

# Cash flow projections are key

by Laura Briedis

One of only a handful of Certified Divorce Financial Analysts in the area, Leah Villalobos, owner of *Great Lakes Divorce Financial Solutions*, helps individuals and couples evaluate divorce settlement options and works with them after the divorce to help them make good financial decisions. Here she shares tips on avoiding one of the top 10 mistakes people make during divorce.

## **Don't underestimate the importance of cash flow projections when considering a divorce settlement.**

"Oftentimes, spouses are more focused on the house or a specific asset when considering the divorce settlement, but they also need to consider actual cash flow or they may end up liquidating those assets to make ends meet," Leah says.

"Keep in mind that while you might get the house in the settlement, it may need a new roof in a couple of years. Make sure you have money for home repairs. In addition to the mortgage, you also need to make sure you have enough cash to pay for insurance and property taxes in order for you to afford to stay in your house," she adds.

"Cash can come from different sources,"



Leah Villalobos

Leah says. "For example, if you are dividing a 401(k), and you are the recipient of a 401(k) that is not yours, you have one opportunity to take money out without paying the 10 percent tax penalty for early withdrawal. You also have to consider

that if you get a pension as part of your settlement, you may not have access to that pension for many years depending on your age. As a result, even though you get the value of that asset, you may find cash to be more beneficial over the next several years so you'll want to plan accordingly."

*Great Lakes Divorce Financial Solutions provides financial coaching, mediation and affidavit services, as well as analysis for cash flow projections, maintenance buyout calculations, 401(k), community property valuation and executive compensation valuation. Offices are located at 7017 Pearl Road in Middleburg Heights and 6100 Oak Tree Boulevard, Suite 200, in Independence. For an appointment, call 216-328-2113 or visit [GreatLakesDFS.com](http://GreatLakesDFS.com).*