

Little Known Facts ...

What you don't know about the financial effects of divorce could hurt you

Too many women avoid the financial realities of marriage until it's too late. One of the biggest mistakes women make is not knowing their financial picture, and not having the documents to prove it.

- Lawyers and financial advisers say that even well educated women are less likely to protect themselves financially.
- People spend an inordinate amount of time on wedding arrangements but fail to address questions such as: How will we handle our accounts? What about retirement?

According to the Marriage Project at Rutgers: Though men may suffer through lack of financial awareness, women often pay a higher price. For instance:

- A divorced woman's standard of living drops as much as 27 percent (for men it tends to rise about 10 percent)
- Single mothers, many of them divorced, suffer some of the highest bankruptcy rates.

HOW TO BE PROACTIVE WITH YOUR FINANCES:

Get involved - Know where all accounts are, where statements are kept, how to gain safe deposit box access and be a signatory on everything.

Establish your own credit – In addition to joint accounts, obtain some in your name only.

Understand your tax return – Don't just sign your own or joint income tax returns. Even though it may be difficult to fully understand, read at least the first two pages (Form 1040). This will give you an idea of your income, where it comes from, your deductions, and your tax liability. For joint tax returns, making a copy of these pages is like taking a financial x-ray, and you will be very glad that you did. Ideally, read and have a copy of all pages. Ask your accountant to explain your return to you, or if your spouse prepared the return, discuss it with a financial advisor.

Do the math - Prepare an income and expense sheet to learn exactly how much is coming in and where it's going. If necessary, seek the help of a financial planner.

Claim what's yours – Make sure your name is on the title to all real property. Keep copies of inheritance checks or large gifts from your family.

When divorce is imminent and unavoidable, act in your own best financial interests.

A "don't leave your marriage without this" list should include:

- Copies of three years of statements and tax returns
- An inventory of valuables
- Copies of important records and correspondence from your home PC

SOURCES:

M. P. Dunleavey, a personal finance writer for MSN Money

Gayle Rosenwald Smith, a Philadelphia lawyer and author of "Divorce and Money: Everything You Need to Know" (Penguin/Perigee, 2004)

Marian Green, a divorce financial analyst in Billings, MT

Harlene Miller, a bankruptcy lawyer in Santa Ana, CA