

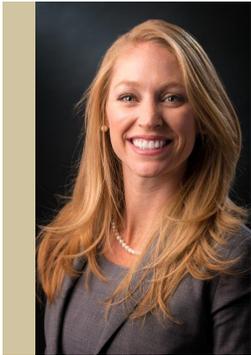
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DIVORCE: 3 THINGS TO DO BEFORE YOU SEE AN ATTORNEY

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866-CREATIVE

Email us:
cpi@creativeplanning.com

Visit us online:
www.creativeplanning.com



Stephanie Trentham
CFP®, CDFA®
Wealth Manager

United States divorce rates are running 50% according to published reports, with money conflicts cited as a high-ranking cause. Accordingly, it's worth spending a few moments reviewing pro-active strategies that can impact the final legal, financial and emotional results.

1. LEARN ABOUT THE DIFFERENT WAYS YOU CAN GET DIVORCED.

Contrary to what TV dramas and the movies might have you believe, lawyers aren't always in court, and they don't have a penchant for drilling people on a witness stand. Though only about 5% of divorces go to court, each attorney has their own style and generally practices a certain way. That's why it's important for you to have an idea of how you might want to get divorced before choosing your attorney.

There are four basic ways to achieve a legal divorce:

- a. **Kitchen Table Negotiations:** You and your spouse sit down and hammer out who gets what possessions, custody, visitation and other issues. You each visit your own attorney, and one of them draws up an agreement. You both sign, and it's filed. Though low in cost, it's reserved for only the most amicable of couples.
- b. **Mediation:** Similar to Kitchen Table with the addition of a third-party mediator, whose job is to help navigate the conversation and stay in productive territory. The mediator does not give legal or financial advice. Once you reach an agreement, one of your attorneys will draw up the agreement. You both sign, and it's filed.
- c. **Collaborative Divorce:** You and your spouse each hire a collaboratively trained attorney and the four of you meet to negotiate together. The process also includes third-party experts like financial specialists, mental health professionals, and child specialist to help support you during the divorce process. When you choose to go this route, you agree to full disclosure. And if you aren't able to reach an agreement, you'll need to start over with new attorneys. This is the new wave of divorce that puts emphasis on supporting the family so that members can get through as unscathed as possible.

d. Litigation: This is the closest you've probably seen to TV divorces. You each hire an attorney with whom you'll speak through and negotiate.

One thing is for sure: the more you and your spouse can communicate and negotiate together, the less costly the divorce, and the more options you'll have for how you want to get divorced. Having an idea of where you fall on this spectrum will make it easier when you're interviewing attorneys.

2. HAVE AN ACCURATE AND COMPLETE BUDGET AND NET WORTH STATEMENT FOR YOUR FIRST MEETING.

First, it lets the attorney know if they want to take you on as a client and which one of the above divorce routes make most sense for you financially.

Second, it's important to realize that a large part of the divorce is financial in nature and the agreements you make are going to be based on two things:

- a. How much money is coming in and going out of the household, and,
- b. What you own and what you owe

That's the foundation of how negotiations begin, so if you can have a handle on that before your first meeting, you've got a great head start for immediately accomplishing things after hiring your attorney. If you go to your appointment without these completed, your attorney will hand you a blank form to complete. Here's a key piece: if you seek out and hire a Certified Divorce Financial Analyst® or CDFA® professional, they can help you gather the information, verify it, and transcribe it correctly. A CDFA® practitioner will charge up to half the hourly rate of an attorney and the product will be complete and verified by a financial expert. Otherwise, your attorney will not verify your financials. That is not their job. They will, however, charge you their hourly rate to gather the documentation through the legal process of discovery and review the documents. Save yourself the trouble and the money by just doing it upfront.

Another issue to consider is spousal support. In many divorce proceedings, the budget and net worth statement numbers determine the spousal support. If this applies to you, it's extra important to get this right. Oftentimes, attorneys will argue that the receiver of support has forecast excessive costs while the payor has underestimated them. A CDFA® professional can help you use exact numbers - making an argument less likely.

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Having an accurate budget completed at the beginning of the process will also mean that your attorney can immediately start helping you to settle who's going to pay what while the divorce is happening. Even though your life is on pause, the bills are not. Having an idea of what you want in regards to how the bills get paid before seeing your attorney will give you peace of mind that you're not going to be stuck in a lurch.

In addition, having the pre-divorce budget and net worth statement sets you up for success during the negotiation process because the financial expert can continuously update these documents to illustrate the effects of a proposed settlement agreement. Specifically, they can show whether or not you'll have a deficit in cash flow at the end of the month (a.k.a., if you take this deal you won't be able to pay your bills). They will also be able to show you a net worth projection according to the proposed asset split. This is important as you don't want to take all of the slow-growth assets while your spouse walks with the high growth assets (a.k.a. cash vs. stocks).

3. START TO CREATE A SUPPORT SYSTEM.

Divorce consistently tops every list of the most stressful events of a person's life. Even a great network of supportive friends and family can't take the place of an objective expert in the fields of therapy or psychiatry. A therapist can help you process your emotions effectively so that when you're making important decisions, you can be as clear-headed as possible.

When a couple splits, there are really three divorces:

- a. The legal divorce
- b. The financial divorce
- c. The emotional divorce

Find an expert in each of these categories and you'll be setting yourself up for a split that doesn't make you say, 'What was I thinking?!' years after the settlement has been signed.

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