

Theo U. Schmidt

Collaborative Family Law

A financial advisor's role

Financial planning is an important issue when life-changing events happen, in periods when we are the most unprepared and vulnerable. Divorce and separation are often accompanied by frustration, confusion, anger and anxiety. In this emotional environment financial difficulties are the least desirable. However, financial arrangements, division of assets, and income provisions are a big part of any divorce process and can be another source of conflict and anger. The decisions required can easily overwhelm the parties involved who are already facing numerous challenges.

Financial advisors are an integral part of the Collaborative Family Law (CFL) team and the collaborative process. They are trained

to provide guidance and support while being considerate and sensitive to the personal and emotional issues present. To help find appropriate solutions for the case at hand, the Victoria CFL group relies on seasoned advisors who cover different areas of expertise: financial planners, a certified divorce specialist, tax consultant and business valuator.

Called in by either one party or both, the financial experts may take part in four-way meetings or consult with clients and their lawyers separately. They help with a variety of issues, including:

- Gathering and organizing financial facts/inventory, interviews
- Valuations and future projections of assets and incomes (such as pension plans)

- Proposals for support payment schedules/division of assets
- Development of scenarios ("What-if") and comparisons
- Cash-flow, tax issues, future retirement planning, children's education funding.

The financial experts educate, clarify, alleviate knowledge imbalances and help to evaluate critical financial factors—professional and objective support in times where important decisions have to be made under the influence of emotional challenges. Often the divorcing partners need assistance to understand the long-term impact of arrangements and the benefits of starting to plan their individual financial futures.

All CFL financial advisors are neutral and their proposals are designed to create a fair and reasonable financial platform within a divorce settlement. They offer unbiased guidance—in the context of the collaborative approach it is another building block for developing enduring "peace-of-mind" agreements.

Theo U. Schmidt, CFP, Independent Planner, together with Loretta Burns, CFP, FLMI, CDFA; Daniel Greco, CFP, FDS; Terry Parkes, CA; Chris Ounsted, CA, CBV; all on the CFL team of Financial Advisors.