Finance for Parents

Parenting Hacks

Fabric News

Jessica Sillers | Apr 23, 2019 Sign up for Fabric's newsletter

baby was born. A breadwinning mom supporting her husband and child, LoGiudice realized that the pressures

of stay-at-home parenting were aggravating her husband's addiction issues, turning their home into an unhealthy environment for the whole family. Getting a divorce the next year, she experienced shocking credit card statements and the emotional pain of becoming a single mother, with an unemployed ex

Corrie LoGiudice's marriage ended shortly after her

Blog Home

Divorce is a total life upheaval: emotionally, financially and logistically. It can be hard to know where to start rebuilding your life, so we've outlined steps to help you create a solid foundation for you and your kids.

(who accused her of leaving him destitute).

Whether you and your spouse earned equally or one of

financial adjustment and a learning curve for everyone.

you was the primary breadwinner, divorce means

1. Financial Independence

After Getting a Divorce

Suzy Brown, founder of Midlife Divorce Recovery, says, "When I divorced, I had been married 33 years. I went straight from my parents' home to college and got married in college. I had never lived in an apartment or

supported myself."

Median age at the time of a first marriage has increased over time, so couples who married in the last 20 years may have had more time to live as independent adults before marriage. Still, you may find yourself out of

practice with things like navigating an insurance policy,

apartment hunting or setting up financial accounts solo.

It can feel uncomfortable or embarrassing to re-learn core money management skills that seem more like young adult milestones than midlife, but there's no reason to judge yourself harshly. Sharing tasks in a marriage, and then having to handle all responsibilities alone, virtually guarantees that both parties will have to learn new skills.

Your local community center, library or other local

facilities may offer cheap or free programs to catch you

up on financial tasks to master, Brown says. Your bank

or workplace may offer financial education or retirement

planning resources for free. Another great place to start

researching financial literacy courses for all ages is the

Center for Consumer Financial Education (CCFE). 2. After 'I Want a Divorce': Smart Money Habits Checking your income and expenses is the first step toward financial stability during and after divorce, especially because dividing large assets can take years.

do is make sure you have enough cash to pay your immediate bills. This might mean withdrawing half of the joint savings account so you can set it aside to pay

had a 5-month-old to support.

divorce.

she lived before.

to your credit.

Brette Sember, lawyer and author of Rebuild Your

Financial Life After Divorce, suggests, "The first thing to

your rent." When LoGiudice split from her husband of seven years, credit was at the top of her mind. Her ex-husband's addiction problems led to towering bills, and LoGiudice

"The very first thing I had to do was shut down the

credit card. My ex didn't have a job, so he stayed in the

apartment we shared. A wakeup call was that the first

month after I moved out, he spent \$1,000 on takeout."

Her ex was calling her to accuse her of leaving him out on the street when she cut off his financial access. Working with a therapist helped remind LoGiudice that she had to let go of the responsibility to take care of him. In her case, even being the sole breadwinner in her family didn't protect her from financial blows in the

Living with her parents for a year and saving aggressively got LoGiudice back on her feet, although she had to move to a less expensive area than where

When getting a divorce, consider closing or separating

(including mortgage and car loans) to prevent damage

least the minimum payment every month on bills

joint accounts when possible and continuing to make at

"We had a shared account that was wedding money

that we'd received as gifts. Because I was supporting

him, I didn't have any other savings," she says. Her ex,

court battle, told their mediator he wanted the entire

account. "He left me penniless with a 5-month-old."

knowing that legal fees would exceed their savings in a

3. What's Spousal Support?

Planning for Retirement

If your spouse was the higher earner (or retirement

saver), you may worry that you're in major trouble now

You may be entitled to spousal support in the form of a

retirement savings you put away as a couple during your

marriage. Many divorcing couples negotiate a separate

agreement from the divorce decree, known as a QDRO.

that you won't spend your retirement years together.

portion of your ex's retirement savings, even if your

Generally, you're entitled to half the value of the

name isn't on the account.

this technical document.

