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ASSETS & VALUES



SHANNON BUGGS

Divorce has short-term, future costs

THE old line goes it's cheap to get married but expensive to get divorced.

And dissolving a union gets even more costly in economic hard times when couples have fewer assets to split, more debts to divide and less cash to spend on lawyers and financial experts.

That combination of financial difficulties can lead the unhappily married to take a do-it-yourself approach to divorce.

There are plenty of Web sites out there that provide the paperwork and instructions to get this done, including www.nolo.com, www.mydivorcedocuments.com, www.easy-divorce.com and www.completecase.com.

If you have no children and very little stuff to sunder, then doing a divorce pro se (legalese for "self-representation") just might work for you.

But you also should know, you are gambling with your financial future by betting that what you don't know about community property and your legal rights won't hurt you.

A mediator

There are, of course, alternatives to DIY divorce that are not as costly as traditional divorce scenarios where both spouses lawyer-up and prepare for a court battle.

These are mediated and collaborative divorces.

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BUGGS: Divorce is a costly endeavor

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In mediation, neither spouse has a lawyer and both work together with a one mediator. This person is a neutral party who guides negotiations but is not supposed to advise either side on how to end the marriage, work out custody issues and divvy up the material possessions without taking the matter to the courts.

Tell the truth

The collaborative process requires each spouse to have an attorney who can offer guidance and suggestions. All four parties, however, are required to sign an agreement that they will tell the truth, not hide any information and work together toward a solution without court intervention.

The couple hires together any experts they might need, such as financial advisers, marriage counselors, mental health therapists and child psychiatrists. And they use a four-step process based on diplomatic negotiation practices to guide the dispute resolution process.

The attorneys also agree that if their clients fail to resolve their issues using the collaborative law process, both sides will hire new lawyers to represent them in traditional divorce proceedings.

Not inexpensive

"The reason the whole system works is nothing said and done in collaborative is ever admissible in court," said Norma Trusch, collaborative law attorney in Houston.

With that many people involved in your marital dissolution, the collaborative process is not inexpensive.

"It is not bargain-basement law," Trusch said. "The range is anywhere from \$3,000 to \$20,000. That's more than mediation but a lot less than having a fully litigated divorce in a court of law."

The cost to women

And spending the money can give you and your spouse peace of mind that you did everything you could to protect each other's financial futures as you divorce.

The Government Accountability Office,

the investigative arm of Congress, issued an October 2007 report on the challenges that threaten women's financial security in retirement and found one of the major obstacles is divorce.

"While divorce may result in a reduced standard of living for both men and women, divorced women, as a group, experience more economic loss than divorced men," the report said.

Social Security

For example, the Census Bureau reported that in 2001, 23 percent of recently divorced women, in comparison to nearly 8 percent of recently divorced men, had income below the poverty level."

Plus, divorced spouses cannot claim Social Security benefits from an ex-spouse's earning record unless the marriage lasts at least 10 years and, according to the Census Bureau, the majority of first and second marriages end before the 10th anniversary.

Scare-tactic statistics, I know, but I share them to underscore the financial risks of divorce. Ending a marriage on the cheap can have never-ending penalties.

Shannon Buggs has completed the financial planning certificate program at the University of Houston. She welcomes comments and suggestions but cannot offer specific advice about individual circumstances. Contact her at shannon.buggs@chron.com