

Safeguarding Your Future: Why Women Should Not Ignore Prenups and Postnups

In recent years, there has been a noticeable increasing trend of married women becoming the household's primary income earner throughout North America. We also see reports which indicate these households are facing more challenges due to that shift in financial role. In an era where over 40 per cent of marriages in Canada end in divorce, the significance of prenuptial and postnuptial agreements, especially for women, cannot be overstated. While no one enters a marriage anticipating its end, these details highlight the necessity of being prepared, and it is usually better to discuss it when communication and emotions are positive.

Prenuptial agreements, created before marriage, and postnuptial agreements, formed after tying the knot, serve a similar purpose. They don't necessarily mean one spouse gets everything, they simply outline how the distribution of assets and financial responsibilities will unfold, should the marriage end. This planning is not about anticipating failure; instead, it's about empowering both partners with clarity and security.

Traditionally, these legal instruments have been viewed with skepticism, often perceived as "unromantic" or "distrustful." Many believe that unless they are the "breadwinner" of the house, prenuptial and postnuptial agreements don't apply to them and they should not sign one, but this is incorrect. In fact, if you aren't going to be the high-earning spouse in a marriage, you are actually going to want to truly consider prenuptial or postnuptial agreements, as they can offer equality and fairness for both sides. This is your time as the "non-moneyed" spouse to negotiate your package. In today's dynamic socio-economic landscape, where the percentage of dual-income households and high-income-earning women are increasing, these agreements are essential tools for protecting women's financial and emotional well-being. They also allow the couple to focus on the relationship with some added peace of mind.

There are many reasons why women should not ignore these agreements. First, the protection of their personal assets. A prenup or postnup can help ensure that assets accumulated before or during the marriage, like property, inheritances, or business interests, are confidently protected. This is particularly important in provinces where the law may not recognize the difference between pre-marriage and marital assets. Next is the clarity of financial arrangements in a dual-income household, which involves establishing a clear framework for managing complex expenses. This clarity can be especially beneficial in a divorce, reducing conflicts and ensuring fair distribution. Furthermore, these agreements can help to offer support in the event of a marriage breakdown or during transition, as many women, particularly those who have sacrificed careers for family, may find themselves financially vulnerable. Prenups and postnups can stipulate specific spousal support arrangements, offering security and assistance during the transition to single life. Lastly, they can also protect you against assuming a partner's debt. This is crucial in scenarios where one partner enters the marriage with significant liabilities, and you want to make sure you aren't on the hook for their debts that can burden you financially.

While there are benefits, these agreements also come with challenges. There's a need for open and honest communication, which can be difficult. Both parties should have independent legal advice to ensure the agreement is fair and legally sound. It's also crucial to update these agreements to reflect life changes like the birth of children, significant career shifts, or inheritance.

Divorces are emotionally and often financially draining, but having a well-structured agreement in place can mitigate these stresses. Prenups and postnups offer clarity, protection, and peace of mind, allowing women to enter into relationships with confidence and security. Ultimately, these agreements are not about planning for a marriage to end but about preparing for a life of mutual respect, understanding, and financial independence.

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