

Your Money Matters

A Guide to Financial Independence for Women



A publication of the Women's Law Center of Maryland

This booklet is dedicated to
Lyn P. Meyerhoff,
a woman who was a
champion for the powerless
and in whose memory
this work is dedicated.

From the Executive Director

The Women's Law Center is committed to equality for women; financial independence is a key element of equality. Reliable and accurate information supports women's independence by allowing us to make informed choices based on facts and understanding. Therefore, we are very pleased to offer *Your Money Matters* as a tool to support and enhance women's financial literacy and autonomy by providing straightforward and useful information about women's financial independence at all stages of life.

Your Money Matters influenced everyone who worked on it. All of the talented people who contributed to this publication had some personal insight about ways to improve their own efforts to achieve financial independence. Whether it was deciding to save for retirement, having a frank conversation with a spouse or partner about financial matters or becoming more involved in the family's investments, each of us has made some positive change. We are gratified by this response because it is exactly what *Your Money Matters* is intended to accomplish. We hope that each reader will take similar steps to insure her own financial independence.

The Women's Law Center is extremely grateful to the Lyn P. Meyerhoff Fund for underwriting *Your Money Matters*. Their commitment to improving and protecting women's financial security is inspirational. I also have tremendous respect and gratitude for Jeannette Karpay's excellent work on *Your Money Matters*. She has pulled together complex information from disparate sources to create a valuable resource for women. Her dedication, insightfulness, thoroughness and creativity have been outstanding.

The message of *Your Money Matters* is simple—pay attention to your money matters, be involved in and educated about your financial status, protect your financial well-being and plan adequately to insure your financial independence. We hope that this publication will give you the practical tools and tips to accomplish these important goals.

Regards,
L. Tracy Brown

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ii

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Jeannette Karpay
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Contents

Message from the Executive Director of the Women's Law Center / i

Acknowledgments / ii

Introduction / 1

Chapter 1: Growing Up About Money / 2

The Basics of Financial Freedom

Chapter 2: Starting Out Right / 5

Where Does the Money Go?

The Credit Card Curse: Get Out of Debt

Budgets

Saving Yourself

Who Can Help? Going Professional

Go for the Goals

Do You Need Insurance?

Bottom Line

Chapter 3: Joining Forces with Others / 11

Domestic Partnerships

Living Together Contracts

Advance Directives

Owning Property Together

Marriage [or Something Like It]

Independence

Planning for the Future

What Do You Want?

Retirement Assets

Insurance

Estate Planning

Chapter 4: When Things Go Bad / 19

Aspect 1: The Emotional Process

Aspect 2: The Legal Process

Selecting an Attorney

Questions to Ask at Your Initial Consultation

Mediation

Who Should Mediate?

Mini Course on Divorce in Maryland

iii

	Separation Agreements and Marital Settlement Agreements
	Moving a Case Through the System
	How to Assist Your Attorney
Aspect 3: The Financial Process	
	Institutions to Notify
	Getting on with Your Life
Chapter 5: Widowhood or "Single Again" / 26	
Step 1: Locating Papers	
Step 2: Meeting with Advisors	
	The Attorney
	The Accountant
	The Financial Planner
Step 3: Notifying Interested Parties	
	Bank
	Credit Cards
	Insurance Companies
	Social Security Administration
Step 4: Assessing Your Financial Situation	
	Social Security
	Insurance Policies
	Employer Benefits
	Veteran's Benefits
	Establishing a Budget
	One Year Later
	Estate Planning
	Insurance Planning
	Conclusion and Endnotes
	Appendix 1 / Resources for People Without Attorneys
	Appendix 2 / Free or Reduced-Fee Attorneys
	Appendix 3 / Additional Reading
	Form 1 / Budget Worksheet
	Form 2 / Net Worth Statement
	Form 3 / Information Form for Attorney Meeting

Introduction

There are natural stages to a woman's life. Upon leaving home we establish ourselves independently by becoming employed and possibly purchasing a home of our own. At some point we may decide to share our lives with a partner, either through a long-term live-in relationship or marriage. We may devote two decades or more to rearing children. But due to divorce or death of a spouse, more than half of us will find ourselves single again at least once in our lives. And too many of the newly single will find themselves in financial trouble, woefully unprepared to handle the serious money issues that arise.

The topic of financial literacy and independence is a vast one. *Your Money Matters* is not designed to provide specific legal or financial advice for individual cases. Rather, it is designed to educate all women about the importance of achieving and maintaining financial knowledge and independence throughout life. The book is broken into five chapters, beginning with general information every woman should know, no matter her age, and followed by chapters on young women establishing themselves independently, partnering with a mate, dissolving partnerships, and living independently again as a divorcee or widow.

What you are reading was inspired by the stories many women have told to their attorneys, friends and families. These women, many highly educated, found themselves in situations where they were financially strapped because they lacked the necessary information or simply failed to plan for a future without a partner or spouse. Some of their words appear throughout the text of this booklet. One woman's compelling, but all too common, story inspired the development of this project. One of Lyn P. Meyerhoff's daughters experienced a close friend's terrible financial struggles during and after a divorce. Remembering her mother's motto: "Don't get mad, get justice," she proposed that her siblings, fellow trustees of the Lyn P. Meyerhoff Fund, consider funding work in this area.

An initial meeting with Susan Elgin, Board Member of the Women's Law Center, revealed that there was a serious need to document the financial outcomes of divorce in Maryland. The Women's Law Center subsequently proposed a unique statewide research and advocacy project which the trustees of the Lyn P. Meyerhoff Fund enthusiastically supported. *Your Money Matters* is part of that project.

Chapter 1 / Growing Up About Money

A *New York Times* article dated March 17, 2003 reported on a group of high school girls who were learning to control their financial destiny in a

school that has declared finance and financial literacy an educational priority, essential to real gender equality....In an advanced statistics class they establish that men marry younger women and then die earlier, leading to an army of widows. In pre-calculus, they determine that saving \$1,000 a year from their 20th birthday until their 30th would yield a bigger nest egg than saving the same amount from age 30 until retirement. In Math 12, they plot on spreadsheets how long that retirement fund would last depending on how much they start with and how long they live.¹

Sound like *your* high school experience? If you are like most of us, hardly. Chances are this information was nowhere in your high school or college curriculum, nor was it taught at home, either. The goal for the school in New York is one we should all have: knowledge of basic personal finance, including credit card debt, living on a budget and retirement planning. But traditionally women have been led to believe that someone else, i.e. a man, will take care of these matters for us, that we are neither smart enough nor savvy enough—

or, perhaps just not interested enough—in financial matters to take on this responsibility for ourselves. Although the message may seem quaintly out of date, it still needs to be stated: Prince Charming is not coming to rescue you. And even if he does, do not hand over the checkbook! In order to live securely with a measure of control over your life, you must take charge of your own financial life.

Children learn what they live. This adage applies to your views of money. What you learned about money when you were young shapes the way you view and value money now. Was money always available and rarely mentioned in your childhood? Or was it scarce and a source of stress in the home? Did your parents include you in financial discussions as you were growing up? Were they role models for frugality, or for free-spending? Some people who grew up struggling financially continue to scrimp and save even after they achieve a high level of financial freedom. Others, who never gave money a thought, continue to spend with no regard for where the money is coming from, and when it may run out. It is important to review your money history and think about how it affects your money behaviors today.

Independence is a goal for each of us. We prepare for it each year of our childhood, and we exhibit it when we leave home, start a career, marry, and have a family of our own. But what about financial independence? It's an increasingly complicated and urgent goal for a woman. Women live on average seven years longer than men. At least one-half of all marriages end in divorce. We change jobs seven times more than men do during a lifetime and we take twelve

more years out of the workforce than do men to care for children and aging parents. In short, compared to men, women spend more years living on their own but have fewer years to earn the money they will need to support themselves.

A recent survey of 20-year-olds found that men and women in their early twenties have identical goals: to achieve financial independence and residential independence before marriage and to delay marriage.² Around the mid-to-late twenties, however, a divergence between the sexes occurs. By then, women begin desiring a long term committed relationship, while men are still reluctant to give up the single life. If you are a young woman who has set financial independence as a goal, congratulations. Chances are that many women in your mother's generation and older did not. They still viewed marriage as their route to financial security and paid little or no attention to financial matters.

In a healthy marriage or union, each partner respects the other. There is no dominant partner, no submissive one, and each brings his or her sense of identity and self into the relationship. When one partner controls the finances in a family, it can lead to control in other areas of the relationship. Battered women report that the cycle of violence often begins with controlling of money, relationships and other personal freedoms. It is the financially independent woman who can feel confident and unafraid. Once you know you are in control of your finances you can approach personal and professional relationships on equal ground. You can live alone or join your life with another. It's your choice.

To help you achieve financial independence, *Your Money Matters* will outline eight goals of smart money management.

■ **Always know your financial situation.**

Whether you are by yourself or joined with a partner, never abdicate responsibility to another person.

■ **Organize your finances.** Designate a place in your home where all financial records are kept. This should be only one location, such as a file cabinet or drawer. Consider creating a file for each of the following categories that apply to your life: credit card accounts and balances (updated monthly), tax returns for the past five years, insurance policies (life, disability, homeowners, etc.), bank statements, retirement account statements, investment account statements, wills and trusts, birth certificate, marriage certificate, divorce certificate, Social Security records, safe-deposit box location and key, immigration documents, military discharge papers, real estate titles and deeds for property owned, most recent mortgage statement or rental agreement, title insurance, auto registration or lease agreement, partnership agreement or pre-nuptial agreement.

■ **Don't borrow money with credit.** (Page 6)

Credit cards charge too much interest to be used as a source of borrowing. Have one or two at most and pay off the charges each month.

■ **Keep three months of monthly expenses in savings on hand.**

You never know when an accident, injury or simply job change may occur. Having three months' minimum expenses available will help you get through.

■ **Always have a budget.** (*Page 6*) Even if you are just starting out with little income and few expenses, create a realistic budget and try to stick to it. (*See Form 1*) Make sure to revise the budget as your income and expenses change.

■ **Plan for retirement—it's never too soon.** (*Page 7*) If your employer offers a retirement savings plan, take advantage of it. If not, begin regularly putting part of your income into an individual retirement account (IRA).

■ **Set financial goals.** (*Page 9*) These may include vacations, major purchases, and working less. All of these are possible if you plan for them. Consult a financial professional (accountant or financial advisor) to begin planning for your future.

■ **Make plans for the unexpected.** (*Page 10*) Purchase disability insurance, and life insurance if you have dependents. Consult with an attorney to devise a living will or advance directives to inform your loved ones of what to do in case you suffer serious injury.

Chapter 2 / Starting Out Right

Leaving home can be exhilarating and terrifying at the same time. The feeling of independence is wonderful, but it brings with it greater responsibility. Welcome to the world of car payments, insurance premiums, rent and mortgage payments, tax returns and—last and too often least—**savings**.

If you are reading this while still in the nest, you have a wonderful opportunity. You can plan for your financial independence. Most young women don't. Perhaps they are waiting to commit to a relationship and settle down before thinking about such things. But now, more than ever, it pays to get started early. A national survey found that 53 percent of single women between ages 21 and 34 live paycheck to paycheck (compared with 41 percent of married women and 42 percent of single men).³ The study, released in May 2001, also found that 54 percent of those surveyed said they would be more likely to acquire 30 pairs of shoes before they saved \$30,000 for their retirement.

