

Opinion: Why boomer divorces – like Bill and Melinda Gates – are soaring

MarketWatch
May 5, 2021, 10:29 AM

First there's heartbreak, then there's finances



Most divorces don't merit "Breaking News" alerts on cable or big front-page headlines. But when they involve world-famous tycoons whose net worth runs into the 12 figures, well, that's different. Which is why the surprising split of Bill and Melinda Gates will fuel—as the 2019 divorce of Jeff and MacKenzie Bezos (now Scott) did—business, celebrity and gossip coverage for weeks to come.

But there is one thing that the end of these two high-profile marriages have in common with many lesser couples who pull the plug: They've been married for a long time—the Gates and Bezos marriages lasted 27 and 26 years, respectively—and they're quite likely to be baby boomers. Bill and Melinda Gates are 65 and 56. Bezos is 57, but at 51, his ex MacKenzie is a member of Generation X.

Baby boomer divorces—a phenomenon [also known as “gray” divorces](#)—are surging. The Pew Research Center notes that divorce rates for people age 50 and over have doubled since 1990. Professor Wendy Manning, [co-director of the National Center for Family & Marriage Research](#) at Bowling Green State University, tells me they're rising faster than the overall divorce rate, which is actually declining.

Why are so many boomers calling it quits?

“Baby boomers realize what their life expectancy is and might be expecting more out of their lives, and realize that they're facing just kind of ‘OK’ marriages,” Manning says. “And they want to move on.”

It's also easier for boomers to move on in an era when there's no longer a social stigma about getting divorced, she adds.

On top of the heartbreak of a broken marriage, there are the finances. Try these scary stats on for size: Nearly half—48%—of households headed by someone 55 or older lack any kind of retirement savings, according to the U.S. Government Accountability Office (GAO). And AARP warns that the standard of living for a man divorcing after age 50 drops by 21%—but the real pain is borne by women: Their standard of living plunges by a life-altering 45%.

This in turn makes crucial safety net programs like Social Security absolutely essential. Consider this [alarming data from the Social Security Administration](#), which says that among elderly beneficiaries, 70% of unmarried persons depend on Social Security for 50% or more of their income. Even worse, 45% of unmarried persons rely on Social Security for virtually all—90% or more—of their income.

“Divorce is one of the most financially devastating and traumatic events that you can go through,” says Robin Graine, a Fairfax, Va., divorce mediator. But she says some of this pain can be mitigated up front by negotiating things like retirement savings, life insurance and pensions.

“This is particularly important if your ex-spouse remarries,” Graine says. “Spouse #2 will get it, unless you ensure that your name remains listed as the beneficiary.” She also warns that if your name is removed as the beneficiary for anything, “it's likely your divorce will reduce or eliminate any inheritance they receive” as well.

There are other considerations as well. A divorce means a doubling of key costs. Each party will have to set up their own household—two mortgages/rents, two sets of utility bills, etc. You'll also have to ensure that healthcare needs are taken care of. Remember: A man can expect to have some \$135,000 in out-of-pocket healthcare costs after age 65, [according to Fidelity Investments](#), while women, who typically live a bit longer, will likely face \$150,000 in healthcare costs. Again, these are projected out-pocket expenses.

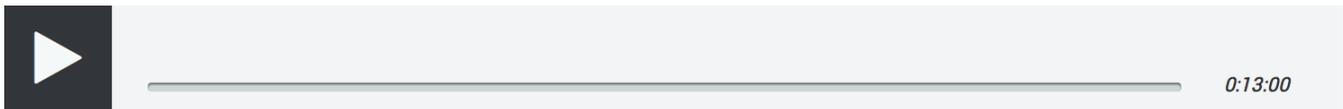
Let's face it: Divorce can be really expensive. Old age can be really expensive. But what's *really* expensive? Being older *and* divorced. If you're in an unhappy situation and think divorce is the answer, well, tread carefully and make sure that your needs are taken care of.



What Married Couples Won't Tell You About Divorce

MarketWatch
Sept. 22, 2016, 4:15 PM

On the heels of the break up of Brad Pitt and Angelina Jolie, Beverly Hills psychotherapist Dr. Frances Walfish and former divorce lawyer Robin Graine join Catey Hill and Quentin Fottrell for a deep dive into the financial and emotional ramifications of divorcing in 2016. <https://www.marketwatch.com/story/what-married-couples-wont-tell-you-about-divorce-2016-09-22-161071542>



Don't buy legal documents online without reading this story

Catey Hill
Nov. 27, 2015, 9:29 AM

The online legal document business is booming as consumers have figured out that they can get everything from a will to a lease to a divorce for a fraction of the cost of visiting a lawyer. But should they?

On one hand, the services offer compelling value. Some experts, however, say using them could cost you money down the road, be ineffective in accomplishing your legal tasks, and even, in some cases, cause problems in court.

