

## 5 Things You Must Do After Divorce

It is vital to think about and protect your financial future during the turbulent times after a divorce.



Donna Kline, MBA, CDFA®  
Financial Advisor

Donna Kline, MBA, CDFA™, combines experience as an investment broker and wealth manager, a proven approach to long-term financial planning and the unique skills of a Certified Divorce Financial Analyst™ (CDFA™) to help a divorcing client understand and address the associated financial issues and helping them in obtaining a fair and equitable divorce settlement. She directs the HBKS® CDFA™ practice out of the firm's Pittsburgh offices.

Ms. Kline is the author of *Fundamentals of the Futures Market*, published by McGraw-Hill in 2000, and has contributed numerous articles to various magazines, including *Futures Magazine* and *Bloomberg BusinessWeek*. She is a member of the Institute for Divorce Financial Analysts ([www.institutedfa.com](http://www.institutedfa.com)), International Academy of Collaborative Professionals ([www.collaborativepractice.com](http://www.collaborativepractice.com)) and The Collaborative Law Association of South Western PA ([www.clasplaw.org](http://www.clasplaw.org)). She holds a B.S. in Genetics from University of California at Davis, and an MBA from Santa Clara University.

**1) PROTECT YOUR SETTLEMENT.** In many divorce cases, monthly child support and/or alimony is awarded. It is determined primarily by the difference in income earning ability of the spouses and the financial needs of the household. Regardless of how high or low the number is, it is almost always the case that the recipient depends on it for financial stability. What were to happen if the paying spouse were to die? Where would that money come from? If there isn't a life insurance policy in place, or some other significant asset that has the support recipient as the beneficiary, there is no more money. In some cases, the loss of support could be financially devastating to the ex-spouse and/or surviving children. Before signing a settlement agreement, always be sure there is some protection in place.

**2) PROTECT YOUR INVESTMENTS.** Often, one spouse is awarded a lump sum of money as part of the marital asset distribution. If he or she has little to no experience managing money, he or she may fall victim to unscrupulous brokers. Believe it or not, not all financial "professionals" have their clients' best interest in mind. Naive investors may find themselves placed in high-cost, illiquid investments, or have their money moved in and out of investments to increase commission costs. It is important to find a highly ranked Registered Independent Advisory (RIA) firm. Unlike brokerage or insurance houses, representatives of an RIA are held to a fiduciary standard. Which means they must act in the client's best interest at all times. They are typically audited regularly to make certain they are complying with the government-regulated standards.

**3) PROTECT YOUR BUDGET.** In every divorce, assets that were meant for one household are now divided into two. Be careful with your spending. Don't rush to buy an expensive home. Surely you can treat yourself to some sort of "celebration" when the divorce is over, but then you need to get right to planning. Work with an advisor at an RIA, get your budget in order, start a savings program and invest wisely. There is a long life after divorce and you need to prepare for it.

**4) PROTECT YOUR HEART.** When someone is first divorced, they may feel needy or lonely. Perhaps they were emotionally neglected for much of

their marriage. That may leave a person vulnerable to falling for the first prince or princess that comes along. Be wary of making a commitment too soon. Relationships aren't designed to rescue you from heartache, they are there for mutual benefit. Be respectful of your children's needs as well. Divorce is hard on them, too. Restrain yourself from introducing them to a lover too soon. No child needs to see a revolving door of new mates that aren't mom or dad.

Now that you are divorced, who would take care of your children if you're gone? Who will be in charge of the assets set aside for them?

**5) PROTECT YOUR ESTATE.** After a divorce, many legal documents need to be changed. The marital will, powers of attorney, trusts for children almost always need to be changed. The beneficiaries of your assets also need to be changed. Now that you are divorced, who would take care of your children if

you're gone? Who will be in charge of the assets set aside for them? Designing a new trust that is the recipient of your assets is paramount. Do not make a new spouse the beneficiary of everything, either. There is no guarantee that the new Mr. or Mrs. Smith will take care of your children or follow through on your wishes unless you have those wishes in writing. □

Investment advisory services are offered through HBK Sorce Advisory LLC, doing business as HBKS® Wealth Advisors. Insurance products are offered through HBK Sorce Insurance LLC. CA License #OI88298 NOT FDIC INSURED - NOT BANK GUARANTEED - MAY LOSE VALUE, INCLUDING LOSS OF PRINCIPAL - NOT INSURED BY ANY STATE OR FEDERAL AGENCY

HBKS® Wealth Advisors | 7000 Stonewood Drive, Suite 300 | Wexford, PA 15090 | Phone: (724) 934-5300 | [dkline@hbkswealth.com](mailto:dkline@hbkswealth.com)

[hbkswealth.com](http://hbkswealth.com)