



6 REASONS you need a FINANCIAL PLANNER

as your guide
DURING DIVORCE

When you are going through a divorce you are not thinking clearly and there are things that must be taken into consideration when agreeing on a final financial settlement.

Divorce is a horrible process where you and your spouse legally divvy up three things:


- **Property**
- **Debt**
- **Custody**

That's it! I know it's brutal to say, but the courts, judges and attorneys are simply trying to get to the facts so they can close the case.

Two-thirds of what you divvy in divorce are financial and they even call it a “settlement.” You have to make some of the biggest decisions of your life when you are emotionally triggered, traumatized and in a financial fog.

When you're not thinking clearly and don't have a financial strategy or plan going into mediation or court, then you will be at a great disadvantage.

Divorce attorneys are wicked smart, but they are not financial planners. They are in the business of providing legal advice and helping you navigate the court system. Period.

A photograph of a framed sign with a dark blue background and white letter tiles that read "SURVIVE DIVORCE". The sign is set against a white, textured wall. In front of the sign, on a light-colored wooden surface, are several chess pieces: a dark wooden king, a light wooden king, a light wooden pawn, a dark wooden pawn, and a dark wooden bishop. The entire image is framed by a solid blue border.

SURVIVE
DIVORCE

HERE ARE 6 REASONS WHY YOU SHOULD HIRE A FINANCIAL PLANNER AT THE SAME TIME YOU HIRE AN ATTORNEY.

(If you are planning to divorce without hiring attorneys, these are extra important!)

1) Finances are Confusing and the Lingo Will Make You Nuts.

If you don't like talking about money or have been left out of the finances your whole marriage, you are going to be at a great disadvantage in the process, mediation and court. Do you really want to try to understand all the financial moving parts, the lingo and the tax and cash flow ramifications of each spoke in the wheel?

Maybe you do, but during the process, it's better to have a financial planner explaining it to you vs. Google, your ex or your attorney.

This is especially true if you are the spouse that was not responsible for managing investments, the interest rates on debt, the credit cards, the mortgage or paying the bills. A CFP can explain all financial aspects of the upcoming decisions. They will help you make educated and empowered decisions throughout the proceedings and collaborate with your attorney.

2) You Don't Want to Get Hosed!

When you let a financial planner be your financial guide instead of your emotions, the person you're divorcing or a busy attorney, you can have a clearer view of your financial future. Only then are you able to approach a legal settlement that fully addresses your individual financial needs and capabilities.

Most people don't realize their divorce settlement (remember, it's two-thirds financial) floats back and forth between attorneys for months. This often happens

without the client fully understanding the financial ramifications of the negotiation. And then a moment comes when you're exhausted and emotionally spent, and you agree to things financially that harm you, financially.

This will be detrimental to you, time consuming and very expensive short term and long term. A financial planner can educate you and provide thorough knowledge and mastery of the complicated financial decisions in front of you.

3) All Settlements Are Not Equal!

(Even If They Appear to Be On Paper!) It hurts my heart when I hear stories of people who agreed to a legal settlement because they were worn down or didn't understand what they were agreeing to financially.

I can't tell you how many times I've sat in mediation and have been the only clear head in the room saying, "If you agree to that, then you will shoulder the entire tax bill yourself." Or, "If you agree to give him half the value of your business, your salary will be cut in half." Or, "She's offering you her whole 401(k) instead of your equity in the house. Those two numbers look the same on a balance sheet, but not in the real world. You can't use the 401(k) money until you're 60, and then you'll pay full tax on every draw!" Or, "This settlement includes that you get 50% of your spouse's Social Security benefits. That's funny, you've been married 12 years. That's your right by law, not something they're giving you!"

These kinds of stories don't have to be yours if your

financial planner and attorney act as a team, especially in a high pressure situation. Why would you ever go to divorce mediation or divorce court without a financial planner? It makes no sense.

4) You Want to Avoid Long-Term Financial Nasties.

A good financial planner can forecast the long-term effects of the divorce settlement, or hypothetical divorce settlements. This includes details of all tax liabilities, future income, expenses and benefits.

When you intentionally develop a long-term forecast for your financial situation, you are far better off than an emotionally charged, short-term snapshot. Financial decisions must be made that not only take care of immediate family needs, but retirement needs as well.

Analysis and advocacy from your financial planner can help to ensure a stable economic future.

Ultimately, they help you avoid regretting the long-term financial decisions you made during the divorce process.

5) You Need a Post-Divorce Budget Now to Avoid Money Struggles Later.

I hate saying it because I think budgets suck. However, there is a time in the divorce process when you will need help thinking through:

- 1) *what the divorce will really cost in the long run*
- 2) *what a realistic monthly budget looks like in your future*

I promise you, attorneys don't do this! Truthfully, divorcees are so stunned in the moment, they fail to

think about expenses such as life insurance, health insurance and cost of living increases. They bury their heads in the sand.

Friends, let me say it again! When you are going through a divorce you are not thinking clearly and there are things that must be taken into consideration when agreeing on a final financial settlement. It's okay that you aren't thinking clearly, but think clearly enough to get the right kind of help.

6) The Average Length of a Divorce Process is 1 Year.

