



# 3 Biggest Decisions When Divorce Happens

**W**ELCOME to the latest edition of Fiscal Fitness! Tax season is over for most of us and hopefully so is the rain! As a CERTIFIED FINANCIAL PLANNER™ Professional, equity is a term I refer to on a daily basis. But recently, I met with a client and suggested she begin building equity in herself. My client, who is divorcing after a 27- year marriage, was trying to understand her housing options and what she could afford once the marital home was sold. My suggestion was to rent for a year or two rather than rushing into buying a home. Why?



**Rent or Buy?**  
Most of us think about building equity in our homes or in our portfolios, but have you ever thought about your

own personal equity like peace of mind? When people are facing significant financial transitions, particularly in divorce, what made sense while you were a couple may not always make sense on your own. Can you physically maintain a home by yourself? Will purchasing a home leave you cash poor with no liquidity for emergencies? Make decisions that are right for you during the transition, not what your friends or family think is best. Although well intended, they are probably looking at it from a different point of view.



**Pension or lump sum buyout?**

One of the biggest decisions a divorcing spouse may face is the option to share a spouse's pension

at a future date or take the present value of that future payment in the form of a lump sum or what we refer to as a "buyout" of the pension. This is no easy decision. Keep in mind, the nuances of pensions work very different

depending on whether your spouse worked in the private or public sector. One of the most confusing is the division of military and civil service (CSRS) pensions and the survivor benefit election.



**Stocks or Bonds?**

When a couple divorces after a long-term marriage, assets and investments will eventually be divided. If you are the recipient

of your ex-spouse's 401(k) or investment portfolio, what was right for the two of you as a joint household may not make sense moving forward alone. Do you understand what you own and the risks of a particular investment? It's not uncommon for a spouse to receive half of a portfolio with little or no idea of what they own or why. Don't put yourself in the position of owning an investment that could potentially be illiquid or has high surrender charges should you need to sell an investment. Understand what you own before making any decisions when dividing assets.



**Picking up the Pieces**

In the end, it will all work out. No one is expecting you to become an expert, that's what a specialist is for. After meeting with

numerous individuals over the years, having a plan can bring hope to what may feel like a no-win situation. Knowledge is power. *Together we can make it happen...*

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## About THE AUTHOR

**DEBRA FOURNIER, CERTIFIED FINANCIAL PLANNER™ and Certified Divorce Financial Analyst™**, has been providing comprehensive wealth management and investment advisory services to families and independent women for over twenty years.

Recognized as an experienced and knowledgeable professional in the areas of divorce financial planning and transitional planning, her guidance is often sought when there are complicated financial issues, significant assets or an imbalance in financial knowledge between divorcing couples.

Debra is active in her community, serving on the executive board of the Academy of Finance at Manasquan High School and the mentoring program at the Leon Hess Business School, Monmouth University.

She has been quoted in **Kiplinger's Personal Finance Magazine** and **AOL Daily Finance**, appeared numerous times on **Good Day New York** and has been featured in the **Asbury Park Press** section Getting Ahead.

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