

Breaking up is hard to do ^(financially)



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There are a million heartbreaking questions that come with the end of a relationship: Where did we go wrong? Will the kids be okay? And now—how on earth will we afford it?

Written by KATE RAE

Here's how all the parents divorced when I was a kid: Dad moved out of the family home (purchased for \$30,000) and into some bachelor-pad caphole. He'd take us kids to McDonald's on a Sunday, maybe bringing us to his place to play with bottle caps and lighters for a while before dropping us off back home.

Today, the number of kids of divorced parents whose primary home is with their mother is still incredibly high (seven out of 10, according to StatsCan), while 15 percent live full-time with their dads. An increasing number spend at least some time with both parents, but only nine percent live equally between two homes. That number feels low, and stats explaining these trends are hard to come by. But with childcare and housing costs rising every year, part of the reason has to be that it's just too damn expensive to split.

Separating families who are sharing custody have to find a way to financially run two full, kid-friendly households in a country where housing prices are rising at a terrifying rate. As of October, the average price for a two-bedroom rental in Toronto, for example, was \$2,900 (a hike of \$690 from 2017) and the average home costs \$952,311. In Vancouver, Canada's most expensive city, a two-bedroom apartment is \$3,200, with the average house costing \$1,157,185. (And apartments at those rental rates are chum in the water, with crowds of prospective tenants eager to snap them up.)

Never mind if finances are already strained, if the family is down to a solo income while one parent stays home, or if daycare fees are astronomical. Today, the costs of setting up and maintaining two homes can make divorce seem like a luxury item—up there with diamond tennis bracelets and speedboats.

"The only people who come out the other side of divorce relatively financially unscathed are those with a lot of privilege, support and high incomes," says Shannon Lee Simmons, a financial planner in Toronto.

So how do the rest of us manage it? We spoke with three women who are tackling their post-breakup financial lives with lowered expectations, parental support and a lot of white-knuckling.

Under the same roof

In a kid-less breakup, both parties can just move in separate directions, *Eat, Pray, Love*-ing their way through the tears and the anger. But when you have

kids and both parents want to be a part of their lives, you have to communicate despite the devastation. And where (and when and how) everyone will live is a huge part of that complex conversation.

For some couples, the solution is a bird's nest arrangement, where the kids stay in the family home and the parents take turns caring for them there. (During your off time, you stay in a separate place—or places—that doesn't have to be big enough or suitable for kids, i.e., much cheaper). This may require you to coordinate more with your ex-spouse than you did when you were married, and can be emotionally complicated, too. (Just imagine having to deal with your ex's dirty dishes in the sink, or seeing evidence of a new relationship, or ...) And some brave couples dissolve the marriage, but still live under the same roof.

This is what Joanne, 47, and her ex are trying to do. When they split up after seven years together, she frantically combed the Vancouver rental listings for a two-bedroom apartment costing less than \$2,000 a month. She eventually found one in a nearby suburb, a 30-minute drive from where her ex still lived in their rental and where their two kids, 4 and 6, go to school. And she was thrilled when the landlords chose her over the dozens of applicants. The cost and stress of the commute would be worth her freedom, she figured. "I decided I'd just go into debt."

It's a choice a lot of people make in these scenarios, and it can be a financially viable one—if it's done right. (That's a big, bold *if*). "I call this a 'controlled burn,'" says Simmons. "It's giving yourself permission to go into debt for a finite period of time with a strong plan to dig yourself out of it." It's best done with the help of a financial planner, she says. And you need to stick to the plan. "For example, you might decide you're going to sink \$20,000 in your line of credit with an end date in sight." By then, she says, your circumstances might have changed—maybe your mortgage will be up for renewal and you could roll it into that, or one or more of your kids will have aged out of exorbitant daycare costs, or you'll have found a more economical living situation. "By the end of it, you'll have spent around \$1,500 in interest, which isn't that much money when it comes to your sanity."

That said, this controlled-burn financial crisis strategy comes with a hell of a but: "If you're suddenly thousands of dollars in debt in a few months, that's not sustainable," Simmons warns. "You're not going

“HOW CAN I AFFORD TO DIVORCE?”

