



Managing Finances When Ending a Relationship

Ending a romantic relationship can be a challenging experience. Divorce, the process of terminating a marriage, is less common in Wisconsin than most states but it is still something that thousands of Wisconsin couples experience each year. In addition to the difficult emotional experience that can come with ending a relationship, there can be financial challenges. This tip sheet covers important financial planning and wellness information for people who are ending a relationship with a romantic partner.

For married couples considering divorce, each partner can benefit from thinking about how to cover the cost of a divorce, which can be \$2,000 or more if you use legal help (Forbes, 2023). Factors that impact the cost include attorney fees, the complexity of the couples' financial situation, child custody issues, and whether the couple agrees on terms of the divorce. Contested divorces can be much more expensive. It is important to know that Wisconsin is a [community/marital property](#) state, which means that all assets acquired during the marriage will be divided equally in a divorce. Other important questions to consider during the divorce process are:

- Who gets what property?
- What tax issues need to be considered?
- If the couple owns a home, who gets the home? Should the home be sold? If so, how should the money from the sale of the home be split?
- What will the financial standing of both partners be after the divorce? Will a higher earning spouse provide financial support to a lower earning spouse? If so, for how long?
- Will either partner remain listed as a beneficiary on the other's financial accounts?

To help answer these questions and others, divorcing partners can consider finding professional help. [Legal Action of Wisconsin](#) may be able to provide free legal services related to divorce, legal separation, child custody and placement, spousal support, and more. You can contact Legal Action of Wisconsin by calling 855-947-2529 or visiting <https://www.legalaction.org/contact-us>.



After the divorce process is complete, each ex-partner will need to adjust to their new situation. Some tips are:

- **Give yourself time to recover.** It takes time to financially recover. However, a new financial situation feel often more normal as time passes.
- **Take on the task of managing money.** During the relationship, one ex-partner may have taken the lead in managing monthly bills, savings, etc. After the relationship, each ex-partner will need to [create a spending plan](#) or find support (example: financial coach, friend, etc.) to help create one.
- **Adjust to new income & expenses.** After ending a relationship, it is common for the income & expenses of each ex-partner to change. [Tracking your expenses](#) can help you better understand your new financial situation.
- **Remove responsibility for certain accounts.** While divorce often results in a couple's property being split, it can still be important for ex-partners to remove their names from accounts they no longer use or have access to use. For example, if ex-partners have both of their names on a loan, it may be best for the loan to be in just one person's name.

Talk about finances with your county's financial educator. Visit <https://counties.extension.wisc.edu/> for more information.