

# Do You Know?

## Contemplating Divorce



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Unfortunately, the divorce rate has been about 50% in recent years - and spikes higher when it comes to subsequent marriages, according to government data and other research. Here are some steps for spouses to consider, as the long road to divorce stretches in front of them:

**--Take inventory.** Know where all the assets are, and make copies of bank, brokerage and retirement-account statements, and tax returns. Understand your cash-flow needs.

**--Don't hide assets.** Especially in a big-money break-up, a divorce attorney will likely hire a forensic accountant to trace any funds siphoned to a separate or off-shore account. The spouse who tries to sock away assets, in many cases, has to return half of them. "

**--Don't commingle.** If the relationship is on the rocks, a spouse who receives an inheritance or gift shouldn't deposit the sum into the couple's joint account. Once that happens, the assets become exposed to distribution in the event of divorce.

**--Resolve debts.** The same rules regarding separate or marital property apply to debt. In general, any debt that a couple has incurred during the marriage, such as credit-card balances, car loans and mortgages, is considered a joint responsibility no matter who spent the money.

**--Hire an advisor** separate from the family advisor. This is especially important for the "non-dominant" spouse, who doesn't typically manage finances. A financially unsophisticated spouse might neglect to add health insurance costs into cash-flow needs, or fail to plan ahead for the death of the ex-spouse whose income supports the family. The non-dominant spouse might not think they are being taken advantage of, but often after the divorce is settled they realize they could have done a better job.

**--Seek professional guidance** from a divorce attorney or a mediator.

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