Talking about retirement in your twenties may seem silly to you now, but it's not. Today, the chances you will stay in the same job, or with the same company, until retirement are slim. The average stay at a job for women is less than five years and many women will find themselves working part-time or taking unpaid leave for family needs. More than two-thirds of all part-time workers in the U.S. are women, and part-time work usually means no benefits, no retirement plan, and no pension. Women also take an average of 11.5 years away from the work force, with no retirement benefits, Social Security or pension accruing.

Dr. Marci Rossell, a corporate economist with Oppenheimer Funds, one of the nation's leading mutual funds families, states in the study listed above, that “for well-known reasons—including longer life spans and the declining contribution of Social Security—this is a generation potentially at risk, financially speaking. And women will bear the brunt. The good news is that Gen Xers have plenty of time to secure their future, but tomorrow is not too soon to start.”

Make the commitment now to educate yourself about financial matters. By doing so, you will be on your way to attaining a pattern of financial independence that you can maintain throughout your life.

Where Does the Money Go?

Before you can begin to achieve financial independence, you first need to understand where your money is going. If you have a check register and credit card bills for the past six months or year gather them together, then complete the budget worksheet. (*See Form 1.*) By calculating your monthly income and comparing it to your monthly expenses, you can quickly determine whether you are running a deficit or surplus each month. If your math shows that you have money left at the end of the month, but you never actually have that money, chances are you have miscalculated your expenses and are building up debts to the bank or credit card companies.

Most of us spend more than we realize in a typical day. Automated teller machines, as

convenient as they are, certainly don't help. It is so easy to take out \$100 on Friday, have nothing left on Sunday, and not really know where it all went. Sound familiar? Start carrying around a small notebook and write down every penny you spend for two to four weeks. Not only will you get a better handle on how incidental expenses add up, you'll spend less, too.

If you are one of the thrifty ones who have real honest-to-goodness money left each month, congratulations. You may skip the next paragraphs and proceed directly to *Budgets* below. If, like many single women, you are coming up short each month, read on.

6

The Credit Card Curse: Get Out of Debt

Before you can begin saving and planning for the future, you must get out of debt. Credit card debt is the most common type. Among women ages 21 to 34, some 46 percent have an outstanding credit card balance. The high interest rates charged by credit card companies, 14 to 21 percent, make them the worst source of borrowed cash. On the other hand, opening a credit card account and paying the bills on time is one of the best ways to establish a good credit history. When you need to borrow money for major purchases, the bank, mortgage company or credit union will check your credit history before agreeing to lend to you. If you have never checked your credit

One of the best ways to keep track of your spending is to use a computer program such as Quicken or Managing Your Money.*

history, you can do so through a number of sources, including www.equifax.com, www.experian.com and www.transunion.com.

Marylanders are entitled to one free credit report a year. Check your credit each year to make sure your record is good and accurate.

Make a commitment to stop over-using credit cards and pay down the balances as soon as possible. Set up a monthly payment schedule that is affordable yet begins to chip away at your debt. If you are able to borrow money at a low or no-interest rate from family or friends, do it. (Paying \$2,000 in credit card bills with interest-free money, for example, will save you at least \$280.) Decide the maximum you can pay each month and pay it. The key is to pay down the debt itself rather than paying only the interest each month.

Once you are debt-free resolve to use credit cards only for convenience and when you know you have enough money to pay them off at the end of the month. Avoid collecting credit cards from all of your favorite stores, despite their interest in giving you one. Keep just one, two at the most. Otherwise, spending can quickly get out of hand.

Budgets

Now that you see what you are spending, you can establish a realistic budget. Certain expenses such as rent or mortgage, car payments and insurance premiums are fixed.

** These programs are set up like a check register for your computer, allowing you to record all transactions (deposits and withdrawals) as well as pay bills, organize your spending into categories and set limits on those categories. The programs will calculate monthly and/or yearly expenses for you, so you can determine where every penny is going. Many banks also offer on-line services that perform the same functions. Check with your bank and compare the features of each program to decide which one is best for you.*

Utilities (electric, gas and water) and phone bills can be decreased simply by using less. Then there are medical expenses, which can be less predictable and unavoidable. Estimate how much you spent in these areas last year and

Credit cards vary widely. Shop around for the best credit card deal. The Annual Percentage Rate (APR) and other costs differ from card to card. The Federal Reserve Board publishes a survey of credit cards and other important information to consider when selecting a credit card.

divide it by 12 to establish a monthly budget for the coming year.

The rest of your expenses are entirely within your control. How much you spend on travel, entertainment, clothing, and food is up to you.

Analyze how much you spent in these categories last year.

Does it seem reasonable given your income?

There are general guidelines that might help. For example, your rent

or mortgage payments should not total more than 25 to 30 percent of your annual income, food expenses 8 to 15 percent and clothing 6 to 8 percent.

Remember your goal of financial security and decide what you can eliminate. Giving up your daily coffee-to-go can save \$438.00 (Dunkin' Donuts basic) to \$978.20 (Starbucks latte) a year or more. Be realistic about what you are willing to give up. If you vow to deny yourself new clothes or lunches with friends, you are doomed to fail. You will want to splurge on a nice dinner out or a new outfit every once in awhile. Budget for it.

Saving Yourself

Now for the good news. You are at a perfect age and stage in life to start creating a secure financial future. Most women don't think about it until middle age. By setting aside minimal amounts of money now, and throughout your working years, you can put yourself ahead of the crowd. You also will be establishing a habit of financial discipline and independence that you can maintain throughout your life—whether you marry, have a long-term relationship, or remain single.

Preparing for retirement is an important goal for everyone. Remember that Social Security is a safety net designed to provide only the minimum support. In 2001, the average Social Security benefit for retired female workers was \$9,072 a year, only \$444 above the official poverty level.⁴

You can save through your job if you work at a company or business that offers a savings plan as a benefit. There are a number of savings or retirement plans offered. If your company does not offer one of these plans you should contact a financial professional to see what plan would be best for you. The following is a description of some of the most widely used plans. It is not an all-inclusive list and the plans are only briefly described.

1. The Savings Incentive Match Plan for Employees (SIMPLE) may be offered for employees in companies with 100 or fewer employees who earned at least \$5,000 in the preceding year. Employees can contribute up to \$8,000 (2003), \$9,000 (2004) with pre-tax dollars, and employers are required to contribute also. Withdrawals can be made at any time; however, if money is withdrawn from the plan before age 59½ there is

generally a 25 percent early withdrawal penalty (during the first two-year period of the plan) and 10 percent (anytime after two years).

2. The 401(k) plan allows employees to save for retirement by deferring a portion of their salary to their retirement plan on a pre-tax basis. Some employers will match a portion of the employee's contribution. If your employer offers a 401(k) plan take advantage of it. Smaller businesses are not likely to offer this plan due to its cost and administrative burden. The amount of money you save is the amount you contribute plus the interest earned on that contribution, all of which is tax-deferred.

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Here's an easy way to figure out how fast your money will grow at different rates of return. Take 72, divide it by the rate of return on the investment to find out how many years it will take to double your money. Then consider the effect of inflation. If inflation runs at 6 percent per year, your investment dollars will be cut in half every 12 years.

Rule of 72

- 72 ÷ 3% = 24 years
- 72 ÷ 6% = 12 years
- 72 ÷ 9% = 8 years

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3. Individual Retirement Account (IRA). A traditional IRA currently allows for a tax deduction on the contribution (up to \$3,000 per year), but any future withdrawal is taxable. Another type of IRA, the Roth IRA, does not allow for a tax deduction on contributions, but all future qualifying withdrawals plus earnings on the contributions are tax-free. Both types of IRAs are only allowed up to certain income levels and there are penalties for withdrawing the money from your IRA before 59½. There are exceptions to the penalty, such as a one-

time withdrawal exception for purchase of a first home, or an exception to pay for major medical expenses. Consult with a professional knowledgeable about IRAs to see which IRA is best for you and whether you should make an early withdrawal.

4. The Simplified Employee Pension (SEP) is a tax-deferred savings/retirement option available to anyone who is a sole proprietor, in a partnership or earns any self-employed income by providing a service, either full or part-time. Flexible tax deductible contributions can be made at the employer's discretion, up to 25 percent of the employee's or sole proprietor's salary up to a maximum of \$40,000. If you work for a corporation or a self-employed person, and they contribute to a SEP, they also must contribute to a SEP on your behalf. If you are self-employed speak to a financial professional about this plan.

There are several advantages to these savings plans. One is that it is easier to save money you never see: your contributions are automatically deducted from the payroll. Another is that the money accumulating there is tax-deferred, meaning you pay no tax on it until you withdraw it. For example, if your salary is \$30,000 and you put 6 percent of that into the 401(k) plan, you will be taxed on income of only \$28,200 for that year. The \$1,800 401(k) contribution is not taxable income for that year; however you will be taxed for F.I.C.A. and Medicare. By the time you do withdraw the funds, as a retiree, the funds will presumably be taxed at a lower rate. Any money you have invested belongs to you. Employees may be able to roll-over the savings into a new employer's plan if they change jobs (depending on the plan) or roll over the money into an IRA. Another potential plus: Many employers match an employee's contribution up to a certain percentage of annual salary.

So, what's the catch? The penalty for early withdrawal. Because the plans are designed for retirement, you must be at least 59½ years old to withdraw the money, or face a penalty (generally 10 percent). There are exceptions to the withdrawal penalty depending on which plan you have but check with a financial advisor before making a withdrawal.

If a retirement plan is offered by your employer, make the maximum contribution each month. You can always decrease it if you find you need more money to live on. But at least *try* to live without the extra cash now so you can make the maximum contribution to your future.

If your employer does not offer any type of retirement plan, consider opening an IRA. Another option is to open a savings account that automatically transfers after-tax money from your bank account into a mutual fund each month. A mutual fund is a pool of money from many investors who share the same objectives as the fund. You can designate what types of companies or industries you prefer to invest in as well as those you do not want to support. Mutual funds generally invest in a wide range of stocks and bonds offering diversity for the investor. These funds are available through investment firms, such as T. Rowe Price and Legg Mason, or directly from mutual fund companies. Generally you can get started for as little as \$250.

You can learn much more about all of these retirement options and how to begin saving for your retirement from other resources, for example WISER (Women's Institute for a Secure Retirement, www.wiser.heinz.org) or by contacting a professional such as an accountant, stockbroker or certified financial planner.

Financial planning can have many meanings. Because the field is largely unregulated, anyone can label herself a "financial planner." Accountants, Certified Public Accountants, lawyers, insurance agents and others may advertise financial planning services. When you select a person to help you with your financial planning, here's what to look for:

Designation. There are several designations for financial professionals including Registered Financial Planner, Personal Financial Planner, Certified Financial Planner and Chartered Financial Consultant. The designations refer to the training and years of experience the individuals have completed. Most designations require continuing education and adherence to ethical standards. Ask the professionals you meet with what training and requirements they have.

