

Financial security starts with good settlement

Continued from 1B

Studies show that divorced men fare far worse in retirement than men who remain married. But divorced women are further hindered by uneven work histories — the average working-age woman spends 11.5 years out of the workforce, mostly caring for children — and lower salaries.

Shoddy settlements

Poorly constructed divorce settlements are another key reason for the problem. They can be devastating, especially for elderly women who need to rely on pension rights as an ex-spouse.

Divorce lawyers can seek a court order that typically gives part of the husband's retirement benefits to his former spouse and children. But the rules governing such orders are complicated and the execution frequently flawed. The rise in stock options, profit-sharing and other non-traditional compensation further complicates reaching an equitable settlement.

Luttrell thought her 1996 divorce settlement included a portion of her former husband's pension. Not long after, she learned the order was invalid.

She receives \$750 a month in alimony, but under the 10-year term of the divorce settlement, payments will stop in six years. Unable to work for health reasons, Luttrell spends most of her time fighting for a portion of her former husband's pension. She is representing herself because she can't afford a lawyer, but getting the courts to listen is hard, she says. "Once your case is messed up, nobody wants to help you."

Similarly, neglecting to insist on a survivor's benefit — which ensures benefits continue after the ex-husband's death — can come back to haunt divorced women, because women often live longer than men.

Pauline Orr, 69, of Venice, Fla., thought her future was secure when her 40-year marriage ended in 1994. But when her ex-husband died in 1995, her income dwindled from about \$2,000 a month to \$200 a month because her divorce settlement included no provision to continue pension payments from his job as a federal employee.

Faced with the loss of her home, Orr wrote to federal and state legislators seeking a review and sued her lawyer for malpractice. She won a \$400,000 judgment against her lawyer, who later filed for

How to get pension benefits from your ex-spouse

Want to make sure you'll receive part of your ex-spouse's pension after retirement? Have your lawyer build a court order into your divorce settlement — and make sure it's done right.

Divorce experts say so-called Qualified Domestic Relations Orders are frequently flawed. As a result, many women lose some or all of the benefits. To avoid mistakes, make sure your lawyer:

- Finds out about all pension and retirement benefits. Your lawyer should obtain documents on each pension plan well before the property settlement agreement. Many employees are covered by several pension and retirement plans.

- Prepares the pension order. If the court doesn't sign a pension order at the time of your divorce, you'll have to go back to court to get it. That costs money, and you may not succeed on the second round.

- Asks for survivor benefits, which ensure pension benefits continue when your ex-spouse dies.

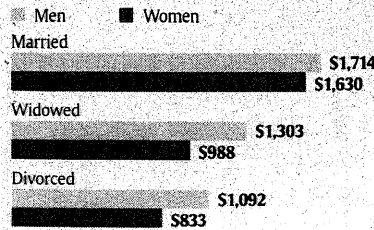
- Explains how retirement benefits are divided under your state's law.

- Explains ways your former husband may reduce or eliminate your benefits. Your former spouse may waive his rights to a pension, or become disabled. Your settlement should include options for such events.

- Is on alert for unusual requirements that could cause the pension plan administrator to reject the court order. For example, there are special rules governing military retirement benefits. Have

The long-term cost of divorce

Divorced women's retirement savings fall well below other retirees' nest eggs. Average monthly retirement income, based on marital status:



Source: Journal of Women and Aging, 1995 By Genevieve Lynn, USA TODAY

the pension order pre-approved by the pension plan administrator before it's sent to court.

- Follows up after the divorce to ensure the final pension order is sent to the plan and approved by the administrator. Sometimes pension plans lose the orders or let them pile up. That can come back to haunt you when you retire.

- Explains your right to Social Security benefits. If you were married at least 10 years, you may be eligible for the spousal portion of your former husband's Social Security benefits.

Source: Women's Institute for a Secure Retirement

For more information

Where to learn more about retirement and divorce:

- The Social Security Administration, www.ssa.gov, 800-772-1213. Ask for Form SSA-7004, Request for an Earnings and Benefits Statement, to get an estimate of your monthly benefits.

- The Women's Institute for a Secure Retirement, www.wiserhein.org, provides information on women and retirement. For a copy of *What Every Woman Needs to Know About Money and Retirement*, 1201 Pennsylvania Ave. NW, Suite 619, Washington, DC 20004.

ceives just \$8,376 a year in Social Security benefits. Many divorced women earn much less.

