

The 11 Things you NEED TO DO NOW in Divorce

Excerpted from the *Wiser Divorce Workshop* “The 11 Things you NEED TO DO NOW in Divorce.”

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1. Make sure you have money available to you.

Divorce is very cash-hungry. There are filing fees, attorney fees and retainers, mediation fees, apartment rent, counseling costs and many other expenses. Money that previously supported one household will now need to stretch to support two.

2. Collect Financial Documents.

Preparing for divorce means that you must take the time to collect all the relevant documents in your financial life. This means bank and brokerage statements, credit cards, mortgages, tax returns, car loans, you name it. Once you’ve made copies, don’t store these documents at home. Store them with a trusted friend or family member or a safe deposit box that only you can access.

Get a fresh credit report. Not only will you be able to keep tabs on your credit score but you may be able to tell if your spouse is wasting funds.

3. Don’t Overlook Anything of Value

Remember that half of everything is yours so even if you don’t want an asset, its value can be used to trade for something that you do want.

Don’t forget “smaller” assets. Some may not be as small as you think!

Smaller assets include:

- Assets in safe deposit boxes,
- Frequent flyer points,
- Deferred vacation and sick pay,
- Businesses and side businesses – do they have value? If you and your husband have a business that generates a substantial amount of revenue you’re going to want to have that business valued. But even side businesses that generate a small amount of

income may have value, particularly if they have expensive equipment.

- Furnishings, vehicles, jewelry, hobby equipment.

4. Consider the Tax Consequences!

Don’t ignore the hidden tax costs of divorce in making decisions such as:

- Should I take part of the retirement plan or the checking or brokerage account?
- Should I keep the house or sell it now?

5. Prepare!

Divorce can be a long, complicated process. By educating yourself about the divorce process, you will be less afraid and better able to act rather than being buffeted around like a sailboat in a thunderstorm.

Think about timing when it comes to the separation. Timing can be a key issue when it comes to work related bonuses or legal settlements.

Think about social security. Timing is a key issue here as well. But this time it pays to wait. If you and your spouse have been married for 10 years or longer, when you reach Social Security age, you can collect benefits based on your earnings record, or his earnings record – whichever is higher.

6. Prepare a past Budget Analysis and Monitor your spending

A past Budget Review will help you figure out how much you were accustomed to spending on an average annual and monthly basis. You can use these calculations as a guide to help you develop an accurate picture of what funds are required to maintain your standard of living. You must recognize, of course that maintaining two

households is more expensive than maintaining one, so it may not be possible to completely retain your marital standard of living.

7. Keep a level head (don't mix money and emotion)

Don't let anger get the better of you.

Don't seek revenge. It's not worth it.

Don't give him everything out of guilt.

If you can at least recognize the emotions you are feeling and work with your attorney or financial advisor with a view to your long term best interests, you will come out of the process in a much better place financially and emotionally.

8. Fight for what is yours!

Divorce is about survival, not playing nice.

Include all your needs in your budget – health insurance, educating your kids, saving for the future.

Don't underestimate your needs.

9. Take Control!

Taking an active role in the divorce process will help you reach a better settlement than just "leaving it to the attorneys."

Protect your spousal support with life insurance, so you'll collect a death benefit if he dies that you can use for your family's support. And go through underwriting BEFORE signing the settlement agreement to make sure that coverage is available and that it's not prohibitively expensive.

Get lump sums wherever possible, rather than being tied to him (for example, use a QDRO to get your share of a retirement account transferred to your IRA).

10. Concentrate on Personal and Professional Development

If you aren't working, or have a job instead of a career, this is a good time to consider your future path, go back to school. Divorce leads to new beginnings, new discoveries and new opportunities for growth to boost your self-esteem.

You might negotiate more spousal support up front to allow you the time to take classes.

11. Get Professional Advice.

Even if you do the divorce yourself, or go through mediation, you should speak to a good attorney at least somewhere along the way.

Most people going through divorce will benefit from talking to a therapist and joining a support group as well.

And good financial advice is imperative – I'd be happy to meet with you for a 30-minute free consultation to see if it makes sense to proceed.

Andrew Hatherley discusses the **11 Things You NEED TO DO NOW in Divorce** in the Wiser Divorce Workshop. For more information visit wiserdivorcesolutions.com or call Andrew at (702) 835-6960 or email him at Andrew@wiserdivorcesolutions.com

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