

Women taking control

Divorce statistics are on the decline, with 8,551 divorces being granted in New Zealand in 2011, which equates to just less than 1% however, just over 35% of couples who married in 1986 had divorced by their 25th silver wedding anniversary. The impact on those splitting at any time can be devastating.

Many women in particular have delegated their financial affairs to the men in their lives during their marriage and then, subsequent to a divorce, find themselves out of their depth with how to manage money and how to look after their financial future.

We've seen several female clients in such situations, whether they have come out of a divorce with plenty of money or with very little. It seems that during their married lives they focussed on the important role of being the homemaker and parent. They allowed their husbands to be the breadwinner and take care of their finances, particularly areas such as the mortgage, investing in shares and property and taking care of things like insurances for the home and themselves personally.

Having this dual role in a relationship is obviously important and they often complement each other however, the woman still needs to be involved in what income is being earned by her partner, how much money is coming into the household and importantly, what is being spent on general expenses and being saved for their joint retirement planning. It's vital to remember that whatever is owned jointly is potentially split upon a divorce.

Those women we see who are fortunate to come out of divorce with sufficient assets to be able to live comfortably, still often really don't have any idea how to manage this money. It's often because they haven't set themselves any personal goals and objectives and just don't know where to start. They also haven't been used to handling large amounts of money, having had this done for them by their ex, hence they want guidance, support and knowledge to help them make good informed choices about the future. Even discussions around philanthropy and helping others in the community can give these women a purpose in life.

Those women who are not so financially fortunate after a divorce still have the same issues about not being able to manage money however, they feel even more worried about their future and how they are going to have sufficient money to live on when they get older in life. They need plans on how to build wealth and look after themselves and their children, now they are single and potentially solo parents.

There are steps that women can take to enable them to take more control of their financial lives and the first point of call often starts with their attitude towards money. Our beliefs around money are instilled in us from early in life, via our parents, siblings, peers and our experiences, so if we've grown up with negative beliefs around money, we need to start working on changing these belief systems and there are many books and people out there to help us do this. I've heard it said that if we work on our money problems, all our other troubles and problems will take care of themselves; and if we take care of those other problems the money will take care of itself.

For women to get to grips with their financial planning, whether single, after a divorce or if in a happy and secure relationship, they need to ensure they take the following steps:

- Write down their goals and objectives for their future and consider how much they need to achieve these
- Safeguard their assets by having their estate planning in order; which means having up to date wills, enduring powers of attorney, trusts and relationship property agreements in place
- Protecting themselves against illness, injury or death via personal insurance covers
- Budgeting to manage their money
- Having a debt repayment plan in place
- Having a plan for saving the money they need to have a secure financial future
- Educating themselves in the areas of financial planning they are unsure of
- Getting professional and impartial advice from tax, legal and financial planning specialists

Remember, we've all heard the cliché that a 'man is not a financial plan' however, the serious side to this is that it's true. We only own half of whatever wealth we've built up in a joint relationship so it's worth reminding ourselves of this. Women need to take control of their affairs or at least have a healthy interest in them – this will give them peace of mind and emotional stability in forging ahead in life.