References. You should ask the professional for two or three references and contact those individuals. Ask them how long they have been using this professional, how helpful the professional has been to them, and how responsive (timeliness and thoroughness) the professional has been. Beware of a professional who seems to steer you only in one direction of investing. A good financial planner should be flexible in helping you identify your goals for investing, then suggesting several ways to achieve them.

Recommendations. Sometimes family members or friends can recommend professionals. But don't shortcut the interview process. Your needs may be quite different from the friend's or relative's. Find a person who will work well for you.

Go for the Goals

Is one of your short term goals to live on your own? By analyzing your cash flow you can see how much money you have available for housing. Remember that housing expenses should not exceed 30 percent of your monthly income. If you are making \$4,000 a month, for example, your monthly rental or mortgage payment should not exceed \$1,120. Don't be discouraged from buying a house. Unlike rent payments, mortgage payments are an investment in your future. Just make sure you buy a house that you can afford to pay for, furnish and maintain.

Whether you decide to rent or buy a home you will be required to sign a contract. The standard real estate contract is several pages of almost illegible small print. **Do not ever** sign a contract that you have not read and understood. If the lease or sale agreement refers to another document, read that document as well. Any blank spaces should be filled in or crossed out *before* you sign the lease or sale contract. If there are any terms or conditions you do not fully understand or consent to, ask for additional time to consult with an attorney who practices real estate law. It is worth the expense of a consultation to avoid legal obligations you don't understand.

If another goal is owning your own business, here are a few things to consider. According to the Small Business Administration, women are starting businesses at twice the rate of all business start-ups and staying in business longer. The latest census found that 6.2 million businesses are owned by women, employing 9.2 million people and contributing \$1.15 trillion in sales and revenue to the U.S. economy. To explore the idea of starting a business go to:

www.sba.gov/starting-business/index.html and download their start-up kit.

Do You Need Insurance?

At this stage in your life, your insurance needs are limited. Most young adults don't need life insurance unless others, such as a spouse or child, depend on them financially. One exception is if you have a large debt, such as student loans. In order not to burden survivors with this debt, you can purchase a life insurance policy that would pay off the debt in the event of your death.

Disability insurance is another matter. We all feel invincible, yet research shows that the average American is more likely to be disabled for at least three months than he or she is to die before age 65.⁵ Seriously consider how you would support yourself if you were unable to work for a long period of time. Worker's compensation covers only injuries sustained at work, and Social Security disability benefits are awarded to workers who are permanently unable to perform any kind of reasonable work. Many employers offer group rates for disability coverage, which generally replaces 50 to 80 percent of lost employment income due to a temporary or permanent disability. If this is not offered to you through your employer, contact an insurance agent.

Bottom Line

You have an opportunity to enhance your life by starting a savings habit now and by learning to establish and maintain a budget and plan for the unexpected. By the time the vast majority of your peers realize it is time to start planning for the future, you will be well on your way to economic independence.

Chapter 3 / Joining Forces with Others

Up to this point we have been focusing on your individual financial situation. Now we'll consider how to retain your financial independence when you merge your resources and goals with those of a mate or partner. The law differs depending on whether you are married or living together unmarried. This chapter will provide advice for couples thinking about marrying or living together for the long term.

Domestic Partnerships

The trend toward unmarried couples living together is growing. According to the 2002 U.S. Census the number of cohabitants, or domestic partners, quadrupled from 1977 to 1997 from 1.1 million to 4.9 million in that 20-year period. Whether you decide to move in together as a prelude to marriage or as an alternative to marriage, there are certain things you should know.

While domestic partners do not have the same rights as married couples there are some legal protections available to them. In a marriage, property acquired by either spouse during the marriage is presumed to be the property of both, or marital property, unless that property was a gift or inheritance specifically to one or the other. This is not the case for unmarried cohabitants, but two individuals living together can agree on how property obtained during their life together will be divided in the event of a separation. This cohabitation contract can also address other aspects of the relationship such as whether one partner agrees to support the other even after the relationship ends.

Living Together Contracts

Although Maryland does not permit same sex marriages, or recognize domestic partnerships to the same extent it recognizes married couples, state law does allow unmarried cohabitants to create written contracts that are enforceable in court. Through a written “living-together or cohabitation contract,” a couple can determine in advance the status of money and property owned jointly or separately, outline who is responsible for various debts, duties and obligations, and other factors unique to each situation. However, it is always best for each partner to consult his or her own attorney before entering into such a contract. Suggested topics for a “living-together contract” are:

- the names of the parties
- the goals and expectations for the relationship
- the duration of the agreement
- ownership, management and control of property and income
- the parties' responsibilities for debt
- definitions of and responsibilities for support and living expenses
- household arrangements, including responsibilities for household chores
- personal and interpersonal relations (e.g. use of surname, responsibility for birth control)
- provision for illness or disability of one partner
- relations with others outside the contractual relationship (including career, social and community commitments)
- provisions regarding care, custody and support of children if applicable

- procedures for changing the contract, resolving disputes or ending the contract, including mediation
- advance directives

For more information about the legal rights of domestic partners, including a sample living-together contract, see www.wlcmd.org/publications.html.

Advance Directives

Advance directives are documents that declare your wishes for the type of care you will desire should you become unable to make medical decisions for yourself due to an accident or sudden illness. Advance directives can be particularly important for anyone in a committed partnership without marriage.

There are two kinds of advance directives: Durable Medical Power of Attorney (DMPOA) and Living Will. Through a DMPOA document you can appoint your partner to be treated as your medical agent and to speak for you regarding medical decisions when you cannot speak for yourself. Without the document, that responsibility will fall to next of kin.

A Living Will documents what you want done about the use or withdrawal of medical procedures that postpone or prolong death. (See www.wlcmd.org/publications.html and www.oag.state.md.us/Healthpol/adirective.pdf for more information about advance directives.)

Owning Property Together

Domestic partners' rights regarding the ownership of real property (any houses, buildings or land) are determined by how that real property is titled. Partners may choose to own property as joint tenants or as tenants in common.

These are two forms of ownership in which two or more persons have an undivided interest in the real property.

The main difference between the two is that, unlike tenants in common, partners holding property as joint tenants have a right of survivorship; when one partner dies sole ownership of the real property automatically passes to the surviving partner. A tenant in common, on the other hand, must transfer property interest through a will. If the tenant in common dies without a will, or intestate, his or her real property interest will be distributed to a family member according to an order outlined in Maryland law. (See page 18.)

In Maryland there is a presumption against joint tenancy, which means that documents such as deeds must expressly state that the real property is to be owned as a joint tenancy for it to be legally recognized as such. If there is no "joint tenant" language, ownership of the property will be assumed to be the less binding tenancy in common.

Marriage [Or Something Like It]

If you choose to marry, you will be entering the most important contract. Before making that commitment, or even if you decide not to marry but to live together indefinitely, you and your spouse (or partner)-to-be should talk, *a lot*, about your values and your dreams for your new life together, including financial goals and the importance you place on money.

Determine early on whether you and your partner are financially compatible. A very financially disciplined person is going to have a lot of trouble living with an irresponsible spendthrift. Likewise, a person who enjoys spending money in a reasonable way will be

frustrated by a spouse who holds too tightly to every dollar. This is not to say the marriage is doomed to fail, but you should know up front where the friction will be and how you will handle it.

Most couples think that discussing money is unromantic and may somehow diminish the relationship; that they are above discussing these practical matters; that love will conquer all. Yes, love helps, but it can't balance a checkbook or pay off a credit card bill. Couples who discuss money matters when they are strongly committed to each other and to the marriage are establishing a lifelong communication pattern that will help them weather the inevitable storms.

If you have had time to live on your own you have developed a pattern of independence in your financial and personal life. How do you maintain this independence when joining your life to another, and why is it worth maintaining? Having an integral role in the financial aspects of your relationship allows you to maintain equality in the relationship. You become a wiser, more confident partner, and you feel prepared for financial decisions. By educating yourself now you avoid being defeated by a crisis.

Marriage does not always result in "happily ever after." Spouses die or become disabled and, if recent trends continue, nearly half of all marriages end in divorce. That means every other one of us will be "single again" after making an anticipated life commitment of marriage. Our tendency is to think that divorce will happen to other people, not us. But anyone who has endured divorce probably will tell you that they once thought the same thing. Before entering into a marriage you and your spouse should have a full picture of each

other's financial situations. You should each complete a net worth statement (*See Form 2.*) and sit down together to discuss them. In addition, more and more couples are choosing to document their agreements with respect to money as a guide for the future.

There are several ways to formalize your marital agreements. Prenuptial agreements, also called premarital agreements, have traditionally been used to define each person's properties and assets at the time of the marriage. Additionally, the agreement commemorates each person's financial intentions beyond the marriage.

Prenuptial agreements need not address only financial issues. These agreements can address a host of issues such as how money will be brought into the marriage (who makes it), who will be responsible for what expenses, and who will take on the non-financial responsibilities of the marriage such as cooking, cleaning, and upkeep of the house and lawn.

However tedious and trivial some of these responsibilities may seem, they are an integral part of maintaining a home and a marriage. The person performing the majority of the "at-home" work has less time to devote to "out-of-home" income-producing work. By having the discussion regarding these issues you should both acknowledge that there is a value to be placed on non-financial contributions to a marriage.

This allocation of non-financial contributions becomes even more important with the addition of children to the marriage. Now there are more duties and responsibilities to allocate. Will one parent be the primary caretaker, or will you share? Is one spouse leaving a career track in order to assume the caretaking role? If one parent cuts back on her "for pay" work

"I was 20, I was naive. I learned that, even though I was entitled to sign over my part of the house to protect the family business (which I believed was OUR business), in the end I was not entitled to any financial part of the business that I helped to save."

hours, that decision impacts career advancement and retirement fund accumulations. Any agreements made should be put in writing.

These decisions are difficult to make prospectively. But initial conversation and agreements before marriage are important, along with a recognition that this will be an evolving, on-going process.

Independence

When you were living on your own you were responsible for all financial considerations—balancing the checkbook, paying the bills, meeting with the accountant for tax preparation. You had your own money and you decided how it was to be spent or saved. Although you and your spouse or partner should expect to pool certain resources and divide some expenses, you should never abdicate financial responsibility to your partner. It is not only unfair to expect one spouse to shoulder the responsibility of managing the money, it is also irresponsible. It leaves you ignorant about your own money matters. Stay informed of your and your spouse's financial situation by setting aside regular times to discuss money and by completing a personal or joint net worth worksheet and updating it together every year. (See Form 2.)

Attend all meetings with financial advisors and accountants that you and your spouse employ. Never sign documents prepared by accountants, realtors, investors, etc. without reading and fully understanding what you are signing. It is also important to maintain your individual credit cards. Even if you and your spouse have

joint cards, always keep at least one major credit card (Visa, American Express, etc.) in your name only, and make sure you pay the bills off monthly. Review all joint credit card statements to monitor the activity of the account. This will insure that your individual good credit is maintained.

Either before marriage or early into the marriage decide how money is to be brought into the family and how expenses are to be paid.

