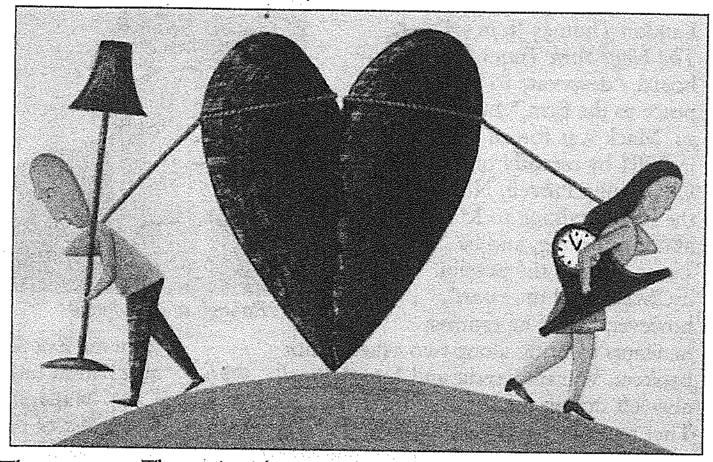
Divorce: Get collaborative, not combative



Marital breakups typically come in two forms—"expensive and astronomically expensive," said Mark K. Solheim in *Kiplinger's Personal Finance*. But a new option called a collaborative divorce can keep costs to a minimum. "In this team approach, spouses pledge in writing not to go to court, although each one retains a lawyer." Husband, wife, and attorneys decide everything from who keeps the house to who gets custody of the kids. Both sides share one financial expert rather than hiring two. The go-along-to-get-along approach and the pooling of advisors can save splitting couples a bundle. If a typical divorce costs about $35,000, a collaborative breakup runs about $12,000 to $20,000.

Obviously, collaborative divorces won't work for everyone, said Lynn O'Shaughnessy in *The San Diego Union-Tribune*. The entire idea sounds "laughable for two people who long ago stopped sharing confidences, much less bathrooms." But a collaborative divorce requires sharing. If an affair ended the marriage, the offending spouse must fess up to keep the process moving. Hiding assets or being "less than candid" about money issues could also destroy the "mutual respect" underlying this approach. That's why couples need to find a pair of levelheaded lawyers. They can keep spouses "walking down the path to an equitable and emotionally healthy divorce while defusing the anger."

How do you locate these born diplomats? asked Carla Fried in *Money*. Start by asking around for referrals. If that fails, go to Collaborativepractice.com for a list of local practitioners. Interview several candidates on how much of their practice involves collaborative law, whether they have had formal training, and whether they have had a case "collapse." Ask for references and quiz them on the attorney's competence and character. Since a collaborative case demands more interaction between lawyer and client than a trial case, "it's especially important for the client to feel comfortable with the attorney's style," said Katherine Miller, a family lawyer in New Rochelle, N.Y.

What the experts think

Watch those Big Mac charges

Americans will buy an estimated $30 billion in fast food this year with plastic, said Jeanne Sahadi in *CNNmoney.com*. This could turn out to be a "very expensive bargain" for Whopper and Big Mac fans, since credit card companies are hitting their customers with higher fees. MBNA nails cardholders with a $39 late fee when the balance exceeds $250. Last year, the No. 3 issuer applied that penalty to balances over $1,000. Fees for making late payments, missing payments, and exceeding credit limits have risen to 35 percent this year, up from 30 percent a year ago. If your credit score takes a hit, creditors could jack up your rate from the standard 16 percent to a "variable default rate" of 30 percent overnight. That's all the more reason to pay off your cards in full each month, including all those Happy Meals.

The best college-savings plan

Major flaws in 529 college-savings plans might soon vanish, said Jonathan Clements in *The Wall Street Journal*. These programs let parents save tax-free for college by putting money into a pool of mutual funds overseen by a state. But the tax break is scheduled to expire in 2010, making withdrawals in later years taxable. Fortunately, the House and the Senate recently introduced bills to make 529 plans "permanently tax-free." Another concern about the programs could also fade away. Parents have wondered if the feds would count 529s as a part of their assets (a good thing from a financial-aid perspective) or their child's assets (a bad thing). The U.S. Department of Education laid those fears to rest, stating that parent-owned 529s actually belong to the parents. Many colleges are following suit, making 529s "the best investment option for college savers."

Should you invest in collectibles?

With a 1913 Liberty Head nickel recently selling for $4.15 million and a 1918 stamp raising $525,000, said Alan Krueger in *The New York Times*, investors have to wonder if collectibles will outperform stocks over time. "If the past is any guide, the answer is no." Stocks earn an annual average of more than 8 percent, while coins, stamps, and Beanie Babies return only 0.6 percent a year. Of course, sometimes collectibles beat equities, and that's what's happening now. Media exposure to "extreme" cases like the Liberty Head nickel—the coin sold last year for only $3 million—may have boosted prices. Plus, collectibles often soar when stocks slump. So when the next big auction sale tempts you to trade your stocks for stamps, remember that "collectibles have historically been a poor investment but a good hobby."

Workplace

No free lunch break?

If you knock off at work to munch your lunch, said Kristina Seward in the Modesto, Calif., *Bee*, consider yourself lucky. Fifty-five percent of employees "do things other than eat" during their so-called lunch hour, according to a recent Steelcase Workplace Index Survey. In fact, the average lunch hour lasts only 36 minutes. Fourteen percent of employees don't take any time for lunch, eating at their desks—if at all. This "rapidly growing group of workaholics" simply ignores state laws that would benefit them. California, for instance, guarantees workers a 30-minute break within the first five hours of the workday.

Sometimes lunches vanish not because of workaholic employees but because of workaholic supervisors, said Amy Joyce in *The Washington Post*. These bosses schedule meetings between 10 a.m. and 2 p.m. without a thought about food. One woman who works in Alexandria, Va., notes that "on well more than one occasion, her lunch consisted of a late afternoon coffee." Though some workers counter these midday fasts by bringing their lunches to meetings or stepping out later for a 15- to 20-minute break, in today's fast-paced workplace, "the term *lunch hour* itself is an archaic expression."