In the beginning stages of a divorce, both parties will waste a ton of time trying to get a clear understanding of the financial aspects and lingo of your separation. We've already established that you're not thinking clearly during the divorce process. Analysis done by a CFP early in the process can save you time and heartache.

Do you really want to spend your evenings slogging through finances? You need a financial partner who takes that off your plate and gets it done for you. It's shocking how much time is wasted over a year just waiting for someone to fork over the financials or get them right.

A financial planner can reduce the amount of misunderstanding, terror and confusion about the divorce process and help you create a plan to not just recover, but thrive.

HOW DO YOU PICK A FINANCIAL PLANNER FOR DIVORCE?

Understand that there's a huge difference between a financial planner and a financial adviser.

- A financial adviser usually works for a firm and their primary job is to bring in assets to manage. That's not you, not just yet.
- You want an independent financial planner whose business model is giving financial advice, not selling life insurance or investment products!
- Sometimes they have CFP behind their name. It stands for Certified Financial Planner. That doesn't matter right now. You're looking for experience in divorce planning, mediation and above all, someone you feel comfortable with.

When you Google "Financial Planner [your city]" here's what's going to happen.

- **Corporate Pops:** You're going to be hit with all the big firms like Merrill Lynch, Edward Jones, Ameriprise, etc. No way on God's-Green-Earth do corporate firms do this kind of financial planning. (Unless you've been their client for 30+ years, then maybe!)
- **Dave Ramsey Pops:** He'll be boasting that he has filtered out the "sleazy ones" for you. (Actually, he made them pay \$10,000/quarter to be part of his 'referral' advertising system). You want a wonderful, competent person in your corner who isn't so desperate for business they are advertising with good ole Dave.
- **Look Local or Referral:** If your friend refers you to someone incredible in Denver, start with the referral over a Google search. The only disadvantage of distance is they may not be able to go to mediation with you, but they are a phone call or zoom call away. That's still better than a local CFP who you don't feel comfortable with.

Get a Consultation with a Couple Planners

- **Tell them that you are going through a divorce and you want help and guidance navigating the process.** If they say things like, "Send over your investment statements to me so I can look at them," they are probably the kind of planner that has a minimum asset range for their practice. They are being polite and probably won't take you on. That's not the person for you.
- **Ask them what they charge for divorce mediation and analysis.** If they say things like, "that depends" or they are stumbling to communicate pricing, they probably don't have much experience with divorce planning. That doesn't mean they aren't awesome, but they may not do a lot of divorce work. However, if you like their communication style and personality, they may be a good fit.
- **Ask them, "Are you Fee-Only?"** If they are a fee-only planner, they charge for their time by the hour or by project. They have taken an oath to never accept commissions and they make a living giving advice. In other words, they charge a fee for their services much like a doctor or therapist. This is what you want.
- **Would you go to lunch with them?** I know that sounds ridiculous, but this is one of the most important questions you need to answer. You are in a vulnerable place right now. It's incredibly important that you have a sense that your financial planner is empathetic, someone you can trust, follow and fall back on when you need critical financial advice in a pressure cooker situation. (Remember, divorce is two-thirds about money.)

• **Do they answer your questions and share ideas on how they can help you?** During the consultation, are they digging deeper to understand your questions and financial situation? Are they listening to you or talking over you? Do they make eye-contact and offer to call your attorney tomorrow? Are they someone you'd trust to watch your dog overnight?

Independent, fee-only, competent, experienced, trustworthy, nice to be around, answers their phone. These are the qualities of the planner you should hire. Don't hire a jerk just because they have a million letters behind their name and wear a fancy suit. Run from that person.

WHAT DOES IT COST & WHAT'S IT LIKE TO HIRE A FINANCIAL PLANNER?

Expect to pay between \$1500 and \$3000 for their services, though every Planner practices differently.

- Some will bill you per hour and others will charge a flat rate.
- Some won't ask you to pay until after your divorce is done.
- Some will let you pay 50% up front, and 50% when their part is finished.
- The fee you pay them will be peanuts compared to what attorneys charge when you don't have your financial rear-in-gear.
- An ethical financial planner will sign an agreement with you promising that they won't bill one cent over what they've estimated the cost will be.

When it comes to negotiating a legal financial settlement (divorce), your life floats back and forth between attorneys for months.

You are hiring a financial planner to:

- Make the settlement process more efficient.
- Help you understand the financial ramifications of the negotiation and settlement on you financially.
- Imagine the cost to misjudge the impact of your financial decisions when you are emotionally beat, backed into a corner and forced to sign a settlement!

Your financial planner will be with you for years to come, not just during divorce. They can help you figure out how to recover financially and what steps you need to take once it's all said and done. With all the yuck in divorce, you at least will have made an investment into a long-term relationship with a financial person.

It is my hope that you too will be someone who says, *"The best decision I made during my divorce was hiring a financial planner to work with my attorney."*

WHAT IF I WANT TO TALK TO YOU, LEANNE?

If you would like to speak to me about your situation, don't be shy! I am an independent, fee-only, highly experienced financial planner. I've helped hundreds of people through the divorce process.



leanne

Leanne Ozaine

Financial Planner

Book Consultation at www.leannecfp.com

Email: leanne@leanncfp.com

Phone: 509-869-6642

Socials: @profitwithleanne