

BEDEL FINANCIAL CONSULTING, INC.

Financial Planning and Investment Management

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Collaborative Divorce: A Softer, More Congenial Approach

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Preparing for a major event often involves a team of professionals. A wedding involves photographers, caterers, and florists. People often seek advice from financial planners and tax advisors when considering retirement options. We engage these professionals to be part of the process without a second thought. Divorce is another story.

Traditionally, each spouse hires their own attorney who serves not only as legal counsel, but often as a personal counselor, financial specialist, and real estate advisor. The traditional divorce process can quickly evolve into a “me-versus-you” mentality where no one wins. If the couple ends up in court, they hand over control of the outcome to a third party. How confident would you be in a judge’s ability to know what’s best for you or your children?

A village approach

Fortunately, there are multiple avenues to divorce. One option, collaborative law, has been picking up momentum in Indiana over the last several years. With the collaborative divorce process, both spouses agree to find a customized solution that addresses the present and future interests of all family members. They also pledge not to litigate. The emphasis is on planning rather than finger-pointing.

You’ve heard the expression, “It takes a village.” With collaborative divorce both parties have their own attorney, but they share a mental health professional, a child specialist, and a financial specialist. To ensure objectivity, all team members, except the attorneys, are neutral parties, with no prior relationship with the family. The goal of the interdisciplinary team is to create a positive outcome that’s mutually acceptable to everyone involved.

When choosing an attorney, be aware that collaborative law is a specialty practice. Not all attorneys practice collaborative law or are trained in this area. To pursue a collaborative divorce, both attorneys should be trained in the collaborative process. You can find a list of Indiana collaborative law practitioners on the Central Indiana Association of Collaborative Professionals website.

Difference between collaborative law and mediation

Mediation and collaborative divorce are both non-adversarial approaches that focus on reaching a solution that considers the interests of all parties involved, but utilize different processes to reach the outcome. Mediation is a tool that is typically used after divorce proceedings are well underway, while the collaborative process is used from the onset. In mediation, a neutral third party assists the spouses in negotiations, but does not provide legal advice. In fact, mediation does not actually require the spouses to be represented by an attorney. Often the parties are in different rooms and the mediator shuttles back and forth. Meetings may take several hours and can be mentally exhausting. Resolution is heavily reliant on the skills of the mediator.

The collaborative process takes place over a series of meetings and is truly a group effort to find solutions that satisfy everyone’s interests and needs. The open flow of communication between



the team leads to more creative, individualized resolutions that will help everyone move forward post-divorce. The fact that both spouses have a voice in the terms of the agreement as well as the insight of multiple professionals often reduces the need for couples to make amendments in the future.

Advantages of collaborative divorce

Emotionally, the collaborative process can be a kinder, gentler process than either mediation and litigation. Ending a marriage is emotional enough. Avoiding the fear, surprise, and the potential for conflict associated with a court case makes the transition more peaceful for everyone.

From a financial perspective, collaborative divorces can also be more cost-effective. Meetings tend to be more productive and time-efficient. Whereas attorneys would likely have to conduct research in areas outside their expertise, specialists can provide immediate guidance. That allows attorneys to focus exclusively on family law.

The process can also move along quicker than a traditional divorce. That’s because the timeline is dictated by the parties involved; not the caseload of the court system — although some statutes may impact the timeline. Even if you choose to pursue mediation, your attorney still may need to complete filings with the court system that will impact your ability to make progress in a timely fashion. Streamlining the process should also result in lower fees.

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BLT Corner

Introducing the BLT



We are pleased to present our Spring Newsletter. This space is typically reserved for Elaine's thoughts; however, she is currently occupied with her new endeavors

with the State of Indiana. In February, Governor Holcomb appointed Elaine President of the Indiana Economic Development Corporation, or IEDC for short. We are very proud of Elaine and enjoy receiving her updates on all the wonderful things happening in our great State.

Several years ago, Elaine formed a leadership team within Bedel Financial to ensure the firm would continue to serve its clients in the event it became necessary for her to step away. Although Elaine remains available to the Bedel staff, our leadership team has proven their readiness and willingness to step up in her absence. Elaine was pleased to be able to take on this new opportunity with confidence that the firm would continue on its successful path. Our team will continue to look for

ways to improve business operations and the client experience, just as we have done in the past. The six-member leadership team has a combined 70 years with Bedel Financial and over 100 years of industry experience.

