

## Tips: Avoiding Financial Traps

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Here are some tips to help you avoid some of the common financial pitfalls of divorce.

1. **Negotiate a reasonable settlement.** Get some professional advice from a CDFA or CFP® to make sure you'll be able to live with the financial terms of the settlement – now and into the future.
2. **Don't live beyond your income.** Reduce your expenses – or increase your income – so that you are always saving something for a rainy day. Ask your financial advisor for help creating a budget if necessary.
3. **Think twice about keeping the family home.** Ask your financial advisor whether you can truly afford it, and ask them to show you what cash you'd have available for investment if you moved to a smaller home.
4. **Realize that you won't get everything you want in the property division.** Don't spend months and thousands of dollars fighting over furniture, appliances, or other personal items. Make a short list of "Must-Haves" and be prepared to compromise on everything else. Look at the big picture; is this asset best for your situation?

5. **Protect your Retirement Assets.** In the US, have the QDRO filed as soon as possible. In Canada, make sure to have the pension valued by a qualified professional.
6. **Use debt sparingly.** Get a copy of your credit report and close all joint accounts and all credit you do not use. Avoid maintaining balances on credit cards.

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