbells magazine puts the average wedding's cost at \$32,358 for 2013 -- more than two times higher than the expected cost.

One reason for the discrepancy is that couples often skip an important first step in making a wedding budget: clearly defining a realistic overall spending cap. Setting a limit helps couples to prioritize, eliminate and reduce non-essential expenses.

2. Track all expenses. Myriad wedding-related expenses often daunt newlyweds-to-be. The Financial Consumer Agency of Canada (FCAC) provides

an online wedding budget worksheet that lists 52 different cost items organized under 10 categories. The spreadsheet makes it easy to spot differences between actual and planned spending, as well as see the percentage of total expenses that each budgeted item represents.

You also should save all your receipts to precisely compare your actual spending to budgeted amounts, and regularly review your credit card statements so you don't overlook any costs.

3. Consult a certified wedding planner. While wedding planners charge for their services, professional planners with their clients' best interests at heart can reduce stress while saving you time and money.

"An accredited wedding planner will work with a couple during the wedding process to keep their budget on track, keep them aware of any additional expenses, offer solutions to concerns or problems and help guide them in decision making," says Tracey Manailescu, a certified wedding planner.

Based on her experience, Manailescu says one of the best ways to cut back on costs is to trim the guest list.

4. Get frugally creative. Toying with different ideas about a wedding's timing, venue and theme can also mitigate the risks of going into debt. Cane estimates that food costs for a 50-person event could be contained to \$35 per person if you serve lighter food at an evening wedding or go for a luncheon instead. Other possibilities are scheduling your wedding for the off-season (Nov. 1 to April 30), getting married on a Friday evening or on a Sunday when prices are lower, and holding the ceremony and reception at the same location.

One of the best weddings Cane says she's attended was a potluck outdoor wedding at a rented farm. She reminisces, "There was lots of food and it was fun to see what people brought and they were encouraged to take doggie bags home at the end of the night."

5. Manage your credit card usage. There are advantages to using your credit card as a convenient payment method for wedding expenses, provided you make sure the card balance is promptly paid along the way.

"I think it is a great idea to use your credit card to make the wedding purchases, as it gives protection to the cardholder in case of bankruptcy issues with vendors, damage control for booking the honeymoon or a destination wedding, as well as another avenue for proof of purchase in case of any [merchant dispute] down the road," says Manailescu.

Some credit cards also provide rewards, insurance benefits and other perks. Still, these advantages should take a backseat to minimizing debt that can take many years to pay back.

"Your wedding day should be a treasured milestone you always remember, not a reminder on subsequent anniversaries that you still have outstanding bills to pay," says Cane.

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