

## FMB Wealth Management Divorce Financial Planning

### Checklist for the Divorce Process



#### Planning to Divorce:

- Gather all of your financial records from the past 3 years prior to separation to the present. This means anything with a \$ attached to it.
- Obtain your credit report and establish credit in your own name if you don't already have it.
- Open a bank account for yourself and begin to set aside an emergency fund to cover living expenses if necessary.
- Start to assemble your divorce team. This includes your legal representation (an attorney or a mediator if possible), a trusted financial advisor with divorce financial planning experience and a therapist.
- Create an action plan and start to set your goals. Imagine where you want to be at the end of the process and make sure your team is on board.
- Work with your financial advisor to set a "divorce budget" that includes expected legal costs.
- If you are in an abusive relationship be sure to document any instances of abuse with dates, times and circumstances.

#### During the Process

- If you have children, both parents should meet with a therapist to establish ground rules on communications in front of them and directly to them.
- Request a temporary order for spousal support (alimony) and child support as soon as possible.
- Make sure you understand the basic laws for your state in terms of the division of property and other assets you obtained before and during the marriage.
- Go online and search for resources. There are many support groups and sites with all types of information about divorce in your state.
- Complete any valuations of businesses or property owned.

- ❑ Review your “divorce budget” and make sure to stick to it.
- ❑ Create several “what if” scenarios for a settlement with your lawyer and your financial advisor. You need to know what you really want and what it is worth to you.
- ❑ Make sure to ask for updates from your lawyer and a timeline for the process. Knowing what to expect can greatly lower your anxiety.
- ❑ Maintain your physical and emotional well being. Have an outlet or activity that allows you to take your mind off of the divorce and just relax.
- ❑ Start creating your “new life” plan. Think about changes you would like to make, whether in a career or location, and things you’d like to keep the same.

**After the Divorce is final:**

- ❑ Create your new budget and spending plan with your financial advisor. Make sure you have a way to monitor your expenses so you stay on track.
- ❑ Meet with an estate planning attorney to revise your Will or create a new plan that includes a trust, medical directives, guardianship for your children etc.
- ❑ Change beneficiaries on any retirement plans or insurance policies as appropriate.
- ❑ Make sure all joint accounts are closed, both savings and credit cards or loans.
- ❑ Make sure all assets you now own separately are titled correctly.
- ❑ Meet with a CPA to discuss your new tax status and what your taxes will look like going forward. You don’t want to have a bad surprise on April 15th.
- ❑ Make sure you have health insurance in place and decide whether or not you need life, disability or long term care insurance.
- ❑ Take a class at a community college or adult school on basic budgeting and money management if you don’t feel confident or don’t have experience managing your own finances.
- ❑ Continue to plan, set goals and reward yourself for achieving them. Now is the time to focus on making your best future.

If you have any questions, please don’t hesitate to reach out to us for clarification or guidance.

805-446-4494

[Kathy@FMBWealth.com](mailto:Kathy@FMBWealth.com)

[Evan@FMBWealth.com](mailto:Evan@FMBWealth.com)