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Getting a fair settlement

By CHRIS LAUDERMAN
The Times-Union

Financial planning during a divorce can become a disaster, especially when overshadowed by emotions.

And with 2,385 divorces from January to May this year in Duval County - and not many more marriages, 3,047, making for a divorce rate of over 78 percent - Michelle Ash thinks she can help.

Last year, the financial analyst at The Householder Group decided to get a CDFA designation, making her one of a growing number of Certified Divorce Financial Analysts around the country. CDFA's are specifically qualified to provide clients with plans for equitable divorce settlements and work hand-in-hand with divorce attorneys..

Getting certified Candidates for CDFA certification must complete four courses: a general overview of divorce and finances, property and assets, taxation related to divorce, and how to work with clients and attorneys. Each section has a comprehensive test. After completing the course work, applicants must complete a hypothetical case that is reviewed by the certification institute. The typical applicant completes the certification in eight to 12 months. In the Times-Union Pick up a copy of the June 23 Times-Union for examples of how a certified divorce financial analyst says she her advice can help a settlement. Subscribe to the Times-Union -----

She's not the only one.

Fadi Baradihi, president of the Institute for Divorce Financial Analysts, which issues the certification, said the number of CDFAs in the U.S. has increased from 300 to 3,500 since 1998.

The Institute for Divorce Financial Analysts was launched 13 years ago on the premise that people don't always make the best financial decisions while going through a divorce.

For example, Baradihi said that after a divorce former spouses often end up in different tax brackets. In this situation, a 50/50 split of assets will often mean more money going to the government and less to the former couple.

"People were shorting themselves," Baradihi said.

Jim Newman, a financial advisor in Ponte Vedra Beach, received his CDFA three years ago.

Newman thought the certification would help him with his clients, many of whom were going through divorces or had been divorced.

He says the certification has paid off.

While only 15 percent of his business is divorce financial planning, Newman said he uses the techniques and methods he learned from the certification courses in 75 percent of his work.

Ash, the only female CDFA in Jacksonville, and one of three divorce financial analysts in Northeast Florida, compares the certification to a medical specialty.

When you need surgery, you go to a surgeon, not your family physician, she said. But your family physician still provides good general information.

Ash said the financial industry works under the same principle. When you are going through a divorce, a lawyer is your primary contact, but an expert on divorce finances might be able to give you additional insight.

"It is an area that more people in society and professionals are seeing a need for," Ash said.

Not every divorce needs the services of a financial specialist - CDFA's can be the most help to people who have more than just a house and a small amount of money in savings, she says. The more substantial the assets involved, the more useful a CDFA might be.

A CDFA can help suss out the details and guide a divorcing person to a more equitable settlement than they might otherwise receive. And in Ash's experience, when there is more at stake, the first financial settlement offer usually leaves one part worse off than the other.

Newman said a CDFA will look at many "what if" scenarios specific to divorce, compared to a regular financial analyst who often just looks at investments. Newman puts many different financial options on the table for his clients and together with their attorneys, they make a final decision.

David Garfinkel, an attorney in Jacksonville, believes it's a good idea for divorce attorneys to get competent help when it comes to financial planning. In fact, he says it's a necessity.

But, he's not sold on the idea that advice needs to come from someone with the CDFA designation. Instead, he says many financial professionals without the designation can assist attorneys with alimony, retirement, lifestyle analysis and equitable distribution of marital assets.

But, there may be more to divorce financial planning than that - especially when one spouse is the only source of income, for example. Often the ex-wife will be very happy settling for the house and some alimony when she might be much better off pushing for a different sort of financial statement.

That's where a CDFA might help.

Still, Ash says divorce has changed. Unlike the messy divorces chronicled in TV movies where each spouse plots against the other, divorcing couples these days want to avoid the anger and bitterness. In fact, Ash said many couples want to walk away from the marriage with assurance that the other partner will be well taken care of and have a fair settlement.

About 25 percent of Ash's business is divorce financial planning.

She and Newman advertise on divorce Web sites such as divorcenet.com and both rely on word of mouth to spread their business.

Ash also sends direct mail to local family law attorneys, family counselors and divorce support groups.

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