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Juggling finances after

Preparedness is key to getting through the difficult situation

By Amy Trang
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Jennifer Morris had no idea what do when she was going through divorce proceedings in 2005.

Although Morris had a career as a real estate agent, she wasn't ready for the prospect of living on one household income after living on two for eight years.

"You have to rebudget and take a hard look at your finances," Morris said. "You now are planning for retirement on one retirement fund, the joint income you once had is now separate."

Divorce is not easy, and keeping a level

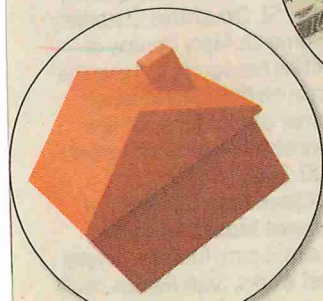
head when it comes to dividing assets is even harder. But local financial experts say being prepared and realistic is necessary to prevent a divorce from crippling an individual's financial future.

"Some people get surprised," said Morris, who started a weekend retreat to help other women, called Daisy Camp. "Some women trust that their husband is providing for the family and when going through the divorce, discover there is nothing left."

A divorce can lead to bankruptcy for one spouse because of the way assets are divided up, said Sandra Johnson, a certified financial planner and partner at St. Cloud-based financial planning firm Johnson, Carriar, Krutchen, Anderson & Associates.

An increasing number of residents have undergone a divorce. In Benton County, 134 people filed for divorce last year, up 13.6 percent from 2005. In Stearns County, 417 people filed for divorce last year, up 3.2 percent from 2005.

After the holidays, Morris said, couples tend to re-evaluate their marriages and decide divorce is the next step. One of her clients, who will attend a



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ONLINE

Daisy Camp:
www.daisy.com
campforyou.com.



February retreat, received divorce papers on Christmas Eve. As couples begin divorce proceedings, here are some steps that can help protect their financial futures:

Enlist experts' help

Morris said sorting out divorce finances is difficult on your own. The Internet makes it easy to print out forms and fill out the divorce paperwork without the help of an attorney or mediator, Morris said, but that could cause some grief in the future. Morris said enlisting the help of divorce experts, such as an attorney, financial planner or mediator during the process will cause less of a headache.

"You want to seek out the best resources you can to navigate through your divorce," she said.

Johnson said professionals who deal with divorce on a regular basis provide personal insight more than a divorce guidebook could. Johnson said experts can suggest how to split up assets in a cost-friendly way, such as ways to split pension and retirement plans in a tax-free manner.

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DIVORCE

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Divorce

Copy documents

Tim Reuter, an attorney at Kelm & Reuter in St. Cloud, said making copies of a couple's bank statements, credit cards, loans and anything else relating to monetary expenses is important. Having those documents on hand will help an attorney foreshadow how a judge will rule in separating a couple's estate.

Reuter said if a client has no idea how to get those documents, a lawyer can file a discovery act to retrieve those documents, but he said it's faster and easier if clients are able to get those documents on their own.

Julie Fisk, an attorney with Neils, Franz & Chirhart in St. Cloud, said clients should check their credit reports to see if any credit cards or accounts are open under their name that they are not aware of.

Make realistic plans

Johnson said she urges her

clients to look at the divorce from a financial perspective when it comes to separating assets. Johnson said divorced people will find themselves in a new tax bracket, a new monthly income and on a new budget.

Often, Johnson said the wife will want to keep the house out of emotional reasons, but it may not be the best financial decision. Johnson said they may not be able to afford the house payments on one income versus two.

She also suggests that during the divorce proceedings to

have cash readily available to use in emergency situations.

Plan your future

Reuter said he maps out his clients' financial futures by asking them questions, including where do they see themselves in five years? What residence will they be living in? And what do they want to accomplish financially?

"People have to assess where they are in life and what they hope to accomplish — they need to determine where they want to be in the future," Reuter said.

Johnson said although divorce is an emotional process, people need to be rational about their financial decisions.

"You may not be planning with someone else anymore (regarding finances), but it's not that you are not going to retire someday, or help your kids pay for college one day," Johnson said. "Those goals are still there."

Stay involved

Before divorce appears on a marriage's radar, couples need to be honest about their assets and debts, said Claudia Rever-

mann, an attorney and a certified personal accountant Reiert, Wenner, Koch & Provinz law firm in St. Cloud.

"Couples shouldn't be hiding their assets," Revermann said. "Being open is a part of marriage, otherwise you are starting from a bad base from the beginning."

Johnson said if one spouse is paying the credit card and house payments, it's important that both husband and wife are aware of how much those payments are, what debt they are in and what assets they own.