

With a combined 50+ years of experience, 2X Wealth Group is committed to educating and empowering investors. We firmly believe financial literacy helps people make better decisions.

Women and Divorce: Part 1

The Intersection of Divorce and Your New Financial Beginning

A Three Part Series on Breaking Up

Change is never easy and embarking on the divorce process is no exception. Statistics show that 40-50 percent of marriages end in divorce, and the number is even higher for subsequent marriages. For both spouses, divorce represents a new beginning as well as the start of a complex and often drawn out legal undertaking.

This series will provide guideposts based on our experience helping women and men navigate their finances. Based on our independent research with divorce attorneys, CPAs, divorce coaches and divorcees, we provide helpful pointers intended to guide those considering divorce. First and foremost, we encourage you to empower yourself with the information and assistance needed to plan your divorce and your financial future.

Thinking About a Divorce – Early Steps to Take

It is quite useful to consult an attorney even if you're just thinking or worried about the possibility of divorce. Understanding your legal situation provides an essential backdrop to your divorce planning and helps to alleviate fear of the unknown. At the opposite extreme, if you feel unsafe (and some divorces involve partners with addiction or mental health issues), the first step is to get out immediately.

How will you pay your bills during and after divorce? There are many steps to take now which will help with future cash flow:

- **Establish credit in your own name** – otherwise you may not be able to get a mortgage, a car loan, or a big enough credit line on your credit card. Everyone should do this whether thinking about divorce or not.
- **Do not commingle separate assets** – even in a community property state, pre-marital assets, inheritance and gifts are yours alone if you keep them in a separate account under your name. Community property states are: Arizona, California, Louisiana, Texas, Washington, Idaho, Nevada, New Mexico and Wisconsin.

- Evaluate sources of cash to live on – check what is available in your bank accounts, credit cards or other lines of credit such as a home equity loan, etc. Can you open other credit card accounts? Ask your attorney if you should freeze or withdraw assets from joint accounts.
- Open a checking account in your name only – be prepared with some money in the bank you can access easily.
- Look into living with relatives or friends – if possible, this can be a good way to save money or preserve cash while waiting for a divorce settlement.

Assembling Your Team

Help is out there and trusted experts can guide you in matters in which you don't have the proper expertise. Start by assembling a top notch team, you don't need to do it all yourself!

Your team will likely include a divorce attorney or mediator, a financial planner and/or bookkeeper for budget help, an accountant or forensic accountant (for complex estates or possible hidden assets), and possibly a therapist or divorce coach. All of these experts can support you and help you navigate the process of divorce. There is a strong network among divorce attorneys and other experts so just finding one good person can lead you to all the rest. Think about your particular circumstances and what kind of divorce you are likely to have in order to determine what type and level of advice you will require.

For example, if you anticipate an amicable divorce with a straightforward division of assets, then mediation may be right for you. However, family law attorneys warn that many seemingly amicable divorces can change into something more contentious if fear and resentment set in. Having at least one consultation with an attorney makes sense.

Choosing an Attorney

After deciding to take the legal route, there is no need to run up bills with unnecessary conflicts. Lawyers can have very different negotiating styles, and it's likely your spouse's lawyer will be very attuned to the type of lawyer you engage and respond accordingly.

If your estate is complex but your spousal relationship is not contentious, then you'll need a financially astute but not hostile attorney. For some, there is a certainty of nasty personal issues and a likely custody fight. In this case, you will need an attorney who is a strong fighter who will be in your corner at all times (and coordinates with a separate custody lawyer). If you think you're likely to end up in court, make sure your lawyer has the appropriate courtroom experience.

Gathering Financial Information

A first step even before initiating the divorce proceedings is to organize your financial documents. Information is power and not having it works against you. If you are in an amicable situation, talk things over with your spouse, and don't be afraid to insist on getting the necessary documents. In contentious situations, some women look for and copy documents when their spouse is out of the house. We have attached a comprehensive list to help with this process.

Trusted experts can guide you in matters in which you don't have the proper expertise.

Taking Time for Yourself

Divorce is a time for radical self-care. It's important to recognize that you may be in a crisis and put yourself first. Even though you may have others to care for, divorce coaches point out you can't do it properly if you are falling apart. A personal support network, including trusted family and friends, is critical. Several women advised only confiding in a core group people as they were surprised by the dramatic shifts in relationships that took place over the course of their divorce. You may even benefit from a divorce coach or personal therapist to help you overcome issues of anxiety, anger and grief.

As relationships and alliances shift, it's essential to stay focused on your most important goals and avoid getting overwhelmed by emotional considerations. Try your best not to inflame the situation with your spouse with hostile emails and arguments. Attorneys often advise that a mindset of "kill him with kindness" may lead to better results. As one wise divorcee said, **"Don't catch the ball in a fight, think of letting it pass by you."**

► Thinking About Divorce?

A comprehensive list of the personal documents you may require can be found on the following page.



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Need help sorting this all out? Make an appointment with us to help you through it.

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A Comprehensive List of the Personal Documents You May Require:

Personal & Family • Birth certificate • Marriage certificate • Prenuptial Agreement • Citizenship papers • Social security card • Passport • Voter registration card • Adoption records • Death certificates	Banking • Account numbers, passwords, checks, and recent statements for: • Checking/debit accounts • Savings accounts • Investment accounts • Certificates of deposit • Stock/bond certificates	Work & Business • Employment agreements • Noncompete agreements • Stock options • Restricted stock units • Deferred compensation • Partnership agreements • Articles of incorporation • Business insurance
Personal Property • Vehicle registration/titles • Inventory of personal property with photos or videos • Receipts for major purchases • Warranties for major purchases	Taxes • Income tax returns • Supporting documents for the past 7 years (Both personal and business) • Gift tax returns	Retirement Accounts, Etc. • IRAs • 401(k), 403(b), 457 plans • Pensions • Deferred compensation • Annuities • Health savings plans • College savings plans
Medical • Health insurance cards • Immunization records • Medical history records • Health care power of attorney • Durable power of attorney • Living will	Real Estate • Titles and deeds • Leases, rental agreement • Home improvement receipts • Homeowners agreements • Condominium association agreements	Estate Planning • Will • Revocable living trust • Descendant trusts • Personal property memo • Descendant trusts • Burial & final instructions
Insurance • Health • Disability • Long-Term Care • Property and Casualty • Auto • Umbrella	Loans • Mortgage statements • Line of credit statements and associated checks • Vehicle loans, leases • Student loans • Personal loans • Other	Charitable Giving • Charitable pledges • Donor-advised fund • Charitable trust • Family foundation

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