There are four basic accounting models to choose from. You can vary any of these to achieve a method that works best for you:

1. **The Whole Wage System:** one partner manages all of the money of the household;
2. **The Allowance System:** if only one spouse is earning income he or she gives the other spouse an allowance to run the household;
3. **The Shared Management System:** both partners have equal access to and responsibility for all family money; and
4. **The Independent Management System:** each partner manages a separate income stream exclusively.

There is no right or wrong accounting method. The process is as individual as the people involved. The important thing to remember is that money should not be the exclusive purview of one spouse. Numbers 1 and 2 above may allow the spouse earning or managing the income to hold more power in the relationship. For that reason these models are not advisable, unless both spouses are educated and informed of the family financial picture, even though only one is doing the hands-on

managing. If there is a family business and you are not involved in the day-to-day operation, make every effort to stay generally informed of major business decisions.

Statistics show that one-third of all married couples consider money their number one area of disagreement. Another third admits to frequent conflicts over money. If regular communication can eliminate or greatly reduce this conflict, why aren't more people doing it? Because it's not easy. There are certain guidelines that will help your communication about this difficult topic.

Timing is everything. Trying to have a discussion about finances when distracted by other things is doomed to failure. A regular time should be set aside to discuss your financial situation. Hopefully, this will avoid lashing out at each other in frustration at a bad time.

Define your topic. Thinking you are going to cover refinancing the mortgage, setting a monthly budget and planning for college tuition in one session is overly ambitious. Start slowly at the beginning, perhaps filling out the net worth statement, and setting up categories for expenses.

Discuss how you will track expenses. The next meeting could be for calculating expenses and beginning to set budget limits for the categories.

Respect each other. Understanding your finances and making decisions about them is not rocket science. Even though one partner may have more experience in the area, the other partner has an equal stake in the success of this process. Educate each other in areas in which you are more knowledgeable and respect differences in opinion.

Although the goals you have for your life as a couple will be individual to you, they generally fall into broad categories of long-term and short-term lifestyle goals and material goals. You may hope to begin a family within a few years of your marriage, and feel you should buy a house first. One of you may want to devote more time to the raising of the children and curtail your work schedule. Long-term, you may set a goal of early retirement to allow for travel and other interests. Whatever the goals are, they most likely require financial planning. And the sooner you begin, the easier it will be to achieve the goals.

The number one requirement is early and regular saving. There are a variety of options available for saving: 401(k) plans, IRA accounts, mutual funds and other investments. You should select a financial planner to help you evaluate the best savings plan for you, and continue to evaluate the effectiveness of this plan on a yearly basis. The key is to put aside as much money as you are able to and still live comfortably. By starting this practice early in life you will provide yourself with many more options later.

If you have children you should begin saving for their education early. Not only will this maximize your investment, it will also establish a joint commitment to provide for your child(ren)'s future. Maryland law currently does not require funding of a college education if parents divorce, and this early investment in educational funds will help establish a presumption for extending support of a child past age 18.

During a person's adult lifetime there are usually two major assets—home, and retirement or investment accounts. If you are married, or planning marriage, you should consider the contributions each one of you is making to the acquisition and maintenance of these assets **and** what will happen to them if there is a separation or divorce.

If you own real property individually before you marry, carefully consider the implications of changing the title to include your new spouse. Titling real property into joint names when you marry automatically creates the legal title “tenants by the entirety.” You cannot then sell or mortgage this real estate without the consent of your spouse. Also, in Maryland there is a presumption in the law that jointly titled real estate is marital property. If you want to keep your property in case of divorce, it is best not to change the title. If you do change title, put in writing any agreements you make. For example, if you have a home with \$50,000 of equity at the time of marriage, or you are putting the title of your home in joint names, write an agreement that provides for the return of the \$50,000 to you if the home is sold. (*For more information on the impact of divorce on real property see Chapter 4.*)

If you purchase real property together during the marriage, the property should be titled in joint names. Titling the property in both names protects you from having property sold without your consent. If you are making non-monetary contributions to the family (homemaking and caring for children), joint ownership of property recognizes those contributions by giving you a financial interest in major assets of the marriage. Although Maryland law would give you certain rights upon divorce, it

is important that the real property be titled in your name as well as in your spouse's.

If you do not already own a house, you will probably want to purchase one during your marriage. If one spouse owns a house prior to marriage, decide if you want to change the deed to make the ownership “tenants by the entirety.” This is a designation available only to married couples and allows a right of survivorship in the event of one spouse's death. By placing both names on the deed, the house cannot be sold without your consent. You will not be responsible for the payments on the home unless you obligate yourself to the mortgage company, but you will be able to retain the home if your spouse dies. The potential disadvantage of changing the title is that the home then becomes marital property, subject to division in the event of a divorce.

A house initially owned by one spouse but paid for by both spouses throughout a marriage also can be considered marital property, even if the ownership is designated “joint tenants” or “tenants in common.” If you own a house and wish to keep it in your name only, leave the deed unchanged and pay the mortgage and upkeep of the house with your own funds. This is also a topic you should cover in your premarital agreement.

Besides a home, there will be other joint purchases that will need to be titled individually or jointly. Before obligating yourself to major purchases—vacation homes, boats, cars, etc.—think about how you want to title them. If you both sign an installment contract for the purchase of an automobile you will both be financially responsible. That means that if one spouse leaves, takes the car and fails to make payments, the loan company can come after the other signee for the payments.

Retirement Assets

We have discussed the importance of establishing a retirement account early in your career. But it is clear that women accrue much less in retirement savings due to time out of the workforce raising children, changing jobs, etc. Remember that Social Security provides only minimal support. In addition, a woman is entitled to a portion of her husband's Social Security only if they have been married for 10 years or more.

While Maryland courts can transfer a portion of a retirement asset in a divorce from one spouse to another, there is no certainty that it will be done or that it will be an equalizing amount. Don't rely on your spouse's retirement benefits. Start setting aside money for yourself.

Insurance

Married couples without children don't need life insurance unless the income disparity between them is significant. The amount paid in premiums can be more effectively invested in other funds. However, if one of you makes substantially more than the other, you should speak to an insurance agent about purchasing the right life insurance policy for your situation. Make sure to carefully review any policies and check to see if the beneficiary listing is correct.

If children enter the picture, both parents' lives should be insured. Your insurance agent can help you determine the appropriate amount of coverage based on your contributions to the family.

Disability insurance is always recommended. The loss of one spouse's earning or care-giving capacity can be devastating to a family. If your employer offers disability insurance, take

advantage of it. If not, contact an independent agent to discuss coverage options.

Insurance is also needed to cover possessions, such as your home, automobiles and other valuables. It is important not to under-insure to save money, and to make sure to increase coverage as your home or possessions increase in value. Also, choose a reputable insurance company.

Estate Planning

Estate planning is a complex area that has been the subject of numerous books. Despite misconceptions to the contrary, estate planning is not just for the wealthy. It is for anyone who cares about what happens to her family and her assets upon her death. Death is inevitable, so you need to plan to ensure that your wishes will be known and followed.

Married couples should meet with an estate lawyer and draw up a will. With each change in your family, birth of a child or major acquisition, the will should be revised accordingly. Make proper plans for the care of your children in the event of both of your deaths. You may be advised to set up a trust for the financial care of your children while they are minors and to name guardians for their care. Once your children are adults, assets can pass to them directly. If there is no will, property will pass according to the laws of Maryland.

"It's funny," she (recent 33-year-old widow) says. "I have to admit that, even though I'm a paralegal, John and I didn't think about things like wills or insurance policies. But then you find yourself in an emergency situation, and by that time you can't think because everything's haywire. I've learned through this that you've gotta be aware because you just never know."*

*City Paper, March 19, 2003

Law of Intestate Succession

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If the decedent is survived by:

1. a spouse and minor children (does not include stepchildren): spouse receives one-half, minor children share remaining one-half;
 2. a spouse and all adult children (not including stepchildren): spouse receives \$15,000 plus one-half of remaining estate, adult children divide the remaining share of the estate (the interest of a predeceased child passes to issue of that child);
 3. children only: children (does not include stepchildren) divide estate equally;
 4. a spouse and parents: spouse receives \$15,000 plus one-half of remaining estate, both parents divide the balance or surviving parent receives the balance;
 5. a spouse without other heirs listed above: entire estate passes to spouse;
 6. parents without heirs listed above: both parents divide entire estate or surviving parent takes all;
 7. brothers and/or sisters without other heirs listed above: brothers and/or sisters divide estate equally (share of a deceased sibling goes to his or her issue: nieces and nephews of the decedent);
 8. grandparents without other heirs listed above: grandparent(s) divide entire estate or, if grandparents are deceased, to issue of the grandparents;
 9. great-grandparents without other heirs listed above: great-grandparents(s) divide entire estate or, if great-grandparents are deceased, to issue of the great-grandparents;
 10. stepchildren will share the estate if there are no other heirs as listed above; or
 11. no living heirs or stepchildren: this estate will pass to the Board of Education, or to the Department of Health and Mental Hygiene if the decedent was a recipient of long-term care benefits under the Maryland Medical Assistance Program.
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Chapter 4 / When Things Go Bad

The ending of a marriage is the end of a dream. Even knowing that half of all marriages end in divorce, we walk to the altar full of hope, vowing to love, honor and cherish, “till death do us part.” When other forces “do us part,” we may *feel* dead. But life goes on. Now what?

There are three aspects to divorce—emotional, legal and financial—and they weave together and overlap constantly. You can’t be focused on one aspect to the exclusion of the other two. Let’s first talk about the one causing the most pain: the emotional.

Aspect 1: The Emotional Process

Whether the idea for a divorce is yours, his or joint there are still many emotions at play—guilt, regret, sadness, anxiety, and anger—to name a few. Even in the “ideal” situation (if there can be such a thing) where a couple mutually agrees that the marriage is not working and decides amicably to split their assets and part, there is a deep sense of loss. We question our choices. This was supposed to be the “right” person for me. How could I have been so wrong? Now you question all aspects of your life.

Even if you are thrilled to be divorcing, give yourself some time for introspection. Consider meeting with a therapist or psychologist. If the reasons for the divorce are not explored, you are at risk of repeating the same mistakes over and over. Develop a relationship with a counseling professional to strengthen you for the difficult process ahead.

Aspect 2: The Legal Process

When should I consult an attorney? The answer to this question inevitably is “yesterday.” By the time you realize you are headed for divorce or, worse yet, have been notified without warning that your spouse is seeking a divorce, valuable time has passed and critical decisions and actions may have occurred without your knowledge. Educating yourself about your legal rights in marriage and divorce does not lead to divorce; it leads to a confident, in-control woman, making decisions based on knowledge, not ignorance. The legal system, your spouse, even your lawyer cannot guarantee a fair and just ending to your marriage. Only you can make that happen. If you’re too emotional to think straight, get help, and get busy.

