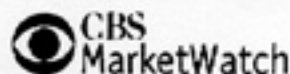


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When you're headed for divorce

By Jennifer Openshaw, CBS MarketWatch

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Personal Finance

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LOS ANGELES (CBS.MW) -- What should a woman do when it looks like she's headed for a divorce? How can she protect herself and her financial well-being?

Stacy D. Phillips of Mannis & Phillips, a divorce attorney who specializes in working with celebrity women, has some answers. She's worked on many high-profile cases, representing former Miss USA Deborah Shelton, Erin Everly, ex-wife of rock star Axl Rose, and Toni Russo, sister of actress Rene Russo and former wife of Elton John's lyricist.



Jennifer
Openshaw

"I love representing women because they generally come in with low self-esteem and knowing very little and come out with high self-esteem and knowing a lot," says Phillips.

Of course, only a few women have pre-nuptial agreements that spell out how financial assets will be divided in the case of divorce. Most women face great uncertainties as they prepare for a divorce and many end up with their financial resources depleted, according to the California Women's Law Center.

And dealing with finance calls for level thinking. Phillips encourages women to get a therapist to help them cope with the emotions and challenges of a divorce and the beginning of a new life. Most medical insurers, including Aetna (AET: news, msgs), Cigna (CI: news, msgs) and Prudential (prudential.com), will cover a limited number of sessions. Companies like Bank of America (BAC: news, msgs) also have separate employee assistance programs. So use your benefits to get the support you need to help you through the divorce.

Suzanne Pozzo, one of Phillips' clients, calls herself a "divorcee in training for 13 years." She didn't have a pre-nuptial and admits she "knew nothing about where their money was invested, and where it was going. I also didn't realize I could say 'no' to my husband's spending plans."

Don't feel stupid

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Phillips says that women "get very frightened" when they begin the divorce process. That's why finding the right attorney is key. She equates it to finding a gynecologist – someone you can talk to freely and openly, without feeling intimidated or stupid.

Aside from finding the right attorney, Phillips and money manager Reg Gipson say there's a lot women can do to prepare themselves:

Watch what you sign – Many women, according to Phillips, sign documents simply because their husbands tell them to. That's what Pozzo did when her husband would say, "you don't need to know." Signing joint income tax returns, for example, makes you individually liable for any unpaid taxes. So if he can't pay the taxes after the divorce, you must. Although "innocent spouse" tax laws have gotten better, Phillips says they're still problematic.

Check the title on your home and your bank accounts – Make sure your name appears on the deed to your home and any other real property. You can hold the title as joint tenants or as tenants in common. Either one establishes the presumption that you own one-half the property, but there are differences depending on state law as to how the property passes in the event of death. It's also wise to hold most of your funds as a couple in bank or investment accounts bearing the names of both spouses.

Inventory what you have – Don't forget that jewelry and artwork are valuable, and have been known to disappear during divorce proceedings. If you have a safe deposit box, take a witness with you to inventory what is there.

Understand your family's assets and income stream

Money manager Gipson says husbands typically "have a large chunk of their net worth" in things like their company's long-term incentive plan or in phantom stock -- things their wives don't even know about. He reminds women that "if you don't think to ask, you may end up losing out on a part of the family's wealth that you helped create."

Copy documents

Written documents -- such as bank statements, deeds, tax returns, and pay slips -- will be critical in tracing the family's assets and income stream and in determining a fair division. Phillips reminds us that all states require spouses to fully disclose their assets under penalty of perjury. But strange things can happen, particularly in bitter divorces, and it's always a good idea to have detailed documentation. **CBS MW**

Jennifer Openshaw, president of the Women's Financial Network, is a columnist for CBS.MarketWatch.com.

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