

DIVORCE IN THE TIME OF CORONA

From the Front Lines

By Susan Bradley, CFP®, CeFT®

Life transitions don't break for pandemics. People will still win the lottery, inherit money and sell their businesses. And they will decide to get divorced or continue divorce proceedings, to whatever extent possible.

I've been checking in with our Certified Financial Transitionists who specialize in divorce to get their thoughts. The consensus was in line with everything we know about life transitions, stress and crisis. Divorce has its share of moving parts that are affected by this particular moment in history, offering both inconvenience and opportunity as we'll see, but one thing that doesn't change regardless of historical circumstances is that the emotions, thoughts and behaviors of the humans involved are what drives their experience and much of your work as a financial advisor.

On the inconvenient side, there are the realities of courts being closed, court dates being postponed and the technical and procedural part of some of the work slowing or halting. There's also the elimination of face-to-face communication. Is it replaced with Zoom? Just a regular phone call? What are the ramifications of each of those options? How is the relationship with the client affected? How does the quality of the interaction change? And how is information shared? What kind of new communication protocol and technology is involved in working with the other professionals on the case? As for opportunities, the alternatives to remaining on a divorce path for the client are now more open, visible and perhaps easy to consider.

Advisors now have the opportunity to showcase a different side of their capability—their own facility with adapting to change and managing the human experience of divorce clients in the midst of processing two life-changing events.

What I heard when speaking with a few specialists is that the current climate—and as a result what ends up happening when we look back—is all about the personal side of divorce as a life transition. The impact of the pandemic on technical and procedural components of the work are important. Spousal support, child support and asset allocation may all be affected. But even if they're not, there's a

different kind of constant: people. As long as there are people involved, there will be expectations, emotions, habits and priorities that continuously drive the work of transitions.

PEOPLE DON'T POSTPONE THEIR EMOTIONS FOR PANDEMICS

If anything, the various new twists and turns deepen the complexity of the inner experience the individuals are having. And when you factor in uncertainty about the timeline of the pandemic, emotions and thoughts are understandably unstable and inconsistent. The whole situation is just so fluid. It takes a professional with solid personal-side skills to be able to manage their own experience of this pandemic in addition to that of their clients, whose internal upheaval might be more layered and challenging. Fortunately, such professionals are out there.

Barbara Shapiro, a Dedham, Massachusetts-based CeFT®, is a genius on the technical side of planning, and can whip up a one-page visual that beautifully translates any technical information so that it is easily understood by anyone. She talked about her technical work being “pretty much in limbo because the world has basically stopped.”

I love her insight into the personal side: “In 2008, people stayed together for financial reasons but were able to leave the house, spend time with their new ‘partners’ and live a somewhat normal life. This crisis is different. This is a health crisis first that has created a financial crisis. People are petrified of getting sick and dying. They need each other, and unless the relationship has completely broken down they may well relearn to like each other and remember why they fell in love. Perhaps I’m naïve, but a health crisis puts things in a different perspective. The majority of people don’t want to die and realize they need to cooperate and work together to protect themselves and their children. People will divorce, but in spite of the virus—not because of it.”

As different as the pandemic and divorce are from each other, they are both disruptive events, and as such they tend to progress through a pattern of stages.

Life moves from the way it was before, globally and

individually, to the new way it will be in the future. And in the middle is a giant tangled mess that largely dictates the outcome. From a balcony perspective, or as some say from the mountaintop, divorce has three major stages: pre-settlement, settlement and post-settlement. The pandemic, similarly, began with the identification and spread of COVID-19, and was followed by quarantine, illness and, for some, death (the giant mess we’re in now), and then recovery, the lifting of lockdowns, and the entry into a new normal.

It’s helpful to have a sense of where you are in the stages; it can keep the focus on what can be done well right now. Being present in itself is a measure we can all take to lower the anxiety about what is coming next. The best practice is to be as prepared as you can be in the present.

Kristina George of Northstar Financial Planning in Windham, NH, has this amazing four-part, preparation conversation that structures her divorce work. She designed a simple graphic to describe the sequence of preparing for a divorce settlement. As a result, she is able to explain a highly complex and emotional process with only 12 words inside a simple, one-page graphic. Count them yourself.

- 1. Define marital assets**
- 2. Value**
- 3. Divide**
- 4. Items of support, spousal, child, health insurance**

The one-pager concept we use in CeFT® training is designed to be complete, easily understood and easily recalled, with the least amount of copy or graphic distraction. Kristina’s clients learn her commitment to the four-step sequence on Day One. When they get distracted by something that is not productive or is out of sequence, which is a common challenge in divorce planning, she points to the one-pager and says, “We are here, and in order to get to this next step right here, we need to do X.” This habit is integrated into her divorce client engagements.

Kristina talks about the phone ringing nonstop with new divorce clients and looks at all of the closed courts as “incentive for folks to use alternative dispute resolution avenues like mediation or collaborative divorce in order to move forward. This is also an opportune time to really understand the financial impacts (of the markets on your investments, of job loss, etc.) and control of your finances.” She adds that the degree of uncertainty is significant right now because even if they have decided that they are definitely moving ahead they can’t, procedurally. Meanwhile, emotions don’t follow the rules of the court. There’s no postponing emotions and advisors need to understand, respect and be able to handle them.

Linda Cao of Silver Oak Wealth Advisors in Los Angeles focuses on women in transition and is very attuned to her clients emotionally. She has noticed that the sheltering-at-home lifestyle, combined with economic hardships triggered by the pandemic, are changing the dynamics between spouses.

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What was not working in the relationship before gets worse, and what’s been avoided before surfaces due to the close contact each day. It’s a stress-testing like having a new child; it either makes the relationship stronger or breaks it. I suspect there’s a pent-up demand for divorces after the crisis. The last Great Recession showed more couples stayed together during the crisis because of the financial constraints, but after recovery, divorce bounced back.”

Neither the pandemic nor divorce is linear or fully rational because of the human element involved. The best chance at the best outcome for both is when the experts and the participants, clients and citizens, have the capacity to be actively involved in solving the problems as they arise. We all know stories of people who make agreements during their divorce that they end up regretting for the rest of their lives. A possible silver lining for divorcing clients might be to use the slow pace of quarantine living to find new skills for communicating and to explore options that could not be seen in the blur of pre-pandemic life. The gift within the pandemic quarantine for divorce advisors may be the time to acquire new skills and tools for guiding their clients on the human side of one of life’s toughest events.



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Susan is the founder of the Sudden Money® Institute, which began 18 years ago as a community of practice seeking to better serve their financial planning clients by developing process and tools for the personal side of money and for clients going through transitions. For more information, visit www.suddenmoney.com.