Only the simplest of divorces are appropriate for legal self-representation, known as “pro-se,” or “in proper person” representation. If you and your spouse were married for a short time, acquired no property together, had no children and are just looking to get on with your lives, you may be candidates for representing yourselves. Maryland has developed forms individuals can use to represent themselves in a number of family law matters. These Domestic Relations Forms are available in every Circuit Court Clerk’s office in each county in Maryland. You can also access the forms on-line at www.courts.md.us/family/forms/domrellist.html. Many resources exist to assist you with the process. (See Appendix 1 for pro-se office listings and helpline and hotline numbers.) In all other situations, consult a

- "1. Know what you have (and what you are signing).
 2. Have money in your own name, a "get-away" fund. Even though that is a hard thing to sell to women who are in a marriage because it feels like you are suspicious and distrustful but you should do it.
 3. Get a good lawyer. Talk to as many people as you can who know lawyers and try to interview as many lawyers as you can."

lawyer. (See Appendix 2 for resources for free or reduced-fee attorneys.)

As a whole, women tend to be conflict-averse. We are raised to be consensus builders, mediators, soothers. The whole notion of exposing the most intimate details of our lives to a "professional" and a "system" is contrary to our nature. Generally speaking, men do a much better job of taking charge, confronting adversity head-on, and taking care of Number One.

Many women have learned of their husband's intent to divorce by visiting the bank and finding accounts wiped out. Or maybe they noticed his taking much more interest in the children, attending activities he once ignored, and later discovered he was merely following an attorney's advice to build his custody case before leaving. It happens. If you suspect trouble in your marriage, find out what your legal rights are.

Selecting an Attorney

When you have work done on your house, you generally ask neighbors and friends for recommendations, interview several vendors, call for references and then select from 2 or 3 potential candidates. Why should the process be different when selecting an attorney? Your divorce settlement will affect your life much longer than a paint job, or a new roof.

Take the selection process seriously.

- Ask friends or others who have divorced whether they would recommend their attorneys.
- Consider only attorneys whose major practice area is family law. A real estate attorney who "does some divorces on the side" is not as preferable as an attorney who practices exclusively in the area of family law, particularly if the case has multiple issues (children, property and other assets).
- Have a list of at least three potential candidates.
- Go for a consultation. This is not an opportunity to tell your complete story. Use the time to ask questions, give a summary of the most important facts in your case, and most importantly get a feel for whether this is a person with whom you can feel comfortable. Your personalities don't have to be similar, just compatible. For example, if you are a meek, timid person, you don't necessarily want a meek, timid attorney advocating for you. But an overly aggressive personality may be too extreme for you. Remember attorneys can add to the problem by injecting too much of their personality into the case. Think about how this person will relate both to you and to the attorney your husband is likely to hire.

Questions to Ask at Your Initial Consultation

- How long have you practiced in Maryland and how many divorces have you handled?
- Have you handled cases with my specific issues? How many?
- How often do you represent the wife?
- Will you be the only attorney handling my case? If not, who else will be working on my case and when will I meet them?
- How long does it generally take to resolve a case with the issues mine presents?
- What are your fees and how do you structure your billing? If there is a retainer, how much is it and what does it cover?
- What is your response time for normal questions? For emergency issues?

Understand that there are no right or wrong answers to any of these questions. They will give you an opportunity to learn more about this particular attorney, the process and whether this is the right person for you to hire. You should be looking for an attorney who has been practicing in Maryland, specifically in the county where you will be filing, for at least three years (maybe more depending on the complexity of the issues your case presents). Family law should make up all or most of his or her practice. Make sure that he or she has handled a case presenting the issues your case presents (such as family business, contested custody, or domestic violence).

Address the issue of payment at your first meeting. Will you be required to pay a certain amount up front in a retainer agreement? If so, how many hours will that cover? Attorneys charge for their time. Every time you speak to your attorney that conversation will appear on a bill. Ask each attorney if he or she allows e-mail communication and how it is billed.

The ethical guidelines for the legal profession require, among other things, that attorneys respond to clients in a timely fashion and attend to their case in a timely manner. Find out how quickly you should expect return phone calls for routine matters, and what the procedure for an emergency call is. A word about emergencies: “My husband is boarding a plane for New Zealand and taking my daughter with him” is an emergency. “I didn’t receive my child support in the mail today” is not. If the situation isn’t urgent, let it wait until regular business hours.

Mediation

You’ve probably heard about mediation as an alternative to litigation. The mediator is a neutral third party who does not represent either spouse. The mediator’s role is to engage the two of you in a process of decision making that leads to an agreement. You meet in the mediator’s office, rather than in the courtroom, for as many sessions as needed. Mediation is less adversarial and more affordable than litigation. When it works, you and your spouse split the cost, which normally ranges from \$100 to \$300 per session, and leave with a decision that works for both of you. The mediator is not responsible for assuring that the agreement is fair to both parties, however.

Who Should Mediate?

Couples who can constructively communicate with each other. If one party possesses more power and tries to intimidate the other, or if there is any history of domestic violence or verbal abuse, mediation is not the answer. Often couples will decide to mediate certain issues only. Child custody is a common one. Because you are parents forever, learning to

reach decisions about your children in an amicable way today can establish a lifelong pattern of communication and compromise that will benefit them in inestimable ways.

Make sure the mediator you use is experienced. You should question him or her just as you would an attorney. A mediator does not represent either party; therefore, you should have an attorney who represents you review any mediation agreements.

Mini Course on Divorce in Maryland

This section provides an abbreviated description of Maryland divorce law.

To file for divorce in Maryland you must have lived in the state for at least one year and have grounds for divorce that pre-date the filing. Maryland has fault and no-fault grounds for divorce.

The most commonly used grounds for divorce are:

1. **Cruelty of treatment, excessively vicious conduct:** conduct that has endangered your safety or health more than once. (One incident may be sufficient if it was violent and your spouse intended to harm you.)
2. **Adultery:** your spouse has had voluntary sexual intercourse with another person.
3. **Desertion:** your spouse left you more than 12 months ago and there has been no reconciliation.
4. **Constructive Desertion:** because of your spouse's behavior, you had to leave to preserve your safety, health and self-respect.
5. **Voluntary Separation:** you and your spouse mutually and voluntarily agreed to separate more than 12 months ago and have not reconciled since that date.

6. **Two-Year Separation:** you and your spouse have lived apart for at least two years without sexual intercourse with each other and there is no reasonable hope of getting back together.

(Grounds also exist for the commission of a felony and sentence of three years and insanity, but these are rarely used.)

Grounds 1, 2, 3 and 4 are the fault grounds, meaning they designate a behavior on the part of your spouse that contributed to the ending of the marriage. If 1 or 2 exist, the innocent spouse can file for an absolute divorce without waiting the required 12 months. In desertion cases in which the deserting spouse has been gone for less than a year, the innocent spouse can file for a limited divorce (not a complete ending to marriage, does not allow remarriage). If the deserter has been gone for 12 months or more, the innocent spouse can request an absolute divorce (complete and final ending to marriage, allows remarriage).

Grounds 5 and 6 are the no-fault grounds, meaning that neither party is alleged to have been responsible for the break-up of the marriage. Voluntary separation is the most commonly used ground for divorce in Maryland. In most cases the parties decide to separate and, in order to obtain a divorce, must live apart, in separate residences (not just separate bedrooms) and with no sexual relations, for at least 12 months. Afterward they can file for an absolute divorce.

Even though, in most cases, the couple cannot file for divorce prior to the 12 month separation, there are actions that can establish certain rights and responsibilities during that period.

"I didn't prepare financially for my husband to leave and then he bought a new home. He closed our joint account and took a lot of money out of our cash account. It was gone and it never came back. My parents had been telling me to put money of my own away but I felt morally uncomfortable with that. I should have done that. It would have made it much easier to get started after the marriage ended."

Separation Agreements and Marital Settlement Agreements

Prior to or after separating, you and your spouse can enter into a contract or agreement outlining the circumstances of the separation and your respective rights and responsibilities during the separation period and continuing after the divorce. Issues to be covered might include: date and reason for separation, who will remain in the marital home, who will be responsible for mortgage or rent payments and maintenance of the home, where the children (if any) will reside and the amount and payment schedule of any child support or alimony you have agreed to.

At the divorce hearing you and your spouse can agree to have the separation agreement/marital settlement agreement incorporated but not merged into the divorce judgment. If an agreement is merged, the divorce decree becomes the controlling document. Incorporating but not merging the agreement allows you and your spouse to enforce the agreement separate from the divorce decree. Thus, the agreement continues to be the document by which you and your spouse abide, subject to any changes you make. There are resources available to assist you in drafting your own separation/marital settlement agreement. (See www.wlcmd.org/publications.html and www.mddivorceonline.com/mdpages/maritalproperty/msafaq.asp.) However, because this document may become a more formalized Judgment of Divorce, you are well advised to

consult an attorney before signing an agreement. You and your spouse should consult separate attorneys, to ensure that you each have someone looking out for your interests alone. This initial investment can save you time and hardship down the road.

Moving a Case Through the System

The number one question divorcing parties ask is, "How long is this going to take?" The answer is, "It depends." In the simple case—uncontested, no kids, no property—a resolution could be reached less than a year after the 12-month separation period. The plaintiff (one who initiates the legal process) files a complaint, it is served on the defendant (one who is responding), and the defendant has 30 days to file an answer (if living in the state of Maryland). The plaintiff schedules a hearing, the master (judicial officer) makes a recommendation to the judge, and a Judgment of Divorce is entered. But, add one variable to this scenario and the case could take much longer. If there are children involved and if custody is contested, there may be evaluations ordered, additional professionals consulted, attorneys appointed, depositions taken, all of which could result in litigation dragging out for years.

How to Assist Your Attorney

The best way to maximize your attorney's effectiveness and minimize cost is to be an

active participant in the divorce process. If you have kept organized, orderly records throughout your marriage, the job will be much easier. If, like most of the population, you are on the other end of the organization spectrum, you'll have work to do.

After the initial meeting with your attorney you will be asked to compile a list of documents. The more you can obtain on your own the less time and money your attorney will have to spend collecting them for you. Use Form 3 to organize the information.

Aspect 3: The Financial Process

The therapist is working on the emotional issues; the lawyer has filed the case and is advocating getting you the best settlement possible. Once the love is gone, it's all about money. Who is looking out for your financial interests? Trained family law attorneys do consider the financial implications of their legal actions, but often they are not enough. There are tax consequences to every settlement option that need to be examined by an accountant. For example, is it better to receive a lump sum settlement or periodic alimony payments? One is not usually taxable, the other is.

Often a woman's standard of living plummets after her spouse moves out. The evidence suggests that women experience a significant decline in income (about 23 percent) following a divorce while men are less likely to experience any decline.⁶ Unless you have made an agreement for payment of certain living expenses and child support, you are left to maintain a two-income lifestyle on one lower income. Getting a handle on your finances early on will help you determine what you need out of your divorce settlement. A financial planner should be working with you

and your attorney before the conclusion of your case to determine what type of financial settlement makes the most sense for you.

Institutions to Notify

As soon as you separate from your spouse you should notify banks, credit card companies and other financial institutions where you hold joint accounts. You can request that joint accounts be closed and reopened in your individual names. The bank should require a joint signature to do this. You may request to have your name removed from joint credit cards, but be aware that you will be financially liable for any unpaid balances up to that point.

