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Why a Collaborative Divorce Makes Financial Sense

With fewer attorneys involved, a collaborative divorce may save you thousands

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Many people visualize themselves getting married; nobody daydreams about tension-filled evenings, when you're considering the legal ramifications of stabbing your spouse with a salad fork.

For couples ready to part ways, a collaborative divorce is a strategy taken by those who want to avoid the slash-and-burn route that divorces often take. It's the concept that you were partners – even if not good ones

- throughout your marriage and you should be able to end it together as well, deciding how to split assets and how the co-parenting should work out in a way in which neither party feels too disappointed when it comes time to sign the divorce papers.

"Most people can agree that litigation is a terrible process for a family to endure," says Jacqueline Newman, the managing partner of Berkman Bottger Newman & Rodd, LLP, one of the few divorce law firms in New York City that specializes in collaborative law, litigation and mediation. "The collaborative process is one of the most productive ways to divorce when it works."

When it works. Sometimes it doesn't. And even when a collaborative divorce does work, that doesn't mean it's pleasant.

"An amicable divorce is a bit of a fallacy. It's always a lot of work to make it amicable because there is a reason that couples are getting divorced," says Michelle Crosby. (In other words, remember the salad fork analogy.)

Crosby is the co-founder of Wevorce, a divorce mediation company in several states that attempts to make divorces amicable through the collaborative divorce process – a process in which a team of professionals, including attorneys, therapists and consultants, works together to help a couple end their marriage as peacefully as possible. After seeing their parents split up in ways that resemble the classic "Kramer vs. Kramer" film, Crosby explains that a lot of Generation Xers say: "I don't want to do it that way."

[See: Why Gen X Lost Big in the Great Recession.]

The divorces have been an option for the past few decades, but have taken off in the last few years. Or at least they've taken off in the media; some numbers suggest the number of couples actually going the collaborative divorce route is pretty low. For instance, according to the Wisconsin Law Journal, Waukesha County had 3,862 divorces from 2010 to 2012; during that period, there were only 62 collaborative divorce cases filed.

But a collaborative divorce isn't for everyone. For starters, it's important to be aware of the nuances. In a collaborative divorce, each party has its own lawyer – just as with a traditional divorce. The idea is that the lawyers and their clients will work and meet together to reach a harmonious result.

Then there's divorce mediation, in which a soon-to-be divorced couple has one professional, often a mediator or mediation service, work with them to amicably end their marriage. Divorce by mediation resembles a collaborative divorce, but you want to know the differences beforehand, so you know which path you want to take.

One of the big draws of a collaborative divorce is that it can save consumers money. Reliable statistics on the cost of an average divorce are hard to come by, but the general consensus is that an average divorce costs between \$15,000 and \$30,000. But if you opt for the mediation route – at least at Wevorce – the average price point is about \$7,500, Crosby says.

[Read: How to Get Your Finances in Order Before a Divorce.]

The reason collaborative divorce can save a couple money is that fewer attorneys are involved, Newman says. "The collaborative divorce can involve an interdisciplinary team which can consist of divorce coaches – therapists trained in the collaborative model – financial neutrals and child specialists, if applicable," Newman says.

At Wevorce, a divorcing couple will usually go through a step-by-step process of six to 10 meetings with an attorney-mediator and sometimes financial or parenting professionals. Who couples meet with and the number of meetings, Crosby says, "depends on the emotional and legal complexities."

But those emotional and legal complexities can end up costing some couples far more than they bargained for, warns Carolyn Mirabile, a partner at the family law practice Weber Gallagher, which has offices in 10 locations across the mid-Atlantic states.

"People think they'll save money going through the divorce in a collaborative process, and it's a big sell for them. But I've had clients come here after a collaborate process has failed. They say that they tried working it out, and now they're starting over, and so they're spending more money," Mirabile says.

She adds that many attorneys say they're well versed in collaborative law when they've actually only participated in a training session or two. "I think it's an abused process," Mirabile says.

David Rasner, co-chair of the Family Law Group with Fox Rothschild LLP in Philadelphia, echoes that sentiment. "I have always felt that the term collaborative divorce is artificial and designed as a marketing tool to attract clients," Rasner says. "Lawyers are either cooperative and goal oriented or not."

So who is right? Those in favor of collaborative divorce or those in favor of the traditional model? In this instance, you need to be the judge. You married the person you're about to divorce. You know that person pretty well, and you know yourself even better. You have to decide if a collaborative divorce seems like the right approach – or if it will be the epilogue in a series of marriage mistakes.

[Read: How to Manage Your Money – and Your Man.]

It doesn't work well when there's a serious power imbalance, both Newman and Crosby say. If you have a spouse who intimidates you and who you feel uncomfortable around, having one person represent both of you simply may not work. It especially isn't a good idea if there has been domestic abuse issues. "It's important that everyone feels safe when they go through this process," Crosby says.

It also comes down to whether you believe you and your soon-to-be ex are truly sincere about making nice.

"In some ways," Newman says, a collaborative divorce "can be more difficult because people have to take responsibility for their own decisions as opposed to handing it off to a judge."

As Crosby says, "You have to have a certain amount of maturity, even though it hurts, to show up and talk things out. It's divorce for grown ups."