



## Release

### For Immediate Release

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### **Baird Offers Financial Planning Advice to Women Navigating a Late-Life Divorce** *Baird's Patty Estopinal: "Separate the financial from the emotional."*

**MILWAUKEE, May 18, 2016** – While the divorce rate has been declining over the last few decades, late-life divorce among those aged 50 or older is on the rise and the financial stakes can be even higher for women who may be out of the workforce or if they do work, still earn less than men.<sup>1</sup> Women also face greater economic risk on their own simply because they tend to live longer. It's essential that women facing a divorce later in life take steps to ensure that their financial interests are protected and they have the resources to regain their financial footing.

"After 32 years of marriage, I found myself traversing the divorce terrain myself," said Patty M. Estopinal, CIMA®, CDFATM, a veteran financial advisor in Baird's Roseville, Calif., wealth management office. "The experience taught me firsthand the importance of separating the financial from the emotional." Prior to facing divorce herself, she had completed specialized training to become a Certified Divorce Financial AnalystTM out of a desire to help others navigate this life transition. Estopinal is also President of the Baird Women's Advisory Council.

"My role is to analyze a couple's financial assets and look at the implications of various settlement outcomes, both in the short term, as well as 10 or 20 years down the road, factoring in the impact of taxes, potential investment results and inflation," Estopinal said. "For example, if one spouse takes the retirement accounts and the other takes the investment accounts of equal value, the spouse with the retirement accounts needs to factor in that the money can't be withdrawn without penalty until retirement and that withdrawals are taxable."

Another common example is that after raising a family, many women feel emotionally connected to the family home. But, keeping the house can often be a mistake from a financial perspective. "Women need to give careful consideration to whether they can afford to keep their home, which often comes with a mortgage and property taxes, not to mention the considerable cost of upkeep," Estopinal said. "Unlike an investment portfolio, homes do not generate an income stream and may not have the same potential to increase significantly in value after factoring in all of the costs."

"If there is one message I like to impart to clients, it is that they have one chance to get this right," Estopinal said. "I encourage them to align themselves with a team of experts they can trust and to take the time to make smart, thoughtful decisions that will put them in the best position to rebuild their lives."

Estopinal offers the following advice to women navigating a divorce:

1. **Contact an attorney.** The first step for those facing divorce is to contact an attorney immediately and listen carefully to their advice. "The attorney is there to protect your interests during an emotional time," Estopinal said. "It's important that you stay grounded and thoughtful in order to negotiate the best settlement."

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2. **Get and keep copies of all of your financial records.** If your spouse has been responsible for the family's finances, this can be a significant undertaking. Estopinal says you will need the last three years of tax returns as well as bank, brokerage, mortgage, credit card, insurance and retirement account statements, as well as recent paystubs. "Gather this information even before filing for a divorce, if possible," she said.  
In some cases where a spouse is not openly sharing information or may be trying to hide income, Estopinal suggests getting copies of bank mortgage or loan applications. "These can be more accurate," she said. "Most people are honest on these documents, as there are significant ramifications for false or incomplete information."
3. **Look at all joint debt.** Cancel all joint lines of credit or credit cards. "Judges pay close attention to activity leading up to a divorce," Estopinal said. "While you might be tempted to go on a shopping spree, resist the urge. A judge could make a high-spending spouse responsible for a large credit card debt."
4. **Rewrite your financial plan.** "Divorce generally cuts assets right down the middle while nearly doubling expenses," Estopinal said. "The reality is that both spouses generally will need to reduce expenses in order to live within their means."
5. **Update insurance policies.** Life or disability insurance policies written before the divorce will need to be updated. If you will rely on spousal or child support, it may make sense to take out new policies to insure your post-divorce income.
6. **Evaluate spousal vs. child support.** Spousal support will be deductible for the person paying it while taxable for the recipient, while child support is neither deductible nor taxable. "You'll want to consider the after-tax implications for both spouses," Estopinal said.
7. **Consider the impact on your retirement.** "After divorce, the biggest piece of advice I give is, don't waste time getting back on track," Estopinal said. "Put as much money as you can into tax-advantaged retirement accounts. Take advantage of 'catch up' contributions on 401(k) and IRA accounts that allow those over 50 to save more."
8. **Evaluate Social Security.** If you were married longer than 10 years, you can apply for 50% of your ex-spouse's Social Security benefit if it is larger than your own. "You may be entitled to a higher benefit," Estopinal said. "It doesn't affect your ex-spouse who doesn't even have to know."
9. **Upgrade your skills.** For women who left the workforce to raise a family, eventually returning to work may be necessary. "Spousal support does not go on forever," Estopinal said. "Consider returning to school to build and refresh your skills to help you land a better job."
10. **Manage legal costs.** Contested divorces can run up significant legal bills especially when spouses use the divorce to punish each other. Collaborative divorce and mediation have become increasingly popular for this reason. The goal is to find a faster resolution and to work together as a team to maximize the outcomes for both spouses.

To schedule an interview with Patty Estopinal, contact Amy Nutter, Baird Public Relations, at (414) 765-3988 or [anutter@rwbaird.com](mailto:anutter@rwbaird.com).

*Robert W. Baird & Co. does not offer tax or legal advice.*

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### **About Baird Women Advisors**

Established in 2008, Baird Women Advisors is a group comprised of women financial advisors at Baird. By bringing these advisors together to network and share best practices, the group is committed to promoting the profession and making Baird the best place to work for women in wealth management.

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<sup>1</sup>Source: Centers for Disease Control and Prevention: [http://www.cdc.gov/nchs/nvss/marriage\\_divorce\\_tables.htm](http://www.cdc.gov/nchs/nvss/marriage_divorce_tables.htm)