

THE DOLLARS OF DIVORCE

Surviving the financial effects of a split

By Lisa M. Schmelz

Gwen didn't think she had any options. A stay-at-home mom for most of her adult life, she thought she had to stay in an unhappy marriage because, financially, she had no other choice.

Even though Cindy held down a full-time job as a registered nurse, she feared neither she nor her husband could provide their children the life they had grown accustomed to if they divorced.

Laura didn't think she could continue one second longer in an unhappy marriage. Though together they owned a home in a great neighborhood, took international vacations, and sent their children to private school, Laura was in the dark about where they stood financially.

Three women, three different scenarios, but one common thread: All were afraid of not only the emotional toll a divorce would bring, but also the financial.

Even though nearly half of all marriages in America end in divorce, marriage is still

billed as a happily-ever-after institution. So what do you do to protect yourself financially when a divorce seems likely? What can you expect in terms of financial divisions of assets?

STAYING COLLECTED

First, take a deep breath. Don't let anger, ignorance or the need to simply "get the divorce over with quickly" overwhelm you. This only makes matters worse in the long run. Madison attorney Daniel Droege with Murphy Desmond S.C., gives people considering divorce the same advice he gives to couples in happy marriages: Know where you stand financially throughout your marriage.

"Take control, define the marital estate," he says. "Get copies of all financial papers, investments, retirement accounts and other assets. Just start to get documents together so you have an idea what the marital estate actually is. Just like in a happy marriage, you should always know where you stand financially."

DIVIDING ASSETS

In Wisconsin the marital estate is typically divided evenly in the absence of a prenuptial agreement. That means that property, investments, retirement accounts and possibly inheritances are all up for division.

A spouse who earns less can possibly receive maintenance support, depending on the length of the marriage and other factors. Typically, maintenance support, or alimony as it's also known, isn't given indefinitely but for a prescribed amount of time as defined by the court. If there are children, child support may also be awarded to the spouse providing greater amounts of care. Expenses outside of a child's basic needs, such as extra curricular activities, are not included. Both maintenance and child support are typically determined using formulas based on the paying spouse's income.

LOOKING AHEAD

Once your divorce is final, says Jessica Schock, a financial representative with Northwestern Mutual, it's imperative that

you review your retirement assets. While you may have been on track to retire while you were still married, that may no longer be the case if those accounts were divided evenly down the middle.

"Generally, after a divorce, the most important thing a woman can do is a retirement analysis and see how far off she is from being able to retire," says Jessica. "In terms of divorce, it's also important to start reassessing the risk in your life. Are you protected with health, life and disability insurance? Those are all areas that need to be reviewed."

Divorce is not the ending any of us imagine for our marriage. But when and if it happens, you're now armed to deal with it on the financial end. Even if you wind up staying married, getting your financial what's what in order isn't a bad idea. *mb*

DIVORCE 101

Protect yourself in a divorce with the following tips.

Know where you stand financially. Gather copies of all financial paperwork and related assets, and keep them in a secure place.

Get legal advice. Even if you can agree on most divisions of property, it's wise to get outside legal counsel from an attorney specializing in divorce or a mediator.

Play by the rules. Think you can deplete a sizeable savings account, investment or secretly sell off an asset and not be expected to account for it in the final tally? Think again.

Get it in writing. This is not a time for verbal side deals.

For more tips, please go to modernbliss-magazine.com/current_issue.php or use this Microsoft tag.



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