



## Five Things to Do BEFORE You Decide on Divorce



**YOU ONLY HAVE ONE CHANCE TO GET IT RIGHT.**

*If you're considering divorce, let us help you ensure your financial position now and 30 years in the future.*



It's no secret that over 50% of marriages end in divorce, even more if you're on a 2nd or 3rd marriage. Whether this is a good thing or a bad thing depends on your perspective. I'm a believer that life is short and everyone is entitled to happiness. I guarantee you, if you're not happy in your marriage, your spouse isn't either.

If you're reading this, then obviously you're thinking about ending your marriage. Before you make the final decision, I'm going to ask you to take a few steps to ensure the best outcome for you should you decide to move forward. This is not a decision to be taken lightly and a little preparation can go a long way.



*...stop thinking emotionally and start thinking financially.*

The reality for lots of couples that have invested in each other for 10 years or more is that if you're going to end the relationship, you now have to stop thinking emotionally and start thinking financially. I'm going to give you 5 tips to ensure your financial survival post-divorce. To ensure your emotional survival, look into a good therapist too. Make sure you have one for you and any children involved. You'll need it, at least for a little while.

## 1) Evaluate What You Know About your Finances

If your answer is anything but, "Oh, I handle all our finances, I know exactly where we are", then you have work to do. If you have been out of touch with your family finances for more than 5 years, don't even try to get caught up. Get yourself to a [CDFA, Certified Divorce Financial Analyst](#), ASAP! You can find one in your area by going to [www.instituteDFA.com](http://www.instituteDFA.com). Don't walk, RUN!! And do it BEFORE you tell your spouse you want a divorce. They'll help you do a little digging to get some information before the information mysteriously disappears. They'll also help you see what your financial life after divorce might look like.



## 2) Gather Documents

This is the one thing you can do to save yourself a ton of money in the divorce process. Anything you can gather before you meet with either an attorney, a mediator, or a CDFA like myself, will reduce the amount you ultimately have to spend out-of-pocket. Here's a [quick list](#) of the must-have documents.

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- 3 years Tax returns
- 6 months of bank statements on all accounts
- 6 months of statements on any and all investment accounts including 401ks, deferred comp, ESPP, ESOP, 403Bs, 529s, IRAs, etc. If you are baffled by all those different account types and you're not even sure if your spouse HAS a retirement plan, GET TO A CDFA NOW!!!!
- Last 4 pay stubs for both of you
- Most recent mortgage statement on any properties owned
- Copies of all insurance policies or annuities. The actual policies, not just statements.
- VIN numbers and mileage on all vehicles owned.
- Most recent statements on any debts, credit cards, car loans, etc.
- Details of any Business Interests like LLCs or Partnerships

### 3) Get Organized

*...you need quick and easy access in a mobile format.*

Now that you've gathered all the data, find a way to keep it all organized. It might be as simple as manila folders. I've seen some people create a 3 ring binder with tabs for each section, etc. (I'm pretty sure these are the scrapbook people) I'm a big fan of accordion files or those little portable file boxes that hold just enough to still carry around with a handle. It's up to you but you need quick and easy access in a mobile format. Again, this will save you big bucks down the road.



### 4) Research Alternatives

In this day and age, there are lots of ways to get a divorce, each with its own pros and cons. Which method you choose will depend largely on the relationship between you and your spouse. If you are afraid for your safety or the safety of your children for any reason at all, if your spouse is denying you access to enough cash to survive, get a lawyer. Period. If you believe that you and your spouse will be able to rationally sit down and discuss the details of your divorce and ultimately be



fair and honest, you might be able to do it yourself. In Arizona, it is incredibly easy to file divorce documents yourself at a minimal cost AS LONG AS YOU BOTH AGREE! Fair warning here, just because you and your spouse are getting along today, doesn't mean it will always be this way. If you do your own documents, I highly recommend you have an attorney review them

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before you file. I made some really huge mistakes when I did my own documents and it cost me over \$6,000 in legal fees when I had to go back to court twice to

fix them. Saving money up front can be a big mistake and end up costing more in the long run.

If your financial situation is a little more complex, perhaps there is a pension involved or one party is self-employed, then you should

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consider using [a CDFA as a financial neutral](#) to help you craft a fair settlement and then have a legal document preparer do the rest. This is actually my favorite way to work. I've had one couple after another tell me that because we worked through their divorce settlement this way, they were able to remain friends. It's a respectful, honest way to go through the process and saves both parties significant money by not having to pay legal fees.

If you are prepared to be in the same room with each other but are afraid it will just erupt into disagreements and fighting, then perhaps [mediation](#) is the way to go. This is a great way to have an independent 3<sup>rd</sup> party there to help you negotiate items of disagreement. Again, it helps preserve the post-divorce relationship and keeps costs down. No matter which method you choose, if your financial situation is complex at all, add a CDFA to your team. You'll be glad you did.

Lastly, if one or both parties can't manage to cooperate at any level and seem determined to go to war, then hiring attorneys may be your only option. Say goodbye to about \$10,000 at a minimum.

## 5) Tell your spouse

Now the tough part comes. No matter how sure you are, no matter how kind you try to be, this is going to be one of the most difficult conversations you've ever had in your life. For goodness sake, don't wimp out and send an email! Ugh! Suck it up and do it.



And once you've dropped the bomb, give the other person some space. They need time to process what you already have. If you have children, this is a great evening for them to go stay with Grandma and Grandpa or

friends for the night. Respect that your spouse is going to go through a lot of emotion and the best place for you to be might be somewhere else.

I wish you a gentle, mutually beneficial divorce process. A little preparation can go a long way.

Blessings.



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