

PROTECTING YOURSELF FINANCIALLY DURING DIVORCE

Hi. This is Natalie Hoffman of Flyingfreenow.com, and you're listening to the Flying Free Podcast, a support resource for women of faith looking for hope and healing from hidden emotional and spiritual abuse.

NATALIE: Welcome to Episode 88 of the Flying Free Podcast! I'm excited to introduce you to Leah Hadley. She's a best-selling author. She's a certified divorce financial analyst, master analyst in financial forensics, and an accredited financial counselor. She's also the founder of Great Lakes Divorce Financial Solutions and Great Lakes Investment Management, and she's the author of a book called "When It's Just Not Working: A Practical Divorce Guide for Stay-at-Home Moms." She also has a divorce resource bundle on her website that we will talk about later. Welcome, Leah!

LEAH: Thank you, Natalie. Thank you so much for having me.

NATALIE: You have a lot of experience and education under your belt in this area.

LEAH: I do. I love to learn and I love to help my clients as best I can. The only way I can do that is by continuing to learn.

NATALIE: That is amazing. That is a huge value. I would like to know what caused you to pursue a career in helping people find financial stability and specifically writing a book for stay-at-home moms who might be divorcing. That seems like, "Who is a stay-at-home mom who gets divorced?" (I know tons of them.) But when you just say that most people would think, "Why would a stay-at-home mom get a divorce?"

LEAH: Well, it's a good question and it's an important one. To rewind and look back to where I started in my career, I started on the institutional side of investing. I was an equity research analyst making investment recommendations to big hedge fund managers and mutual fund managers. I was ready to start a family, and that kind of a role is extremely hard to have when you are ready to expand your family because it requires quite a bit of travel and a lot of hours.

I became a traditional financial advisor (because I was hoping to have the flexibility that I needed to be able to have a family and still stay in the financial world where my career had been) to really apply the skills I had developed to helping individuals and families. As a financial adviser, I learned very quickly that there were a lot of people who weren't really getting good advice or good information, especially when it came to

people going through a divorce.

I inherited a lot of accounts when I was with the firm I had started with, and I would see women just blowing through their assets after a divorce because of poor planning. They had agreed to a settlement that really wasn't in their best interest and hadn't really thought beyond the immediate issue in front of them. As a result, I could see they were headed in a bad direction. But it was a traditional financial advisor role, and there really wasn't a lot of room to provide creative financial solutions in the way that I wanted to.

So while my background is in that traditional role and I had a lot of really good experiences learning how to do the financial advisory work and the investment research and all of that, I decided to create my own path and make my own firm so I could serve people in a way that was meaningful and where I could really help them where I think traditional financial advisors are not... They're not compensated to help people in that way. The role just isn't designed to help people in the way that I wanted to help them.

But it was through seeing so many people really struggling, even having a financial advisor, but just not being in a role where I could help them in a proactive way to craft a settlement agreement that was going to serve them for years and years. Then when I started my divorce practice and really focused on helping people through the divorce process, I would get a lot of calls from stay-at-home moms. Stay-at-home moms have a lot of additional concerns than someone who has been employed on their own and working and earning their own income. A stay-at-home mom has been depending on her spouse for her income.

There is so much fear around going through the divorce process no matter where you are coming from because there are so many life changes that are happening. But when you couple that with someone who is a stay-at-home mom and may also be looking at things such as, "How will I get back into the workforce? Can I get back into the workforce? I still have children at home. How is this all going to work," there is an additional layer of fear and concern that needs to be addressed that I found wasn't being addressed.

I wrote the book because I didn't see a lot of literature out there for people who are specifically in this place of being a stay-at-home mom and looking at the marriage not working out. And what do you do? It's in a digital format so people can get it. They don't have to worry about their spouse seeing it laying around or anything. So it's very accessible for people to start getting basic information: "How do I prepare myself? What

are the first steps I need to do?"

