Why a Certified Divorce Financial Analyst™ or Certified Divorce Financial Practioner® Should Be a Part of Your Divorce Team

An easy way to ensure the most successful outcome for your divorce client is to form an appropriate team during a divorce case. An integral member of this team is often a Certified Divorce Financial Analyst™ (CDFA™). A CDFA™ is a great complementary addition to a Family Law lawyer team in that he/she adds the expertise of a trained financial professional to the divorce process and helps to assure that all of the issues of the financial divorce are addressed and handled correctly.

The CDFA™ is especially equipped to focus on the short-term and long-term effects of the settlement for each spouse once the divorce is final. In so doing, the CDFA™ seeks to achieve a financially fair and equitable distribution of the divorce settlement for the client. This means that the financial aspect of the process is about how each client's cash flow and net worth will translate into his/her ability to maintain a reasonable standard of living after the divorce.

So how does this work? Here is an example: In Arizona, as a community property state, an equitable distribution is usually a 50-50 split of marital assets. Accordingly, an attorney may approach a given case where there is $500,000 in assets by suggesting a split down the middle where, say, the wife keeps the equity in the house and the husband keeps his retirement. The problem with such a solution, however, is that the husband retains a pretax asset and long-term financial security, while the wife has a usually after-tax asset and a house she can afford only as long as she receives maintenance.

A CDFA™ views the division of assets more from a needs-based perspective and closely studies all assets to determine not only their worth but also who best would benefit from each asset. In so doing, a CDFA™ would produce powerful case exhibits in the form of spreadsheets and graphs that demonstrate financial status, cash flow, and projected net worth of both parties. Some of the other issues a CDFA™ addresses, based on various scenarios, might include:

- Analyzing cash-flow and tax consequences
- Estimating the client's expenses after divorce
- Determining who or how one would keep the house
- Calculating the value of pension plans/options and recommending how they should be divided up
- Determining the tax implications of keeping or selling assets
- Examining the long-term effects of different maintenance scenarios
- Performing child support calculations

Finally, and perhaps most importantly, a CDFA™ works hard to ensure that the client has a clear understanding of all financial issues associated with the divorce. This often includes helping a client learn the basics in budgeting, financial planning and perhaps even in asset management.

In short, by including a CFDA™ on your divorce team, you are more likely to see a successful divorce settlement outcome for your client, and your client's knowledge level and confidence in his/her ability to do it "on their own" may increase. Together, these outcomes could lead to higher **satisfaction for your clients**. Satisfied clients boost an attorney's reputation and encourage referrals.

Eileen M. Proud-Redwanc is the founder and owner of the Tucson, Arizona-based True Financial Advisory Firm™ and has been helping people take control of their future with good financial planning and investment management since 1981. Ms. Proud received her certified financial planner credentials from the College of Financial Planning, Denver, Colorado (1984), Certified Divorce Financial Analyst™ credentials from the Institute of Certified Divorce Financial Analysts (1998), and her Certified Divorce Financial Practitioner® credentials from the Academy of Financial Divorce Practitioners (2005). Since 1981 she has been a registered security principal with general securities and state license series 7, 63, and 24. Eileen is also licensed as a Registered Investment Advisor in Arizona and Washington.

Eileen has lectured in Tucson and Seattle, has been quoted in the media with respect to financial planning and divorce and has served as an expert witness for divorce-related issues. She is a current member, past Chairperson, and President-elect of the Tucson chapter of the Financial Planning Association (formerly known as Institute of Certified Financial Planners), a member of the Financial Divorce Association, Inc., and also the financial specialist member of the Collaborative Law Group of Southern Arizona.