

Q: Why engage a divorce financial specialist?



BY SUSAN MILLER AND
DAWN DOEBLER

*Susan Miller, CPA/PFS, CFP®, CDFA®,
Managing Director, Senior Wealth Advisor*

*Dawn Doebler, MBA, CPA, CFP®, CDFA®,
Principal, Senior Wealth Advisor*

THE COLONY GROUP

► **Many couples going through a divorce are unprepared** for the difficult journey ahead and the emotional toll. For more affluent couples, divorce creates the added stresses of untangling complicated marital estates and deciding how to divide complex compensation between the two parties. Working with a specialized financial expert such as a Certified Divorce Financial Analyst (CDFA®) can help couples address these and other challenging issues.

WHAT IS A DIVORCE FINANCIAL SPECIALIST?

Divorce negotiations often trigger a series of decisions that have implications for your financial future long after the divorce is final. To get the analysis you need to make the best decisions, you may want to engage a financial advisor who specializes in couples going through a divorce. These professionals understand the state-specific

“rules of the road” regarding the division of assets and complex compensation. They also frequently possess other designations, such as CPA or CFP®, along with the expertise needed to address a wide variety of divorce-related financial issues that affluent couples face.

WHY SHOULD I HIRE A DIVORCE FINANCIAL SPECIALIST IF I HAVE AN ATTORNEY?

The best divorce attorney is not a replacement for other professionals you may need to consult throughout the divorce process. For example, your CPA can help you understand your past and present tax situation. If you’re already working with a financial advisor, you will want to request updates on your portfolio holdings and values, as well as the values of other marital assets. These professionals know your history and will pro-

vide the data required in the early phases of divorce proceedings.

But a divorce financial specialist goes deeper, analyzing your financial situation and identifying settlement options. Examples include dividing assets, income, closely held business interests and private equity holdings. This specialist also can suggest what to do with the marital home, often one of the most contentious and emotional decisions in a divorce.

HOW DO DIVORCE FINANCIAL SPECIALISTS OPERATE AS PART OF THE DIVORCE TEAM?

A divorce financial specialist can work with the couple as a neutral party if the couple is mediating the divorce or in a collaborative divorce process. A specialist can also work with just one of the parties, which is especially helpful if one spouse is less savvy about the family's finances.

When disagreements prevent a couple from reaching a resolution, financial experts with a specialized practice may be called upon to provide expert testimony. Matters such as business valuation, tax impacts of settlement options and analysis of forensic accounting data are frequently beyond the scope of a divorce attorney and may require input from this type of financial expert.

CAN A DIVORCE FINANCIAL SPECIALIST HELP ME UNDERSTAND WHAT MY FINANCIAL SITUATION MIGHT LOOK LIKE AFTER THE DIVORCE?

Yes. A divorce financial specialist can prepare projections based on various settlement options to help you gain insight into your financial future. Once the divorce is final, these specialists can be a valuable resource in helping you adjust to a new financial landscape. For instance, they can assist with arranging payment of estimated taxes, overseeing the actual division of assets, and setting up a system to track shared child-related costs. You will also want to understand your cash flow in order to develop a financial plan that rebuilds your wealth over time.

Divorce proceedings trigger a deep dive into the family's finances, and often it's the first time either party has actively engaged in the details of their money. A good divorce financial specialist can provide expertise and guidance

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through the negotiation process while educating you along the way. The proper analysis and education may lead to improved overall financial results for

both spouses after taxes. You will also gain a better understanding of how your wealth will be affected during and after the divorce. ●

ABOUT THE COLONY GROUP



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With origins going back 30 years, the team of trusted experts delivers objective financial advice, striving to provide clients with the highest level of personalized service.

The Colony Group works

with high net worth individuals and families, corporate executives, business owners, athletes, professionals, entertainers, entrepreneurs, and institutions, providing deep expertise that goes beyond investment management. The firm's clients have access to a full suite of investment-management, institutional-consulting and financial-advisory services, including tax, estate, retirement and philanthropic planning, asset allocation and cash and risk management.

EXPERTISE

Assets Under Management

\$10B

(Approximately, as of 8/31/2019)

Professional Services Provided

Strategic wealth management, investment advisory, tax planning, business management and family office services, dispute resolution and life-enrichment solutions.

Compensation Method

Fee-only fiduciary

thecolonygroup.com | smiller@thecolonygroup.com | 781-239-9996

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Susan Miller, CPA/PFS, CFP®, CDFAs®,
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Tel. 781-239-9996

smiller@thecolonygroup.com

thecolonygroup.com

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