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## Collaborative Divorce *The New Normal*



Anyone who has gone through a divorce will tell you that it can be one of the most challenging experiences of your life. Statistics show that fifty percent of first marriages end in divorce while the divorce rate is even higher for second marriages. Divorce has emotional and financial implications for all parties involved. Fortunately, a collaborative method is emerging to address the complex issues surrounding divorce in a productive, informed manner that often minimizes the emotional anguish and adverse financial consequences of a lengthy divorce.

North Carolina requires couples to live apart for one year before granting a divorce. During that time, divorcing couples may seek alternative methods to resolve disputes rather than going through an expensive, litigious trial. Two traditional alternative dispute methods include mediation and arbitration. The former involves an independent third party working with the couple to negotiate a settlement allowing both parties to share in the decision making process. This process can lower legal costs while providing a greater likelihood that the parties honor the agreement. Arbitration, on the other hand, is an adversarial process where an arbitrator imposes a legally binding decision after reviewing evidence in the case. This option is helpful when disagreement results in gridlock.

Collaborative divorce is emerging as a welcome alternative to the traditional dispute resolutions outlined above. Under the guidance of their respective lawyers, divorcing couples collaborate with a team of trained professionals to resolve emotional and financial disputes respectfully outside of court. When necessary, professionals such as marriage counselors and financial specialists are brought in to advise on matters in their areas of expertise. Because of the financial complexity inherent in divorces, financial planners and tax professionals are playing

a more active role in alternative dispute resolutions. However, many of these professionals have little or no training specifically related to the complex financial issues of divorce. To best meet the financial needs of divorcing clients, the Certified Divorce Financial Analyst (CDFA™) designation was created.

A CDFA™ professional typically comes from a financial planning, accounting, or legal background and goes through an intensive training program to become skilled at analyzing and providing expertise on both the short and long-term financial implications of divorce. When a CDFA™ is involved early in the process, they can provide comprehensive and accurate financial information necessary to reach a workable agreement as well as explain options, help set priorities and assist with the difficult choices involved in reaching a settlement. Enlisting the help of a CDFA™ professional can help all parties understand the financial implications both during and after divorce and help ensure a stable economic future for both parties while preventing long-term regret over misguided financial decisions made under the duress of divorce.



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