

Essential Steps For Women Who Want Financial Stability Post-Divorce

by

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If you are in the early stages of divorce chances are you're probably experiencing a wide range of emotions from anger, betrayal, loss, confusion, and panic. It will not always be like this and over time these emotions will begin to stabilize as you begin to focus on a bright future as a strong single woman. Life will be different, but by adapting and embracing the changes you will be successful working through change and you will be in control of your personal finances. With this responsibility you will now have to keep track of your income and expenses. You will have to pay your bills on time, plan for college if you have children, think about other long-term goals and plan for how you are going to achieve those goals.

With these new responsibilities it is natural to feel overwhelmed, but as a strong single woman you can do it. You just have to take one step at a time, learning as you go. As you learn and feel more comfortable, you should feel more empowered being in control of your own financial decisions. Of course you are questions along the way and that is why it is so important to work with a financial advisor who has the experience and training to specifically divorced women their goals and objectives. Careful financial planning and living within your means are the keys to a healthy financial future and making your divorce settlement last as long as it can.

What can you do now to start moving forward on the right path? From working with many women who have gone through divorce I have created essential steps to get you on the path towards financial stability. Once your divorce agreement is finalized, you will need to:

1. **Update your accounts:** This step is absolutely essential and needs to be done as soon as possible. You need to update the beneficiaries on all your accounts such as your life insurance, 401k, pensions, annuities, and IRA. If you changed your name as a result of the divorce you will need to get a new Social Security Card, driver's license, passport, and credit cards. You also need to notify your bank, utilities, insurance companies, the department of motor vehicles, your children's school, and many more about your name and possibly address change.

You will also have to visit an Estate attorney about drafting and executing a new will, trusts, and power of attorney.

2. **Develop a comprehensive plan:** If you had a Lifestyle Analysis done during your divorce you should have an understanding of what your marriage income was compared to your expenses. Use this at first to create a basis for developing a budget going forward. You will need to keep track of financial matters in the short-term such as: What are your day to day expenses? How

much are monthly utilities, mortgage, car payments, daycare, etc.? You will also need to establish a long term plan for questions like: What do you need to save for retirement? If you received any lump sum payments from your divorce settlement you will need to develop a sound strategy for managing these assets. I always tell clients establishing and following a financial plan is essential for financial stability, but also peace of mind.

3. **Seeking help from an experienced financial advisor and Certified Divorce Financial Analyst:**

Look for a financial advisor, who is a Certified Divorced Financial Analyst and is trained in working with women post-divorce. All of the fundamental components of a sound financial plan such as creating a budget, planning for retirement, making sure you don't outlive your money, life insurance, long term care insurance, understanding your goals- should all be completed under the guidance of an advisor who is very familiar with the needs and issues of divorced women.

It is essential to remember the needs of divorced woman are very different from those of a married couple. You must have an advisor who completely understands those differences and know how to properly manage your money.

I am a Certified Divorce Financial Analyst and have been helping divorced women for many years. My team at Raymond James has over 40 years combined investment experience and we assist clients with a wide range of financial issues including:

- Budgeting
- Retirement Planning
- Estate Planning
- Investments
- Asset preservation and Insurance

4. **Create a post-divorce team with other experienced professionals:** I work with many attorneys and clients to help create a team to assist women and answer many of the questions they have, while working through issues of divorce.

- **Estate planning attorney:** This type of lawyer will work with you and your financial advisor to help you with your estate planning needs such as wills and trusts.
- **CPA:** Often times clients do not want the same CPA as their ex-spouse and I help find a CPA they feel comfortable with working through the tax issues of divorce
- **A therapist or counselor:** A therapist who understands divorce can help you deal with the emotional challenges of adjusting to life as a single woman.
- **A vocational counselor:** Many divorced women we deal did not work during their marriage, but may need to post-divorce. A vocational counselor can provide guidance and know-how so women can make the transition successfully.

5. **Completing your post-divorce “To Do” List:** This is a list I have compiled for clients who have been recently divorced.

- Make copies of your divorce decree and store them in a safe and secure location
- Remove your ex-husband’s name and change your name/address on all remaining accounts including: credit cards, bank/investment, insurance policies, utility bills, property titles, post office, and social security card
- Remove your ex-husband as beneficiary: Don’t forget to change your beneficiary’s on your retirement plans, IRA, and life insurance
- Review your health insurance options
- Establish a system to keep track of all your alimony payments, child support, and medical expenses
- Check your credit report and consider a new credit card

I know this seems like a lot of information, but if you follow these steps you will be well on your way to creating secure financial future. With a solid plan you will feel more confident and positive about the decisions you are making and where your life is heading. Remember if you have any questions there are professionals like myself that are willing to help you every step of the way. Good luck!

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