Glazer | Financial Advisors

Do's and Don'ts for Creating The Financially Smart Divorce^{sm}
"Act legally…Think financially"

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Whether your divorce is amicable or bitterly contested, one fact is true in every case. With divorce, comes change; social change, emotional change and financial change. The man or woman who is informed will be better prepared for those changes and will cope better with this difficult situation. I strongly recommend creating a team of divorce professionals, which may include an attorney or mediator, C.P.A., Certified Divorce Financial Analyst, business valuation expert, psychologist, and career counselor to guide you through the various facets of the divorce process.

In dealing with the financial aspects, observing the following **DOs** and **DON'Ts** will start you on the road to creating The Financially Smart Divorce.

DO understand your state property laws – Do you live in a community property or an equitable distribution state?

DON'T operate from an emotional position of any of the four "GETS". I want to: "GET" even, "GET" out, "GET" back together, "GET" it over. Each of these triggers behavior which creates undesirable results.

DO construct a detailed projected budget for living as a single. This is critical for determining support payments and will help you decide if keeping the marital residence makes sense.

DON'T ignore tax aspects – of spousal maintenance and property settlements.

DO analyze which assets meet the needs of your new lifestyle. Which are liquid, which have tax benefits, which are riskier, which produce income? $100,000 equity in your home is not the same as $100,000 in cash, stocks, bonds, mutual funds, employee stock options or 401K.

DON'T ignore credit and debt issues. If you keep the marital home you should refinance it, removing your ex-spouse from the mortgage. Credit cards should be closed or changed from joint to individual names after payment of joint balances.

DO learn about retirement plan division, a major asset for retirees and couples in their peak earning years.

DON'T overlook insurance. Update auto, life, health, homeowner's and business insurances. Life and disability insurance are particularly important to secure support payments. Long term care insurance should be considered once you are in your 50's.

DO become acquainted with the guidelines for obtaining child support and spousal maintenance.

DON'T forget to update these important items:

W-4 form with your employer
Will or trust
Insurance and retirement plan beneficiaries
Bank and securities brokerage accounts – reregister them in your name.

DO join a divorce support group. Many churches, synagogues and other not-for-profit organizations offer them and they provide an excellent opportunity to interact with other divorcing individuals in a safe and supportive environment.

DO educate yourself. There are many excellent books and articles available on the many facets of divorce – emotional, legal, social and financial. There are also numerous internet sites on divorce which are full of great information.

DO create a new, positive financial plan for your successful new life!