

# 6 Divorce Financial Planning Tips

## The Key to Feeling Empowered



By [Susan Peterson](#), CFA, *Managing Director*

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As a family office, we commonly face the challenge and question around dissolution services and divorce financial planning. One of our clients, Julie\* was very concerned and anxious going through this difficult transition and asked us to tell her story. That is why we will share a few words on her experience and our recommended considerations.

Julie\* called me five years ago for divorce financial planning at the recommendation of her divorce attorney. Mediation was in 45 days, and she was scared. She didn't know if she would be okay and/or if her settlement would be enough to provide for her future. She had been the supportive partner and mom, staying home for the last 20+ years to be there for her family. Now she felt unsupported, with no current job skills. We were able to provide divorce planning services for Julie and her attorney, modeling out various potential settlements. **The support and guidance reassured Julie that she would be (more than) okay and a settlement was reached that provided the foundation for her next chapter.**

**If you find yourself in a similar situation as Julie\*, consider these six divorce financial planning tips:**

### 1. Learn Your Rights and Use Your Team

First and foremost, learn your rights and then use your team to advocate for them. For example, Washington State is a community property state. Barring a prenuptial agreement to the contrary, this means that all marital property earned during the marriage is owned 50/50.

### 2. Use Language to Empower You

Language is important. Using my example above, your spouse isn't "giving" you 50% in the settlement. It's already yours.

### 3. Keep an Open Mind to Reach Your Goals

Keep an open mind. It's easy to get anchored to one solution or potential settlement when there are likely several that would provide similarly for your financial future. This could include the lower income earner receiving a disproportionate percentage of the assets or the higher income earner paying for 100% of the children's post-high school education costs.

### 4. Find a Support System That Works for You

Friends are a vital part of your support network . . . You could also consider a trained counselor.

### 5. How to Know When to Move On

Don't give in to move on. Not unless your team is recommending it. There is a huge difference between compromise (essential) and giving in. The former allows the parties to come to a settlement. The latter could damage the quality of your financial future.

### 6. Use Your Team

Use your team to support you, to provide expert advice, to be on the front lines, to negotiate on your behalf. We are for you.

As an advisor, I am honored to work with women in transition such as widows and divorcees. My goal is to help them get their financial house in order so that they can get back on their feet faster. I do this work because **I see how powerful women can be when they are not living in fear about their financial future.**

We are here to help, please [reach out](#) if you are interested in learning more about divorce financial planning services.

\*Name has been changed to protect the clients' privacy.

## About the Author

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**Susan Peterson, CFA, *Managing Director***

As a Managing Director in Pathstone's Bellevue, WA office, Sue specializes in helping widows and divorcees, women business owners and executives, advising individuals and families on a variety of wealth management issues including financial and legacy planning, investment management, and income taxes. She also serves as chair of HerPath, whose mission is to ensure women are prepared to play an integral role in their financial lives by elevating their knowledge and confidence in financial decision making. In addition, Sue enjoys contributing to the firm's business development efforts.

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