If you do not already have one, apply for a major credit card issued in your name only. Begin using the card wisely and pay off the balance monthly to establish a good credit history for yourself. You may want to contact the following institutions:

- **Social Security Administration:** If you were married for 10 or more years before the divorce was final, you are entitled to receive a portion of your spouse's Social Security benefits at age 62 or older. Contact the Social Security Administration at **1.800.772.1213** or **www.ssa.gov** to determine what benefits are available and for instructions.
- **Internal Revenue Service:** The IRS issues a helpful guide called the "Internal Revenue Service Publication 504, Divorced or Separated Individuals" for help with tax issues. Call **1.800.829.1040** or go to **www.irs.gov** for a copy.

You should also contact the attorney who drafted your last will to discuss any necessary changes. A will leaving everything to your

"When I met with the attorney the first time she said, "there are two issues in a divorce: emotional and business. The place for the emotion is not here, it is at the therapist's office. The business aspect will be handled here."

spouse will take precedence over a divorce decree ending your marriage, so revise the will promptly. Also check with any insurance companies where you and your spouse have policies. You will no doubt wish to change the policies that list your spouse as beneficiary. Additionally, if your spouse is ordered to pay alimony, you should request that he be required to maintain a life insurance policy sufficient to cover that financial obligation should he die before the term of alimony ends.

Getting on with Your Life

Once you have taken care of the legal aspects of divorce you can begin focusing on what lies ahead. Give yourself some time to reflect on this period in your life. You have gone through a traumatic, life-changing event. Now you have an opportunity to decide what's next. You can develop financial goals for your future and set about achieving those goals. The same principles of money management that applied to your married life apply to your single one: don't live beyond your means, and do put money away for retirement. Now all of that responsibility is yours alone.

It is important to build or maintain a safety net. Ideally you should have at least three months of living expenses set aside in case illness or job loss occurs. Also, make sure you have adequate health and disability insurance coverage. You may decide to take advantage of the COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985), which allows you and your children to maintain health insur-

ance coverage you had under your spouse's plan during marriage, if your spouse works for a company covered by the law. In addition, Maryland has enacted legislation which requires that continuation health insurance coverage be made available to the former spouse of any employee who is a resident of Maryland and covered under a Maryland group insurance contract, provided that person was covered as the spouse of the insured. Contact your spouse's employer prior to the date of divorce to find out if you are eligible for continuation coverage and to learn the cost of the coverage. Life insurance should be adequate to cover your children's college expenses if they are not otherwise covered.

Once you have established your personal goals, you should create a budget that will help you live within your means. A part of this budget should include a monthly contribution to a savings/retirement fund either through your employer's 401(k) plan or an IRA. If at all possible, invest 10 percent of your income each year. If you are closer to retirement age, a higher percentage is recommended.

If you haven't already established a relationship with a financial planner, now is a good time to do so. You will gain confidence and increased independence by taking control over your life and your money and planning for a successful future.

Losing a spouse is one of life's most traumatic events. Newly widowed women need time to comprehend the loss, to grieve, to surround themselves with supportive friends and family.

For many, the planning of a funeral and the rush of visitors and tasks in the weeks following the spouse's death provide structure and activity in a time of disbelief. Having a list of things to do gets them going each day and provides an escape from the grief. Others, however, feel numb or frozen with indecision. For them, the list of tasks is simply overwhelming. Each response is a normal reaction to trauma. Give yourself time to adjust before making any major decisions, but realize that you must take some steps as soon as possible to protect your financial well being. Ready or not, you have to get organized and deal with government agencies, lawyers, financial advisors, and financial institutions.

If you have a trusted family member or friend willing to assist you with this process, let them. In the days and weeks following a death, many people offer to help in any way they can. Keep a list of those people and their phone numbers in a convenient place. They want desperately to lighten your burden. So call them. If you know you are unable to perform the tasks that follow, arrange to have someone do them for you. See www.fortnet.org/WidowNet/support_groups/MD.html and www.hospicechesapeake.org/support.html for widow support resources.

Step 1: Locating Papers

As soon as possible, pull together important documents. Whether these papers are kept in one place in your house or are scattered all over the place, locate them and place them in an accordion folder or file cabinet drawer, clearly marked for ready access.

What you need:

- Wills
- Trusts
- Power of attorney documents
- Tax returns for the past five years (Maryland and federal)
- Insurance policies: property, life, health, auto, disability
- Statements on retirement accounts: 401(k), 403(b), pension, IRA, Keogh, SEP-IRA, Profit sharing, Annuities, DRIPs
- Names and addresses for all bank accounts, investment accounts
- Credit card accounts and balances
- Pre- and post-wedding agreements, if any
- Previous divorce settlements, if any
- Safety deposit box location and key
- Certified copies of spouse's death certificate—at least 10
- Social Security records
- Marriage certificate
- Immigration documents (if applicable)
- Military discharge papers (if applicable)
- Real estate titles and deeds and settlement sheets for property owned
- Most recent mortgage statement or rental agreement
- Title insurance

- Auto registration or lease agreement
- Partnership agreements (if applicable)

To obtain a death certificate, contact the Department of Health and Mental Hygiene, Division of Vital Records at **800.832.3277 (410.764.3038)** or **<http://mdpublichealth.org/vsa/html/apps.html>**. Just locating these documents can be a mammoth undertaking. It will take time and perseverance. Don't give up, and remember to accept all offers of help from friends and family. Let them, for example, accompany you to Vital Statistics to obtain the death certificate, an especially sad journey when taken alone.

Once you have located a particular item listed above, place all papers relating to that item in a clearly marked file. For example, a file entitled "Certificates" could hold copies of the death certificate as well as your birth and marriage certificates.

Remember that bank statements, credit card and other bills will continue to arrive each month, and must be dealt with. These documents should be kept separate from the items listed above, in a separate accordion file, or file cabinet drawer.

Step 2: Meeting with Advisors

The job of settling an estate is complex. If you have relationships with lawyers, accountants and financial advisors who were already working with you and/or your spouse, take advantage of their services. If it was your spouse who dealt with these professionals in the past, you may have had little or no contact with them. Arrange to meet each of them as soon as possible. Unless you find them unresponsive or completely unhelpful, it is better to stick with the people who are already

familiar with your situation than to hire new professionals. In the future you may decide to interview other professionals and make a change.

The Attorney

Make an appointment with an attorney right away, preferably the one who drafted your spouse's will. There are filing deadlines you must meet, so don't delay. The Register of Wills office in each county provides information on how to administer an estate. See **www.registers.state.md.us**. (Baltimore County has a lot of information on its website, including the publication "What to Do If You Need to Open an Estate.") These resources will not replace the services of an attorney, but they will educate you about the process.

Your attorney's job is to protect your legal rights. He or she will review the will, if one exists, and explain the contents and the process. Make sure to clarify any uncertainties you have. There are no stupid questions! You need to fully understand the process in order to ensure that it is handled correctly. If your spouse died without a will, which is called dying intestate, Maryland law will determine how the estate is distributed. (See page 18.)

The will designates an executor, or personal representative, to carry it out. An attorney can walk the executor through each step, making sure no deadlines for filings are missed, and no money lost through error. (See Appendix 2 for resources for free or reduced-fee attorneys.) Generally, the Register of Wills office in the courthouse will help you or the executor navigate the probate process, as well.

The will must be probated, which means it must be filed and a personal representative

appointed. If your spouse died intestate, probate is the legal process of determining who will be appointed as the personal representative and who will inherit under the laws of Maryland. There is a separate Probate Court in Maryland which handles all issues of estates.

The Accountant

At tax time, you will need to prepare federal estate tax, state inheritance tax, federal/state estate income tax and your personal federal/state income tax returns. For the calendar year in which your spouse died you will be able to file a joint personal tax return. Your accountant will determine what needs to be filed when. To check out the free tax assistance programs in Maryland go to www.peoples-law.com/tax/free_tax_help_programs.htm.

The Financial Planner

If there are a lot of issues to be resolved with regard to payments due under the estate, insurance policies, pension plans, etc., a financial planner can be invaluable in evaluating your entire financial picture and making recommendations regarding investment options. If there are no such concerns, it is still critical to catalogue your assets and liabilities and develop a budget, tasks an accountant can help you accomplish.

As time goes by you will need to look at longer term goals—college educations for any children still living at home, and retirement for yourself.

Step 3: Notifying Interested Parties

As soon as possible, notify banks, other financial institutions, government agencies

and others of your spouse's death. Most will request a copy of the death certificate from you.

Bank

Make appointments with a manager at each of the banks where you and/or your spouse have accounts. He or she can help you change the name on your accounts. Any accounts held by your spouse only should be changed to "estate of." For each account, you will need to furnish the bank with a Tax Identification Number, which can be obtained in the courthouse where the will is being probated. Joint accounts should now be put in your name only. The bank will need to see the original death certificate and the documents appointing the will's executor, or personal representative. If the executor is someone other than yourself, that person should accompany you to the bank.

Credit Cards

If your credit cards were issued to you and your spouse jointly, contact the companies to have new cards issued. The credit limit may change if your income is substantially reduced due to the death of your spouse. If you do not already have credit cards issued in your name only, apply for one now. You need to begin establishing a credit history in your name.

Insurance Companies

If you have copies of insurance policies, call the agencies that issued them. They will tell you how to notify each individual company of your spouse's death. You will need to submit a letter, including the policy number and a certified copy of the death certificate. If you can't find the policies but know the agency, ask for a lost-policy form.

If you do not know if your spouse had an insurance policy, write to Policy Search, American Council of Life Insurance, at 1001 Pennsylvania Avenue NW, Washington, DC 20004. Include a stamped, self-addressed envelope. This organization will ask its members to search their files. The service is free.

Social Security Administration

Call the SSA at **800.772.1213** or go to one of the local offices listed at www.ssa.gov/phila/states/maryland/htm. Notify them of your spouse's death. You may be able to obtain a one-time death benefit (currently \$255.00). (See Step 4 for directions on filing for benefits.)

Step 4: Assessing Your Financial Situation

If your spouse was still employed, his death likely will change your financial situation for the worse. In some cases, however, death benefits from various insurance policies may actually increase your income. Find out if any of the following are available to you:

Social Security

If you are under age 60 and have dependent children under the age of 16, you are eligible for Social Security benefits. If there are no dependent children, you are not yet eligible for benefits, but you still should notify the agency of your spouse's death.

If you are at least 60 years old but younger than 65, you may file for reduced benefits (your benefit amount will be reduced by the number of months younger than full retirement age you are when you file). For example, if your retirement age is 65 and you file for benefits at 62, your benefit amount will be

reduced permanently by about 20 percent. If you are over 65, you can collect the full amount of benefits available to you or your spouse (whichever is the greater amount). Medicare, which helps pay for inpatient hospital care, physicians' services and some other services, is an option if you are 65 or older.

In order to file for any of these death benefits, you will need your spouse's birth and death certificates and Social Security number. You also will need your own birth certificate, marriage certificate and Social Security number. Bring your children's birth certificates and Social Security cards if they are under 16.

Insurance Policies

Once you have gathered any insurance policies existing at the time of your spouse's death, contact the agencies that issued them. They then should send you the necessary forms and instructions for obtaining the proceeds from the policies. You will be asked whether you wish to receive the funds in installments or in one lump sum. This decision should be made in consultation with your financial planner, taking into consideration your entire financial situation. Until you decide, you can leave the proceeds with the insurance agency, where it will accumulate interest.

