FROM BOB MITTON, CDFA®

THE MONEY YOU NEVER HAD TO MANAGE

Where to start when the finances were never your job.

In many marriages, one person handles the money and the other handles everything else. It works, until the divorce asks you to decide about accounts you've never looked at.

> You don't need to become a financial expert. You need to see what's there, what it costs to live, and what each choice means over time.

FIRST, FIND OUT WHAT EXISTS

Start a simple list of everything the two of you own and owe, even if you don't know the balances yet:

- The house, and roughly what it's worth
- Bank accounts, in either name or both
- Retirement accounts: 401(k)s, IRAs, and any pension from either job
- Investment or brokerage accounts
- Cars, other property, any business
- Debts: mortgage, car loans, credit cards

Last year's tax return is the best place to start: interest, dividends and retirement distributions on it point to accounts. Year-end statements in the mail fill in more.

If something is a blank, write that down. Missing information is normal, and there are formal ways to get it during the case.

LEARN HOW THE PROCESS WORKS WHERE YOU LIVE

Most state court systems, and many counties, publish a free step-by-step guide to divorce: the forms, the steps and the deadlines. Search your state or county court's website for "family court self-help" or "divorce guide."

It's worth reading whether or not you hire an attorney.

WHAT DOES A MONTH OF YOUR LIFE COST?

Almost everything rests on this number, and it's hardest for the person who didn't pay the bills.

Rebuild it from a year of bank and card statements, not from memory. Then adjust it for life on your own:

- Housing, including taxes, insurance and repairs, not just the mortgage
- Health insurance once you're off the family plan. People most often underestimate this line
- The kids: school, activities, childcare, clothing
- Car, phone, groceries, utilities
- Anything shared that you'll now pay alone

It drives support conversations and tells you which settlement options you can actually live on.

WHAT CAN YOU ACTUALLY EARN?

If you've been out of work for years, break the question into parts:

- What did you do before, and what does that work pay now where you live?
- Would a course, license or degree raise that number, and at what cost in time and money?
- How many hours can you realistically work around the kids?

Your answers shape support, so think them through before someone else answers for you. Retraining costs go in the budget.

THE HOUSE OR THE RETIREMENT?

It's the question I hear most, and the honest answer is that a dollar of each isn't the same dollar.

- **The house** gives stability, especially for kids. It also has to be carried: mortgage, taxes, insurance and upkeep, on one income. You can't spend equity without selling or borrowing.
- **Retirement accounts** can be divided without taxes when it's done correctly, but most withdrawals are taxed as income, and the money is built for later, not this year's bills.
- **A pension** earned during the marriage is often part of what gets divided, even when it's in one name. Don't assume it's off the table.

The right answer depends on your budget, your income, and the next ten years, not on which asset feels safer today.

BEFORE YOU AGREE TO ANYTHING

Ask of any proposal:

- Can I afford to live on this, month by month, with the real budget?
- What does it look like in five years, and in ten?
- Who pays health insurance, and for how long?
- What if my income grows more slowly than expected?

"I need time to review this" is a complete answer.

WHERE A CDFA FITS

A Certified Divorce Financial Analyst® works alongside you, and your attorney if you have one, on the money: what you have, what it costs to live, and what each option looks like year by year after taxes.

People who never managed the money often settle on whatever feels safest, and find out years later it didn't fit their life. Seeing it laid out first is how you go into the conversation knowing what you need, and why.

> If this sounds like where you are, the first conversation is complimentary. Let's walk through it together.

TIDAL POINTE
SOUND GUIDANCE THROUGH THE SHIFTING TIDES

Bob Mitton, CDFA®
tidalpointe.com · info@tidalpointe.com
843-919-0199

General education. Not legal or tax advice.