



BREAKING BAD MONEY HABITS

Changing your behavior may help you improve your financial picture.

Provided by Gary S. Roberson, CFP

Many of us plan thoughtfully for all kinds of life goals. Yet many of us spend impulsively, using our money on the moment rather than saving or investing it for the future.

This last recession caused us to take a second look at where our dollars go. If you seem to be making adequate money and yet dollars still appear to be slipping away from you, maybe it is time to break some budgeting and spending habits.

First of all, have a budget. Many people live without one – and that includes many affluent people. This exercise is starkly simple, but might be illuminating: make a two-column chart, with the left column listing your monthly income and the right column detailing your expenses. Detail them as best as you can, type and monthly amount. Include your credit card expenses. This little exercise shows you how much you are spending on essentials and how much of your income you are assigning to comparative frivolities. Perhaps you will find some dollars you could reassign to preparing for your financial future.

Distinguish needs from desires. Do you need that material item or merely want it? Slick marketing and advertising leaves many consumers unable to tell the difference. They run up debts to buy what they want, rather than what they need. How many of them understand that by borrowing, they are actually spending away future earnings?

Discern the difference between good & bad debt. Do you know the difference? A bad debt is a debt you incur on a disposable item or a durable good that will depreciate. It is a debt on something that has no potential to gain value. You want to avoid as many bad debts as you can. Of course, there is also good debt – for example, a mortgage, a business loan or a student loan. These are so-called “investment debts” that can potentially create value down the road.

Educate yourself. Some people are very cavalier when it comes to spending and saving money. Others are convinced that they will never be able to build wealth, so they spend their days addressing short-term financial needs and give no thought to the wealth and income they will need in maturity.

In both cases, the root problem is a lack of education. Those who spend money like water don’t understand its value; those who shun financial strategies and investing don’t understand its potential. People with greater degrees of financial education tend to be more rational when it comes to financial decisions. (Not always, but often.)

Set financial goals and take them seriously. When people educate themselves about money – the ways to potentially make it, the ways to plan to protect it – they start to see how the financial world “works” and they tend to explore their own financial potential. This exploration may lead them to meet with a financial professional. That conversation can inspire them to set and prepare for specific objectives, and get a relationship going - a shared commitment to wealth building. If you haven’t had such a conversation, today is as good as any day for that to happen.

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When One Spouse Manages the Finances



Just like any partnership, each partner relies on the other's strengths to manage aspects of a business. One partner may manage the books while the other handles the marketing. It is the same in a marriage. Typically one spouse manages the household expenses, pays the bills, and manages the details of the retirement and savings plans. Other duties include but necessarily are limited to: coordinating the family health care needs, managing the children's after school activities, booking family vacations, managing the upkeep of the home, the yard work, coordinate family entertainment, etc. The list is forever long.

But what happens in the case of a divorce? Each spouse becomes the manager of all of the above in now their own household. Often what causes fear through the divorce process is that the spouse who did not manage the household finances is now put in the position of managing a budget for the first time! This can be a very daunting task.

Setting up a budget is a very simple task for some while for others it looks like greek. If a spouse is accustomed to no restraints on spending, or they have no clue how much money it takes to run a household, then they are going down a path of financial disaster. Money and time is well spent on the spouse who needs budgeting 101. This could be part of your divorce settlement. Not only does it help the spouse managing the finances for the first time, it helps with the negotiations of the final divorce settlement.

Often fear of the unknown is what paralyzes people from making rational, educated and well thought out decisions. Seek the help of a CDFA or financial planner who works with people to help them set up and follow a budget. Once the budgeting issue is understood, then the task of planning for the future can begin.

Take the fear of 'Will I be OK?' out of the equation with a properly designed budget. Then know that after the divorce the financial issues will not be such a monumental task!



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Services We Provide

Prepare Lifestyle Analysis to support need for or ability to pay alimony

Valuing Marital Assets through documentation

Preparing Financial Declarations and provide consultation of budgeting household expenses

Providing Evidence of Hidden Assets

Assist with mediation and settlement meetings by certified mediator

Project Cash Flow and Net Worth

Analyze Settlement Offers

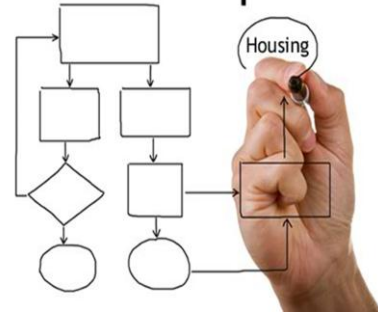
Post-Divorce Exit Strategy

QDRO services (SC attorney to draft) and face to face consultation with client to explain options

Internationally trained collaborative Law professional for collaborative divorces

Estate Planning for Blended Families

Services we provide





Coulter has been certified as a CDFA since January 2006. She started Splitting Assets at the same time. Since that time she has obtained her community mediation certification and her Interdisciplinary Basic Collaborative Practice certification. These certifications along with her 12 years of experience working in the financial services industry makes her highly qualified to work with individuals going through the divorce process. She is a graduate from the University of South Carolina and has worked with companies such as John Hancock, Wachovia, AXA Equitable and Roberson & Roberson Financial.

Along with her professional experience she has personally experienced divorce and the effect it has on an individual emotionally and physically. As part of her 'pay it forward' she provides empathy with every client she works with before, during and after the divorce process. With Coulter it is more than just getting through a divorce, it is the life you live after divorce that matters. Stay tuned for more information regarding her book, 'When Divorce is Never Enough'. Coulter is still accepting women who want to share their divorce stories with other women in her upcoming book. Please call Leslie Gilroy at 803-790-2674 to set up an interview. All participants will receive a free copy of her book.

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