

## **Divorce & Retirement Affected by Financial Crisis**

Transitions, such as [divorce](#) and retirement, are stressful. Add money, or the lack thereof, to the equation and you compound the trouble.

### **SHAKY RELATIONSHIP + VOLATILE MARKET = MARITAL DISCORD, POTENTIAL FOR DIVORCE**

Since money is one of the top causes of friction in a marriage, it's important to have a conversation about it: early and often. Tough financial times such as the current market meltdown could:

- End an already shaky marriage
- Add an additional layer of stress to a divorce in progress

If a frank conversation about finances with a proactive plan of action doesn't help an already fragile union, perhaps divorce is inevitable. If this is the case, then now is the time to have a financial plan in place; here's how:

#### **Get a clear understanding of what your financial household looks like**

- Order a credit report and become familiar with it
- Gather financial statements and review them carefully

#### **\$1 of home equity does not equal \$1 of retirement assets**

- Become educated about how divorce impacts your finances long term

#### **Prepare a reasonable, forward-looking budget that addresses:**

- Cost of Health insurance coverage
- Cost of Housing - if thinking about keeping the residence, consult a qualified mortgage planner to see if you can qualify

#### **Preserve your marital wealth**

- Understand how investments and retirement accounts work
- Don't wait for your money to dwindle down until your divorce is final
- Talk to your spouse about diversifying to reduce the overall risk

## **RETIREMENT ON THE HORIZON - PROTECT YOUR PORTFOLIO**

You have worked too hard and planned too carefully to let it go "down the drain" in these uncertain financial times. Don't let uncertainty overwhelm you: when the going gets tough, the tough need to take action and make informed decisions. The secret is to know what to do - and what not to do - at this time:

### **Understand your personal condition**

- Current Income, Savings and Expenses

### **Determine your current situation**

- Need to make any changes to achieve your goals and objectives?
- Examine Goals and Objectives going forward, especially in light of what's happening. Ask yourself: what these goals are, if they are still realistic and what changes need to be made.

### **Determine your retirement time horizon**

- How many years until retirement?
- How many years do you expect to be in retirement?

### **Determine income needs in retirement**

- Take into account factors such as risk tolerance

### **Diversify Your Retirement Assets**

- Have exposure to various investments, such as: Equities (US and Foreign), Bonds (Government and Corporate), Cash, Commodities (gold, silver, pork bellies, etc.) and Real Estate
- Don't try to time the market

### **Create Your Personal Measure of Success**

- Create your own personal goals.
- Don't compare yourself to the "Jones-next-door"
- Create a plan to achieve those goals.
- Stick to your plan.
- Re-evaluate your plan annually, unless you encounter significant change.

## **TRANSITIONS AND MARKET VOLATILITY CAN BE WEATHERED IF YOU HAVE A PLAN**

*Change is hard, and market volatility compounds it. But, with a sensible plan of action, you can weather the storm. If you are not sure how to chart your course, don't go it alone. Seek the advice of a trusted financial professional to help you now and in the future.*

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