

## How To Prepare Financially For Divorce

By [Trent Doty, CDFIA®, CFP®](#) On 05/30/2023

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1. **Contact a divorce attorney.** Divorce laws — and your rights and responsibilities in divorce — vary state by state. An attorney will help you navigate the process and protect your assets.
2. **Identify your assets.** Make a list of all your assets — and account for the cost basis of each respective asset. For example, \$100,000 in stock shares does not hold the same value as \$100,000 in liquid cash.
3. **Pull together three to five years of tax returns.** You need to be fully aware of all the income being generated by your household and where it's coming from.
4. **Request a credit report for both yourself and your spouse.** This will help you see if there's any outstanding debt that you're not aware of. To see your spouse's report, you'll need to go through your attorneys.
5. **Reevaluate your budget.** Be sure you know how much it takes to run your household, and calculate what it will cost to cover your needs and wants after the divorce. You may consider getting your own financial professional to represent your financial interests moving forward.
6. **Understand the benefits both of your employers offer.** If there are benefits offered by your employer, or your spouse's, that have not yet vested (company stock options, retirement plan contributions, etc.), you should include those in the divorce proceedings as assets. Also, make sure to consider how your health insurance coverage might change and what that will mean for your budget.
7. **Make a list of items you'd like to keep.** This could be anything from the marriage, from your primary home to furniture and inherited items to vehicles and second homes. You want to know upfront how much estimated replacements will cost, as well as maintenance costs for those things you may be awarded in the divorce decree.

“All of these steps can be used regardless of your financial standing in the relationship,” says Lauer. “It doesn't matter if you're the clear head of household or if you're equal partners in terms of your financial contribution, if you have dependent children at home or not — these are the steps to keep in mind as you financially prepare for a divorce.”

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*Tagged with: divorce, attorney, financial, how to*

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