
Contemplating Divorce?

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Get Control of Your Finances

If you are contemplating a termination of your marriage, it is important that you get your personal finances in order. To do so, you need to become familiar with your overall financial situation - current assets, debts and monthly expenses. Here are some ideas to get you started.

You should review all monthly or quarterly statements for all accounts in your and your spouse's names, whether maintained individually or jointly. You should also familiarize yourself with the current value of real estate owned by you and/or your spouse and secure information regarding the assets and operating expenses of any closely held business in which you or your spouse own an interest. If you do not handle the family finances and this information is not available to you, you can secure information directly from any bank, investment company, mortgage holder and credit card company for any accounts maintained in your name individually or jointly with your spouse.

It is important to be aware of the balances in all accounts maintained at any financial institution or through an employer, including investment accounts, 401(k) plans, IRAs and other retirement accounts, and the monthly entitlement of you and your spouse in any pension plans. You should also have full knowledge of all your debt, including balances/charges on all credit cards, balances owed on all mortgages and home equity loans or lines of credit and amounts owed for all automobiles and other motor vehicles.

You also need to start keeping track of your monthly expenses by retaining copies of receipts for purchases, credit card charges and ATM withdrawals. You should know how much you are spending and for what. This accounting should be as detailed and accurate as possible. It should be done over an extended period of time so as to be sure to encompass those expenses not incurred on a monthly basis. This will allow you to create a realistic and documented budget for purposes of child support and spousal support calculations. You should set up a checking account in your own name, if you don't already have one. Even though you do not intend, or need, to use it right away, it will be immediately available to you once you decide to proceed with a termination of your marriage. You will also be able to get an ATM card in your name for quick access to cash, if and when you need it. If all of your credit cards are held jointly, try to establish a credit card account in your own name. An account with a local department store or discount store will give you the opportunity to make small purchases and pay them off timely, thereby establishing a good credit history.

Your own credit card will also allow you to begin separating your and your spouse's debt. This is beneficial since you can be held liable for joint debts even if your divorce decree provides otherwise, if your spouse fails to pay debts that are in both of your names. You might also want to secure a small loan, perhaps with a co-signer, from a credit union or bank and use the money to make the monthly payments as another way to create your own positive credit history.

Already Divorced? Some Things You Should Know

If you are divorced, you should be aware that all issues related to minor children (under the age of 18 or, in cases of support, 18 but not graduated from high school) are subject to modification by the Court. Typically, child support orders are the ones most frequently adjusted after a divorce as a result of a change in income of one or both parents. However, as children get older, visitation schedules and parenting plans may become outdated or impractical requiring revisions. Occasionally, a change in the situation of a custodial parent after a divorce is

significant enough to warrant a modification of the allocation of parental rights as well. It may be time to review your divorce decree or latest Court orders to determine whether changes have occurred since their issuance that would warrant a modification of their terms.

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This paper is not intended to be exhaustive on the subject matter nor to provide legal advice to the reader.

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