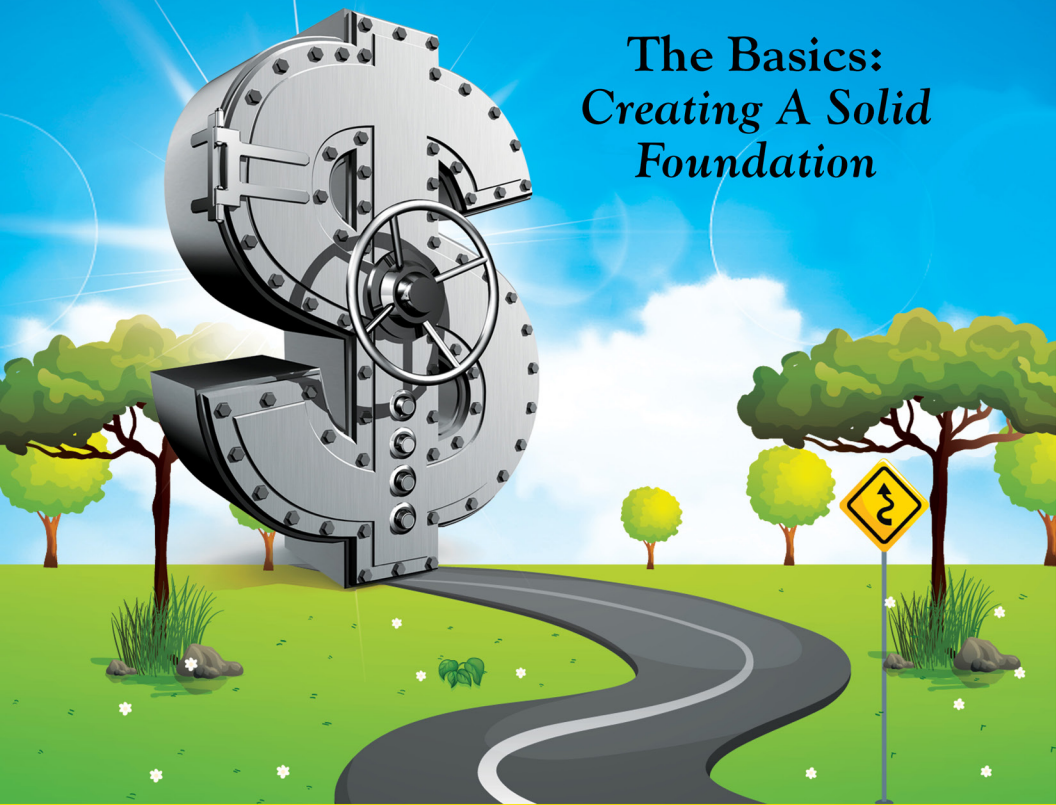


Think Financially, Not Emotionally®

A WOMAN'S GUIDE TO FINANCIAL SECURITY AFTER DIVORCE

The Basics:
*Creating A Solid
Foundation*



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#1 BESTSELLING AUTHOR FOR DIVORCE

CHAPTER 5

ESTABLISHING A FINANCIAL VISION: WHAT ARE YOUR GOALS AND CHALLENGES?

When you're in the middle of a difficult divorce, big-picture thinking can feel truly overwhelming. Sometimes it's best to just put one foot in front of the other and get through the various tasks at hand as best you can while knowing that this, too, shall pass.

Keeping your head down and "soldiering through" is an important coping mechanism, but it doesn't work as a long-term strategy. Granted, your divorce may have taken many months, or even years. But *being* divorced lasts a lifetime. Once your divorce is final, you need to devote your full attention to your future.

One word of caution, though: Before you begin work on the essential details of creating a spending plan (as I discuss in the next chapter) and managing your finances going forward, it's important to take a step back and consider which principles and goals



will guide you. In other words, this is the time to create your financial vision and identify your long-term goals.