It's been such a challenge for the women that I've worked with to feel like they don't know where to turn or what resources are available. A lot of the women I've worked with have even waited until their kids were much older to terminate the marriage but have been in a marriage that's been unhappy for a very long time because they didn't know where to turn. It's important to me to provide resources specifically for that demographic to help them know that they're not alone, that there are resources out there, that there is support available, and that they do have options. If they are in an unhappy marriage, they don't have to stay that way, but they can look at, "How do I move through this transition and be able to stand on my own two feet?"

NATALIE: Wow! I really wish I'd had someone like you helping me through my divorce, because I didn't... You just kind of go through it and you don't really know what you're doing. You just keep your fingers crossed and hope for the best. That's what my attitude was because I just didn't know. I didn't really have money to invest, either. I thought about it. I thought about hiring someone, but I wasn't sure what they could do. It wasn't clear to me what they would do that would help me make it worth my while or make it worth my investment of money. So do you help people while they are going through the divorce process? Do you look at their books and help them to see where they can get money in the settlement that they maybe aren't seeing?

LEAH: It's a great question. I have so many people, Natalie, who reach out to me and say, "I don't know exactly what you do, but I think you're the person that I'm looking for." I think they are feeling just what you are. There is so much uncertainty. Honestly, for some people, we sit down and have a conversation and the conversation is, "Your attorney is taking great care of you and I think you're looking at a reasonable settlement." Even to just have that peace of mind, to know that somebody looked at it, I think is huge.

But most of the time when I am looking through people's information, I'm finding different opportunities or options that they may have not considered. It really looks different for everybody. The way I work with people really depends on the situation that they are starting with. Sometimes I'm digging into financials and looking for accounts they maybe didn't even know existed. Sometimes I'm helping them to develop a realistic post-divorce budget. Sometimes we are looking at how the assets are going to get divided. Really, everyone's situation is so unique because their financial situation is unique and their relationship is unique. So how I support them really does depend on where they're coming from and what that looks like.

But I think you nailed it, Natalie. I think most times people think, "I'm not even sure what help I need, but I think I need some help." We talk through it and figure it out together. I would say there are some areas that I see all the time where people need support. For example, if there is a pension that is being handled in a divorce, a lot of people don't understand pensions, the benefits, or the options when it comes to how those could be or might not be able to be divided in the case of a divorce. Attorneys are trained to advise people on the legal issues, but some of those financial questions are out of their area of expertise. I usually discourage people from relying on their attorney when it comes to some of the more complicated financial issues. A pension is one that comes up quite frequently where I think people need to reach out to make sure it is being handled correctly.

NATALIE: So are your clients local, or do you take online clients?

LEAH: Yes. This year I expanded internationally, believe it or not. People think that's crazy because divorce laws are based on the state. Even when I look at some of the states that I work in regularly from county to county or judge to judge, you can see some differences in how certain issues are handled. With that said, I don't advise at all on the legal issues. Not at all. I am specifically looking at financial issues when I'm working with people, so I'm able to help people from all over on a variety of financial issues. It doesn't matter what state they live in.

Sometimes I'm a little hesitant with the international folks as I want to make sure I have a full understanding of the complexities of their situation. But certainly throughout the United States I have pockets of people I work with in certain states because I have a client who referred me to their attorney, then suddenly I have several clients in a particular state. So I can work with people... Actually, I'm not seeing anybody in person right now. So even for local clients I am working virtually now because of the pandemic. So yes, all over.

NATALIE: Interesting. That's helpful to know. If you are listening and think you really need this kind of help, I will put a link to her website in the show notes. Just go to flyingfreenow.com/88 to get those show notes and we'll link to her book and other resources that she has as well. I'm wondering if you can give us a bird's eye idea of how a woman can protect herself financially during the divorce process.

