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**Financial Considerations before Divorce**

1. Your financial situation is about to change dramatically. You will no longer have a partner to share financial hardships with, which can be a positive change or a negative change. Do you have adequate money saved that would support yourself and/or your children after the divorce, especially right after the divorce when you have the addition of legal fees?
2. Do you have an automobile or other home furnishings that you will require after divorce, or will you need money to purchase those items?
3. How much debt do you and your spouse have? Is there any way to pay that off before divorce? If not, how much debt will you carry after the divorce?
4. Who will count the children as withholding exemptions for [income tax](http://divorcesupport.about.com/od/yourlegalrights/tp/taxtips.htm) purposes? (If there are multiple children, sometimes a couple splits the exemptions Or, the exemption can be alternated each year).
5. Do you have adequate education or training necessary to have a career that will provide for your children and yourself after the divorce? If not, should you pursue that prior to the split?
6. Will you need and can you afford childcare if you have to [re-enter the workforce](http://divorcesupport.about.com/od/lovethenexttimearound/a/support_divorce.htm) after the divorce? Many times, parents (and sometimes in-laws help provide childcare), so will they continue to help you after the divorce? Or will you need to find other arrangements?
7. Will your work provide [healthcare benefits](http://divorcesupport.about.com/od/yourlegalrights/f/cobra.htm) for yourself and your children? Will your spouse’s work cover health benefits for your children if they don’t live with him/her?
8. Does your work provide [pension/retirement plans](http://divorcesupport.about.com/od/pensionfundsandbenefits/) or can you invest for retirement as an individual? Talk to a financial advisor to figure out what the optimal retirement plan would be given your annual income and overall tax-situation since some are more advantageous than others.
9. Consider Social Security implications of a divorce. Once you have been married for 10 years, you may be entitled to half of your spouse’s benefits. If half of their benefit is higher than your Full Retirement Age amount, you may want to take that into consideration when deciding the right time to divorce.
10. Is it possible that you and your ex-spouse could set up college savings funds for your children, so they will not be disadvantaged by the divorce, but still receive help with college? If your child will need financial aid, consider the implications of your financial situation on their ability to access aid.
11. It is often difficult to maintain your financial lifestyle after divorce. What are some things that you and or your children could give up to save money without causing too much emotional distress?
12. Examine your expenses and figure out what your cash flow looks like. There are many smaller family expenses that we sometimes forget about, such as summer camp or other extracurricular activities. Be sure to include these in the expense calculations.
13. How much income will you have and how much do you need? This is important to figure out because often times, people choose to get as many “assets” as possible in the divorce and overlook the value of future income because they don’t have a good understanding of their expenses.

**A Few Pre-Divorce Suggestions:**

* Close any joint banking accounts. Open accounts in your name alone and start having any income deposited there.
* [Close all joint credit card accounts](http://divorcesupport.about.com/od/maritalproblems/ht/divorce_credit.htm) by paying the balance down.
* Consider refinancing any property that is held jointly into the name of the spouse who will take possession of the property post-divorce. Talk to a mortgage expert to see what makes the most sense.
* Work with a financial planner who can help you run projections not only for how the divorce settlement will affect you immediately, but how does it affect you 10, 20, or 30 years from now? This will help you make more informed and educated decisions about what you need from the divorce settlement to accomplish your goals.