

Figuring Out Family Finances: How to Work Through Support Issues in Collaborative Practice and Mediation

AN INTERDISCIPLINARY COLLABORATIVE PRACTICE AND MEDIATION WORKSHOP

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Cash Flow Issues

- **Income or Expenses?**
 - If expenses, who decides what how to determine expenses?
 - If income, who decides what counts as income?
 - Who creates the budgets and how?
- **What is the role of assets and debts?**
- **Are there or should there be different approaches for spousal and child support?**
- **What is the role of legal rules/standards?**
- **What about the economic realities?**
- **\$. values, and emotions**

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The Loop of Understanding



- Step 1: A inquires of → B
 Step 2: B responds, asserts → A
 Step 3: A demonstrates and confirms understanding → B
 Step 4: B responds → A

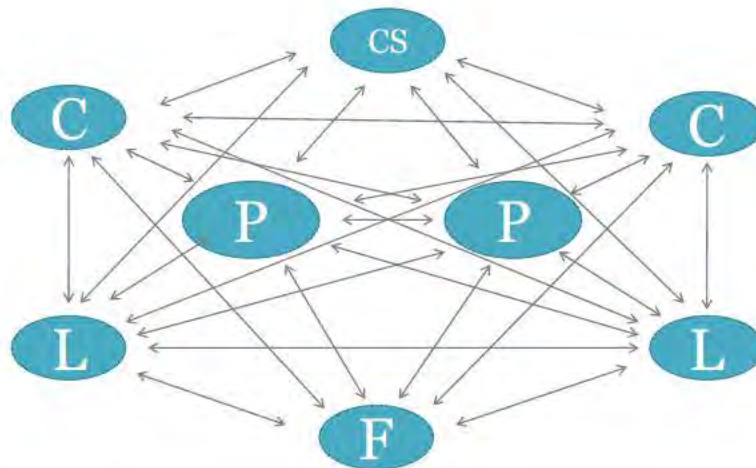
If yes, loop is complete.

To further understanding, A can ask: "Is there more?" and return to Step 1.

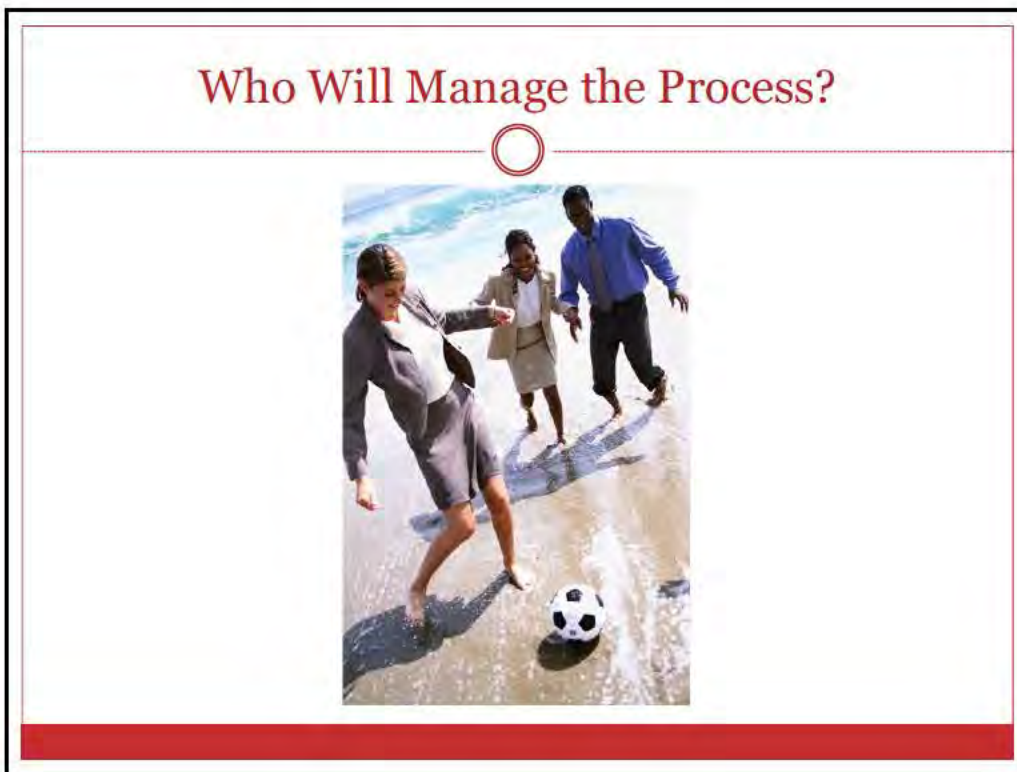
If no, go back to Step 1 and ask: "What am I missing?"

