

## 5 Tips for Navigating Divorce

When 'to have and to hold 'til death do us part' doesn't work out as planned, you need a strategy for divorce that doesn't derail your financial security.

While women generally recover faster from divorce emotionally, they can take longer to recover financially. Many women have taken time out of the workforce to be caregivers, sacrificing years of income, social security earnings, and work experience on behalf of their families, and it may reduce their savings and earning potential.

If you're contemplating or going through a divorce, protect yourself and your children and minimize the emotional and financial toll of divorce by taking these five steps.

### 1 ORGANIZE

Before you begin the process, identify all of your family's assets and liabilities. Gather all financial documents, including bank statements, credit card statements, tax returns, retirement accounts, loan and mortgage information, insurance and investment account statements, so you know what you have, and what you owe.

### 2 TRACK

Add up your family and household expenses. Include everything, health care spending, tutoring, babysitting, music lessons, summer camp, baseball lessons, groceries and your afternoon latte. Save and track receipts for accurate accounting so you know what you'll need (or what you think is fair for you to pay) in terms of alimony and/or child support.

Tracking inflows and outflows can also help you figure out if your spouse is "dissipating" assets, intentionally spending money so you don't receive it. Pay attention to bank withdrawals and credit card receipts to identify unusual or large purchases that require closer examination.

### 3 BUILD

**Your team.** Dividing marital assets can be tricky, especially for couples with significant and complex assets. When there are minor children involved, there are added issues including child support and co-parenting. Decisions and conversations can become emotionally charged, and you may need a team of experienced divorce professionals to guide you through the process. While you may not need each of these resources, it's important to know your options for help and support.

- *A divorce representative* – someone to represent your best interests and make sure you get what you're entitled to receive. The type of professional you need depends on the type of divorce you anticipate (civil or acrimonious) and can be an attorney, mediator and/or litigator.
- *A credentialed wealth advisor* – can help you create a realistic budget and revise your retirement and investment strategies to reflect your new financial situation. Some women discover they need a more aggressive investment strategy to meet their retirement goals. An experienced wealth advisor can help you sort through the options that will keep you on track.

- *A divorce therapist* – can help you evaluate your marital options (for example, separation versus divorce), assess what went wrong in your marriage and move on.
- *A divorce coach* – an objective advisor who helps you figure out the divorce process and ask the right questions.
- *A co-parenting counselor* – for those who share custody of children who are minors, provides input and advice on handling day-to-day parenting issues, such as custody schedules, setting boundaries and putting resentments aside to shelter the children from conflict.
- *An organizer* – helps you stay on top of your paperwork, maintain accurate financial records and clear through the clutter to reduce chaos and stress.
- *A realtor* – can provide you with an accurate assessment of what your real estate is worth, and if you need to sell your house as part of the settlement, will help you find your next home.

**Your financial independence.** If possible, start paving the road to financial freedom *before* you file for divorce.

- *Start putting money away* – open a separate account in your name so you have access to funds when you need them. Fund the account with money from employment, friends or family.
- *Know your credit score* – after you're divorced, you may want to get a loan in your name or open a new account, and you'll need good credit for that. There are many ways to learn your credit score, such as through an online app, your credit card provider or by contacting one of the credit bureaus. If you need to build (or rebuild) your credit history, open a credit card in your name and be sure to pay your bills in a timely fashion.

#### 4 UPDATE

After your divorce, update the beneficiaries named on all of your accounts, including your life insurance policy, retirement, investment and other accounts. In addition, revisit and revise your will and health care proxy.

If your ex-spouse was privy to your passwords, be sure to change them, including those for your email and social media accounts, to protect your privacy.

#### 5 NURTURE

It may take time to acclimate to living on your own, and it can be stressful. Take care of yourself by eating right and getting plenty of rest. Find ways to exercise even if you're living on a newer, tighter budget. (You can go for a run or walk for free and find yoga and other exercise videos online.)

Reach out to your girlfriends, family, religious advisor or local divorce groups for non-judgmental support, empathy and advice. Uphold your boundaries and limit communication with your ex-spouse, unless it matters for your children. And know that your Luma Wealth advisor is available to lend an ear and help you start your next chapter.

### *Getting divorced? You're not alone.*

*From 1990 to 2010 divorce rates fell for young adults but rose for middle-aged and older adults.*

AGE	25-39	40-49	50+
	-21%	+14%	+109%

Source: Pew Research Center analysis of the 2015 American Community Survey (IPUMS) and 1990 Vital Statistics following the methodology in Brown and Lin's "The Gray Divorce Revolution: Rising Divorce Among Middle-Aged and Older Adults. 1990-2010."