LEAH: I would say even before the divorce process (although if you're already in the middle of it, you start where you start and that's fine) be involved in the family finances in some way. It's really to your benefit. A lot of people will tell me, "When we talk about money, I feel like my head is going to explode." I hear that a lot. Or, "It makes my head

spin." Even if you don't understand every piece of the financial conversation, just being present and involved in those conversations whether it is tax time and you're looking through your tax return before you sign off on it, just having a conversation with your tax preparer to make sure you understand what you are signing off on, or if you have a financial advisor attending all of the meetings or being on the phone calls.

Again, you may not understand everything, and that's fine. Hopefully you are working with a professional who is happy to break things down for you and explain it. But let's say you're not, and your spouse has been the one who has primarily interacted with those folks in the past. No problem: just listen. Over time you do have the same type of conversations over and over, and if you are listening and participating you will start to learn some of the vocabulary and understand some of the concepts that are being discussed more and more as you participate.

My first recommendation would be to get involved in the family finances, whatever your starting point. If you are currently the one who pays the bills and handles the everyday cash flow in the house but you let your spouse handle those bigger, long term financial decisions, start talking about getting involved in those things and asking questions. The more information you know about your financial situation, the better protected you are because you are armed with that information.

If you don't have information or you don't have access to the information, I highly recommend, especially if you are going through a divorce, you reach out to a certified divorce financial analyst. Those are folks who are specifically trained in the divorce process at helping guide you through the financial decisions that you need to make. Not all CDFAs (that's the acronym for Certified Divorce Financial Analyst) are working with the same kinds of clients. You may reach out to one and find out that isn't the right fit for you. Some are working only with clients with a higher amount of assets or more financial complexity.

But there are folks out there who are willing and able to help you even with the most basic financial issues like budgeting and things like that. They are trained for the divorce process. If you are not familiar with your finances and you're in the middle of the process, having a financial advocate on your side is huge in terms of your peace of mind, and second, making sure you come out of the marriage with the strongest financial foundation that you can possibly have.

NATALIE: So what's different between you and a Certified Financial... What was it again?

LEAH: A CDFA, a Certified Divorce Financial Analyst, and that is one of the credentials

that I hold.

NATALIE: Oh, you do? I was going to say, "I thought that's what you did?"

LEAH: Yeah, you can reach out to me, absolutely. But know that there are other folks just like me who are trained and able to help as well.

NATALIE: Okay. So the thing with my audience is that a lot of them are in emotionally, financially, and spiritually abusive relationships, and financial abuse is common. Part of that piece is that they are completely unaware of their finances and they are not allowed access to those. If they came to you and said, "I don't know what to do. I can't access my financial records. My husband has those locked. They are locked with passcodes." What is their legal right as far as having access to that, and how would they go about getting access?

LEAH: There are a few different things that we look at. I want you to understand that everybody's financial situation is unique, and that includes those experiencing financial abuse. What the abuse looks like is different as well. I always tell people to start with what they know. That may be something as simple as, "I know we have a bank account at such-and-such bank." Write down everything you know to get a good handle on that. Then ask questions. Do you know if your spouse has a retirement account at work? You may not know that information, and that's fine. We can get access to a variety of things that give us clues. Ultimately, if needed, we will work with your attorney to have documents subpoenaed if we need to go that route. So it really depends.

Some people, once they come to the realization that the marriage is over, want to do it in an efficient and inexpensive way. When they want to do it in an efficient and inexpensive way, that means that they need to be able to provide the financial documentation willingly. So sometimes even when someone hasn't been involved in the finances in the past, when they are preparing to terminate the marriage, they may be more willing to disclose that information to save money rather than having to go through the court system to provide that discovery.

The other thing is when someone goes through that process, it all becomes a matter of public record. Sometimes people don't want all their financial information made a matter of public record, so they may be more willing to disclose that information than they ever have been before.

