

Top Ten Tips to Avoid Economic Disaster when going through a Marriage Breakdown

- 1. Find a good support system- that is not your lawyer or qualified mediator, they are not trained in the field of family therapy. If you cannot find a support system find a family councilor that deals with separation and divorce.
- 2. Find the Right family lawyer, collaborative lawyer or qualified mediator- do not think all lawyers and qualified mediators are the same because they are not. Find one that connects with you. If your gut is telling you to run then run. The reality is the lawyer/qualified mediator you will pick maybe involved with your divorce for a long time depending on the complexity of the case. Take the time to meet with more than one. Yes each one may charge you a consultation fee but it will allow you to make an informed decision.
- 3. Be proactive about finances. Find out anything you can about your financial circumstances including the debt load that must be dealt with. Pay close attention to cash in joint chequing, brokerage accounts, cash value of life insurance and the present value of pensions. If assets are removed, the legal and forensic accounting fees to recover these assets can be very expensive.
- 4. Understand that a 50-50 division of property is not necessarily the same thing as a fair division of property.
- 5. Look at the larger picture and understand how financial issues affect each other instead of trying to decide each issue on its own merit. Make sure you use realistic assumptions about inflation and investment returns and pay attention to the tax impact of division of property.

- **6. Be prepared to sell the matrimonial home when finances dictate this is the most sensible course of action. Remember that a home is where you are living and that is not the same for everyone nor is it the same at every stage of our lives.**

- **7. Put in place adequate life and disability insurance on the person who is to make spousal and/or child support payments. Insurance is one of the biggest issues that is continually overlooked when couples are divorcing**

- **8. Obtain professional valuations. Hire an actuary to properly review the current valuation of a Defined Benefit Pension Plan. If ownership of a business is involved, hire a business valuator.**

- **9. Develop a post-divorce financial plan (1) to insure that income will meet cash flow requirements (2) to develop retirement plan (3) to update your estate plan. Before signing divorce papers, ask yourself, “How do I know I will be financially secure after my divorce?” Find a financial planner who specializes in the area of divorce and they will be able to help you answer this question.**

- 10. Take your time making decisions. Your thoughts and reactions to your situation will change dramatically over time. Ongoing advice will help you make those critical decisions.**

Always consult with professional legal counsel before signing any agreement.

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