

# CASE STUDY:

## The Divorced Single-Mom



Michelle is a hardworking divorced single-mom for her daughter, Stephanie. Stephanie is only four-years-old, but Michelle is concerned about her well-being in the event that she could no longer care for her daughter. She wants to have some sort of protection plan in place so that Stephanie will be taken care of, but she does not want to spend an outrageous sum of money to do that just yet.

### How do you advise them?

Michelle would benefit best from a Will with a Testamentary Trust Provision. A Will is a simple estate planning document that directs how one's estate will be distributed at their death. Including a Testamentary Trust provision within the Will (meaning a trust that comes into effect at death) can provide Stephanie with access to funds for her health, education, support, and maintenance. Moreover, even though conversations with an ex-spouse can be frustrating and uncomfortable, Michelle needs to have that conversation to determine Guardianship for Stephanie.

### ASSETS:

- House (with mortgage)
- 401(k)
- Life insurance policy
- Savings & checking account
- One car

**Total Net Worth: \$250,000**

### QUESTIONS TO ASK:

- How is custody split between you and your ex-spouse?
- Have you had a discussion with your ex-spouse about who will care for your daughter if neither of you can?
- How important is protecting your assets for your child's care and support?