Instead, divorced women must construct what policymakers call the three-legged stool of retirement: Social Security, personal savings and company retirement plans.

- Women should learn about their rights to their spouse's retirement savings before the divorce, says Ann Moss, a Washington, D.C., attorney and author of *Your Pension Rights at Divorce*. "Attorneys don't always think of things like survivor's benefits."

- Take advantage of spousal Social Security benefits. A woman who was married for at least 10 years before her divorce may qualify for benefits based on her spouse's work history, rather than her own. In many cases, that results in larger payments.

- Working women should take greater advantage of 401(k) plans and similar programs. Unlike traditional pensions, women don't have to stay at the same job for years to benefit from those plans. A woman who leaves her job to care for her children can roll her savings into an individual retirement account.

With compounding, even small contributions to retirement savings can go a long way, especially if women start saving while they're young, says Cindy Hounsell, executive director of the Women's Institute for a Secure Retirement.

Sometimes, that means putting long-term retirement security ahead of children's short-term desires. Instead, she says, "put it in an individual retirement account."

bankruptcy. She has yet to collect.

Finally, after her story was chronicled in the *Sarasota Herald-Tribune*, the U.S. Office of Personal Management, which administers federal employee pensions, reviewed her case. In March, it agreed to restore Orr's benefits, making them retroactive to 1995.

But Orr's victory is unusual, women's advocates say. Persuading a pension plan administrator to restore benefits is a long, expensive process, and many divorced elderly women can't afford to hire a lawyer.

Short-term choices

While it's easy to blame heartless husbands, women often make themselves vulnerable, financial planners say. Too often, they give up a portion of their ex-husband's pension or other retirement savings, such as a 401(k) plan, in exchange for the house or other immediately accessible assets.

It's a choice that can cost them a secure retirement.

Dee Lee, a financial planner in Harvard, Mass., says she often advises women to sell the house and split the proceeds in exchange for a portion of the ex-husband's retirement benefits. When a client in-

sists on keeping the house for the sake of her children, she says, "I tell them, if it's that important, sign a contract with your children, because they're going to have to take care of you in your old age."

Lee says the booming housing market has exacerbated the problem. Rising home prices and a strong economy have led many couples to invest much of their joint income in their homes. When the marriage dissolves, women often sell within a few years because they can't afford to maintain the house on one income.

Women who have won retirement benefits say finding a good lawyer is key to success.

Suzanne Pozzo, 54, of Los Angeles feared she would lose everything when her 32-year marriage ended three years ago. She married her high-school sweetheart and spent most of her marriage taking care of their children, entertaining and doing volunteer work while her husband launched a successful business. He argued that since he had built the business, she had no right to a share, Pozzo says.

Pozzo eventually won half the value of the business and was able to keep her Brentwood home. But the fight was long and costly. She spent months interviewing attor-

neys before she found one she trusted. She also hired a forensic accountant to figure out the value of her former husband's business.

Too often, women jeopardize their future security because they want to put the pain behind them, Pozzo says. "You've got to hire people around you that you feel confident are representing you," she says. "You just can't give up."

Possible solutions

Recognizing the role Social Security plays in many retirees' lives, presidential candidates George W. Bush and Al Gore have proposed reforms to the system. Bush wants to give workers the option of investing part of their payroll contributions in personal retirement accounts. Gore would supplement Social Security with voluntary, tax-free savings accounts that would be matched by the government.

Both candidates say their proposals would ensure that Social Security is solvent for future retirees. But retirement experts say shoring up Social Security won't save divorced, elderly women from poverty — pegged at \$7,990 a year for individuals 65 and up. According to the Social Security Administration, the average retired woman re-

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TO ENACT A

TAX BREAK?