As always, we remain dedicated to partnering with you to provide unique planning solutions. In the meantime, if you are interested in following Elaine's progress with the IEDC, we encourage you to check out the IEDC on their FaceBook page or Twitter feed at @Indiana_EDC. In future newsletters, this section will keep you updated on our company's most recent accomplishments and highlights.

If you have any questions, comments or concerns, please feel free share those with us at bedel@bedelfinancial.com. We're always happy to hear from you!

With warmest regards,

The Bedel Leadership Team

Evan Bedel, CFP®

GenNeXt Advisor, Director of Strategy & Finance

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Ryan Collier

Sr. Portfolio Manager, Director of Investment Management

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Sr. Wealth Manager, Director of Financial Planning

Cassi Vanderpool

Director of Administration, Chief Compliance Officer

Bill Wendling, CFA

Sr. Portfolio Manager, Chief Investment Officer

Be sure to find us on Social Media!



Industry News

Check Etiquette

By: Kristina Dougan

Operations Specialist & Investment Assistant

A question we are often asked by clients is: "Who should I make my check payable to – Bedel Financial, the custodian firm or me?" In general, most brokerage firms have similar preferences and stipulations. For example, Charles Schwab prefers that clients make their checks payable to "Charles Schwab". But Schwab will also accept checks for deposit with your own name on the payee line. **Never** make the check payable to Bedel Financial!

The more details, the better

Always include as much detail as possible in the memo line of the check. If the check is for an IRA contribution, specify the tax year for which the contribution is being made to ensure it will be recorded correctly in your account. You don't want an IRA contribution you claimed for tax year 2016 to be applied to year 2017. Such mistakes may take significant time to correct.

Putting detailed information on the memo line also ensures a smoother, timelier processing of your check. It reduces the need for an

Operations Specialist or your Portfolio Manager to contact you with questions. It's also always helpful to include account numbers in the memo line.

Steer clear of these mistakes

1. At Bedel Financial, we can't deposit checks that are payable to us into your brokerage account. Those checks will be returned promptly to you via mail.
2. Custodians may consider your check to be unacceptable for deposit for several reasons. One is timeliness. Typically checks must be dated within the last 180 days to be considered valid.
3. Custodians will also refuse checks if the numerical dollar amount doesn't match the written dollar amount.
4. For trust accounts, the check can be payable to the custodian, the trustee, or the name of the trust account — but it must appear exactly as it's registered on the account. Any deviation will cause the check to be returned. If you have any questions regarding a check you'll be submitting, please contact your Operations Specialist for clarification.

Collaborative Divorce: Continued from page 1

What if it doesn't work?

What happens if, despite all good intentions, the spouses can't come to a consensus and one spouse decides to go to court? At that point, all professionals involved, including attorneys, must withdraw from the case. The spouses will need to start over with new attorneys. And that means more time and additional expenses.

The cost of the divorce itself and the division of the marital estate may be one of the most devastating financial events in a couple's life together. As with all major life events, it's important to know your options before taking action. If you are considering a divorce, then it's worth learning more about collaborative law and collaborative divorce. The process isn't right for everyone; therefore, it's important to discuss all your options with an attorney.

Contact Sarah if you have questions or would like additional information regarding this topic.

GenerationNeXt

5 Easy Ways to Save on College Costs

By: Abby VanDerHeyden, CFP®
Financial Planner

Any way you look at it, attending college is expensive. Finding ways to reduce those costs is smart. The most obvious ways are to save money on tuition by attending in-state universities or colleges or by receiving scholarships or grants. But there are other options for reducing college costs. Here are five easy ways that can help you save money:

1. File your FAFSA. According to LendEDU, 10 percent of college students have never even heard of FAFSA and 78 percent of college students didn't know that FAFSA stands for "Free Application for Federal Student Aid." It's important to file your FAFSA every year, regardless of your family's income or net worth. While you may not qualify for needs-based aid, filing your FAFSA each year keeps you in the running for merit-based aid at your college or university.
2. Create a budget. After you've filed your FAFSA and received your financial aid award letter, create a budget. Many times, your financial aid letter will include more money than you actually

need to cover your tuition and living expenses. Establishing a budget and borrowing only what is necessary will help reduce the amount of money you'll owe after graduation.

