

## YOUR MONEY

## Family finances

LOVEWELL BLAKE

## Start a 'uni fund' in the new year



**John Mee, director  
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**THE** proposed steep increases in tuition fees and removal of certain maintenance allowances are alarming many parents as well as their teenage sons and daughters.

I am rather relieved that our son will be leaving university before 2012.

The idea that he would have left university with debts of at least £28,000 fills my wife and I with horror.

The system is teaching our graduates that it is perfectly acceptable borrowing huge amounts of money when you have no immediate means to repay. This is total folly.

Students are confidently encouraged to use low cost overdraft facilities that the banks readily convert into higher cost personal loans once they have graduated.

All these debts will inevitably hang over graduates well into their working lives, negatively affecting their standard of living and making it more difficult to get a foothold on the property ladder.

My wife and I have already decided we will extinguish our son's loan before he graduates, although we have to admit we feel an important way to learn the value of money is by not having much to spend for a period.

Possibly the UK should look to the US culture by creating a 'university fund'. For example a regular saving of £133 per month from birth to age 18 could produce a lump sum of over £57,000 at age 18, assuming a 6% investment return.

This would be the equivalent in today's terms to over £33,000 assuming 3% inflation. Grandparents, too, can help if they are able, either by adding lump sums or saving monthly.

Naturally, the value of investments will go down as well as up during this time period, with the possibility of getting back less than you invested.

However, with such a long term investment over 18 years, and by placing monies in a number of funds at the same time, and reviewing them frequently, you will lower risk and increase the opportunity of achieving a significant university fund.

# Avoiding costly mistakes when it comes to a split

The gloomy post festive days can be a time when unhappy couples decide to divorce. This year could be different, suggests independent financial adviser JIM BARR, of Almary Green Investments

**J**ANUARY'S traditional spike in divorce applications could be delayed this year as more separating couples weigh up the benefits of 'collaborative family law' before taking action against one another in the courts.

Our firm specialises in financial advice for divorcing couples and, according to reports we are hearing from lawyers, a growing number of people are considering other means to resolve their situation – including their finances – before resorting to the courts.

Almary Green has four financial planners accredited to provide financial planning in divorce by Resolution, the family law organisation that believes in a constructive, non-confrontational approach to family law matters. There are currently only 75 or so Resolution-accredited Independent Financial Advisers in the country.

What they are seeing is that more and more families want to get divorced with dignity, without going through a long and litigious process, particularly where there are children involved. This is resulting in a rise in the popularity of collaborative practice, which is non-confrontational and avoids going through the courts.

There are 5,700 lawyers involved with Resolution who will arrange for a couple to sit down with the relevant professionals to advise them on their situation. This includes accredited financial planners, who will act as neutrals in the collaborative process, able to give impartial advice to the couple so they both obtain the best solution from a financial advice point of view.

Collaborative family law differs from mediation, also available to couples considering divorce, in that the latter mediates between the two parties and attempts to work through issues but is not able to give financial advice.

The collaborative approach gathers relevant professionals to advise on the circumstances and help find a solution without the couple going to court. Family consultants are also useful in the collaborative process helping to support the couple and perhaps



**DIVORCE:** If your split is amicable collaboration can be the best way to sort out financial arrangements. Below, Jim Barr

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their children, through the emotional aspects of the split.

With the civil legal aid reforms announced by the government in November, effectively withdrawing legal aid for most divorce cases, people will find it makes sense to avoid the litigious process. Likewise, couples undertaking DIY divorces are finding it is easy for mistakes to be made, especially around pension sharing. As a result, collaborative family law is expected to increase in popularity.

Lawyers should urge couples to contact an accredited financial planner at the beginning of the process to stop both sides making well intentioned but costly mistakes. This particularly relates to issues such as pension

sharing and buying new properties.

Here are five tips for couples considering a collaborative approach:

- Think what kind of divorce you want. Everyone assumes they have to go the court route but other options are available
- Collaboration is only useful if your split is amicable
- You should be open to a full, frank and honest discussion about your separation.
- Make sure you have the right advice behind you, and above all get the right people involved in the process as early as possible.
- To avoid costly mistakes don't commit to any financial agreements until you have seen the specialists available to give you impartial, neutral advice.



**Independent financial adviser Jim Barr is based at the Ipswich office of Almary Green Investments. Contact him on 01473 257973 or 01603 706740 or visit www.almarygreen.com.**

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