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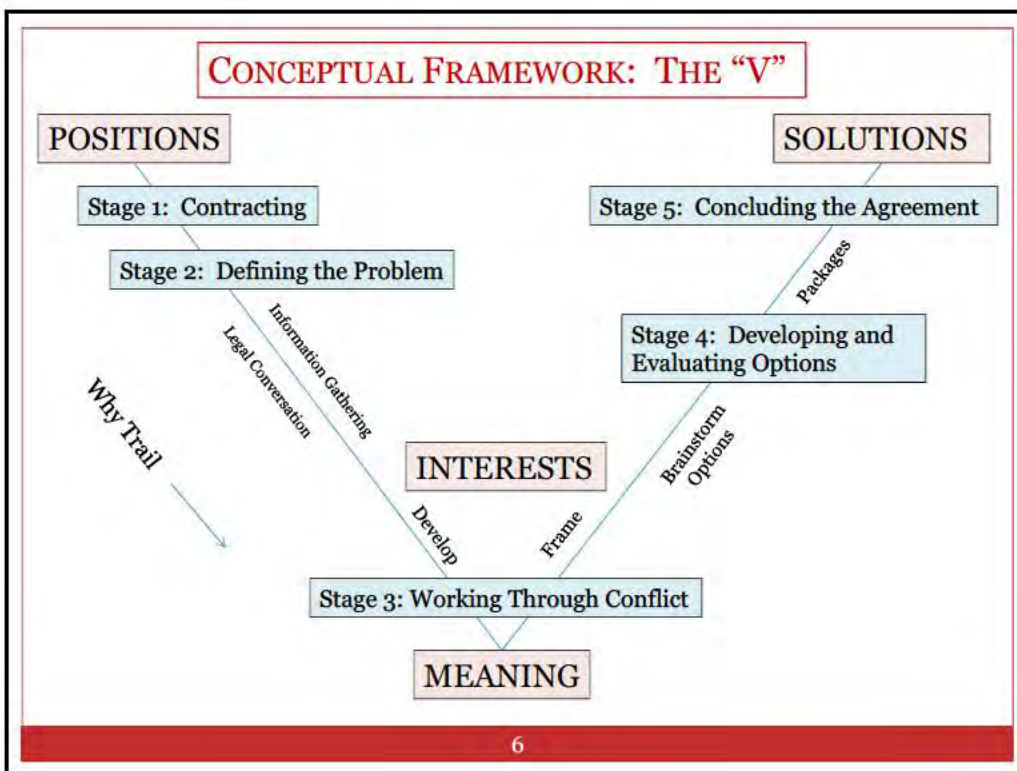
Collaborative Team



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Structuring the Process

- Identify goal, objective or problem



- Propose process

Each person will speak about what is important

The professional team will summarize and check understanding

Each person can supplement

- Evoke intention and address concerns



- Seek agreement to proceed



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Gathering the Financial Information

Income

- What is included?
- How to determine?



Expenses

- Building A Budget
 - Essentials
 - Discretionary



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Gathering the Financial Information

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- Family Budget



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Or separate adult and child budgets?