Employer Benefits

Contact your spouse's last employer as well as former employers to determine if any workplace benefits such as a pension, a life insurance policy or health coverage are available. Medical insurance benefits can be extended, for a cost, if your spouse was working at the time of his death. Pension benefits can be paid out in a variety of ways. Again, you should consult with a financial

planner to determine the most appropriate method of payment for your financial situation.

Veteran's Benefits

If your spouse was a veteran, contact the Department of Veterans Affairs at **800.446.4926** or **www.mdva.state.md.us/**. You may be entitled to burial and funeral expense reimbursement as well as a pension for yourself or your children. To collect, you must file a claim within two years of your spouse's death.

Establishing a Budget

Once you have determined what additional income you may be receiving, you are ready to develop a financial statement. A financial statement simply lists income and expenses. It will allow you to create a budget. (*See Form 1.*) Budgeting is critical to financial health, especially during trying times. The death of a loved one can spark feelings of bitterness (life is unfair) and futility (nothing really matters anymore). Although these are completely human reactions, they can place a widow at high risk for financial disaster. This is not the time for any major changes or expenses, no matter how appealing. Develop a budget and stick with it.

Once you know your income, you can develop goals. This takes longer for some than for others. Many widows report wanting to change absolutely nothing about the life they led with their spouse; they stay in the same bedroom of the same house, drive the same car, and take the same vacation. Others find the memories too painful, and opt to change everything. Again, this is not the time for major changes. Taking a trip to a new place, if you can afford

it, is OK; selling the house and moving to New Mexico is not, at least not right away. Give yourself some time. If New Mexico still calls to you a year later, it may be the right move.

You may still have children to feed, clothe and educate. Make a list of all foreseeable future expenses. A financial advisor can help you determine how to plan for these expenses within the framework of your budget.

If you and your spouse had an estate plan, review and update it with the assistance of a competent estate lawyer. If you did not have an estate plan, find an attorney and make an appointment to begin creating one.

One Year Later

Time is the great healer. Grief, although never far from the surface, does tend to subside with the passage of time. Getting through the first four seasons without your spouse, you can begin to see how life will be different. If you are feeling stronger and more in control, it is time to give more time and attention to your financial situation.

Get into the habit of reviewing your budget at least once a year. After the initial collection of benefits and proceeds, your income has settled into a more predictable pattern. Perhaps you have returned to work or changed jobs. If you weren't already updating your income and analyzing your expenses at least yearly, now is the time to start. You will gain a tremendous feeling of control when you are completely aware of your financial picture.

Estate Planning

If you have already revised your estate after the death of your spouse, you probably don't need

to do anything more. Just be aware that if new grandchildren are born, your marital status changes or other significant changes occur in the family, you should meet with your lawyer and review your estate plan.

Insurance Planning

Insurance is the method by which we protect our possessions and secure our futures. We need insurance for our life, our health, car and house. If you have an agent you have dealt with in the past who you feel understands your particular situation and works well for you, make an appointment to go in and review all of your insurance options. If not, now is the time to shop for an insurance agent.

Conclusion

The information contained in this booklet is intended to start you on a path of financial independence that will last throughout your life. We have only been able to provide general information about many matters. Continue to learn—and here's to your financial independence!

Endnotes

1. Gross, Jane. "At Girls' Schools, a Road to Equality, in Dollars." *New York Times* 17 March 2003, sec A:1.
2. "Study finds 20-something dating culture focused more on seeking 'low-commitment' relationships than finding marriage partners." June 2000. <http://ur.rutgers.edu/medrel/viewArticle.phtml?ArticleID=644>.
3. "A Costly Carefree Life: Gen X Women Live Large, Save Little." July 2001. http://abcnews.go.com/sections/business/GoodMorningAmerica/GMA010705_genx_money_biz.html.
4. Clark, Dorothy. "Benefits differ for men, women." March 2002. <http://www.sun-sentinel.com/business/custom/.../sfl-social02,0,2825403.story?coll=sfla-social-security>.
5. Simmons, Kathy. "Group Long-Term Disability Insurance: A Crash Course." April 2003. <http://www.centeronline.org/knowledge/article.cfm?ID=2320&>.
6. Teachman, Jay D. and Paasch, Kathleen M. "Financial Impact of Divorce on Children and Their Families." Spring/Summer 1994. http://www.futureofchildren.org/information2827/information_show.htm?doc_id=75548.

Appendix 1 / Resources for People Without Attorneys

Quick Reference Guide: Pro Se/Self Help Program Directory (Note: See the People's Law Library website, www.peoples-law.org, for details.)

Allegany County

Allegany Circuit Court House
30 Washington St., 2nd Floor
Cumberland, MD 21502
Th: 9:30am–11:30am
301.722.3390

Anne Arundel County

Circuit Court for Anne Arundel County
7 Church Circle, Room 21–38
Annapolis, MD 21401
M/W/Th: 9:00am–4:30pm
Tu/F: 9:00am–1:00pm
410.280.5374

Baltimore City

Circuit Court for Baltimore City
Courthouse East
111 North Calvert St., Room 114
Baltimore, MD 21202
M–F: 9:00am–3:00pm
410.539.5340

Baltimore County

Baltimore County Circuit Court Building
401 Bosley Avenue,
Ground Floor
Towson, MD 21204
M/F: 9:00am–2:00pm
Tu/W: 2:00pm–7:00pm
410.887.3446

Calvert County

Calvert County Circuit Court
175 Main St.
Prince Frederick, MD 20678
W: 12:30pm–4:30pm
410.535.1600 Ext. 516 or 524

Caroline County

Caroline County Circuit Court
Market St.
Denton, MD 21629
M: 9:00am–12:00pm
410.479.4162

Carroll County

Carroll County Circuit Court
55 North Court St.
Westminster, MD 21157
Tu: 9:00am–12:00pm and
4:00pm–7:00pm
410.386.2401

Cecil County

Cecil County Circuit Court
129 East Main St.
Elkton, MD 21921
M–F: 9:00am–5:00pm
410.996.1157

Charles County

Charles County Circuit Court
200 Charles St.
La Plata, MD 20646
Tu: 9:00am–12:00pm
301.932.3426

Dorchester County

Circuit Court for Dorchester County
206 High St.
Cambridge, MD 21613
M: 9:30am–1:30pm
410.228.1395

Frederick County

Circuit Court for Frederick County
100 West Patrick St.
Frederick, MD 21701
W: 8:30am–4:00pm
301.694.2023

Garrett County

Garrett County Family Support Services
Coordinator
203 South Fourth St.
Room 307
Oakland, MD 21550
M–F: 8:30am–12:30pm
301.334.7602

Harford County

Harford County Circuit Court
20 W. Courtland St.
Room 2–20
Bel Air, MD 21014
M–Th: 8:30am–4:30pm
410.638.4916

Howard County

Circuit Court for Howard County
Courthouse, 2nd Floor
Settlement Conference Room
Ellicott City, MD 21043
Th: 10:00am–2:00pm
410.313.2225

Kent County

Circuit Court for Kent County
103 N. Cross St., 1st Floor
Chestertown, MD 21620
2nd and 4th W:
1:00pm–4:00pm
410.810.1059

Montgomery County

Montgomery County Circuit Court
50 Maryland Ave., 2nd Floor
Rockville, MD 20850
M–F: 8:30am–4:30pm
240.777.9466

Prince George's County

Prince George's County Circuit Court
14735 Main St., Room 253M,
Marbury Wing
Upper Marlboro, MD 20772
M–Th: 9:00am–4:00pm Fri:
9:00am–12:00pm
301.864.8353

Queen Anne's County

Circuit Court of Queen Anne's County
100 Court House Square
Centreville, MD 21617
1st and 3rd W:
9:00am–12:00pm
410.758.1773 Ext. 28

St. Mary's County

St. Mary's Circuit Court
23150 Leonard Hall Drive
Leonardtown, MD 20650
Two Fridays per month:
1:00pm–3:00pm
301.862.3636

Somerset County

Circuit Court for Somerset County, Annex
30512 Prince William St.
Princess Anne, MD 21853
Tu: 9:00am–12:00pm
410.651.4618

Talbot County

Circuit Court for Talbot County
11 N. Washington St.,
South Wing
Easton, MD 21601
M: 9:00am–12:00pm
410.822.3718

Washington County

Circuit Court for Washington County
95 West Washington St.
Hagerstown, MD 21740
Th: 8:30am–12:30pm
240.313.2580

Wicomico County

Circuit Court of Wicomico County,
Old Courthouse
101 N. Division St.
Salisbury, MD 21801
M: 9:00am–12:00pm
410.548.7107

Worcester County

Worcester County Circuit Court,
Courthouse
One W. Market St.
Snow Hill, MD 21863
M: 9:30am–2:00pm
410.632.5638

Family Law Hotline

800.845.8550

Staffed by family law attorneys on behalf of the Women's Law Center and the Legal Aid Bureau, this statewide hotline provides legal information to callers with family law problems.
M–F: 9:30am–4:30pm

Legal Forms Helpline

800.818.9888

This statewide hotline assists callers who are handling their cases without a lawyer and provides assistance in completing legal forms.

Tu/F: 9:00 am–12:30 pm
W: 9:00 am–12:30 pm;
4:00 pm–7pm
Th: 9:00 am–4:00pm

The Peoples Law Library

www.peoples-law.org

Provides legal and self-help information on Maryland and federal law affecting low and moderate income persons and their families.

Appendix 2 / Free or Reduced-Fee Attorneys

Legal Aid Bureau of Maryland
www.mdlab.org

Offices:

Anne Arundel County
229 Hanover St.
Annapolis, MD 21401
410-263.8330

Baltimore City
500 East Lexington St.
Baltimore, MD 21202
410-539-5340
800.999.8904
800.458.5340 (TTY)

Baltimore County
29 W. Susquehanna Ave.
Towson, MD 21204
410.296.6705

Howard County
3451 Court House Dr.
Ellicott City, MD 21043
410.480.1057

Montgomery County
14015 New Hampshire Ave.
Silver Spring, MD 20904
301.879.8752

Prince George's County
6811 Kenilworth Dr.,
Calvert Building, Suite 500
Riverdale, MD 20737
301.927.2101 / 888.215.5316

Lower Eastern Shore
Counties: Wicomico, Dorchester,
Worcester, Somerset
111 High St.
Salisbury, MD 21801
410.546.5511 / 800.444.4099

Midwestern Maryland
Counties: Frederick, Washington,
Carroll
22 South Market St., Suite 11
Frederick, MD 21701
Frederick: 800.679.8813
800.763.4152 (TTY)

Northeastern Maryland
Counties: Harford, Cecil
5 North Main St., Suite 200
Bel Air, MD 21014
410.879.3755 / 800.444.9529

Southern Maryland
Counties: Charles, St. Mary's,
Calvert
Route 231
15364 Prince Frederick Rd.
P.O. Box 246
Hughesville, MD 20637
Charles: 301.932.6661
St. Mary's: 301.884.5935
Calvert: 410.535.3278

Upper Eastern Shore
Counties: Queen Anne's,
Caroline, Kent, Talbot
Tred Avon Square, Suite 3
210 Marlboro Rd.
Easton, MD 21601
410.763.9676 / 800.477.2543

Western Maryland
Counties: Allegany and Garrett
110 Greene St.
Cumberland, MD 21502
Allegany: 301.777.7474
Garrett: 301.334.8832

**Maryland Volunteer Lawyers
Service, Inc.**
16 S. Calvert St., Suite 700
Baltimore, MD 21202
410.547.6537 or
800.510.0050
www.mvlslaw.org
Phone intake hours:
M-F 9am-12pm

Pro Bono Program refers clients to an attorney for domestic cases if they meet the MLSC financial eligibility guidelines. Custody matters handled only if it is not a modification case.
1.800.510.0050

Reduced Fee Program

Clients who are MLSC income eligible are referred to an attorney who has volunteered to represent low-income individuals at a low hourly rate. Clients are responsible for a \$25 administrative fee, and an attorney retainer fee of \$350 if the case involves custody or property or \$200 if the case does not involve custody or property. Attorney hourly fee not to exceed \$45 an hour. Client also responsible for court costs and filing fees and other expenses if the court does not waive them.

