



Prudential Investment Managers
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Investing for the newly single

Recently divorced? The end of your marriage – as heart-breaking as it is – doesn't have to spell disaster for your financial future. If you've spent most of your adult life planning for two – or letting your (now ex-) spouse take the lead when it comes to managing the finances – you'll probably need to make a few adjustments. Although you no longer have the safety net of an additional income, the good news is that you're now in complete control of your own financial destiny... and that independence brings with it its own set of rewards and opportunities.

There are a few things that you'll need to consider as you take full responsibility for your finances and your investments. The most important is to not act emotionally. That's a lot easier said than done, especially now, when emotions are likely to be running high. You may find yourself wanting to spend some money on yourself, and of course you'll want to start planning your new future as quickly as possible. But when it comes to investing, emotional decisions are seldom good decisions. Resist the temptation to make major financial decisions that can't be reversed based on emotion. Rather be precise and methodical, and work with a trusted independent financial adviser (IFA) who can help you identify the impacts of your choices on your long-term future.

During the divorce proceedings, speak to your attorney and your IFA about any claims you might have against your spouse's retirement funds; and – at the same time – any claims your spouse might have against yours. This is also a good time to take care of some basics – like updating the beneficiaries on your retirement and life insurance policies, as well as updating your will.

Your redrawn financial plan should consider what's urgent and what's important – remembering, of course, that the two aren't necessarily the same. Short-term interests are generally more urgent. . When it comes to the short term, consider doing a full inventory of your assets, your debts and your income. Once you have a [clear picture of your budget](#) and where you stand financially, you can then [put a plan together for your longer-term goals](#). Will you need to [invest towards your children's education](#)? Are you investing towards a new home for yourself or should you rent? There's no need to rush these decisions, and you can use our [goal calculator](#) to get an indication of what a longer-term investment plan might look like, using several different scenarios. The more methodical your plan, the more sense of control and security you'll have.

Of course, every investment will carry some risk – and, generally speaking, the higher the rate of return you're seeking, the greater the risk you'll need to take on. But that risk can be mitigated somewhat by taking a consistent, long-term approach to investing and opting for a well-balanced, diversified investment portfolio (such as those [offered by Prudential](#)). Your financial adviser will be able to talk you through it all, highlighting the respective risks and potential returns for each investment, and best of all, help you avoid making panicky emotional investment decisions.

Remember, while divorce may be the end of one journey, it's also the start of a new and exciting one. Taking your time to plan the new one is the first step to future success. For more information please feel free to contact our Client Services Team on 0860 105 775 or email us at query@prudential.co.za