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LAW
IRRELEVANT

LAW
CONTROLS

1 2 3 4 7 8 9 10

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Why Bring in the Law



GOAL IS TO INFORM PARTIES ABOUT THE LAW AS IT MAY BE RELEVANT TO THEM IN THE FOLLOWING RESPECTS:

- Clarifies part of the reality parties face
 - ✦ Identifying likely outcomes in court
(and possibly narrowing differences in expectations)
 - ✦ Providing possible legal protection

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Why Bring in the Law



- Provides an external reference point
 - ✦ Reflecting social standards
 - ✦ Embodying underlying principles
- Strengthens the agreement
 - ✦ Safeguarding agreement against legal challenge
 - ✦ Reinforcing parties' commitment to own choices

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Reference Points

- A. Sense of Fairness
- B. Interests, Needs of Parties and Others
- C. Relationship
- D. Law and Underlying Principles

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Reference Points

- E. Practical and Economic Reality
- F. Prior Agreements
 - * Formal, Explicit
 - * Informal, Implicit
- G. Other

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How to Bring in the Law



GOAL: Educate the Parties about the law and its impact, so that they can decide what weight to give it in their decisions.

1. Structure the process
2. Clarify Content of the Law (and seek to narrow differences in divergent expectations) regarding:
 - ✦ The strengths of each side's legal position
 - ✦ The risks in each side's legal position
 - ✦ The practical consequences of court decision

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How to Bring in the Law



3. Deal with Impact of Introducing the Law by
 - ✦ Checking parties' understanding
 - ✦ Observing parties' reactions and elicit concerns
 - ✦ Connecting the underlying principles of the law with their conflict
 - ✦ Establishing the Law as only one reference point

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Another Reference Point – Practical Reality

Who will facilitate this discussion?
When?
Who will be present?



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Going Down the Why Trail - How to Elicit Interests:

Ask, loop,
probe

Explore
beneath
positions

Emphasize,
imagine,
suggest,
reframe



Help each party identify what is important,
significant, meaningful & beneficial.

“What would change in your life if the cash
flow arrangement is what you want?”

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Parties Demonstrating Understanding



- One party states one thing they remember about what is important to the other.
- Professionals are “looping coaches” – what it close enough?
- Check with other party to confirm first party correctly understand.
- 2nd party does the same.
- Repeat until each is fully understood.

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How to Frame Interests

- Significant to party – emotional resonance



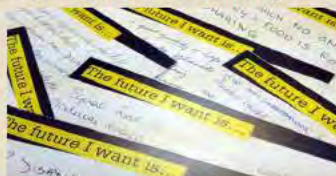
- Points toward multiple options (not too specific)



- Tangible/graspable (not too general)

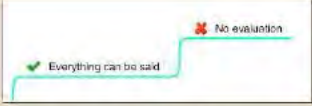


- Described as present or future benefit (rather than cost to other)




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Developing Options




Everything can be said
No evaluation

No Evaluation



No Attribution




All options encouraged
(Value creating opportunities sought)


Professionals' options included (after parties, more than one)

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Evaluating Options



Prioritize



Categorize



Assess against interests for all parties
Assess against other reference points

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Concluding the Agreement

- Creating packages



- Test against interests and other reference points
- Refine, test, choose

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Budget Worksheet

Name: _____

Date of marriage: _____

Spouse/Partner: _____

Date of separation: _____

Date: _____

	Essential Expenses	Estimated	Proposed
		Monthly Exp	Budget
1	1) <input type="checkbox"/> Rent or <input type="checkbox"/> Mortgage (✓ appropriate box; enter amounts in columns)		
2	1st Mortgage 2nd Mortgage or Line of Credit		
3	(a) average principal \$ _____ \$ _____	XXXXXXXXXX	XXXXXXXXXX
4	(b) average interest \$ _____ \$ _____	XXXXXXXXXX	XXXXXXXXXX
5	Real property taxes		
6	Condo and Homeowner Association fees		
7	Homeowner's or renter's insurance		
8	Alarm system		
9	Maintenance and repair		
10	Painting and wallpaper		
11	Furniture and appliance repairs and replacement		
12	Private health, dental, vision insurance premiums - Not through employer		
13	Unreimbursed medical such as Co-Pays, etc. (Doctors, hospitals)		
14	Dental including Co-Pays, etc.		
15	Orthodontia		
16	Vision - In excess of insurance		
17	Prescription medications - In excess of or not covered by insurance		
18	Psychiatrist, psychologist, counseling - Not covered by insurance		
19	Chiropractor, physical therapy, massage - Not covered by insurance		
20	Glasses, contacts - Not covered by insurance		
21	Health care costs for Children:		
22	Private health, dental, vision insurance premiums (Not through employer)		
23	Unreimbursed medical such as Co-Pays, etc. (Doctors, hospitals)		
24	Dental including Co-Pays, etc.		
25	Orthodontia		
26	Vision - In excess of insurance		
27	Prescription medications - In excess of or not covered by insurance		