But I always have people start with, "What do you know?" Then I may start to ask questions to see where the holes are and figure out how we're going to get that

information. Is it something where you can access the tax records? You can always access them even if you don't have access to them. Let's say you don't have a copy of what you filed. We can contact the IRS and get a copy of it if we need to. If you are on a bank account, you can always contact the financial institution and get a copy of those statements. That's where we fill in and see you do have access to things you don't realize you have access to. There may be other things where we have to use the court system that is available to access that information. So it really depends on the nature of someone's situation.

NATALIE: Okay, good. If you're listening, I hope you heard that clearly. If you feel fuzzy headed or like you don't know anything and have no idea how to get information, they can help you and walk along beside you to help you figure it out and get that information. I guess the last question I had was... I know for me, when I was going through mine, I sort of wondered what the other side would look like. A lot of women will ask me, they'll say, "I'm thinking about filing for divorce, but I'm a stay-at-home mom. I've got kids that I need to support and I don't have a career. I didn't develop a career because I was supporting my husband in his career. What does life look like for me on the other side?" Can you give us a scenario, maybe the typical scenario, of some of your clients who have walked through it and are now on the other side? What does their life look like?

LEAH: That is a great question. There is no typical. I think that's the beauty of it, really. That may sound crazy, especially if this is a situation that you are facing right now and you are feeling the fear and stress around it. I've been through it with so many people and I totally see you and know that it's hard. But the beauty of it is that it is an opportunity to create a life that you absolutely love. If you've been in a toxic relationship, even if you didn't recognize it as such, or you're just starting to realize that you are in a bad relationship, being out of that situation is so freeing, right? It really is an opportunity to create and design a life that will make you happy.

But part of that does mean getting serious about income and how you are going to support yourself. The laws are changing, and I really discourage anybody from relying on somebody else 100% for income because the laws around spousal support or alimony, depending on what state you live in and what it is referred to, a lot of that is going away or is being reduced. You can't rely on it the way that people have expected in the past.

In some states, you may not get anything as far as that goes. Then child support, as people are parenting more and more equally, the amounts people are getting in child support is changing or being reduced. When it comes to terminating a marriage and

thinking you are going to be able to live on spousal support and child support following the termination of the marriage, that may be an unrealistic expectation or a very short-term expectation.

As a result, it really does mean looking at “How am I going to provide for myself,” and even if you do get awarded child and/or spousal support in your settlement agreement, I can’t tell you how many cases I see where people aren’t following through on those commitments. It’s so important to know you are going to be okay even if that other person doesn’t follow through on their commitment for that support.

For a stay-at-home mom, that can look like a lot of different things. But I think what is so great about the time we are living in right now is that people are realizing how much can be done virtually. We are forced to realize that. Especially if you are still caring for children at home or maybe you are homeschooling, there are so many parents who are looking for help virtual-schooling right now because their kids can’t go back to in-classroom education at this time and they need help from other parents just like you. They are willing to pay for that help. So you can really get creative and think about how you are going to earn income.

It might not be a traditional 9 to 5 that we’ve thought of in the past. A lot of stay-at-home moms have said, “Well, I could get a job at this or that department store.” Really, a lot of stores and places like that aren’t necessarily hiring right now. Those hiring are people who handle customer service online for all this online ordering and things like that. Or people aren’t going to restaurants as much, but they are ordering in via DoorDash or GrubHub. People are finding all kinds of ways to make money that are outside of that traditional hourly job at a store or restaurant or getting a 9 to 5 office job.

There is such a variety of different opportunities, and that’s where I see people who are really committed to staying at home with their kids looking for different ways to earn money and still be able to do that. It really is possible, but you do have to be a bit more creative and think outside the box. I’m always encouraging people to brainstorm and think about all the different ways they can earn money. Make a list of all these thoughts that are swimming around your mind when you are thinking about getting out of a relationship or you’re in the process of terminating a marriage. It can feel big and overwhelming if you keep them in your head. But if you write them down and use it as an opportunity to think through what your skills are and what you could do with them, there are lots of virtual opportunities available.

