

We're Here to Help

DIVORCE is a scary, monumentally disruptive event. You can feel a confusing mix of emotions: betrayed and angry, unsafe and uncertain, and above all, alone. Your family is in chaos; social ties can seem less secure; close friends may not know what to say to comfort you. And unfortunately, right in the middle of this unprecedented chaos, there are critical financial decisions that need to be made.

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Not everything that's important has to be decided right now, thank goodness. Unfortunately, you can't wait for things to settle down before making key decisions, especially when it comes to personal finance. Whether or not you're ready for them, some of the decisions you make right now can affect your life—and the lives of your children—for years to come.

The good news is: You're not alone. There are people and groups, like McRae Capital Management, willing to help you make the right decisions in this critical, chaotic time. At McRae, we've been helping people in your situation for more than 35 years, and we'd love to sit down with you for a free consultation to help you assess your options. No strings attached. This quick guide is meant to be a first step, by helping you understand what you can do now toward securing and improving your situation, and what can safely be postponed until things are a little easier. It can be hard to take that first step: If you're like others in your situation, you may feel a general loss of control that can make it difficult to get started. We're here to help you begin to regain control over your financial life and your future.

You are not alone. Read on to find out what you should think about doing now.

What you can do now

- **Put your support team together.** Your attorney is critical, of course, but other professionals can help you make smart decisions. For example, a good tax advisor will make sure your decisions around the division of assets take tax implications into account, and a good financial advisor can help you plan wisely for a new future. Write down your questions BEFORE going into each meeting, and bring a friend, to help make sure you fully understand your options.
- **Gather your numbers.** Make a list of your family's current and expected costs: mortgage, monthly bills, child education, and even vacations. Don't leave anything out, as these figures help determine levels for alimony and child support. Then, assess all your family's assets, including real estate, investments, retirement funds, and everything else of value. Be specific and comprehensive: Not all assets are the same, and their liquidity—whether or not they're easy to sell—and tax implications can be huge factors in their relative value to you.
- **Have a plan for joint holdings and debt.** Do you and your spouse have a joint checking account? Share a credit card or two? Consult with your attorney about how best to handle jointly-held assets and similar complications. The last thing you need is a spouse carelessly spending assets you own together, or running up debt for which you're jointly responsible.

What you can do later

- **Change your beneficiaries.** Insurance, wills, and retirement plans can be easy to “set and forget,” but if you don't make time to change your beneficiaries, your ex-spouse could end up benefitting instead of your children. You don't have to do this right away—and in some cases, you can't until after the divorce—but don't forget.
- **Reconsider your financial objectives.** Whether or not your ex-spouse took care of investments before the divorce, you'll need to rethink your goals and expenditures. Investments, retirement, college savings plans—everything will need to be reconsidered in light of your new financial reality. For example, in some cases where patience is possible, it may make sense to take more assets and less alimony, and be less financially dependent on an ex-spouse's future success and fiscal habits.
- **Create a new budget.** Once assets transfer and alimony payments, if any, have been established, you'll need to put together a realistic budget that takes care of day to day needs while funding your financial goals. The reality is that your lifestyle is likely to change—but budgeting can make that transition easier.

This is just a quick summary of what's important, and your situation of course may vary. At McRae Capital Management, we've guided many people in your situation safely through to the other side.

If you have any specific questions not answered here, please give us a call, or set up a free, no-strings-attached consultation.

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