



Money

Personal-Finance

How to get divorced without breaking the bank

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Jennifer Zoschak, a partner in the family law firm of [Oswald & Zoschak](#) in Lawrenceville, New Jersey, handled the divorce of a couple that had been married for more than 20 years. The wife—who she represented—earned 40 percent less than the husband, so Zoschak knew that alimony would likely be part of any settlement they reached in dissolving this long-term marriage.

The husband had other ideas and, through his attorney, fought for over a year against paying any kind of spousal support. With no resolution in sight, the case finally went to trial and the judge ultimately granted the wife permanent alimony. Total legal costs of this otherwise uncomplicated divorce: a whopping \$300,000.



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Divorce can be devastating on the heart, and on the wallet.

Whether rich or poor, young or old, a divorce can be devastating to both the heart and the wallet. Earlier this year, billionaire oil tycoon Harold Hamm made headlines when he wrote his ex-wife a check for \$975 million as part of the settlement to end their 26-year marriage.

Of course, most couples aren't dealing with the task of splitting billion-dollar fortunes. But even when the stakes are far lower, it's not unheard of, say family law practitioners, for couples of moderate means to easily rack up \$15,000 or \$20,000 in legal bills. Is it possible, then, to get divorced without breaking the bank?

A less costly separation

Though it seems that lawyers are the ones calling the shots when it comes to how much a divorce will cost, couples actually have more control than they think. "The cost of a divorce is entirely based on how reasonable, fair and honest the couple is with each other," said Zoschak. "If they can communicate calmly, not lie about [assets](#) or income and not fight about inconsequential minor things, I can do a divorce for \$1,500 and have it finalized in a matter of weeks. Absent such equanimity—and it's safe to say most divorces are—couples typically spend thousands of dollars and months of legal wrangling to go their separate ways. That's why during this emotionally tense and often acrimonious life event, it pays to stay calm and be candid about [finances](#).

According to family law attorneys, here are some of the most common mistakes that cause legal bills to skyrocket.

Fighting about minor parenting issues. Yes, it's important to be a steady presence in the lives of your children during the separation and after the divorce. But do you really need lawyers to argue on your behalf the exact times for soccer practice drop-offs or the amount of time kids spend with the grandparents? Having lawyers go back and forth negotiating these simple points only adds hours to the process and increases the cost.

Not being flexible. Zoschak recalls witnessing a couple who between them spent thousands of dollars in legal fees arguing about who would pay their daughter's \$10-a-month Internet charges. Even if you feel it's the other parent's responsibility, it's rarely financially sensible to argue minor [financial](#) points.

Treating your lawyer like a therapist. Attorneys are paid an hourly rate to handle issues related to your finances and children. They aren't a sounding board for why your marriage

ended. Keep your legal bills from mounting by **saving** these emotional discussions for close friends or even a therapist.

Be financially prepared

Specific divorce laws vary state by state. But one of the first requirements, regardless of where the divorce is taking place, is a detailed financial statement listing sources of income, assets and living expenses. Most divorce attorneys will give their clients a worksheet to guide them through the process of preparing one. But with complicated cases—say, where a family **business** is involved—the calculations might not be that straightforward.

Lili Vasileff, a certified **financial planner** and president of [Divorce and Money Matters](#), a firm specializing in divorce financial planning, said that's where expert financial help can pay huge dividends. She works with clients—the majority are women—to help them get their financial information organized.

"A divorce is a very emotional and vulnerable time for people, especially women, so it's important to have someone on your side who understands the complete financial and tax implications of your situation and any divorce agreement you come to," she said, noting that a divorce financial planner typically has a lower hourly rate than a divorce attorney. "A lot of the clients I see come to me before they ever see a lawyer."

Vasileff said she combs through financial and deferred compensation statements and retirement benefits to make sure her clients understand the monetary implications of the divorce. She then often works in conjunction with the attorney to flesh out the financial pros and cons of different financial **strategies** to maximize the settlement. After a divorce is finalized, she'll work with a client to ensure that new accounts are opened properly and assets are transferred correctly.

She also strongly recommends obtaining a credit report before any divorce proceedings begin. "Your credit score will have a big impact on the cost of any future loans or insurance policies, so it's important to know where you stand," she explained. **Vasileff** said she has seen clients who discover that spouses racked up credit card debt during the marriage, and one who even obtained a second mortgage on a **house** without his wife knowing about it.

Some couples choose to forgo attorneys in favor of working with a mediator. Here it's important to remember that a mediator's job is to help facilitate communication between

both parties so that they can reach an agreement. And while it can be cost effective—mediators can charge less than half the rate of the average divorce attorney—and save time, using one doesn't ensure that any agreement reached is fair to both parties.

Vasileff, who often works with mediators, said the process can be successful as long as both spouses understand the financial ramifications of any agreements. Zoschak believes mediators can work when "both parties have equal knowledge of their finances and each spouse is aware of all the debt and assets in the marriage."

Of course, no amount of financial planning or preparation can erase the raw emotions that a divorce brings to the surface. "It is a profound place of transition in most people's lives," said **Vasileff**. When dealing with her clients, Zoschak tries to help them minimize the emotional toll by encouraging them to focus on the facts.

"A big waste of time and **money** is when clients insist on fighting over minor, little things and then tell me 'it's the principle of the matter,'" she said. "I often have to be pretty blunt and tell them they can't afford to have principles. In the end, a client has to do what makes sense financially."

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