I think Facebook is a great place to find out about a lot of those with all the different

groups that have popped up for things like virtual assistants. There are all kinds of virtual jobs that you can learn more about through those kinds of groups and how other stay-at-home moms have been able to make it work.

The other thing I talk with women who have been staying home about is when they are looking at structuring their settlement... Maybe there's a career. I recently worked with a woman who has always wanted to be a nurse. She had started taking classes part time but had never focused and got through the program because she was focused on her family. But now in her settlement agreement she is getting some extra money from her soon-to-be-ex to help fund her transition support so that she can do her nursing classes, get that done, and be able to have this career that she's been wanting and be able to support herself and her kids. For her ex, it's good because she won't need spousal support as long because she will be able to support herself, so he is more willing to provide a little bit more support in the interim. For her, it gives her more freedom and choices because she will have a good income on her own.

I also recently worked with a woman who is going through an interior design program. Many times people think of it as an opportunity to think, "Where could I beef up my skills and have a career that I would find really rewarding?" Especially when kids are getting older and they might not need you as much or maybe they are grown up and out of the house, it makes sense at this point for you to be going back to a full-time position like that. There are so many different options that are out there that I think it's an exciting time to think about what is going to give you a strong financial foundation, not just today or for the next couple of years, but going forward. Also, if you are looking to the workforce, what kind of career are you going to find fulfilling, what's exciting, and how are we going to structure a settlement agreement that is going to support you in developing that career?

NATALIE: That is so good! Another thought I've had is that I've known a lot of women who end up having to move out of their middle-class or upper-class homes in the suburbs and end up having to move into an apartment. That's a huge adjustment, and that's another layer of a loss you must grieve. A lot of them loved their homes and had created beauty within their homes, but now they're living in an apartment with their kids. I've seen so much resilience in them. They will share pictures of the little cozy places they've made in their apartments, smaller spaces. I think over in Europe they all live in small spaces, and that is just the norm. So you can imagine that you live over in Europe in this romantic little town in... I don't know. I've never been there, so I'm just making this up.

But that's what I would do: I would use my imagination and I would make my

apartment be special to me. Here's what it represents: It represents freedom and it represents peace. It represents the beginning of your new life, and it doesn't necessarily represent your landing place for the rest of your life. It's a transition place and it can be a place of beauty, too. I know a lot of women are nervous about that and afraid of what that is going to feel like. It doesn't have to feel like a horrible, crushing, devastating thing. It can feel good when you know you are doing it as a stepping stone to building a better life for yourself.

LEAH: You're right, Natalie. I think that's probably the number one reason people tend to reach out to me. It's that they are trying to find out if they can afford to stay in their house or not. I would say if there is one most common mistake that people make it is trying to stay in a house they can't afford.

NATALIE: Yes.

LEAH: It's a lot more than, if there is a mortgage on the house, "Can I make the mortgage payment?" It's maintaining the house. It's the higher utility costs. There are so many costs when you are looking at, "Can I afford to stay in the house or not?" But I think even more importantly, if you are keeping the house and all the equity in the house, what are you giving up in terms of other assets that you may have as part of your marital estate? Some people are keeping the house because they have a similar level of equity in the house that their spouse may have in a retirement plan, for example, and letting their spouse keep all the retirement assets. That might feel good in the very short term that you don't have to move and that you can stay in your house, but depending on your age, that can be such a huge financial mistake for you not to have anything liquid in retirement assets.

I do see that very frequently, but you are right. It's about making a home and not necessarily where that house or home is. I get a lot of push back from people about renting an apartment, especially if they are going to sell their home. They still want to buy a house. You are processing so much when you are going through a divorce. You are grieving a lot of different things. It's the marriage, but it's not just the marriage. It's everything that goes along with that, if you were close with your in-laws or you had friends together. I have a lot of people realizing they might not be able to stay in their same church because of their decision to terminate the marriage.

