

Getting Divorced?

Engage a Financial Advisor



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Couples facing divorce typically seek out separate attorneys. Why then wouldn't they seek out separate financial advisors? Seeking advice from a separate financial advisor as early as possible in the divorce process can be the difference between attaining a practical settlement and becoming embroiled in an adversarial mess.

CONSIDER THE FOLLOWING SCENARIOS:

- One spouse, male or female, has not been privy to the family finances and does not have a close relationship with the family accountant or financial advisor. He or she is unaware that money has been moved, high-risk investments have been made and/or loans have been taken out against family accounts.
- Imagine that one spouse liquidates his or her IRA without the other knowing. The advisor is not obligated to report that transaction to the spouse, as his or her name is not on the account. The advisor might even have been told the spouse knows of the withdrawal.
- Money in a non-qualified joint brokerage account is wired to one spouse's new bank account without the other being alerted to it.
- Tax returns can be structured in such a way that refunds are withheld. Undetected, these refunds are paid later in their entirety to one of the spouses.

Such uses of the family funds might have been going on for years, and the end result of those activities could be financial ruin. And while there are legal means to "freeze" accounts and forensic accountants can track down hidden assets and expose crafty accounting, such initiatives can be costly and tie up the finances of both parties for years.

Having your own relationship with a financial advisor will allow your best interests to be front and center when it comes to choosing how to divide the family assets. Your advisor will identify the taxability, costs and risks associated with each of your family assets. They will differ. For example, the family home might be worth \$1 million, but it

might not equate to the same value as a \$1 million brokerage account. The home requires insurance, maintenance and taxes, and might have a lien against it. Nor does the \$1 million brokerage account carry the same risk as a \$1 million hedge fund. You might have qualified as a family to invest in the hedge fund, but one spouse on his or her own might not qualify for that amount of risk.

As a Certified Divorce Financial Analyst®, I spend much of my time testing multiple settlement options to help my clients understand how each option could impact their financial future. As stressful as the divorce process can be, it does eventually end. Hiring your own financial professional to assess the family finances can shorten the negotiation period and mitigate financial surprises down the road.

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Donna combines experience as an investment advisor and wealth manager, a proven approach to long-term financial planning and the unique skills of a Certified Divorce Financial Analyst® to help her clients understand and address the financial issues associated with divorce and obtain a fair and equitable divorce settlement.

Donna's background includes seven years in Chicago as a derivatives broker. She joined HBKS® Wealth Advisors in 2015.

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