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Onward™ Guides:

Getting Financially Organized for Divorce

What financial disclosure requires, why it matters, and how to get it right.

Understand → Find → Organize → Classify → Trace → Value → Verify

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What is Financial Disclosure?

Before you and your spouse can divide anything, you each have to lay out your complete financial picture.

Most states require you and your spouse to report four things:



What you own



What you owe



What you earn



What you spend

The process usually involves filling out complex court forms, producing a detailed list of assets and debts, creating a monthly budget built from a year or more of income and spending, and finding the documents that back it all up.

Accurate financial disclosures inform some of the biggest decisions in your divorce, from what happens to the house to how much support one of you might pay the other.

Divorce IRL

Real stories from people who've been through it.

Something I didn't know to ask

Equal value doesn't always mean equal value after taxes.

> When my spouse and I divided our assets, we focused on what each asset was worth at the time. What I didn't understand then was that two assets with the same value can have very different cost bases, and therefore very different tax consequences when they're eventually sold.
>
> **I learned that knowing what an asset is worth is only part of the financial picture. Understanding its history can matter, too.**

— Sari

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Getting it right matters

Gaps and errors cost time and money.

Missing or inaccurate information can mean more document requests, higher professional fees, and delays. If important information comes to light later, your agreement may be challenged. Intentionally hiding assets or income is more serious: a court can impose financial penalties or order you to pay your spouse's attorney's fees.

An inaccurate picture can lead to a bad deal.

Incorrect or incomplete information can lead you to agree to terms that aren't fair to you. You might give up your share of a retirement account you didn't know existed, or take on more debt than you realized. And if your monthly spending is inaccurate, it can affect how much one of you agrees, or is ordered, to pay the other each month.

The better the information going in, the better the decisions coming out.

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Seven steps to financial clarity

Understanding what you own, owe, earn, and spend sounds simple. Getting to the full picture takes seven steps.

1 Understand | 2 Find | 3 Organize | 4 Classify | 5 Trace | 6 Value | 7 Verify

1

Understand

Learn the language.

What's a HELOC? A K-1? An RSU? What's the difference between a 401(k), IRA, and pension? Does your spouse's business count as an asset? What about stock options that haven't vested yet?

You don't need to become an expert, but you do need to recognize what to include.

2

Find

Track everything down.

Gather the documents that tell the story of your finances: statements from your bank, credit card, and investment accounts, plus tax returns, pay stubs, retirement records, and loan documents.

Some are easy to find. Others are buried in old emails, employer portals, or accounts you might have forgotten you had.

3

Organize

Turn the pile into an inventory.

Bring every account, debt, income source, and expense into one place. That can mean pulling together information from multiple accounts and sorting thousands of transactions into useful categories.

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4

Classify

Decide what each thing is, and whose.

Is money coming into an account actually income, or is it simply being transferred between accounts? Is that spending personal, household, or business?

Depending on your state, assets and debts may also need to be classified as marital (or community), separate, or both, which can affect how they're treated in divorce.

5

Trace

Follow the money back.

Did money you had before the marriage go toward the down payment on your home? Did you contribute to a retirement account both before and during the marriage?

A current balance tells you what something is worth today, but not where the money came from. That history can affect how much you keep.

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6

Value

Put a number on everything.

A $12,000 checking account is easy to value. A house, a business, stock options, or a piece of art may take more research or a professional appraisal.

Knowing what things are worth helps you understand what you're actually dividing.

7

Verify

Make sure it all adds up.

Do the balances on your disclosure match your statements? Does your reported income match your pay stubs and tax returns? Are any accounts missing? Did you count the same money twice because it moved between accounts?

A final check helps make sure the numbers you're relying on are complete, accurate, and up to date.

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The goal: financial clarity

After these seven steps, you'll be able to answer with much greater clarity:

- What do you own?
- What do you owe?
- What is it worth?
- When and how was it acquired?
- What do you earn?
- What do you spend?
- What documentation supports it?

That's your financial picture.

Building that picture is often the hardest part.
Onward guides you through it, step by step.

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