FROM BOB MITTON, CDFA®

BEFORE YOU DECIDE

What two households really cost.

Some people carry the question for years before they say it out loud. Not whether they're unhappy, but whether they could afford to leave, and whether the other person would be okay.

> You don't need a decision to look at the numbers. Seeing them doesn't commit you to anything. It just means that whatever you decide, you decide with the facts in front of you.

START WITH WHAT ONE HOUSEHOLD COSTS NOW

Before you can price two homes, you need a true number for the one you have. Build it from a year of bank and card statements, not from memory:

- Housing: mortgage or rent, plus taxes, insurance and repairs
- Utilities, phones, internet, groceries
- Cars: payments, insurance, fuel, upkeep
- Health insurance and out-of-pocket medical costs
- Kids, including a child in college
- Everything irregular: gifts, travel, the roof, the dentist

Most people find the real number is higher than the one they had in their head.

THEN PRICE TWO

Divorce rarely raises income. It usually doubles the fixed costs. Two places to live, two sets of utilities, often two cars and two insurance policies, paid from the same income.

Sketch both households side by side, year by year, and look for the gap. That gap, not the size of the house or the retirement balance, is usually what decides how the first few years feel for both of you.

THE HOUSE ON ONE INCOME

Whoever keeps the house keeps all of its costs. Ask:

- Could one income carry the mortgage, taxes, insurance and upkeep?
- Would refinancing into one name be possible, and at what rate?
- If it's sold, what would each of you need to rent or buy something smaller?

Equity in a house is real, but you can't pay bills with it without selling or borrowing.

HEALTH INSURANCE

It's the cost people most often leave out. If one of you is covered through the other's job, that coverage usually ends with the divorce. Price an individual plan before you count on any budget. For anyone close to retirement, it can be one of the largest monthly lines until Medicare.

HOW SUPPORT AND RETIREMENT USUALLY ENTER THE PICTURE

You'll hear two questions early: what would I owe, and what would I receive.

- **Support** for a spouse or children depends on both incomes, the length of the marriage and the rules where you live. It can run for years, so it belongs in both budgets, as an expense on one side and income on the other.
- **Retirement accounts and pensions** built during the marriage are often divided, even when they're in one name. A dollar there isn't the same as a dollar in the bank: most of it is taxed when it's withdrawn, and it's built for later.

LEARN HOW THE PROCESS WORKS WHERE YOU LIVE

Most state court systems, and many counties, publish a free guide to divorce: the steps, the forms and the timelines. Search your state or county court's website for "family court self-help" or "divorce guide." Reading it decides nothing, and it makes the rest of this easier to follow.

BEFORE THE CONVERSATION AT HOME

If you haven't said anything yet, a few things help:

- Know your own monthly number, and roughly what two would cost
- Gather what's easy to find: last year's tax return and recent statements
- Keep paying shared bills the way you always have while you think it through

"I want us both to understand the numbers before we decide anything" is a reasonable place to start.

WHERE A CDFA FITS

A Certified Divorce Financial Analyst® looks at the money with you: what you have, what each household would cost, and what each option looks like year by year after taxes. That's useful whether you go on to divorce or decide to stay.

People who wait until they're in the middle of it often make the biggest decisions with the least information. Seeing it first is how you decide on your own terms, with the facts in front of you.

> If this sounds like where you are, the first conversation is complimentary. Let's look at the numbers together.

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