

“A Wedding as an Investment”



I try to talk about anything that could cause you to make, save, or lose money, that almost everyone will experience at least once in their life (or in this case, often more than once), and that you will find discussed nowhere else. Let's look at the return on investment of a wedding.

The biggest investment of your life is usually your home, followed by your education. Next on many people's list would be an automobile. Since it's possible that as much, or more, can be spent on a wedding as a quality vehicle, this is a topic worthy of discussion.

Some people say “money's no object.” When it comes to your family's health or their freedom, money is no object. Otherwise, money is always an object. Whenever you pull out your wallet, you must remind yourself it is time to be careful.

Consider 3 things:

- 1) “This is such a joyous and happy day. You're both so lucky. We want everything to be perfect for our little darling. It just has to be perfect.” The bride or mother of the bride may throw in a few tears here for effect.

The brutal truth is that 50% of first marriages, and almost two-thirds of second marriages, end in divorce. When that sad day comes, the reality is that everything spent on the wedding was wasted. It is as much farce as tragedy. I know a medical device salesman who took out a second mortgage to finance his daughter's wedding—and they're no longer married. Ouch! He'll be paying for that disaster for the next 20 years—with interest compounded annually.

Here is the question: if you spend more on a wedding, will it bring happiness?

Of course not. If life were only that easy.

Next question.

- 2) If you spend more on a wedding, will it generate more expensive gifts, a positive return on your investment?

No. To the contrary, whatever you spend above some particular amount will show a quickly diminishing return. Gifts are determined by friendship, political considerations, family and business relations, what you gave them or their family when they were married, and their personal financial situation.

If you have the reception at this club versus that hotel, have one wine rather than another, or asparagus and shrimp rather than green beans and pot roast on the buffet, I cannot imagine they will give you \$125 versus \$100. You are

going to get whatever you are going to get. The amount was determined long before the wedding.

- 3) Weddings are an example of what I call the “Las Vegas Syndrome.” People do stupid things, spend money they never otherwise would have or should have. It's almost as if they are driven by some unknown urge. They pay a photographer \$5,000 to take 4 jillion pictures when the only ones that count are the “official” photo that goes on your mantle and in the local newspaper, and those of your immediate family. A year later (a month later), nobody really cares about the other pictures, slicing the cake, eating the cake, who caught the bouquet, who danced with who. It's a real racket.

What's even worse is when people spend more than they can afford. For the Queen of England to spend \$20,000 on a wedding dress is one thing. For someone who just finished college, has \$30,000 in student loans, and just landed their first job at \$37,500 per year, to spend \$2,000 on a dress they'll use only once makes no sense to me.

Weddings are important, and you do want things to go well, but after a certain point it all becomes ego. Say after initial planning, the proposed costs are \$50,000. Make the (hopefully) soon-to-be-happy couple the following offer: you spend less, you get to keep it. Do you really need 350 invitations, with extra charges for the cute little bow and hand calligraphy? You already know who is or isn't coming and who will or won't send a present. Do you really need \$800 worth of flowers (A complete waste. You can't even eat them)? You can have just as nice a wedding for \$30,000, and the \$20,000 saved will go a long way towards a down payment on a home.

I hope destination weddings are a fad, because it's hard to imagine a bigger waste of money for everyone involved.

Here is the bottom line:

- 1) If you are happily married, I'm happy for you, but it didn't have one thing to do with how much was spent on the wedding.
- 2) If you are divorced, I'm sorry for you, but it didn't have one thing to do with how much was spent on the wedding.
- 3) The person who really needs to read this Editorial is the mother of the bride.

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Robert M. Doroghazi, MD*

The Physician Investor Newsletter, Columbia, Missouri

*Tel: (573) 443-0893.

(rdoroghazi@yahoo.com).

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