"A QDRO is a court order that gives one spouse ownership or partial ownership of another spouse's retirement account," Sember says. You'll need an attorney and financial advisor to work out the details of

and update the beneficiary if you don't want your ex inheriting your retirement money if you were to pass away. 4. Protecting Your Kids If You're Getting a Divorce

Your custody agreement with your ex will be decided by

paperwork to update your wishes for how to provide for

First, dig up insurance. Update beneficiaries in any life

insurance policies you hold, and set up trusts for your

kids if they're under 18. Double-check addresses, too. If

you move out of the family home, make sure statements

the court. What you can do now is go through

your children if something happens to you.

reach you so your policies don't lapse.

In the meantime, check your own retirement accounts

When it comes to guardianship, Sember says courts almost always award full custody to the surviving parent if one parent passes away. "Parents are almost always preferred over anyone else. You cannot name someone for partial guardianship.

Stepparents are unlikely to be named guardians if there

is a living parent." Even if you have shared custody, you

likely won't be able to designate a guardian to step into

your court-agreed custody schedule if you pass away.

If you and your ex both die, the court will review your

wills or other documents to learn who your preferred guardians were. If you and your ex were able to agree on a preferred guardian, the court will probably give that suggestion serious consideration. Courts aren't obligated to follow instructions in a will, though, and they most likely will not default to a shared custody arrangement (e.g. between both sets of

grandparents). The court's goal is to find a guardian

arrangement that is in the best interest of the child.

In certain cases, such as if you are diagnosed with a

terminal disease, or your child has special needs that will

require ongoing care, your state may have legislation in

place regarding appointing a co-guardian. Your attorney

have reason to require a joint guardianship arrangement.

is the best person to ask for advice if you believe you

5. Taking Care of Yourself, Too That moment in which you acknowledge to yourself, "I want a divorce," can be huge, and it can be a form of self care because you're taking steps toward your own happiness. But the process of actually getting a divorce can be grueling, so Brown points out that taking time

for your own emotional well-being is a significant piece

"Most people who have not been through divorce don't

realize how debilitating it can be, even for the most

of recovering from divorce.

stable people," she says. "The best scenario is you have good resources for the emotional recovery to help you get through the day," she says. She says it's important to rally friends and family to check in on you, provide a listening ear or pitch in with

errands or childcare. If you have room in your budget,

therapy sessions or even occasional spa visits to de-

There's no magic solution to make divorce easy or

stress can be useful forms of self-care.

painless, but taking charge of your financial situation helps you in multiple ways. Your attorney can advocate for you better when you can share a well-informed perspective on your assets. Meanwhile, you're acting as a confident role model for your kids, showing them that they can trust you to help them weather difficult times and come through on the other side.

Fabric exists to help young families master their money. Our articles abide by strict editorial standards.

Ready to set up a last will and testament to state your wishes and help protect the ones you love? Fabric lets you do it in minutes, for free.

This article is designed to provide general information on the subjects covered and the views represented herein belong to the author and are not intended to be used in the making of any financial decisions.

Jessica Sillers | Apr 23, 2019

Subscribe Recommended Posts I Don't Want My Son to

Email address

Inherit My Financial Stress. Here's What I'm Doing. Finance for Parents

> Finance for Parents 10 Things to Do Other Than Housework Parenting Hacks Fabric's Top 10 Money

> > Finance for Parents

to Help Protect Your Finances

Getting a Divorce: 5 Steps Moves You Can Do Today Finance for Parents Blended Family? Second Marriage? 3 Things You Need to Know Finance for Parents What's the Difference Between Term and Whole Life Insurance? Finance for Parents What Is Life Insurance? Finance for Parents How to Navigate the 'Guardianship Conversation' Finance for Parents How to Write a Last Will and Testament

state variations where applicable). Policies are issued by Vantis Life Insurance Company. (Vantis Life), Windsor, CT (all states except NY), and by Vantis Life Insurance Company of New York, Brewster, NY (NY only). Coverage may not be available in all states. Issuance of coverage for Fabric Premium is subject to underwriting review and approval. Please see a copy of the policy for the full terms, conditions and exclusions. Policy obligations are the sole responsibility of Vantis Life.

Fabric Insurance Agency, LLC (FIA) is an insurance agency licensed to sell life, accident, and health insurance products. FIA will receive compensation from Vantis Life for such sales. The NAIC Company Code for Vantis Life is 68632. See the Terms of Use for additional information regarding FIA.

About Pricing Blog Press Careers Terms of Use Privacy Policy Support Sign In