Using Software to Improve Negotiations

Welcome!
Software is your friend!

(Don’t be intimidated.)
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What software gives you...

- Easier to consider alternatives.
- Better outcomes.
- Faster resolutions.
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Topics we will cover:

1. Dividing assets pretax
2. Dividing assets after tax
3. Budgeting
4. What if analysis
5. Alimony needed
6. Client data entry
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1. Dividing Assets Pre-Tax
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Dividing Assets Pre-Tax

• Allocate by dollar amounts.
• Allocate by percents.
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Dividing Assets Pre-Tax

• Show how far from a 50/50 split you are
• Show how far from 60/40 or other division.
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Dividing Assets Pre-Tax

- Show assets by category.
- Non-retirement, retirement, debt.
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Dividing Assets Pre-Tax

• Dealing with separate property.
• Take it “off the table.”
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Dividing Assets Pre-Tax

• Use it “live” with clients.
• Helps parties explore alternatives and reach agreement.
2. Dividing Assets After-Tax
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Dividing Assets After tax

• If you have appreciated assets.
• If you have retirement accounts.
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Dividing Assets After tax

• Estimate tax payable.
• Subtract tax payable from value of asset.
• What’s left is after-tax value.
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Dividing Assets After tax

• Estimating tax payable is the important part.
• Based on assumptions as to tax rates.
• Also, assumptions as to when the items will be sold or distributed.
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Dividing Assets After tax

• Use with caution.
• Results are only as good as assumptions.
3. Budgeting
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3. Budgeting

- Budget future cash flows.
- Enter appropriate level of detail.
- Software can calculate taxes!
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3. Budgeting

• Can budget side-by-side.
• Can use “shared expenses” to budget for children.
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4. What If Analysis
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4. What If Analysis

- Designed by mediators for mediators.
- Ask “what if” with key expenses.
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4. What If Analysis

- Allocate who pays the mortgage.
- Allocate child care.
- Allocate children’s medical.
- Allocate major expenses (tuitions)
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5. Spousal Support Needed
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5. Spousal Support Needed

• Achieve equal sharing of cash after taxes.
• Or, cover recipient’s budget.
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5. Spousal Support Needed

- Can look at cash after all expenses also.
- Look at impact of spousal support on payer.
- Enables you to reach a fair outcome.
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6. Client Data Entry
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6. Client Data Entry

• Clients can enter their data electronically.
• Online, on our web site.
• Using downloaded software.
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Topics we have covered:

1. Dividing assets pretax.
2. Dividing assets after tax.
4. What if analysis.
5. Alimony needed.
6. Client data entry.
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• Easier to consider alternatives.
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Thank you!