

## SEVEN COMMON FINANCIAL PITFALLS AFTER DIVORCE

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### **DENIAL**

When I first got divorced, there was a part of me that thought my lifestyle would not change dramatically. I believed that after eighteen years of marriage and raising a young family of four children, I could depend on the courts to ensure that I would have an income which would allow my children and me to remain at the economic level with which we were familiar. The truth of the matter is that you may be able to do this, but it is probably not going to be from child support or alimony. I was shocked at how little child support provides and how difficult alimony is to obtain. It is time to find out what you are made of. Even if you do have an acceptable support agreement now, will it keep pace with inflation? Do you want to have to pursue a career in ten years when child support runs out?

### **EUPHORIA**

Most days between work and single parenting, I was operating on five hours of sleep. At times however, my newfound freedom gave me a sense of endless boundaries. Upon entering your new financial venture, you might become overly charged by your first taste of success. What a great way to prove yourself after a failed relationship! Use those great feelings to help you focus, renew your energy and fuel your dreams, not your spending. Pace yourself and your spending until you develop a true sense of your consistent financial situation. This usually takes at least a year.

### **PANIC**

At some point, panic will set in, probably somewhere between Letterman and The National Anthem. Tell it to go away. Projecting situations that have not occurred only uses energy that you could apply towards making good decisions. Try getting organized. List your assets. Prioritize your needs. Think about what you do have and what you are capable of. Be creative. Just because you are a piano teacher doesn't mean you can't babysit overnight for single parents who travel or run an errand service for the elderly.

### **STICKING WITH OLD ROLES**

If you are divorced, you know about broken promises. Be prepared for curve balls. For example, even if your decree states that the other spouse will pay for the children's education, learn about ways to save for retirement and

education simultaneously. Discover how to structure your assets to maximize student aid for students with single parents.

Start to perceive yourself as the responsible party. When things work out — great! But if they don't, you'll be in control.

### **PLAYING THE DEPENDENT GAME**

On occasion, I have been advised not to work, to stay poor, etc. to maximize my support. I don't believe it. You never lose by improving yourself. This strategy might work on a short-term basis, but you wind up ahead when you empower yourself for the future. Instead of using energy to manipulate your outcome, use it to determine your outcome. Being the best you can be will have better long-term results. Go for it!

### **NOT THINKING OUTSIDE THE BOX**

Since everything in your life is changing, you may be able to prosper by looking at things in new ways. As in my previous example of the piano teacher, you may need to forget your old career and look to new solutions because of family demands, increased financial needs or lack of benefits. Consider part-time employment to receive health insurance or turn a hobby in to a business. Think about a roommate to help make ends meet and network with people you know. In my case, I've built a playroom for my children at my office so they can watch Sponge Bob or finish homework while I work on tax returns and contact clients in the evenings.

### **PUTTING MORE ENERGY INTO EMOTIONS THAN SOLUTIONS**

We are all human and there is no denying that divorce does traumatize. Make a promise to yourself that you will spend more time on solving than stressing. That time spent at home worrying could be used to listen to a speaker on a financial topic, make a list of your goals, read a motivational book, or even exercise. You'll be amazed at how one positive result can lead to another. If any of these scenarios seem familiar, remember you are not the first to experience these issues. It's how you handle them that will set you apart!

