

Your Divorce Matters

15 Tips to help you divorce without going broke!

Divorce can be very expensive. It can leave either spouse at risk for financial disaster, including bankruptcy.

There are practical measures you can take to minimize your costs or, at least, keep them under control:

1. Once you have made the decision that you are certain that the divorce will happen, look at the negotiations as a business deal. You cannot expect your spouse to look out for your interests. Throughout the divorce, your spouse will protect his own interests, which may be quite different from yours.
2. Apply for credit cards in your own name. This will enable you to have an easy way to access money, establish credit in your own name, and have something to use when you cancel your joint accounts.
3. Consider selling unwanted items to raise cash. First, be sure you both agree to sell the property and that there are no restraining orders barring you from doing so.
4. Get informed! Organize your records and collect information about all of your finances, in particular, what you own, what you owe, and the family budget.
5. Prepare a written summary of important facts. Include the date you were married, your children's birthdates, the date you separated, the property you brought into the marriage, and other details. This list will provide relevant information to the divorce professionals you work with.
6. Read a book, take a class, or do some other research on the divorce process, even if you plan to use a mediator or attorney. Knowing how the process works translates into dollars saved, as professionals do not have to explain details at their hourly rates.
7. Absolutely obtain the best advice you can afford. I tell my clients to look at the fees as an investment in their future. Someone who is not specialized may charge less, but may also make irreparable mistakes or take twice as long to prepare documents. Divorce is a special situation that requires advanced education. Representing yourself is also not wise.
8. Take care of some tasks yourself. You can gather documents, file papers, and do some other tasks that administrative associates are paid to do. Work with your attorney and ask what you can do to save costs.
9. Think C.A.L.M. **C**ollaborative Divorce is no longer a new process and is now practiced statewide. There is a significant benefit in having all the professionals working towards one goal—the settlement of your case. **A**rbitration is less expensive than court. You “rent a judge, “an impartial observer who may be able to help you decide the more contentious issues in your divorce. These are alternatives to costly **L**itigation, where no one really wins. **M**ediation can be a very effective means of bringing your divorce to fruition. This is where you work together with your spouse to solve the problems of

property division and custody arrangements. It is private, less expensive, and kinder to your children than litigation.

10. Provide photocopies for yourself. Professionals can charge a \$1 or more for copies. Ask about this upfront.
11. Remember that whatever professional you are meeting with has a focus and specialty. The attorney advises you on legal issues; the therapist helps you emotionally; and the financial specialist performs financial and tax analysis. Stay on point when you are meeting with professionals charging an hourly rate.
12. Don't get stuck on the small issues. A stall in the negotiations will generate unnecessary and substantial legal bills. If your major needs and objectives are met, and you *both* are displeased with the results, the settlement is a good one.
13. This is one of the most difficult times in your life. Don't declare war. Choose an attorney who can help you solve problems and bring your divorce to a successful conclusion as quickly as possible.
14. Consider receiving your alimony as a lump sum payment rather than monthly checks. A smaller lump sum that you actually receive is better than future payments that may not arrive. You will also not be taxed on the lump sum.
15. Don't forget overlooked assets such as Frequent Flyer Miles, season tickets, club memberships, and timeshares. Sometimes these little items can actually be gems in bringing the settlement to closure.

This article was written by John Faggio and was published in the Howard County's Women's Journal, June 2005. It has been updated by the author on June 24, 2009.