On LegalZoom.com, the industry's largest player with roughly 6% market share, you can download a basic will for as little as \$69 and a real estate lease for \$29. On number-two site RocketLawyer.com, you can get unlimited access to a number of legal documents for as little as \$7 a month. Getting a will or a lease from a lawyer could easily cost hundreds of dollars. More complicated legal situations could cost thousands.



“These sites are legitimately cheaper,” said Jeremy Gin, a spokesperson for online business review site [SiteJabber](#), which reviews online businesses. That’s a major selling point to many consumers: A typical legal services buyer makes about \$25 per hour, according to a [recent law review article](#), and many lawyers charge at least five times that.

But experts urge caution. “Rarely can a canned document or form be sufficient and advisable,” said New York attorney Peter L. Brooks. “Of course, lawyers start out using forms, but, in my experience there is almost always something special about the situation that requires the sophistication of an experienced lawyer.” (LegalZoom, Rocket Lawyer and other sites will connect you with an attorney, usually for an additional cost.)

MarketWatch asked legal experts to evaluate the offerings. They pointed toward four potential pitfalls of incautious use of downloaded documents. The upshot: For relatively simple legal needs, these sites can be effective. But for more complicated situations, consumers could end up unprotected and without much ability to take the companies to court.

For best results, proceed carefully.

Flawed documents could get rejected

Online legal documents can be out of date, inaccurate or downright wrong, and the companies admit as much.

Consider: MarketWatch downloaded a New York power of attorney form — this gives someone like a spouse the power to act on your behalf should you become incapacitated and can be essential for doing things like paying bills when a sick or injured person cannot do it themselves — from LegalZoom that experts say could be problematic.

The reason: It isn’t the standard state form, which can be downloaded for free from various county clerks’ offices.

“The standard form is immediately recognized by all parties in a transaction and the county clerks,” said Daniel Price, [president and CEO of OneTitle National Guaranty Company](#), who deals with real-estate transactions using powers of attorney frequently. “If you presented them with anything other than the standard form...there is no guarantee that the clerk would accept and record it.”

In other words, “the LegalZoom form may be OK, but it might not, depending on the institution and the person behind the desk there,” explains estate planning attorney Dmitry Lapin, owner of [Lapin Law Firm](#), which has offices in New York and New Jersey.

LegalZoom admits to “issues” when “clerks or other parties question our document because it might not be exactly like a form they’ve seen before,” but adds that “this does not constitute a problem with the document” and that its forms are “legal and effective” in New York.

Consumers likely have little recourse if they end up with a problematic document from one of these sites. In its terms of use, LegalZoom “makes no warranty” that the site or materials “will meet your requirements” or that the results will “be accurate or reliable.” RocketLawyer says that its information, software, products and services “may include inaccuracies” and that “information and opinions received via the website should not be relied upon for personal, medical, legal or financial decisions.”

Of course, many companies have similar disclaimers in their fine print — cable companies, for example, clearly state that their products may not work all the time — but in the case of legal documents, this can be more problematic for consumers because it could offer them inadequate legal protections.

LegalZoom says it is rare that consumers have problems with their documents, and that they have a team of people whose job it is to monitor their accuracy. RocketLawyer notes that they “try to reduce the risk for our customers who create their own documents by offering them affordable access to licensed attorneys to help them solve their legal issues.”

You may not get your day in court

Should you get into a dispute with an online legal company for any reason, including a document that didn’t serve the purpose you thought it would, you may be prohibited from taking them to court in front of a jury.

In the fine print of LegalZoom’s terms of service are the clauses “we each agree to resolve those disputes through binding arbitration or in small claims court rather than in a court of general jurisdiction” and “you and LegalZoom are each waiving the right to a trial by jury or to participate in a class action.” Rocket Lawyer also requires dispute resolution through binding arbitration and prohibits class action lawsuits.

This means you agree to have an arbitrator decide the case you have against the company, rather than take it to court. Some experts say that [arbitrators rely on repeat business](#) from the companies who employ them and may be biased.

Prohibiting class actions is also potentially problematic because it is hard for single individuals to go after companies, which typically have greater financial and legal resources.

These companies are far from the only ones that require binding arbitration and prohibit class actions. (This language has become common in the fine print of companies ranging from cable providers to travel companies.) And deciding a case through arbitration sometimes does work in consumers' favor.

LegalZoom says its arbitration clause is consumer-friendly because the arbitration takes place in the consumers' hometown and is paid for by LegalZoom, among other provisions; both RocketLawyer and Nolo say their terms of service are standard for the industry.

