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By

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Divorce financial planner: 3 common fears

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(MoneyWatch) Divorce can feel like a full time job. Between the (sometimes) contentious texts

with your ex-partner, phone calls to your attorney, and figuring out child custody, where you are going to live, and how your new life will look, there is almost always a sense of uncertainty or fear just below the surface. And regardless of how affluent the couple is, there is often a great deal of worry about the financial future. This fear is even more extreme for the so-called "[out spouse](#)," a term for the spouse that hasn't been involved in paying the bills, managing the investments, buying insurance, budgeting, or who doesn't have the relationship with the family attorney, CPA, or financial advisor.

Once separated or divorced, the "in spouse" already has the experience and relationships to transition financially but the out spouse has to start from scratch. As a [divorce financial advisor](#) who has specialized in working with the out spouse, three fears have emerged as most common. While some degree of worry and apprehension is to be expected, with a little work and planning, these three common divorce fears can be eliminated and can help the out spouse feel more confident and secure:

1. Fear of not getting a fair share. If your finances are simple, it can be easy to evenly divide the assets, but if your finances are more complex (e.g., multiple homes, employer stock options, closely-held business, illiquid investments, separate property), this can become much more difficult. The solution is to answer these two questions: What do we own and what is it worth? If you are concerned that assets are not being disclosed, discuss this with your attorney and consider hiring a forensic accountant -- basically a financial detective -- to help uncover any undisclosed assets. The next issue is to arrive at a fair value for each asset. This is an area that is ripe for abuse. The valuation of family-owned or other privately-held companies is inherently prone to subjectivity and, particularly in the divorce context, manipulation. According to Rutan & Tucker corporate law partner [Garett Sleichter](#), "Among many other issues, the 'in spouse' may have knowledge of pending product developments or service offerings, potential new clients, acquisition prospects or other business opportunities that could significantly impact the valuation of the business, but may be unknown and undiscoverable by the 'out spouse.'"

2. Fear of not knowing what you'll have. This is a pervasive fear...and it's completely justified! In a divorce, it is easy to get lost in the details and lose sight of the bigger picture. It's critical to stay focused on what your finances will look like post-divorce. This starts by knowing not only how much you have, but what you have and where you will have it. For example, \$600,000 equity in your house is very different from \$600,000 of cash in the bank or \$600,000 worth of stock in your ex-spouse's business. Get rid of the fear by getting clear on your assets. Work with a financial advisor before the divorce is finalized so you can make sure you are not only getting your fair share, but that you don't get stuck with illiquid assets while your ex gets the cash.

3. Fear of not knowing how your lifestyle will change. This fear comes down to cash flow. After alimony, child support, employment income, investment income, and basic living expenses, how much will I have left? How much house can I afford? These are real concerns that keep many soon-to-be divorcees up at night. To squash this fear, have a financial advisor create a post-divorce income and expense report for you so you can quickly see how your new finances will affect your lifestyle. Just make sure the advisor factors in all of the new post-divorce expenses such as health insurance, rent, car loans, etc.

It's common and natural to experience a wide range of emotions -- from worry to excitement to anger to contentment -- when going through a divorce. For the [out spouse](#) that isn't as financially savvy or who wasn't involved in the couple's finances, fear and uncertainty regarding money are all too common. But with some planning and a few good people to help guide you, you can feel more confident and secure about your future and your finances.

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Robert Pagliarini is obsessed with inspiring others to create and empowering them to live life to the fullest by radically changing the way they invest their time and energy. He is the founder of [Richer Life](#), a community of passionate people who want to learn and achieve more in life and at work. He is a Certified Financial Planner and the president of [Pacifica Wealth Advisors](#), a boutique wealth management firm serving sudden wealth recipients and affluent individuals. He has appeared as a financial expert on 20/20, Good Morning America, Dr. Phil, Dr. Drew's Lifechangers and many others.

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