

Shock of Divorce: Modeling For Settlement Discussions

By John DiCiaccio

Mary was in total shock when Jim expectantly announced after 20 years that he wanted a divorce. Jim and Mary have been clients for over 15 years and I had diligently helped them set a path of success for their golden years in retirement. With no children, they planned to travel the world together.

I received the call from Mary who told me this was the worst thing that has ever happened to her. This is the only contingency that they hadn't planned for and she was terrified that her financial security was in jeopardy. I could understand her fear. Dealing with the emotional devastation was almost more than she could handle. She is a professional woman and in her mid-50s and in pain. I empathized with her and just listened over several phone conversations. When asked, I suggested a three step plan.

One, get some counseling to deal with the emotions and the loss. I made referrals to counselors that specialized in divorce counseling.

Second, reach out to see if Jim would sit down with a divorce mediator who would help them craft an asset settlement without the need to be adversarial.

Third, I set up planning sessions to show Mary "what ifs" to help her have a sense of what retirement would look like facing it alone financially. What would happen if...she had to pay spousal support, she didn't get to keep all of her inherited assets, she worked for 5 more years etc.

The value we bring to the table in time of crisis is similar to an airline pilot who has hours and hours of routine punctuated by moments of sheer terror. It is up to us to bring resources to bear and lend our perspective and experience to guide clients through those moments of terror by making the appropriate referrals and sitting beside them to help them put their financial world in order.

We are getting it right. It pays for you to look into having our team work for you.

John DiCiaccio, Partner and Managing Director of Snowden Lane Partners, leads The DiCiaccio Team within the firm's Pasadena, California office. His team, founded in 1983 as part of Merrill Lynch, became the cornerstone for the Snowden Lane organization when it was created in 2012.

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