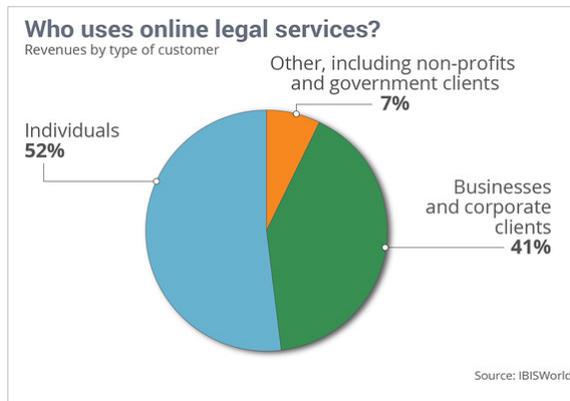
Simplicity today could lead to complications later

Consumers can fairly easily get into a costly mess by using online forms without the guidance of a lawyer, experts say. While a standard online will might be fine for someone with few heirs or assets to leave behind, for example, a more complicated situation could spell trouble.

Lapin says that many people who use these sites to create wills fill in the documents using vague language because they aren't trained to know better. Such language is even offered up to consumers on the sites. [The sample will on Nolo.com](#) contains this example: "I leave my rare stamp collection to Ann Heron, Eric K. Workman and Andre Zivkovich in the following shares: Ann Heron shall receive a 1/4 share; Eric K. Workman shall receive a 1/4 share; Andre Zivkovich shall receive a 1/2 share."

To a layperson, that might seem specific. To a lawyer, it's anything but. Let's say there were 12 stamps in the collection. Does Zivkovich get six and the other two people three each, or will they need to liquidate the whole collection and then collect the proceeds in equal shares?

Situations like this could send the parties to court — which will be costly for them all, according to Lapin. Nolo says its online will helps people avoid vague language by requiring consumers to name each beneficiary specifically, avoiding unclear phrases like "all my children," and adds that not every situation is right for a do-it-yourself form.



Online divorce documents can also present problems, says Fairfax, Va.-based divorce mediator [Robin Graine](#). “If there is absolutely nothing contested, no children, nominal assets and no child or spousal support, I don’t think online forms are the worst thing,” she said. But “most cases aren’t like that.”

Indeed, she said, inexperienced couples may not have the skills to write a divorce agreement that can “grow with the family,” including language

that could change child or spousal support, custody agreements, and more depending on how each partner’s life changes down the line.

And “online is a terrible mechanism for assessing the truth and veracity of client statements,” which may allow one party to pull the wool over another party’s eyes, according to Graine. That could mean that one party has assets that should be shared but the other party never learns of them, for example. (Though this is unethical and often illegal, that doesn’t mean it doesn’t happen.)

Sites like LegalZoom and Rocket Lawyer offer to connect customers with lawyers. But even that has its downsides, says Graine, in addition to additional expense. For one, you may not be getting the best legal help — the lawyer didn’t come to you through online reviews and personal recommendations — which Rocket Lawyer hints at, noting that it “does not make any warranty as to the qualifications or competency” of the attorneys.

And in the case of a divorce, Graine said, a virtual lawyer is “an inadequate forum for the overwhelming emotions” that come with divorce; face-to-face contact, she says, is the best way to get those emotions under control for a rational, fair divorce settlement.

LegalZoom notes that its software gives simple instructions that can help consumers navigate the documents, and has attorneys on hand for a price for when consumers run into issues. Plus, it will let consumers know that in some “fringe” cases, it might be best to seek the help of a lawyer, says Chas Rampenthal, general counsel at LegalZoom.

Rocket Lawyer founder and CEO Charley Moore makes a similar point, noting that the company “gives every consumer easy access to both software and licensed attorneys at the same time.”

You might pay for things you can get for free

Some sites sell documents you can get for free elsewhere. For example, online legal sites offer plenty of forms for small-business owners to help them create an LLC, S-corp or another business entity, but in most cases, it makes little sense to pay for them, as your local government or [Small Business Administration](#) often offers these forms for free. (You will still pay the filing fees, however.)

For example, a person hoping to create an LLC in New York could find the documents she needed — including [articles of organization](#), an application to [register the name of the company](#) and the [certificate of publication form](#) — for free on [New York state's Division of Corporations, State Records and Uniform Commercial Code](#) website. Many sites charge anywhere from about \$30 to \$350 for these kinds of documents.

What's more, you can get free guidance on creating your company from [SCORE](#), a nonprofit that helps small businesses and is sponsored by the Small Business Administration.

To be sure, legal sites usually offer extras in addition to the corporate formation documents. The \$359 LLC formation package on LegalZoom does not include state filing fees, but it does include a 30-day free trial of attorney advice and expedited turnaround time. The company says it “doesn't charge for free documents” but instead is charging for its interactive software, guides and other perks.

Rocket Lawyer notes that it offers “thousands” of free legal documents and that its services provide “exceptional value.” Nolo notes that many of the free forms “don't include the tailored provisions owners need, or let users choose how to set things up.”

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