

MEDIA RELEASE

In divorce or separation...the financial adviser should be the 2nd call made says Cardena's Iain Reid



Monday October 15, 2018. Regrettably, for all their best intentions, a great number of marriages and relationships end in divorce or separation and the ramifications on personal finances are often immense said Cardena Private Wealth* (Cardena) Director Iain Reid.

It was for this reason that the boutique wealth management and advisory firm recently released a white paper '*Dealing with the financial challenges upon separation or divorce*' as an aid and resource for Cardena clients (and their family members and friends) seeking answers during this very difficult time in their lives.

"When a marriage or relationship ends, many people find themselves in a vulnerable position, mainly emotionally, but also dealing with the anguish of how to survive financially. Hence listing the importance of calling the financial adviser next, after seeking legal advice, in Cardena's white paper", said Iain Reid.

"It's not unusual that during the course of the marriage / relationship the finances were managed by the other spouse / partner, and now the individual has to simultaneously pick up the pieces and take the reins to manage an appropriate outcome from the divorce settlement".

Obtaining financial advice in these circumstances is a very important start. Unfortunately, many an individual can attest with regret their decision not to obtain the guidance of an adviser earlier in the separation process.

Iain Reid continued, "It's imperative to have sound legal advice but it's also crucial to decide as soon as possible what mix of assets will best secure your financial future. Obtaining financial advice early in the asset settlement negotiations is a smart move".

A financial adviser can help focus on setting up the newly separated individual for the future and tackling the longer-term money issues – including preservation of wealth strategies, and meeting retirement and lifestyle aspirations.

So, what happens after the financial settlement when each party has received their share of the asset pool?

This is where some careful planning and good financial advice can help enormously by providing help in many areas including:

- Budgeting and cash flow management and ensuring there is enough income to fund a desired lifestyle.
- Assessing how best to structure the financial settlement to provide for longer term needs.
- Advice on any share of a superannuation fund that may have been received on settlement.
- Investment advice with a focus on capital preservation and generating inflation adjusted returns so longer term goals can be achieved.
- Assessing whether setting up an education trust is worthwhile to fund the children's school fees.
- Help with updating estate plans and any personal risk insurances.

It is always recommended to keep these plans updated on a regular basis with a financial adviser.

Divorce and separation can be extremely stressful for all parties involved. The emotional and financial toll on the family can be devastating. Furthermore, dealing with financial issues and the allocation of assets can be overwhelming and many individuals simply don't know where to turn for assistance – hence Cardena's motivation to produce the white paper.

“Our objective is that by assisting clients to be more informed about the road that lies ahead – including benefits of utilising the services of specialist advice providers – they will be better equipped for a new life journey and enhanced prospects for a strong financial future”, concluded Iain Reid.

The 'Dealing with the financial challenges upon separation or divorce' white paper can be downloaded from the Knowledge Hub section of Cardena Private Wealth's website www.cardena.com.au

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