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# Six Money Tips For Late-in-Life Divorces

Published October 31, 2011 | CreditCards.com



Few leave marriages of any length unscathed, but the financial impact is often more extreme for those who have been together for decades. For example, when one partner has always assumed the money management duties, the other is left with atrophied skills and a dangerous lack of awareness about how much they may own or owe.

"One would be surprised how many spouses have no idea what the other spouse earns, has in a 401(k) or even where their spouse banks," says Elizabeth Durso Branch, family law attorney and partner at McCurley, Orsinger, McCurley, Nelson & Downing in Dallas. "One spouse could be hiding money and failing to disclose assets." Those who remain ignorant often sell themselves short.

Wives tend to be particularly hard hit when a marriage crumbles, and today's depressed economy is worsening matters. According to a 2011 U.S. Census Bureau study, women who divorced in the past 12 months reported less household income than recently divorced men, and were significantly more likely to receive public assistance than their ex-husbands (23% as opposed to 15%).

"For women who have never supported themselves or who have dabbled at part-time work and volunteerism, taking full financial responsibility for themselves can be emotionally paralyzing," says Debra D. Castaldo, a professor at Rutgers University and author of "Divorced without Children: Solution Focused Therapy with Women at Midlife."

"I have worked with women in my practice who have never written a check, paid a bill on their own or balanced a checkbook," says Castaldo. The typical result: poor decisions that lead to accepting an unfair divorce settlement and mismanaging cash and credit.

Even with the economic disparity among the sexes, maintaining separate households means both men and women will pay more to live, but at a time when their earning years are waning. "Many have an adjustment period when the reality of the leaner lifestyle hits home," says Branch. "There is simply not enough set aside to continue to maintain the lifestyle for either party."

**Protect your finances before and after divorce**

About to exit an extended marriage? Focus on gaining and maintaining financial stability. Here's how:

*Employ a lawyer, judiciously. Yes, you're probably going to need legal counsel. However, you'll be paying by the hour, so don't waste cash venting to your attorney -- call a friend instead. Think with your wallet, not your heart. "Litigation is by far the most expensive and emotionally damaging way to handle your divorce," says Stacey Lau Welsh, a San Francisco wealth manager for United Capital Financial Advisers, who specializes divorce matters. "Look for alternate ways to resolve your differences, such as mediation, to negotiate the division of your assets." On the other hand, do let your lawyer fight for what's rightfully yours. According to Branch, too many spouses "just want out" and are willing to take a fire-sale attitude to end the matter.

*Create a "Now I'm single" budget. Jerry Cohen, a Los Angeles Certified Divorce Financial Analyst says the majority of his clients who separate from a long-term marriage find it difficult to manage their finances afterward. To prevent overspending that leads to credit card debt, develop a realistic budget before the divorce is final. "The longer you delay making the difficult changes, the longer your financial well-being will suffer," says Cohen. "Consider what you will have to do to accept your current situation and take positive steps toward making the changes that will benefit you in the future."

*Prepare for merged debt. Owe money as a couple? Some of the repayment responsibility can fall into your lap, even if you didn't make the charges. However, if you end up with a disproportionate amount of the debt, Branch says that you might also be awarded a greater share of the assets to compensate. Mind that not all liabilities will be shared. "Student loans are paid by the student who incurred the debt," explains Branch. "For secured debts -- the debt follows the asset -- you get the house, you get the mortgage." Build all bill payments into your new budget.

*Plan to spend your settlement carefully. If you've agreed to a cash settlement, managing those assets wisely will be essential, says Welsh. "All too often, I see people spending too freely once they get their settlement," she says. "If you're 50, you need to plan on having your money last another 50 years. Most financial advisers can advise you on how much you can spend from your investment portfolio without running out of money. No one wants to be a 95-year-old bag lady!"

*Be house smart. Make absolutely sure you can afford the mortgage and other property costs if you'll be keeping the family home. Also, get an appraisal and conduct a title search right away. "You don't want to be surprised to find out after you settle that there is a lien on your house, or heaven forbid, that your soon-to-be-ex pledged it as collateral for a loan you don't know about," says Welsh.

*Discuss your finances with trusted loved ones. Avoid the urge to isolate. You may have adult children and other relatives who can help you through this difficult time. "Have a regularly scheduled meeting with your family to discuss your financial issues," says Cohen. "Talk about the challenges you have, what you would like to change, what's working and ways to improve." Listen to their advice and consider offers of economic and emotional support. Even if you don't need it, the assurance that they are there for you, just as you were for them, can prove invaluable.

*Can you pull through and make ends meet? Yes, says Castaldo, who survived the dissolution of her own long-term union, but a major shift in thinking is often necessary to move forward: "Exiting a marriage later in life often requires the calling forth of strengths and capabilities that may have been stifled for decades."

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