To begin, you need to answer some serious questions: Where do you see yourself in five years? 10 years? 25 years? Do you want to:

- Go back to school and/or work?
- Travel?
- Launch a business?
- Move and/or buy a second home?
- Provide for children/grandchildren/others?
- Contribute to charities/causes/foundations?

After determining the general direction you're headed, you then need to identify and consider what financial obstacles or worries stand in your way. How much money will you need to accomplish your goals? Commonly cited challenges include:

- Saving enough for retirement. In general, women live longer than men. (In the United States, a woman's [life expectancy](#) is about 82 years; a man's, about 77.) How much do you need to save for retirement? Is your divorce settlement sufficient or will you need to somehow supplement it?
- Paying off mortgage(s).
- Paying college tuition(s) for one or more children.
- Making provisions for long-term care. Your thinking about this has likely been influenced

by your parents' experiences and those of other older people you know. It's important to have the peace of mind that comes from knowing that your needs can be met if you need care in your later years.

As I'll discuss in the next chapter, it's vital that you have a solid understanding of your net worth, your income, and your expenses. When calculating your net worth, add up all your assets, and then subtract all your liabilities. This, in combination with a spending plan, will help you develop a clear plan of action for moving forward.

You'll also want to make sure you make provisions for what I like to call "unexpected financial hazards," such as job loss, illness, accidents, car/house repairs, etc. I recommend keeping a bank account that can cover six to twelve months' expenses—for emergency use only.

From there, you need to identify investment strategies for managing your money, and if the mere thought of that is making you queasy, don't worry—you've come to the right place. This entire book is devoted to helping divorced women understand personal finances.

Lastly, once your lifestyle and personal needs are met and ensured, you can consider philanthropy if you're so inclined. No doubt there are many groups campaigning for your generosity, and it may be time to re-evaluate the contributions you and your ex

made over the years. Consider now what is important to *you*.

What do you want to make possible? Do you feel strongly about a specific environmental cause, or branch of medical research? Are you moved to contribute substantially to your alma mater, your community hospital, your public library? Supporting everything from art museums to symphonies to zoological foundations, affluence has the potential to do extraordinary good in the world. Magnify that good through solid strategic planning.

There are several ways you could go about identifying your vision and goals. If a visual, crafty approach appeals to you, you could create a “[financial vision board](#)” using pictures and words that illustrate your ideal life. If you’re more comfortable with putting your ideas in writing, brainstorm with pen and paper (or keyboard). Come up with a [few simple paragraphs](#) that describe what you hope your life to be like five, 10, 20 years from now. Whatever your approach, you’re aiming to express [what matters most to you in life](#) and what you’d like to achieve.

DOS AND DON'TS



Be honest with yourself. If you’ve always said you want to climb Mount Kilimanjaro someday, think about it carefully now. Is that just something you’re used to saying, or is it a true aspiration? Give yourself permission to jettison “goals” that no longer make sense for you.



Give yourself plenty of undistracted time. A financial vision isn’t something you can assess in half an hour, or tick off like a grocery list. Set aside time for reflection and allow possibilities to occur to you. Is there a pastime that you’ve given up and would like to rediscover? Approach the goal-setting process with a clean slate.



Recognize that your long-term goals need not be set in stone. Life throws curve balls from time to time. People change and grow. Years from now you may find yourself in circumstances you never imagined! Set yourself a reminder to check in with your vision regularly, and make adjustments as needed.



Don’t rush into any decisions. Going through divorce is not easy, and you need to give yourself time to digest all that has happened.



Don’t let others influence your thought process unduly. If you’re feeling pressured to sell

the house, downsize, relocate, invest, or make any other move that will have significant financial consequences, take a step back and evaluate carefully.



Don't assume you'll have the same vision and goals as when you were married. Particularly over long marriages, women often put their own goals on the back burner in favor of their husbands' or children's wants or needs. Now is the time to distill what's important to *you*. If you retain aspects of a financial vision you and your ex-husband had together, make sure it's because they are part of *your* vision, now.