	Discretionary Expenses	Estimated	Proposed
		Monthly Exp	Budget
101	Pest service		
102	Alarm system		
103	Landscaping		
104	Pool		
105	Maid/Cleaning service		
106	Non-prescription medication, vitamins, supplements - Not covered by insurance		
107	Non-prescription medication, vitamins, supplements - Not covered by insurance		
108	Sitters - Not for school or job		
109	Liquor, beer, wine		
110	Cigarettes		
111	Lottery		
112	Pets, livestock		
113	Other supplies		
114	Eating out		
115	Cable TV , satellite TV		
116	Internet service provider		
117	Dry cleaning		
118	Clothing - Beyond basic		
119	Extracurricular lessons, activities, and supplies		
120	Dues, subscriptions		
121	Sports, hobbies		
122	Health clubs, gym fees		
123	Entertainment: Movies, plays, sporting events, etc.		
124	Newspaper, magazines, books		
125	Computer equipment, software, supplies		
126	Gifts		
127	Travel		

	Essential Expenses	Estimated	Proposed
		Monthly Exp	Budget
28	Psychiatrist, psychologist, counseling - Not covered by insurance		
29	Chiropractor, physical therapy, massage - Not covered by insurance		
30	Glasses, contacts - Not covered by insurance		
31	Other:		
32	Child care - day care, pre-school, summer camp (job or school related)		
33	Groceries		
34	Household supplies		
35	Gas, propane		
36	Electricity		
37	Water, sewer		
38	Trash		
39	Other utilities		
40	Telephone		
41	Cell phone		
42	Laundry		
43	Clothing - Basic		
44	Adult education expenses		
45	Children's Education Expenses:		
46	School uniforms		
47	School supplies, books, fees		
48	School tuition, room, and board		
49	School lunch money		
50	School transportation		
51	School sponsored activities		
52	Tutors		
53	Car insurance		
54	Car gas, oil		
55	Car repairs, maintenance, tires		
56	Car registration, auto club		
57	Car lease payments		
58	Tolls, car pool		
59	Parking, commuting expenses		

	Discretionary Expenses	Estimated	Proposed
		Monthly Exp	Budget
128	Vacations		
129	Children - Clubs, summer camps, etc.		
130	Children - Entertainment		
131	Children - Allowance		
132	Children - Other		
133	Uber, Lyft		
134	Personal property insurance (life, disability, accident, umbrella, long term care only)		
135	Disability insurance premiums		
136	Life insurance premiums		
137	Umbrella or other liability insurance premiums		
138	Savings, investments - Non-mandatory		
139	Voluntary contributions to IRAs		
140	Voluntary contributions to 401(k)s		
141	Charitable contributions		
142	Religious contributions		
143	Deferred compensation		
144	Manicures, pedicures, skincare		
145	Hairdresser, barber		
146	Children - Grooming		
147	Legal and accounting		
148	Cosmetics		
149	Storage		
150	Professional fees		
151	Financial planning fees		
152	Bookkeeping		
153	Income tax preparation		
154	Bank fees, safe deposit		
155	Other expenses not listed above, please specify:		
156	College tuition (how many years?)		
157	College living expenses (how many years?)		
158			
159			

	Essential Expenses	Estimated	Proposed
		Monthly Exp	Budget
60	Public transportation		
61	Local income tax		
62			
63	Installment Debts Paid to:	Monthly	Date of
64		Amount	Last Payment
65			
66			
67			
68			
69			
70			

	Discretionary Expenses	Estimated	Proposed
		Monthly Exp	Budget
160			
161			
162			
163			
164			
165			
166			
167			
168			
169			
170			