

Collaborative Divorce: A New Approach to a Challenging Process

Anyone who has been through a divorce will tell you it can be a gut-wrenching experience that harms you, any children involved and the post-divorce relationship of the couple. Even with the best of intentions, communication can be challenging, and conflict tends to escalate over even minor issues – especially when navigating financial and legal points. Communication often breaks down to the point that all contact has to be handled through adversarial attorneys and the fees just keep climbing.

If you'd like to minimize the trauma to yourself and your children, to be treated respectfully by your spouse and to have your needs and goals be heard and valued, collaborative divorce may be worth considering.

What is collaborative divorce?

The collaborative divorce process requires both parties to be open, honest and realistic and to each retain their own collaboratively-trained attorney. You, your attorney, your spouse and their attorney will meet together in what are called “four ways”. You will all sign a contract and agree to openly share all financial documents, children’s ongoing needs, etc. and be totally honest about everything. Additionally, you will agree not to use the traditional court system but to work together to resolve issues in a respectful manner.

Often when a couple works in a collaborative environment it becomes apparent they have many shared goals. These may include maintaining the children in the same school district or a private school, planning for college, ensuring each party has an adequate standard of living post-divorce, and appropriate living space for each party within proximity to the children so they have comfortable access to both parents.

It is *your* divorce and together you can come up with solutions that are not court mandated but work for your circumstances. As appropriate, you may seek the services of other experts acting as neutral parties: business valuers, appraisers, mental health professionals and Certified Divorce Financial Analysts (financial advisors professionally trained in divorce issues).

As a Certified Divorce Financial Analyst (CDFA) who is also trained in the collaborative process, I have helped many couples come up with their own proposals for dividing assets. As a neutral party in a collaborative divorce, the CDFA’s role is to partner with the collaborative divorce attorneys and the divorcing couple to provide expertise on the financial side of things.

CDFAs often work with couples to examine their financial proposals to each other, preparing long and short-term financial projections that show how each party will fare under various scenarios. We provide education regarding finances, tax returns, financial statements, cost basis, COBRA/health insurance and debt prioritizing. We make sure each party understands these financial topics and they can realistically assess the costs and benefits to each party over time.

Recognizing that two households always cost more than one, we may also assist both parties in developing budgets that are workable and



acceptable. When a couple agrees that one party should stay in the marital home until the children have graduated from high school or college, we can then reach an agreement to share major house expenses until the house is sold. A couple may decide to set aside “x” percent of future bonuses per some formula to fund college. Or you may have a child with special needs and you want to be sure that resources are allocated for that child.

Each situation is different, but overall the collaborative process allows couples to negotiate to find the financial solutions that work best for their unique situation.

So what are the real benefits?

On the financial side, this collaborative approach can help reduce damage and expenses involved with the divorce process itself, and can help couples find the fairest and best possible long-term financial solutions in a non-adversarial way.

Collaborative divorce helps people feel assured that their needs are heard and addressed. Difficult but realistic decisions can be made in a respectful, civilized environment. Typically, interactions between the couple during and after the divorce are less stressful. If you have children, a real benefit is being able to watch your children at sporting events, walk on the field together at senior recognition, attend graduations, weddings etc. without your children worrying about having to take sides or fearing a disaster will spoil the event.

If you think collaborative divorce is a possibility or would like to learn more about financial strategies and divorce, I would welcome your call (412) 531-3533.



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