Points.

fungible
capable of being
used to convert
or substituted
commodity. It's
most program

10-year yield	5.75%	0.04
10-year yield	5.95%	0.06
10-year yield	155.83	3.22
10-year yield	215.96	4.91
10-year yield	92.05	1.34

Source: Media General Financial Services

Currencies, 48

(as of 1 a.m. ET today)

Value and points	Percentage
15,831.79 -170.92	-1.1%
17,380.21 -347.04	-2.0%
2055.66 -3.66	-0.2%
487.23 -3.32	-0.7%
669.97 -5.62	-0.8%
(N.Y.)	Today (Tokyo)
109.06	108.83
0.9084	0.9079

on Systems

consulting to split from parent

has ruled that Andersen Consulting Arthur Andersen and parent Andersen has to change its name and make in past payments to its sister firm. Andersen victory in the bitter dispute, which counting firm Arthur Andersen began its business. It went to arbitration in related move, Jim Wadia, Arthur Andersen managing partner, resigned.

years knock FirstEnergy stock

FirstEnergy fell 5.8% to \$25.39 Monday on the Akron, Ohio-based utility would be to acquire New Jersey rival GPU for \$1 billion in stock. GPU rose 9.4% to \$30.70. The boards approved the deal. Any tie-up would be, however, by Britain's National Grid considering a competing bid for GPU.

Escape SUVs for defective nut

Ford forced Ford Motor to recall all of its small sport-utility vehicles. Ford said the steering wheel was improperly manufactured. It will be replaced on all that had been shipped. In addition, the mechanism on V-6 models might jam the throttle to stick open. That affects 1,300 Ford sport-utility vehicles. Mazda Tribute is also being recalled.

com won't pursue IPO

Blockbuster, the online unit of video chain Blockbuster, said it would not pursue an IPO. The company said its alliance with Blockbuster makes raising money unnecessary. Blockbuster-owned unit of Viacom, filed for government in February.

italists still like tech firms

Investors' smash-ups in the stock market. Investors continue to pour money into high-tech. Venture-capital financing in the second quarter was \$24.5 billion, up 96% from a year ago, according to the National Venture Capital Association and the Securities Data. The money went to companies — up 45% from a year earlier. They received an average \$14.5 million.

America IPO price disappoints

Public offering of America Online's Latin America was priced Monday at \$8 a share, below market conditions. The 25 million shares originally slated to come to market last week. The IPO raised \$200 million — far below the \$425 million. AOL Latin America start trading today on Nasdaq.

CEO quits after two months

John Siris has resigned as CEO of online trading site for personal reasons just two months after he assumed full control of the job. Chairmen will take over his duties.

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psychological exams — a sharp reversal from the early 1990s when such testing was the rage.

More employers are dropping the exams amid growing fears job seekers in today's tight labor market will snub firms that require such tests.

Others are questioning the effectiveness of employee screenings or facing lawsuits from workers who say the exams go too far.

from 52% in 1998 to 33%, based on a recent poll by the AMA of 2,133 firms. Companies requiring drug testing of current employees have fallen from 62% in 1997 to 47% this year, the study found.

Behind the shift:

Workers are speaking out against some tests. Last month, Rent-A-Center settled a class-action lawsuit brought by workers who felt questions

comment on the case.

"It was absurd," says Scott Hadley, 37, in San Francisco, a former manager who filed suit. "I was offended someone would ask me these questions."

Employers don't want to reduce the pool of available hires. Companies struggling to find workers don't want to weed out potential applicants or deter applicants with tests, experts say. And many job seekers do shy away

to bring people in, it's a quagmire for employers."

Decreasing drug use among employees. The number of employees testing positive for drug use has dropped to the lowest level in 11 years, according to Quest Diagnostics, a boro, N.J.-based provider of drug testing that compiles statistics annually for clients. The company forms 10 million drug tests a year.

Cover story

Golden years bleak for divorcees

Many retire into poverty, but it doesn't have to be that way

By Sandra Block
USA TODAY

In Victorian times, polite society shunned divorced women, often forcing them to spend their later years alone. Today, some divorced women suffer a different fate. Among low-income retirees, they are the poorest of the poor.

According to federal statistics, 22% of divorced female retirees live in poverty vs. 18% of widows and 20% of women who never married. And the situation could get much worse. The number of retirement-age women will increase by 84% in the next 20 years to 9.6 million, according to U.S. Census figures. Meanwhile, the divorce rate remains stuck at about 48%.

"In terms of living standards, it's not the widows who are the worst off," says Martha Ozawa, a social policy professor at Washington University in St. Louis. "It's the women who enter retirement either separated or divorced."

