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## Colorado divorce rate plummets during recession

By Colleen O'Connor  
The Denver Post

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In the few years that Victoria Hutson worked in the litigation department of a law firm, she witnessed a seismic change in the way clients ended their marriages.

"A number of women were divorcing, and we felt they made out pretty well when they got the house," said Hutson, who was divorced in 2009. "It's completely the opposite now."

As home prices and the economy plummeted, the divorce rate has trended downward.

The divorce rate in Colorado has dropped to 4.2 percent per 1,000 people, a rate hit only once — in 2003 — in the past 21 years.

In 2007, the year the recession began, the rate was 4.4 percent, according to the National Center for Health Statistics. The latest data available are from 2009.

Though that might seem like good news, there is a shadow side.

Those familiar with divorce, from lawyers to investment advisers to marital therapists, say the drop is mostly because of economic issues: People can't afford to maintain two households or pay an attorney.

Often, the house is worth less than when it was

bought, so there is no equity for either partner to start a new life.

And the financial issues are now weighted with a new problem. After more than three years of struggling, people are tired.

"They see the work they need to do to have a marriage that's good, but they're so overwhelmed by the financial stress and the kids that doing that work is just too much," said Mary Kelly Williams, a Boulder therapist.

"I'm seeing people just settling, staying in the situation, because they don't have the energy to do the work to have a good marriage, which is considerable. They learn to coexist," Williams said.

### Stress leads to marital tension

There is a mixed picture at the National Marriage Project at the University of Virginia, a pro-marriage institute that conducts the annual "State of Our Unions" report on the current health of American marriage.

Its 2011 survey of nearly 1,200 people showed that the number of financial stresses — such as trouble paying the mortgage, employment setbacks and job loss — experienced by a couple



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affected their degree of marital happiness.

Forty-three percent of people with no financial stress said they had a very happy marriage, followed by 39 percent with one stressor and 27 percent of those with two to three stressors.

Twenty-nine percent said the recession deepened their commitment to marriage.

There are two reasons for the drop in the post-recession divorce rate, said W. Bradford Wilcox, director of the National Marriage Project.

"For some people, the recession led them to become more aware of the ties that bind, how spouses, parents, in-laws and kids stick with you when times are tough," he said.

"Then there is the financial factor," Wilcox said. "When the economy is in the tank, people are less interested in getting a divorce because they're worried about the value of the home, paying for lawyers and for two households."

In Denver, even those who can afford separate living spaces have downsized expectations.

Early in the recession, the Seasons in Cherry Creek North — dubbed "Heartbreak Hotel" — was often a destination for "a guy who got separated," said Wendy Aiello, a public-relations executive who tracks upscale society.

"Heartbreak Hotel South was the Penterra," Aiello said. "But now they're moving into (low-rent) apartments in Glendale because the other places are too expensive."

## Stuck with the house

When a couple agree to divorce, decisions over who gets the house are like a game of hot potato.

"I got 'awarded' the house in the divorce, if that is the right word," Hutson said. "I don't feel like

it's a reward. I feel like I got stuck with it."

The house was worth \$1.2 million according to the purchase price and renovations, she said, but it sat on the market for five months. The first offer was \$725,000.

"When the Realtor told me, my heart just sunk because I could see what was happening here," said Hutson, who eventually sold it for \$825,000 and was glad to have that.

Post-recession divorcees are a growing business at Northstar Investment Advisors in Denver.

"Over the last two or three years, over 50 percent of my new business is in that market," said co-founder Frederick Taylor.

"I've been advising my divorcee clients not to take the house if there's any way not to take it," he said. "I tell them, 'Why do you want an asset that's declining in value and costs a fortune in maintenance and property taxes at a time when you have to watch every dime and live on a budget?'"

He focuses on cash flow and making the settlement money last "until they get a job or remarried," he said.

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Financial uncertainty means that people are more afraid about their future, Taylor said. They fight more over settlements, which increases the costs of litigation and the costs of the courts.

"In the middle and upper-middle classes, my caseload is about the same, but my time in court has gone up dramatically," he said.

Decisions on settlements, alimony and child care are all complicated by multiple uncertainties, making it difficult for clients, attorneys and judges to figure out what is fair.

Jordan Fox, a family lawyer at Sherman & Howard in Denver, recalls how, years ago, his firm represented United pilots in divorces.

Wives generally got the houses, and pilots took the retirement fund — then woke up one morning to find their pensions were gutted when the company went through bankruptcy, Fox said.

"The problem now is much more difficult and across the spectrum," he said, "because houses, income and retirement (plans) are all down."

Despite the financial difficulties of ending a marriage these days, experts expect the divorce rate to increase as the economy improves.

"Divorce rates came down during the Great Depression, but once it lifted, they came back up again," Wilcox said. "I expect the same when the economy really rebounds."

Steve McBride, a certified divorce financial analyst and mediator in Greenwood Village, said his business was slow in 2009, picked up in 2010 and is even busier this year.

"People can only stand to hate each other so long," he said, "and then they've got to do it."

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