



# POLARIS

## FINANCIAL PLANNING

### **Divorce is Like a Root Canal - by Suzanne Dalebout**

Divorce is like a root canal: never wanted, sometimes needed." Paraphrased from Elizabeth A. Griffith

For those of you who know me, you may recall that divorce was, in fact, the easiest part of my previous marriage. Does that make me lucky or unlucky? Either way, I am certainly grateful that it was an option. Having been through this divorce, and being a financial planner for women, I am acutely aware that the divorce rate in Utah is high, and I have now added to those statistics. Hindsight has to be one of the most inappropriately timed attributes. During the courtship period of my first marriage bells were ringing like Big Ben and Red Flags were flying like a Spanish Bullfight. The evening prior to the marriage I became violently ill, my grandmother suffered a severe heart attack, my family had to return to England immediately, my dress was locked in my mother's house and my only dress option was a pair of cream pajamas. So, there I was, getting married in my pajamas (they were in rather good shape), without my family, in an apartment, with people I had never met before. At that time my new husband leaned over to me and whispered "cheer the heck up!" At that point I sensed I may have made a huge mistake. Soon after this day there followed a quick succession of unhappy and distressing situations that go far beyond the scope of this article. Six months later I left my husband and requested a divorce. The proceedings were final within 9 months from the start of the marriage. It was simple. We signed, we filed, we parted.

Since that time I have become increasingly aware of, and sensitive to, the many issues surrounding marriage, divorce and finances. Once the machinery of divorce is set in motion conflict begins, confusion and intimidation set in, lawyers get involved, and the real pressure begins. Many women muddle through this process, the end-product of which is often legal and financial bewilderment. It is quite probable, that later, even years later, a woman can realize that she has accepted an extremely inequitable divorce settlement. If you are currently contemplating or experiencing divorce proceedings, here are some important issues for consideration:

1. Hire a financial advisor to help guide you through the process. Make sure that the advisor is willing and available to sit in meetings with you. This will help to interpret any financial idiom and to explain the consequences of financial decisions. Hiring an advisor will help with clarity and may help you to avoid becoming too emotional. I

recently read an article about a man, who became so emotionally overwhelmed with the proceedings that he decided to settle the divorce himself by chain sawing the family home into two[\[1\]](#).

2. Understand the state laws and regulations. Is your state a community property state? In many states there is no automatic 50/50 division of all owned assets. The court will divide the assets *equitably*, but not necessarily *equally*.
3. Know the potential value of the assets and consider the subsequent potential rates of return and ongoing maintenance of these individual assets.
4. Understand the liquidity of the assets. Although the divided assets may have the same approximate value, know how and when they can be accessed. Holding on to investment accounts, which cannot be liquidated for twenty years, will not help your current cash flow situation.
5. Recognize the tax situation. It is important that you understand the impact of capital gains taxes and ordinary income taxes, and pay particular attention to the cost basis of the divided assets.
6. Ensure adequate insurance is in place. This is most important when there are alimony or child support payments being made.
7. Prepare an accurate budget. Make sure that you have properly projected a full budget several years out. Do not base it on your current lifestyle, but base it on what you expect your new income and expenses to be.
8. Find hidden assets. It is possible, even in the most amicable of divorces, that a partner has started to hide assets during the contemplation stage of the divorce. A client recently pointed out a website that has been compiled solely for men secretly planning to divorce[\[2\]](#). Alarming, this site claims you can “hear how other men secretly plan to protect themselves while they’re still married,” and boasts that they can “crush her chances of a big settlement.” Be vigilant, these services are out there!
9. Take care of the legal documents. It is imperative that all estate planning documents are taken care of immediately and update the beneficiary designations on employer plans and individual investment accounts.

To summarize, divorce is an incredibly difficult process, emotionally, legally and financially. To be bamboozled, intentionally or otherwise, is commonplace and it is extremely difficult, if not impossible, to undo any decisions that are made during this time. Take note of the above advice and do your own research. Seek out a reliable and competent financial planner to avoid making any mistakes that may cause you serious and irreversible ramifications for years to come.

If you are in this position, previously, currently or potentially, then please feel free to take advantage of a *complimentary, no obligation* consultation to see if your situation requires another set of eyes, and perhaps a new direction. I can be contacted through any of the following:

Suzanne Dalebout, LL.M  
Financial Planner  
Polaris Financial Planning  
1828 East Fort Union Blvd  
Salt Lake City, Utah, 84121.  
Tel: 801-676-1017  
E-Mail: [suzanne@polarisplanning.com](mailto:suzanne@polarisplanning.com)  
Website: [www.polarisplanning.com](http://www.polarisplanning.com)

Suzanne Dalebout is a registered representative of Sammons Securities Company, member NASD/SIPC

---

[1] <http://www.wastednews.com> 11 march

[2] [www.divorceprep.com](http://www.divorceprep.com)