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Divorce? In this recession, it's anything but fun

Delays. Mediation. Cohabitation. The recession is complicating the already messy process of breaking up.

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A couple recently stopped by divorce attorney Ron Ousky's office with lousy news. The husband's income was just slashed by \$100,000 and the couple needed an unbiased financial planner to figure out if they could still afford to split.

They delayed their divorce by several months to rework finances and whip up a new settlement based on lower income.

You've heard of love in springtime. This is divorce in recession.

Layoffs, wage cuts, foreclosures and other financial setbacks are forcing many couples into reworked settlements, creative separations and postponements, divorce experts say. Enrollment in self-help classes

for divorce is also rising.

"There are a lot more complex situations that we have to deal with because of the recession," said Amy Wolff, owner of AJW Financial Inc., which advises divorcing couples. "I have seen many more husbands and wives where one of them is laid off. It's certainly more difficult to divorce when they [suddenly] have one wage."

At Ousky's law firm in Edina, a team of mediators, financial planners and other experts assists about 70 people a year with divorce. He said more people are delaying divorce or staying in their homes longer because of financial problems.

Some marriage-weary spouses opt for mediation, which costs less than fighting in court, Ousky said. In Hennepin and Ramsey counties, court officials said more divorcing parties are representing themselves to save on legal fees. More people are also asking the state courts to waive divorce filing fees because they don't have the cash.

The National Marriage Project recently reported that divorces fell 4 percent in 2008, for the first time since 2005. The American Academy of Matrimonial Lawyers (AAML) reported that 57 percent of its 1,600

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members have seen divorce filings plummet. The numbers are less clear in Minnesota, but professionals say the recession is having an impact here.

Separated -- in the basement

The scenario turns all the crueler when you throw in the conversion of one household into two.

"Some [spouses] are agreeing to stay in the basement just because they are waiting for the market to improve" before finalizing a divorce, said Nancy Peters, public affairs director for Hennepin County District Court.

Others haven't even started the divorce process because they don't have the money, she said.

"I know one guy moved into his car after splitting with his wife, but he didn't want the kids to see that he was homeless," Peters said.

In another, unrelated case, a man told his wife last summer he wanted a divorce, but then was told he would soon lose his job. Selling their home to save on the \$2,000-a-month payment wasn't an option because four other houses were for sale on the block.

Instead, the husband moved into the basement, where the woman ran her photo-studio business.

"I was bewildered for months," said the woman, who spoke on condition of anonymity to protect the couple's privacy. She began looking for a job, hoping to get one with benefits. But no one hired her.

"It's absolutely crazy. We are together only because I don't have a job and he doesn't make enough for me to divorce him and collect lots of alimony that would support the kids," she said. "If there's a silver lining, it only that this has required both of us to act very adult-like and our kids have benefited."

Shannon Helland, the divorce mediator who assisted the woman, said other divorcing clients also have faced hard choices, often because of big declines in income and home values.

Wolff, who tries to offer neutral financial advice to divorcing couples, said those who postpone the legal process need help to manage bills, restrain credit card debt and separate their finances while under one roof. "We come up with short-term or interim budgets and agreements for how they can handle the finances until they find

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employment again," she said

A quarter of her 80 clients last year either lived together in the same house or "birdnested," meaning the kids stayed in the house but the parent took turns occupying it, Wolff said. "It's not a good long-term solution. But often it is needed."

Getting low-cost help

Families determined to split are asking for help.

The Center for Negotiation and Justice at William Mitchell College of Law in St. Paul offers a pilot law class each week in Ramsey County District Court for people wanting advice on mediated settlements and how to represent themselves.

"Every year it gets bigger," said the center's director, attorney Jim Hilbert, who teaches the class.

State Court Information Office director John Kostouros said more indigent and low-income people are asking for a waiver of the marriage dissolution filing fee -- typically \$300 to \$400 -- though he didn't have the exact number of such requests. A new self-help video on divorce is one of the most

heavily viewed items on the state courts website, he added.

Sherry Bronson, owner of Wayzata-based LifeCraft Divorce Seminars, offers one-day or weekend classes to help women who don't know where to start in the divorce process. The courses feature experts in law, real estate, financial planning, taxes and mental health. One goal is to show women how to work out a litany of solutions with or without attorneys and court fees.