Maryland State Bar Association
Maryland Bar Center
520 W. Fayette Street
Baltimore, MD 21201
410.685.7878
www.msba.org

Also contact your local county bar association to locate lawyer referral services.

Appendix 3 / Additional Reading

Bach, David. *Smart Couples Finish Rich: 9 Steps to Creating a Rich Future for You and Your Partner*. New York: Broadway, 2001.

Berkery, Peter M. and Gregory A. Diggins. *Gay Finances In a Straight World: A Comprehensive Financial Planning Handbook*. 1998.

Devine, William Francis. *Women, Men & Money: The Four Keys for Using Money to Nourish Your Relationship, Bankbook, and Soul*. New York: Harmony, 1998.

King, Al. *Suddenly Alone: A Financial Guide for Widows*. Wilsonville, OR: BookPartners, 1994.

Knuckley, Deborah. *The MsSpent Money Guide: Get More of What You Want With What You Earn*. New York: John Wiley, 2001.

Laubach, Susan. *The Whole Kitt & Caboodle: A Painless Journal to Investment Enlightenment*. Baltimore: Bancroft, 1996.

Orman, Suze. *The 9 Steps to Financial Freedom: Practical & Spiritual Steps So You Can Stop Worrying*. New York: Three Rivers Press, 1997.

Perry, Joan. *A Girl Needs Cash: Banish The White Knight Myth and Take Charge Of Your Financial Life*. New York: Times Business, 1997.

Summers, Vanessa. *Get In the Game: The Girl's Guide to Money & Investing*. Princeton: Bloomberg, 2002.

Wasik, John F. *The Late-Start Investor: The Better-Late-Than-Never Guide To Realizing Your Retirement Dreams*. New York: Henry Holt, 1998.

Form 1 / Budget Worksheet

	Per Month	Per Year
Your Income		
Wages, salary and commissions		
Dividends, interest and capital gains		
Annuities, pensions and Social Security (self)		
Death benefits from estate		
Income and real property		
Other _____		
Total Income		
Your Expenses		
Taxes		
Mortgage/Rent		
Food		
Medical expenses		
Utilities		
Telephone		
Car		
Clothing		
Laundry/Dry cleaning		
Childcare		
Personal care		
Hair/Skin care		
Tuition or education expenses		
Insurance premiums		
Maintenance of home		
Hobbies		
Entertainment		
Vacations		
Membership/Professional fees		
Gifts		
Contributions		
Loans		
Credit cards		
Other _____		
Total Expenses		

Form 2 / Net Worth Statement

1. Cash

Bank accounts _____
 Accounts and notes _____
 Cash on hand _____
Total Cash _____

2. Personal Use Assets

Home _____
 Other properties _____
 Furnishings _____
 Computers and electronics _____
 Entertainment (books, audiovisual) _____
 Art and antiques _____
 Jewelry _____
 Vehicles _____
 Time shares _____
 Recreational vehicles and equipment _____
 Professional tools and equipment _____
 Hobby equipment _____
Total Personal Use Assets _____

3. Insurance

Cash values of policies _____

4. Retirement Assets

Individual Retirement Accounts (IRAs) _____
 Keogh plans _____
 SEP-IRAs _____
 Pension and profit-sharing plans _____
 401 (k) plans _____
 Tax-sheltered Annuities (TSAs) _____
Total Retirement Assets _____

5. Other Investments

Stocks and bonds _____
 Certificates of Deposit receivable _____
 Income tax refunds receivable _____
 Investment real estate _____
 Value of business _____
 Investment club share _____
 Value of partnership interest _____
Total Other Investments _____

6. Debts

Accounts payable _____
 Credit cards payable _____
 Auto loans payable _____
 Other installment debt _____
 Home mortgages _____
 Equity line of credit _____
 Other real estate loans _____
 Other notes payable _____
 Taxes payable _____
 Judgments payable _____
 Student loans _____
Total Debt _____

7. Net Worth

Add:
 Total cash _____ +
 Total personal use assets _____ +
 Total cash value of insurance policies _____ +
 Total retirement assets _____ +
 Total other investments _____ +
Subtract:
 Total debt _____ -
Net Worth _____ =

Form 3 / Information Form for Attorney Meeting

Address _____

How Long _____

Prior Address _____

Telephone (H) _____
(W) _____

E-Mail _____

SS Number _____

Maiden Name _____

Date of Birth _____

Want Back? _____

Place of Birth _____

Age _____

Occupation

Employer _____

How Long _____

Address _____

Pay Information _____

Education _____

Health _____

Previous Marriages/Children _____

Criminal Record _____

Military Service _____

Counseling _____

Other Attorney _____

Religious Affiliations _____

OPPOSING PARTY _____

Address _____

Telephone (H) _____

(W) _____

SS Number _____

Date of Birth _____

Place of Birth _____

Age _____

Occupation _____

Employer _____

Address _____

Education _____

Health _____

Previous Marriages/Children _____

Criminal Record _____

Military Service _____

Counseling _____

Other Attorney _____

Religious Affiliations _____

How Long _____

Prior Address _____

How Long _____

Pay Information _____

MARRIAGE

Date _____

Place _____

Type of Ceremony _____ Religious _____

Civil _____

Children

Name _____

Notes _____

DOB/Age _____

Place of Birth _____

Lives With _____

School _____

Problems _____

Health _____

Name _____

Notes _____

DOB/Age _____

Place of Birth _____

Lives With _____

School _____

Problems _____

Health _____

Name _____

Notes _____

DOB/Age _____

Place of Birth _____

Lives With _____

School _____

Problems _____

Health _____

Name _____

Notes _____

DOB/Age _____

Place of Birth _____

Lives With _____

School _____

Problems _____

Health _____

REAL PROPERTY

Marital Home

Description _____

Title _____

Address _____

FMV _____

Bought _____

Mortgage Co. _____

Paid _____

Address _____

Monthly Payment _____

Balance Now _____

Other Liens (1) _____

(2) _____

Address _____

Address _____

Amount _____

Amount _____

Down Payment/Source of Funds _____

Non-Marital Aspects _____

Other Property

Description _____

Title _____

Address _____

FMV _____

Bought _____

Paid _____

Mortgage Co. _____

Monthly Payment _____

Address _____

Balance Now _____

Amount Borrowed _____

Other Liens (1) _____ (2) _____
 Address _____ Address _____

 Amount _____ Amount _____
 Down Payment/Source of Funds _____
 Non-Marital Aspects _____

PROPERTY

Automobiles

Model/Make /Year	Title	Possession	FMV	Amount	Mo. Payment
1. _____					
2. _____					
3. _____					
4. _____					

Stocks and Bonds

- 1. _____
- 2. _____
- 3. _____
- 4. _____

Retirement Benefits

Husband's Company _____

Wife's Company _____

IRAs

- 1. _____
- 2. _____
- 3. _____
- 4. _____

BANK ACCOUNTS

Name/Address of Institution _____

Type of Account _____

How Titled _____

Balance _____

Name/Address of Institution _____

Type of Account _____

How Titled _____

Balance _____

Name/Address of Institution _____

Type of Account _____

How Titled _____

Balance _____

Name/Address of Institution _____

Type of Account _____

How Titled _____

Balance _____

Name/Address of Institution _____

Type of Account _____

How Titled _____

Balance _____

Name/Address of Institution _____

Type of Account _____

How Titled _____

Balance _____

LIFE AND HEALTH INSURANCE

Name of Company _____

Face Value _____

Beneficiary _____

Premium Payments _____

Policy No. _____

Name of Company _____

Face Value _____

Beneficiary _____

Premium Payments _____

Policy No. _____

Name of Company _____

Face Value _____

Beneficiary _____

Premium Payments _____

Policy No. _____

Name of Company _____

Face Value _____

Beneficiary _____

Premium Payments _____

Policy No. _____

Name of Company _____

Face Value _____

Beneficiary _____

Premium Payments _____

Policy No. _____

Name of Company _____

Face Value _____

Beneficiary _____

Premium Payments _____

Policy No. _____

Notes

The Women's Law Center of Maryland, Inc. is a non-profit organization composed of lawyers, judges, law students, social service professionals and other concerned persons who seek to promote a legal system that provides justice and fairness for women. The Women's Law Center serves as a leading voice advocating for the legal rights of women through policy analysis, advocacy, litigation, education, research, judicial selections, legislative advocacy and direct services.

Bruce A. Kaufman Center for Family Law

Advocates for improvements in family law through litigation, legislative advocacy and system reform and provides innovative legal services to families.

Family Law Hotline 800.845.8550

Provides legal information to callers with family law problems. Operates Monday through Friday, 9:30 am to 4:30 pm. Hotline is staffed by attorneys who volunteer with the Women's Law Center and Legal Aid Bureau attorneys.

Legal Forms Helpline 800.818.9888

Assists callers who are handling their family law cases without an attorney. Provides information about how to complete forms, how to serve the other party and how to respond to court papers. Helpline operates Tuesday and Friday from 9:00am to 12:30 pm, Wednesday from 9:00 am to 12:30 pm and 4:00 pm to 7:00 pm and Thursday from 9:00 am to 4:00 pm.

Domestic Violence Representation

The Protective Order Advocacy and Representation Project (POARP), which is operated jointly with the House of Ruth, provides legal representation and advice to victims of domestic violence who are seeking a civil protection order. Staff attorneys are located in the circuit courts for Baltimore City, Baltimore County and Montgomery County. The Multi-Ethnic Domestic Violence Project (MEDOVI) provides legal representation to foreign-born victims of domestic violence in protective order hearings and to seek a battered spouse immigration status waiver. All domestic violence projects provide safety planning and referrals to community-based resources.

P u b l i c a t i o n s

In addition to *Your Money Matters* the Women's Law Center has published several other informational publications:

Legal Rights in Marriage and Divorce in Maryland (available in Spanish)

Sex Discrimination in Employment (available in Spanish)

The Legal Rights of Unmarried Cohabitants

Battered: What Can I Do? (available in Spanish, Korean, Chinese, Vietnamese, Russian)



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