



Dealing with Divorce Financially

Nothing can take the wind out of your financial sails faster than a relationship breakdown. If you find yourself trying to navigate through these waters, here are a few things to remember:

1. People Want to Help

You may feel you are alone in your grief, but please reach out. There are some times in life when we need to get support. It is a healing process to share the cares of life with a friend, family member, coworker, counsellor or spiritual leader.

You may be eligible to speak with someone through your Employee Assistance Program to help you emotionally, legally and/or financially.

2. Protect your Children

As you grieve, your children grieve with even less understanding of the situation than you have. Try not to use your children – young or adult – as a sounding board or as leverage against your ex-partner. There are certain things that they do not need to know or be involved in.

3. Educate Yourself

There are some amazing books written by those who have gone through divorce that can give great direction regarding legal advice, emotional support and ways to move forward in a healthy manner. Libraries and bookstores are full of amazing resources.

Make sure that you are aware of the Child Support guidelines in your area. The Federal Department of Justice has a lot of information regarding this issue.

Maintenance Enforcement is set up to help ensure that individuals meet their obligations to pay spousal and child support under the terms of their court orders and certain agreements.

4. Protect your Own Financial Situation

Keep a record of where everything is financially at the time of the separation. Take stock of your bank account balances, investment balances, credit card and loan balances. Try to get an assessment of the value of your assets – such as your home, vehicles and recreational vehicles.

If you are dealing with a lot of joint debt, close any joint cards from further purchases and if necessary, apply for your own card. Notify your creditors if you are unable to make your payments and why. Most creditors are willing to work out a repayment plan with you if they are in on the situation from the beginning.





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If the debt is overwhelming, consider meeting with a credit counsellor to discuss your options regarding getting the debt paid off.

5. Protect your Credit Report

Get a current copy of your credit reports to be aware of what is showing. There are two credit-reporting agencies in Canada: Equifax and TransUnion. We recommend getting your report from both companies. It is important to notify them of the date of your separation so that they will split your credit files from each other.

Make sure you are both clear on who is taking care of which bills until the separation is complete. Nothing can damage your credit rating faster than late or missing payments due to miscommunication.

If you feel you may be more responsible to deal with the bill paying, take care of it yourself and, if possible, have your ex-partner contribute to that end.

6. Meet with a Money Coach

A Money Mentors coaching session will help you determine where to go from here. Our sessions focus on:

- Determining your financial situation
- Setting short- and long-term financial goals
- Developing a workable spending plan
- Personal saving strategies
- Using credit wisely
- Key mortgage information
- The importance of retirement planning
- Transition periods (job change or loss, divorce, disability)
- Creating a Money Action Plan (MAP)

7. Protect Yourself Legally

Divorce can be a very expensive process, but the investment in a good lawyer can save you money in the end.

You will need to work through a Separation Agreement to deal with the division of your assets, custody of your children and support amounts. Legal representation confirms that this situation does not need to come back at you later.

This is also a good time to look at your will and insurance coverage. Make sure to evaluate beneficiary information and guardianship should it be an issue.





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8. Start Fresh

At some point, you will see the sun come out again...spring always comes after the winter season. Be encouraged!

Take caution in trying to fill this new void in your life with a new relationship too soon. Give yourself time to grieve, to heal and to grow. Find yourself again.

Should you decide to give relationships another go, consider keeping your finances separate for a time to truly test the waters before taking the plunge.

We wish you the best!

