



faith . discipline . patience

More and more I am becoming a fan of an upfront lump sum payment in lieu of periodic alimony payments. If the payor has the funds, and the payee won't immediately blow it, and get some financial advice—I think it this approach is worth consideration and calculations. Admittedly, I am very much a “bird in hand” guy.

As we know, court ordered spousal doesn't always mean your client gets the court ordered spousal. Some months, yes. Some months, late. Some month, no. An upfront lump sum eliminates the ongoing hassle of dealing with the ex and the gamesmanship that sometimes can come along with a monthly check. And, even if the payor is attempting to abide by the settlement agreement, things could change for the worse. Suppose he gets fired, becomes disabled, or dies. (insert joke here 😊).

I think there are some of a lump sum payment for the payor as well. Depending on circumstance, sometimes a one-time bigger tax deduction is financially more advantageous than smaller ones over years. Plus, some of the payors I have worked with have expressed relief in “pulling the Bandaid® off” all at once, rather than bit by bit, month after month.

If a lump sum strategy in lieu of periodic alimony payments is an option you are considering in a case, I can help you brainstorm some net present value calculations, as well as educate you and your client about the short-term and long-term financial implications for such an approach.

Much of the work I do as a *Certified Divorce Financial Analyst*™ is helping my clients think financially, less emotionally....helping them to decide which assets to fight for and which to concede. I would love an opportunity to visit with you and share how I can help you better serve your clients.

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