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Q: Hasn't your divorce cost you enough already?



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► **The last thing that Matt Lauer and Annette Roque probably expected when they walked down the aisle was that their marriage would go up in flames.** Unfortunately, it appears that the recent sexual misconduct allegations that cost Lauer his job may have cost him his marriage, too. Reportedly, neither Roque nor Lauer has been sporting a wedding ring in the Hamptons, where Lauer owns a \$36.5 million estate in addition to a \$17.9 million mansion in Sag Harbor¹.

While the circumstances surrounding every marriage are unique, the reality is that as many as 50 percent of all marriages still end in divorce, with that statistic becoming even more daunting for second and third marriages². And there's more to it than just statistics: Divorce is a sobering event that can involve

emotional trauma and extend beyond that into the twisted web of personal finances, which, even in the most civilized of cases, can wreak havoc on both spouses' bank accounts.

According to Mariko Chang, author of *Shortchanged*, women generally possess \$0.36 for every \$1 of wealth owned by a man³. While it's no longer the 1960s, when nearly half of all married women were stay-at-home moms, women today cannot afford to be uninvolved in marital finances, an area that many such women once delegated to their husbands. Instead, the tide has turned in terms of attitudes toward marriage. Same-sex marriages have been legalized in a variety of jurisdictions; they are now generally accepted, and our social mores have evolved. Yet, men still maintain the mantle of top earner among the majority of couples⁴.

This suggests that women need to be especially vigilant and mindful when assets are divided. Even in nontraditional marriages, the same issues arise when one partner is earning significantly more than the other, or one partner exclusively manages the family finances.

While in a perfect world, spouses would make financial decisions together, in reality this is not always the case. Both spouses may have a role in paying bills, but the investment portfolio is more often than not a different story. A Wells Fargo study suggests, for example, that slightly more than one-third of affluent married women surveyed managed the household investments⁵.

As a result, a large percentage of divorced women are often thrust into a whole new world, one that tends to spring surprises on them that could derail their financial future.

That's why it is important for those facing a divorce to engage a financial advisor early in the process, preferably one who is also a certified financial planner professional. This professional can objectively help you:

- map out your cash-flow needs post-divorce
- create a budget based on your after-tax income
- understand how to properly allocate settlement proceeds
- understand your future retirement needs
- review and recommend changes to your will, any trusts, medical proxy and life insurance policies

The fact is that women still outlive their male counterparts by about five years, and half of women will live beyond their 85th birthday⁶. This means that women have income needs post-retirement that may surpass those of their husbands', something that could be lost in a divorce settlement if proper guidance is lacking⁷.

In short, good advice is everything: The end of your marriage does not have to mean the end of your financial security.

Divorce has proven that things can change, but a qualified financial advisor should be a constant in your life. So, try to maintain that relationship and remain nimble—because divorce may be

just one of many knuckleballs that life throws at you. That's why it's recommended that you revisit the financial plan you have established with your financial advisor at least once a year so that you can make the necessary adjustments when those unforeseen circumstances do occur, in order to increase your odds of achieving a desired outcome. •

¹ <https://pagesix.com/2017/12/06/matt-lauers-wife-steps-out-without-wedding-ring/>

² <http://www.apa.org/topics/divorce/>

³ <https://www.mariko-chang.com/shortchanged.html>

⁴ <http://www.miamiherald.com/news/nation-world/national/article148558804.htm>

⁵ <http://www.nextavenue.org/why-50-women-should-take-control-their-money/>

⁶ <https://personal.vanguard.com/us/insights/retirement/plan-for-a-long-retirement-tool>

⁷ <https://www.weforum.org/agenda/2017/03/why-do-women-live-longer-than-men>

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Magnus Financial Group LLC provides personalized services to existing and emerging high net worth individuals, families and businesses. The firm utilizes offensive and defensive financial planning approaches, encompassing asset management, risk management, tax planning, retirement income distribution planning and estate preservation. Michael S. Schwartz, CEO, was named by the *Financial Times* to the Top Financial Advisor List in 2017.

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