A good financial planner will help you pull the levers to see what's possible, says Shannon Lee Simmons, a financial planner in Toronto. "Look for someone offering unbiased advice only, not selling product." And you want someone with experience giving emotional support to help you take a holistic view of your current and future situations, she says. (Simmons herself is clear about her qualifications as a life coach on her site. "Ask around for recommendations," she advises.) "I have a box of Kleenex on my desk at all times. Sometimes they're happy tears. It can be such a huge relief to finally talk it through."

“THERE'S NO WAY I COULD AFFORD \$2,000 IN RENT.”



to be able to dig out from that, and it's just going to cause chaos."

That's what happened with Joanne. Within three months of the new plan, she realized she was drowning. As a community program coordinator, she makes \$50,000. "There's no way I could afford \$2,000 in rent. So I went back home with my tail between my legs."

The exes came up with a new arrangement: Joanne gives a friend \$500 a month to crash on her couch three nights a week, and lives with her ex and kids the other four (he takes the couch). All of the problems that caused the relationship to die are still there—"he honestly thinks I'm still going to do his f-cking laundry"—and they basically move through the house ignoring each other as best they can.

"I'm trying to not constantly replay the fight tapes. I have to be the better person all the time, but sometimes I don't want to be," she says. "Most days, I try to lay low."

The cost of her arrangement is awfully high from a stress perspective, but that's the currency she has to deal in right now. And though Joanne dreams of a nearby sunny, two-bedroom apartment with a backyard, and joint custody of the kids, she sees no immediate

alternatives. "I want to move on. I want to start fresh. But there's just no way." These let's-still-live-together scenarios are generally workable (not pleasant, mind you, but workable) until one person re-partners. But Joanne doesn't see that happening any time soon. "Honestly, right now, no one would want to be with either of us."

Mortgage for one

For couples who own a home together and want to live apart, there are a few choices—and all come with complications. One, agree to sell and split the winnings; but once your foot is off the real estate ladder, it's awfully hard to get back on, especially on your own.

A second option is to have one partner move out but remain a co-owner in the house. "I've helped quite a few couples in these cases," says Jessica Firestone, a collaborative divorce lawyer in Vancouver. "It allows both people to stay in the market." It's key, she says, to have a partnership agreement that includes as much detail as possible to avoid future conflict, and a review schedule to ensure the arrangement is still working for everyone. The downside, of course, is that the out-parent still has to contribute to the mortgage while also paying for a new place to live.

The last option is to have one partner buy the other out, which seems like a solid solution but can be hard for both sides. "You have one person suddenly floating a huge mortgage on their own and another struggling to find something to buy as well," says Simmons.

No matter which route you choose, you'll need to lower your expectations, she says. "You might have to get on board with some big changes quickly, like downsizing or changing school districts. Sometimes trying to keep life as 'normal' as possible isn't an option."

For Megan, a 40-year-old social worker, there was more financial forgiveness in her situation, due to the fact she lived in Guelph, Ont., and not in a pricey big city. When she and her husband split up three years ago, Megan bought him out of the house at \$405,000 (that's \$125,000 more than they paid for it in 2009); her dad signed for an add-on to her mortgage. But even though she makes \$90,000 a year, shouldering a big

mortgage means she's living paycheque to paycheque. "Financially, I'm still pretty f-cked. Some weeks I choose to not buy meat because I don't have the money. That's not a decision someone with my income should have to make."

Her ex managed to buy a condo with his share, although he's planning on selling it and

renting closer to where Megan and their two kids, 7 and 12, live. It's a neighbourhood she was determined to stay in. Making it tenable is the fact that her parents live nearby. "We have dinner there every night—I even go alone when I don't have the kids. It not only saves

"I WANT TO MOVE ON. I WANT TO START FRESH. BUT THERE'S NO WAY."

me from having to buy groceries, but having that support is everything."

Megan and her ex also saved big when it came to legal fees (which can add up quickly if your divorce is contentious) by downloading a separation agreement template online and filling it out themselves. "We were luckily on the same page about so much that getting lawyers involved seemed unnecessary."

Moving back home

Remember the sensation of leaving your parents' house? That freedom and independence made you feel like a boy in a Springsteen song. Well, sometimes divorce means you have to pack your bags and head on back, kids in tow. While there aren't any official stats on how many multigenerational households are formed post-split, the percentage of these living situations in Canada grew by 37.5 percent between 2011 and 2016. And while this boom is thought to be partly due to our shifting cultural makeup, increasing housing costs are also a big factor. "I see more people moving back in with their parents for a period of time," says Simmons, noting it can be a real win-win for everyone involved. "If you're able to pay rent, that can help your parents out as well."

