



Money Guide

by Sterk Financial Services

Top 5 Divorce Tips

Ending a marriage can be one of the most emotional and financially impactful decisions a person ever makes. If you have made the difficult decision to go down the path of divorce, here are some very important tips you should know to make it a smoother journey.

1. Gather your data. Year-end statements have recently hit your mailbox from banks, investments, credit cards companies and the like. Make copies for your files and keep them in a secured location. To make sure your records are complete, contact us for a “Divorce Information Checklist” - a full list of what to gather to be prepared.

2. Assemble a professional divorce team. Beyond the legal and financial matters of a divorce lies an emotional component that cannot be ignored. A strong divorce team will include a divorce/family law attorney, a financial planner with a divorce specialty, and a therapist/counselor. A collaborative divorce attorney may save you money, time and grief. If you have children impacted by the divorce, a pediatric counselor is also important. We can give you a referral to local professionals who excel in these areas.

3. Create an accurate budget. You will be transitioning into a situation where the same income now needs to support two households. Working with a financial planner to create your “new normal” for cash flow is imperative. Make sure you have all of your ducks in a row by contacting us for a “Divorce Budget Worksheet” to get this planning started.

4. Not all asset values are equal. The tax impact is very different between IRA’s, retirement plans, bank accounts, investments and homes. Looking at the after tax value can help equalize a settlement. Also be aware of the time frames you must work within before being able to access an investment without cost, taxes or impacting liquidity.

5. Develop a Post-Divorce Game Plan. Life after divorce is an adjustment, and can ultimately lead towards a brighter future. Financial planning can help people transition through a difficult separation to a life full of possibility. Prioritizing goals, splitting assets, developing realistic expectations, and having a written strategy will help you move forward towards the life you desire.

The Sterk Financial Team has a specialized program for working with people, both during and post- divorce. Our goal is simple – to help you move through a challenging transition and towards the best life possible. Call us to learn how we take the complexity and uncertainty out of a divorce, and help create clarity and confidence as you move forward.



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