

## *Working with Women Getting a Divorce or After a Spouse Dies*

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There are many issues women getting a divorce and women whose spouse has died have in common. This is not intended to be a complete list of things which need to be done, this is more of a list of things to think about and put some structure in the process to minimize stress along the way.

The loss of income from a previous spouse's wages, social security, or reduction of income from pensions or investment income can be a scary problem for both groups. Income can go down more than expenses and a single person's fixed living expenses can be close to what it cost for a couple.

After a divorce or death there is often the question of moving from a personal residence. Moving may be required as part of a marital settlement agreement, a need to reduce cost, a desire to downsize, or to move closer to family members. Unless it is financially necessary I suggest clients try not to make major life changes or big moves for at least 6 months to a year. Often, in crisis mode the options seem very limited, but in time and during calmer periods the options begin to appear more plentiful. For example, they may decide to change jobs, pursue new interests, hobbies, or move to a completely new area.

The transition to being single and responsible for their own finances can be difficult and may even seem overwhelming. Having family members or friends to lean on for assistance can be helpful. One consideration I caution about is for some women this can lead to a feeling of invasion of your financial privacy. Further, when the emotional roller-coaster settles down, removing helpers can be difficult. Making things even more challenging, in some cases many helpers want quick fixes and may understand why they are not taking their advice or recommendations. Unfortunately, I have seen this result in costly and regrettable decisions.

Women may find having an experienced financial planner or advisor can assist to make the transition much easier. My first goal when assisting clients is to help them get organized. I find people who have organized finances often find focusing on other issues much easier and feel less overwhelming. I suggest clients start by preparing a simple cash flow worksheet including all sources of income and expenses. Secondly, we work on a list of all assets and liabilities. I am careful not to provide unsolicited recommendations during this process.

After clients have the opportunity to see what their new normal looks like, we do a comprehensive financial plan, revisit their income, liquidity needs, and tax situation, and plan

for their longer term goals. This includes a thorough review of their investments to make sure they are well balanced and still have enough income with a reasonable level of growth and safety.

The information has been obtained from sources considered to be reliable, but we do not guarantee that the foregoing material is accurate or complete. Any opinions are those of Todd Hoffman and not necessarily those of RJFS.