Tara, 33, an RMT in Toronto, thought it was strange when one day, out of the blue, her dad said, "If you ever need to come home, you come home." She was a stay-at-home mom at the time and thought she and her partner, Jeff, were doing just fine, thanks. She chalked it up to *Weird Things Dads Say*. "But, I mean, clearly he knew something I hadn't yet realized."

Flash-forward a year, when the words "I don't want to be here anymore" tickertaped through her head. Her anxiety ramped up and, as her interest in Jeff waned, thoughts of another man grew—something Jeff accidentally discovered in an email. Everything unravelled after that. His parents owned the house they were living in, so there was no debate over who would leave. "He couldn't even look at me," she says.

Tara slept at a friend's place for a month, spending evenings and mornings with their two kids at Jeff's house. She quickly realized they needed a better

solution and remembered what her dad had said. So back to her family home it was, with her parents giving her and her kids the second floor of their house in Toronto's west end.

It may be a huge financial break for Tara, who pays her parents \$900 a month—well below market rate—but it sure isn't easy parenting in front of your parents. "I can get really self-conscious, and I feel constantly judged." There are tensions between her parents (who were enjoying their empty nest) and their 5- and 7-year-old grandchildren (who don't appreciate being parented by two extra people). And her folks still treat her like a kid; Tara is not allowed to have friends over.

But still, she's grateful. "I'm reallllly careful about not leaning on them when it comes to childcare," she says. "I never take them for granted."

So while her living scenario isn't the one she wants, it's working for her right now—and for the foreseeable future. "My mom recently gave me a deadline of when the kids start high school," says Tara, who is grateful to have a few more years to figure out her next steps. Like Joanne, Tara's wishlist is pretty simple: a bright apartment in a nice neighbourhood with good schools. "Right now, I'm just saving as much as I can."

When the reality of their post-split finances hit, most people balk, says Firestone. "I often hear, 'I'd be better off not separating,' which financially may be true. But do you really want to stay with someone you don't want to be with? Yeah, you're probably going to take a hit. But the weight will be lifted. You can start moving forward." Above all, she says, try to remember that this living situation isn't forever. "Keep trudging along, even if you're no longer heading in the direction you thought you'd be moving in," Firestone says. "People are more resilient than they think."

Megan, for example, has become a lighthouse for some unhappily married women of Guelph. "I have them coming to me all the time for advice," she says. "They're curious and a little bit jealous, asking: 'Is this really something I can do? Can I do this without messing up my kids?'" Yes and yes, she tells them. "It's all going to be okay." **C**



How to make it work

Tips from Jessica Firestone, a collaborative divorce lawyer in Vancouver

- As painful as it may be, you need to truly listen to the other person. "They're going to have feelings and opinions that are as valid as your own."
- Have an open mind. Thoughts like "I have to keep the house" or "The kids can't stay with him overnight" may need to be challenged, she says. "Ask yourself, 'What would be so bad?'"
- Amicable and mutual are two words that are rare in a split, so finding the right pace is key. The partner who instigated the breakup has had a lot of time to think it through. "Sometimes, we need to pause to let the other person catch up. This process can only go as quickly as the slowest partner."
- It never hurts to ask. "I encourage people to find out what's possible by talking to your bank or financial advisor. Many times they'll say, 'Oh, I can't afford to buy him out.' But you might be pleasantly surprised."
- Be willing to see this as an opportunity. "This could be a wonderful thing for the kids. You can even enjoy your kids more. With time and support, you'll be able to see opportunities and embrace them when they come along. It's not divorce that is harmful for children, it's conflict. When each parent feels happier as an individual, the kids are happier, too."

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HOW COSTLY IS DIVORCE?

Uncontested divorces are much cheaper than contested ones, and account for eight out of 10 splits in Canada. Even those can get pricey, though, as couples can spend thousands of dollars on legal fees (the average cost is \$1,845). Disagree on any issue though, like where the kids will spend their birthdays, and your fees rise by the minute. (The average cost for a contested divorce is over \$13,000.) Add in therapy for the kids (and you), moving costs and furnishing a new place, and this split won't be cheap. But what's that old joke? Why is divorce so expensive? Because it's worth it.