There are a lot of different things happening, and buying a house is a big decision. It's an expensive decision. So finding something temporary that gives you room to move through the transition, not be stressed out about money, and not be worried about paying the bills but gives you some of that breathing room and time to decide, "Where

do I want to live next?” and not having to rush into those decisions. I think it’s great for people to rent for a couple of years when they are getting out of a marriage. In a lot of cases, it makes a lot of sense.

NATALIE: I feel like it’s more old school to think that you must be a homeowner to have arrived. I feel there’s a shift happening where a lot of people are renting because they don’t want to be tied down to... As you said, there are so many hidden costs to owning a home. The upkeep is extremely expensive.

LEAH: Yes. It depends. I have a lot of clients in California where the house prices are very, very expensive. For them, renting is normal. It is completely normal. Then I have a lot of clients in the Midwest where, especially with mortgage interest rates being so low right now, they would never even think of renting. So it does depend on the culture of where you are living and what you are experiencing. But it’s tough. If you’ve been in a house, especially a house that you loved, and you’re transitioning to a potentially smaller place that is new and feels different, it’s a tough transition. I recognize that. But it can be such a good financial choice.

NATALIE: Before we close, I notice that you had this financial divorce bundle on your website. Tell us about that.

LEAH: Yeah. What I did was put together all the most popular resources that I have available on my website. I made a bundle so that you can get it for a low cost and get everything you need all together. It includes a binder and it also includes “how to organize the binder” checklists and worksheets, because, believe it or not, one of the things that I find that is most stressful about a divorce (and there’s a lot) is the paperwork. The paperwork can be very overwhelming for people. So this is a way for people to get really organized.

I’ve really thought through everything that you need to help you stay organized so that way you’re not stressing out about those little things. You have enough to worry about with life changes, and you don’t have to worry about the paperwork. There’s a personal financial planner which is going to help you from a financial planning standpoint create a budget for yourself and stay on top of your bills. Especially if that is new for you, if you haven’t been taking care of that in the past, that can feel incredibly stressful. I recognize that. So this is a tool you can use to help you stay organized from a money standpoint.

Then it has my two most popular eBooks from my website. One is “Preparing for Negotiations,” which is such a huge topic. Regardless of the process you use for your

divorce (yes, there are different processes you can use), but whether you are going through the court system and are filing a traditional divorce, you are trying to negotiate outside of the court system using an attorney, or you are trying to negotiate yourself, this book has a lot of great recommendations for... Some things are common sense, but when you get in the emotions of it, you kind of forget. Some things maybe you hadn't thought about in the past.

The last eBook that's part of the resource bundle is a "Parenting Through a Divorce" eBook. That talks about some of the kid issues which are also common questions that I get. I also have tons and tons of free resources on the blog on my site. I always encourage people to check out those resources. It is such a passion of mine to provide this education and this content for people. I want people to use it. I do get beautiful emails from people who have read the stuff and it's been helpful to them. So I hope you will take advantage of all the free stuff that's on my website, because there really is a lot of good stuff available to answer any of those common questions that people have when they are going through a divorce.

NATALIE: Wow! That sounds fantastic. I will include links to all those resources in the show notes, so if you're listening, all you have to do is go to flyingfreenow.com/88. That's the number of this episode. Leah, I want to thank you so much for joining us, for sharing some of your expertise with us, and your resources. I know this episode is going to probably be a very pivotal one for a lot of people. Thank you so much for coming.

LEAH: Thank you so much for having me. I really appreciate it. I want to speak directly to your audience for a minute. If it's the money that is scaring you, you can figure it out. You will figure it out. So don't let that hold you back. Don't let the fear around any of the financials hold you back. You can figure this out. You can take control over your finances and have a strong financial foundation moving forward.

NATALIE: So good! That's all we have for you today. Until next time, fly free!