At seminars, Bronson has heard amazing stories. She said one woman "finalized the divorce but is still occupying the same house [as the husband] because the house isn't selling in this market. ... Another woman and her son were living in a trailer hitched behind their car that held their household goods. When the weather turned too cold to continue to do that, the woman's mother bought a townhouse for the woman and her son. Mom lives upstairs and mother and son live downstairs."

It's been tough on her clients, she said. Many "have no money or have to be retrained into new professions. And they were depending upon their home to be their retirement. Now they are just terrified."

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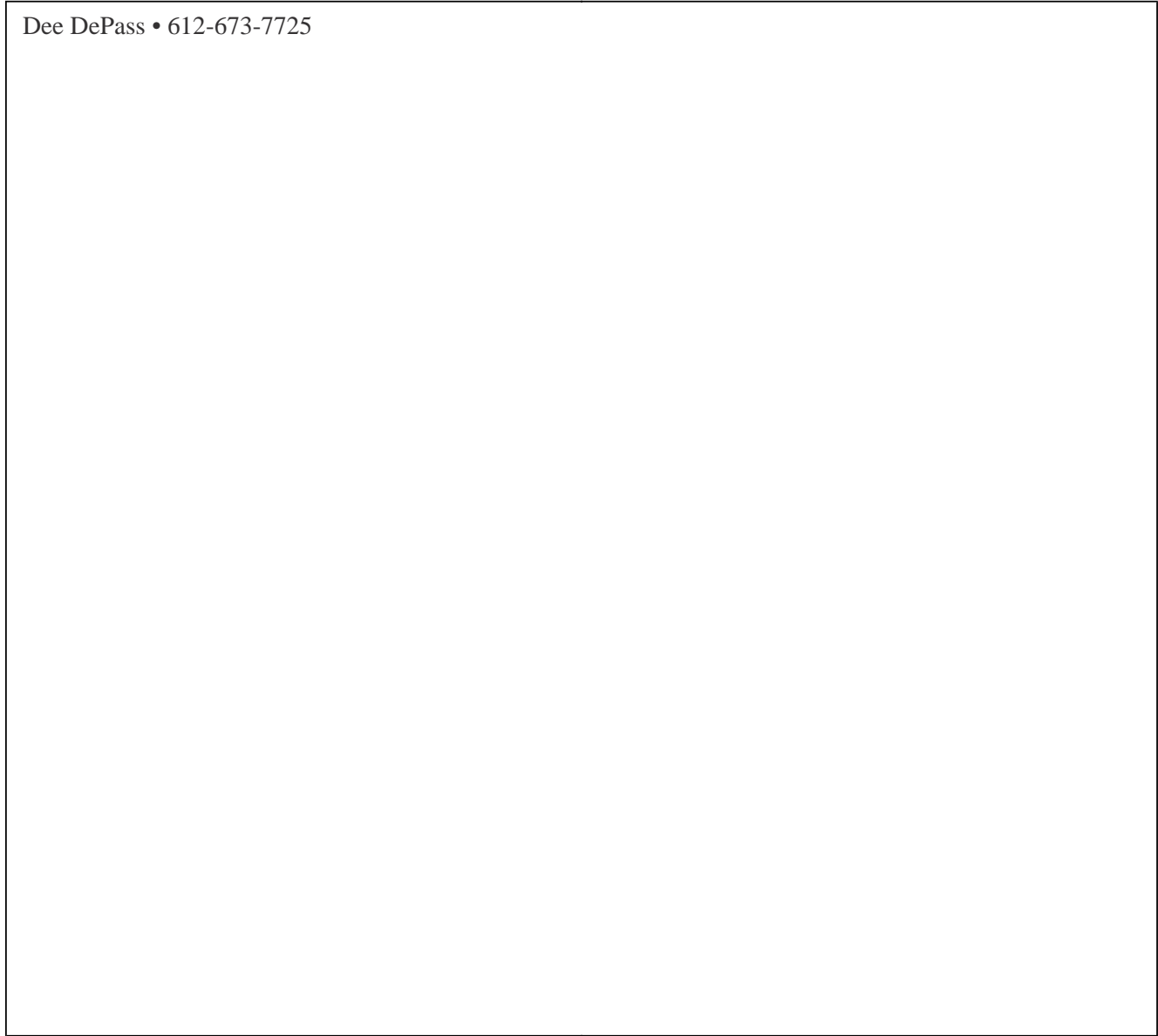
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