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New Breed of Specialist Helps Couples to Unwind Marriages

By RACHEL EMMA SILVERMAN Staff Reporter of THE WALL STREET JOURNAL

From wedding planners to florists to professional toastmasters, it can take a small army these days to orchestrate the perfect marriage. But that's nothing compared with the growing number of people involved in ending one.

One of the latest entrants is the certified divorce planner, a specialist trained to focus on what is often the most rancorous aspect of a breakup: who gets the assets. Divorce planners don't replace attorneys, who draft the legal documents or deal with child-custody issues. Instead they focus on the numbers, helping couples wade through the fiscal intricacies of splitting up. Among them: the complex process of divvying up retirement accounts and stock options, calculating alimony payments and deciding whether it makes financial sense to keep the home.

While the name "certified divorce planner" may have a gimmicky ring, its ranks aren't composed of former aerobic instructors or massage therapists. Nearly 70% of them have a financial title such as CPA or certified financial planner. About 1,000 divorce planners have been certified since 1993, with about 500 more in training right now. They generally charge between \$100 and \$200 an hour, and client work usually lasts about 12 hours.

For better or for worse, an unusually high number of these specialists bring a measure of personal experience to the table. About 80% have been through a divorce themselves, and many got into the business after undergoing a breakup.

Mark Hill, a longtime San Diego financial planner, decided to formally add divorce to his repertoire after going through three of them himself. "I've done it both right and wrong," he says. The second divorce -- a highly contested court battle -- involved fights over everything from property to support payments. That spurred him to seek a smoother way of handling the process. His frequent partner in such cases? His ex-wife's attorney.

In an era when many people feel as if they need a personal trainer to go to the gym and a therapist to get out of bed, it's not much of a stretch to see where demand for divorce planners is coming from. But it also shows just how much divorce itself has become an industry. Based on current and historical survey data, nearly half of all recent first marriages may end in divorce, according to a U.S. census report released last year. That amounts to about a million divorces a year.

At the same time, growing affluence means more people now seek the kind of specialist advice that was once reserved for the breakups of corporate chieftains and heads of movie studios. The result: Divorce planners have joined the swelling ranks of investigators, forensic accountants and lawyers that couples now employ in what some call "the exit process."

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VALENTINE'S DAY

These days, breaking up requires a team of pros, one of the latest being a divorce planner. These specialists focus on the financial aspects of divorce. Here's what they recommend:

1. Be Prepared: Once things look irreconcilable, make sure you have a complete list of bank and investment accounts: Save statements, account numbers and other paperwork.
2. Work the Numbers: Prepare a careful post-divorce budget and make sure you have enough liquid resources to draw upon.
3. Don't Be House Poor: Many divorcing people want to hold onto their houses for emotional reasons; it provides stability for the children. But it often entails hefty expenses, which means you'll have less cash on hand.
4. Don't Rely on Alimony: Alimony payments eventually end. So don't count on alimony to cover big expenses like the mortgage.
5. Watch Out for the Tax Hit: What might seem like an even asset split on paper isn't always equal, because of tax liabilities. Withdrawing \$100,000 from an IRA account incurs a tax penalty, while withdrawing \$100,000 from a checking account doesn't. Part of a stock portfolio might be subject to valuable tax breaks, while another part might face big capital-gains taxes.
6. Get Insurance: Take out a life-insurance policy for the alimony-paying spouse. The beneficiary of the life-insurance policy should also be the owner. That way the alimony-paying spouse can't secretly change the policy.

Of course, throwing a divorce planner into the mix hardly ensures an amicable parting. One divorcing couple owned a fast-food franchise in a ski town in Colorado and was seeking a way to divide the business. Divorce specialist Carol Ann Wilson helped the couple settle on a Solomon-like solution. The husband took the business; the wife got the real estate where the franchise stood and became her ex's landlord.

But they're not using this one as a case study in divorce-planner school. The husband wound up making pesky demands for repairs. The wife raised the rent. They soon ended up back in court. Divorce advisers can lay out possible scenarios, but "ultimately it is the client's decision," says Ms. Wilson, who advised the wife.

One complaint: Some planners set out goals for clients that aren't achievable in court. Houston divorce lawyer Lindsey Short says a divorce planner helped one of Mr. Short's clients prepare a postdivorce budget that called for about \$9,000 a month for the wife.

There was one problem. That was more than the couple jointly earned each month. "It was a nightmare," says Mr. Short. Even though his client ended up with a generous settlement, she felt frustrated that it fell far short of the target discussed with the divorce planner.

But to many clients, nervous or frustrated with the divorce process, divorce planners have been a big help and a money-saver in the long run. When Linda Whildin's marriage ended after 30 years, the Boulder, Colo., woman didn't know what to ask for in the settlement or how much money she would need to live on after the divorce. "I never did any of the financial stuff," she says.

Kathleen M. McCarthy, a family-court judge in Wayne County, Mich., says the couples in her chambers are often smarter about their financial options if they have worked with a divorce planner.

Still, the divorce planners are having some trouble of their own right now. There are actually two competing titles -- "certified divorce planners" and "certified divorce specialists." And there has been messy litigation (over noncompete agreements, among other things) between their certifying bodies, the Institute for Certified Divorce Planners, in Michigan, and the College for Divorce Specialists, Boulder, Colo., which broke away from the institute last year.

The two professions offer similar services, although the methods of training differ. For instance, divorce planners take more exams, but divorce specialists require that all members have a CPA, CFP or some other financial accreditation. The divorce planner title is more established than the upstart divorce specialist title, although the founder of the latter movement also started the former.

To become certified, potential planners order a correspondence course for \$1,350 and pass four exams, including one using a software program that charts the long-term financial impact of proposed settlements. And they must have a financial or tax background. Many of the planners also do divorce mediation.

Some financial professionals question whether it's really necessary to have yet another niche of divorce specialists. Houston lawyer Mr. Short says there are simply too many professionals clamoring to get a piece of the pie: "There's always a feeding frenzy around wounded rabbits."

Still, there are a lot of new issues to be haggled over these days, as the sputtering economy puts a premium on splitting things like underwater stock options and depleted retirement savings.

Divorce planners are most effective when couples have specific financial issues to resolve, like how to divide a stock portfolio. While they're open to all clients, divorce planners often make the most sense for clients with estates of at least \$250,000 and who have been married at least 10 years, when alimony generally becomes a larger issue.

Most divorce planners are hired by women, who traditionally don't have the same grasp of the family finances as their husbands. Sometimes the wife sneaks off to the divorce planner when she is contemplating divorce. One of Ms. Wilson's clients was so concerned that her husband would find her with the divorce planner that she held meetings in an obscure restaurant and paid in cash. Now, though, more men are turning to divorce planners to prevent their soon-to-be ex-spouses from getting the upper hand.

Ms. Whildin, of Boulder, Colo., hired divorce planner Natalie Nelson to help her sort through issues like whether to keep a second home in Breckenridge. Ms. Whildin was attached to the condo, but Ms. Nelson explained that it might be too expensive to keep over the long term. Ms. Whildin ended up letting her ex-husband keep the place.

"Even though I had to cry over that, those were the kinds of things I wouldn't have looked at," says Ms. Whildin.

#### Online Resources

o [www.institutecdp.com](http://www.institutecdp.com): At the Institute for Certified Divorce Planner's web site, you can search for divorce planners by zip code, state or last name.

o [www.cdscollege.com](http://www.cdscollege.com): The College for Divorce Specialists' web site allows you to find divorce specialists by keyword and geography.

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