

# Divorcing During a Pandemic

Given the current environment, people are not only concerned for their personal health, but also their financial health. This is only magnified for a couple divorcing. Here are some thoughts that you may find helpful.

*Written by: Geoff Burroughs, CDFA®, CFP®*

## If money is need now and the stock market is down

### Talk with the bank about getting a home equity line of credit.

- This will provide access to cash, if needed, without liquidating investments.
- It can relieve some of the stress and allow clearer thought.

### Selling investments

- This can be scary in an environment like today. Everyone knows you don't want to sell when the market is down, but the feeling that you're losing money can be overwhelming. Try to narrow the focus:
  - Think linear- Focus on what is need in the short-term. How much do you need in 6 months, 1 year, etc.?
  - If you don't need all the money right away, treat it accordingly.
- Sell winners
  - There is a tendency to sell what has dropped the most to "stop the bleeding." Unless you think something is a bad long-term investment, try to only sell assets, such as bonds, that have done well in a down-turn.

- Prepare mentally for it to get worse
  - This isn't something you want to discuss every month. Assume it will get worse and sell enough so you will be comfortable in the short-term mentally, as well as financially.
  - If you are using the funds to pay off a debt, be careful about letting your investments "ride" a little longer, before you sell and payoff the debt.
- Don't try to time the market. Getting out and back in can be dangerous. Remember: for the trade to work, you need to buy when things are worse, not better.
- Engage your financial advisor in the process.
  - Advisors need to know if a liquidation maybe coming.
  - It will also help everyone be on the same page about timelines and investment strategy.

## Dividing Assets:

### Make sure you are trading “apples for apples.”

- If you are offsetting equity in the house with retirement assets, be careful. The retirement assets are most likely at a depressed value and real estate is at a high value.
- Make sure to consider market volatility when determining value date and distribution date.
- Consider taking investments “in-kind.” This way, each party can determine for themselves what they want to sell and when.

## Discuss the recovery process:

- Divorcees develop parenting plans, but they also need financial plans. Their focus is on the moment, and it is very challenging to look past the day. Now, their current financial snapshot has been crushed. Addressing this head-on can only help with reaching a settlement.

### About the Horizon Group

We take a collaborative approach to help clients navigate complex financial situations and plan for the future. We specialize in integrated financial planning, investment management and divorce financial services.



**Geoff Burroughs**  
CFP®, CFA®  
Vice President,  
Financial Advisor  
gburroughs@harborllc.com  
410-659-8905



**Katrina Kunkler**  
Vice President,  
Director of Research  
kkunkler@HarborLLC.com  
410-659-8909



**Lisa Howard**  
Associate Vice President,  
Client Relationship Manager  
lhoward@HarborLLC.com  
410-659-8914

### About Harbor Investment Advisory, LLC

Harbor Investment Advisory, LLC (“Harbor Advisory”) is an employee-owned, full-service investment and wealth advisory firm focused exclusively on serving the needs of private clients, family entities, and institutions. Harbor Advisory provides comprehensive wealth management solutions for clients seeking objective and customized advice.

As a private and independent firm, Harbor Advisory is uniquely positioned to utilize a broad spectrum of resources from many of the world’s premier research, analytical, and asset management firms. Harbor Advisory uses Pershing LLC, which is a subsidiary of The Bank of New York Mellon Corporation for integrated custody, safekeeping, and servicing of client assets.

[www.HarborLLC.com](http://www.HarborLLC.com)

### Important Information

The information contained in this report (the “Report”) is provided by Harbor Investment Advisory, LLC (“Harbor Advisory”) for informational purposes only and should not be used or considered as an offer to sell, or a solicitation of any offer to buy any security or other financial instrument or to employ a specific investment strategy. The investments described in this report may not be suitable for all investors. Any forecasts contained in this Report are for illustrative purposes only and shall not be deemed as advice or interpreted as a recommendation. While the information contained herein has been obtained from sources that we believe to be reliable, Harbor Advisory does not represent that the information is accurate or complete. Past performance is no indication of future results. Diversification does not guarantee investment success nor eliminate the risk of loss. All investing involves risk and all investments have the potential to lose value or have complete principal loss.

Harbor Advisory does not provide tax or legal advice and no information in this Report shall be deemed as such. We encourage investors with tax or legal issues to consult with their tax or legal advisor. Certain investments may involve complex tax and legal structures and accordingly are only suitable for sophisticated investors. You are urged to consult with your own tax, accounting and legal advisers regarding the tax implications of any investment. Harbor Investment Advisory, LLC is a member of the Financial Industry Regulatory Authority (“FINRA”) and a member of the Security Investor Protection Corporation (“SIPC”).