3. Get a job. Obtaining an on-campus job, or even better, a paid internship is a great way to earn money to cover tuition, room and board, and book expenses. Aside from earning money, your hard work outside the classroom demonstrates initiative to potential full-time employers. Paid work and internship experience will look great on your resume, and the references you'll receive for a job-well-done will be invaluable. It may even lead to attractive job offers in the future!
4. Minimize unnecessary expenses. Many students feel they need to buy the recommended textbooks brand new from the university bookstore. But if you shop early you can often purchase last semester's or last year's used books for much less. And be sure to compare the used book prices to those offered by online textbook sellers. When it comes to food, some students choose the most expensive meal plan because they don't want to risk going hungry.

But don't go for the most comprehensive meal plan right off the bat. You may find that you don't eat at the cafeteria as often as you thought you would. Worst-case scenario, you can change your plan next semester!

5. Earn good grades. One of the easiest ways to save on college costs is to earn good grades and graduate on time! This seems like a no-brainer, but according to the National Student Clearinghouse, it takes full-time students attending four-year universities 5.1 academic years to earn their bachelor's degrees, on average. That's 1.1 more academic years to pay for! Graduating on-time and avoiding the unnecessary extension of tuition costs is one of the best ways to save yourself or your parents loads of money!

Contact Abby if you have questions or would like additional information regarding this topic.

Be sure to sign up for our GenNeXt blog at www.BedelFinancial.com/subscribeblog/

Q&A

Directly Held Stock Versus a Brokerage Account

By: Austin Stagman
Investment Analyst

Do you receive mail from a company that holds shares of only one specific stock on your behalf and don't know what to do with it? Most likely these shares are directly held stocks and the good news about that is...you have options!

Q: What are directly held stocks?

A: Directly held stocks—also referred to as "book shares"—are shares of a company that are registered in the purchaser's name, but held in an account at a transfer agent. The stock from each company in which you own shares is kept in its own separate account. It does have some benefits, such as no cost to hold and no cost to purchase additional shares with dividends.

Q: What can I do with directly held stocks?

A: First, there's nothing wrong with keeping stock in the transfer agent's account. But you should be aware that large discount brokerage firms such as Charles Schwab and Fidelity now offer benefits that used to be unique to transfer agents, such as the ability to reinvest dividends at no cost and very competitive costs to trade stocks. As a result, transfer agents no longer enjoy the advantages they once had over discount brokerage firms. Furthermore, it's very simple to transfer stock to a brokerage firm and you can most likely do it electronically. Typically you start the process by contacting the receiving institution and following its guidelines. Make sure to report your cost basis to the new institution.

Q: What are the advantages of holding stock at a brokerage firm?

A: Since each directly held stock of a specific company must be held in a separate account and cannot be co-mingled, you'll receive statements

and tax forms (1099s) for each stock. With a brokerage account at Schwab or Fidelity, you can hold multiple stocks in the same account. This could mean a big reduction in paperwork! Also, you have more options for how dividends are paid. Dividends from a company at a brokerage firm can be reinvested, deposited directly into your brokerage account or sent to you via a check or electronically. With dividends from a directly held stock, you have only two options: they can be reinvested or a check can be sent to you. Furthermore, you can sell your shares at a brokerage firm much quicker than you can directly held stock at a transfer agent.

Consolidating at a brokerage firm could help simplify your financial life. Plus, and perhaps the best of all, you'll no longer receive stray dividend checks in the mail and all that additional paperwork during tax season!

Contact Austin if you have questions or would like additional information regarding this topic.

- Be on the lookout for details about this year's Bedel Financial Forum in your inbox soon!
- We'd like to extend a warm welcome to our newest team members, Stephanie Allan and Terri Wilson-Lewis. They have both joined the Operations Team as Operations Specialists and Investment Assistants. We're happy to have them with us!

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Financial Planning and Investment Management

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Corporate Calendar

Bedel Financial Consulting will be closed
for business on the upcoming days:

May 29	Memorial Day
July 4	Independence Day
Sept. 4	Labor Day
Nov. 23	Thanksgiving Day
Nov. 24	Day After Thanksgiving
Dec. 25	Christmas Day

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