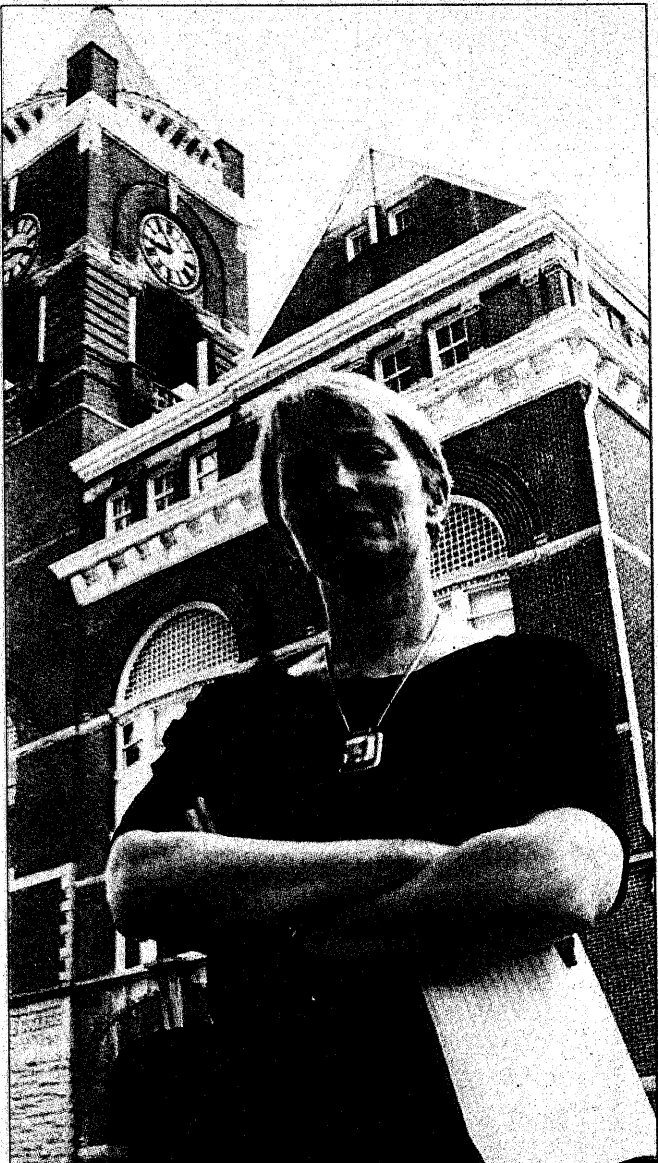
Poorly constructed divorce settlements and short-term thinking — trying to hang onto a dream home that took two incomes to support, for instance — can cripple women's finances. Divorced women also often get shut out of their ex's pension benefits.

As a result, many divorced women are forced to move in with their children, rely on loans from relatives, or seek other sources of outside income. Lee Ann Luttrell, 53, of Las Vegas rented out rooms in her home after her 27-year marriage ended in 1996.

Even in the best of circumstances, many divorced women are forced to work long after the traditional retirement age. Jennifer Solomon, 54, co-author of a study on retirement income and a professor at Winthrop University in Rock Hill, S.C., contributes regularly to her retirement savings plan. But Solomon, who got divorced at 38 after 20 years of marriage, didn't start contributing to the plan until she was 44. She received no pension benefits in her divorce settlement.

"My Social Security statement has all these zero years," she says. During most of her marriage, she stayed home with her children, so for those years, she has no earnings that count toward Social Security benefits. Solomon expects to work well into her 70s.

Please see COVER STORY next page ►



By David Sulwer for USA TODAY

At a disadvantage: Jennifer Solomon, 54, spent years as a stay-at-home mom. "My Social Security statement has all these zero years," she says. After her divorce, she figures she'll have to work well into her 70s to save for retirement.

Tech gains translate into fewer secretarial schools

By Jim Hopkins
USA TODAY

Legions of secretarial and business schools teaching students how to operate adding machines and take dictation have gone the way of, well, adding machines. E-mail and other technologies are part

Congressional reform. Beginning in the late 1980s, regulators zeroed in on secretarial and business schools with unusually high federal student loan default rates. That led to a wave of closures.

Industry consolidation. Big publicly traded career-training companies, such as Career Education of Hoffman Es-

A change in service

Change in the number of for-profit service companies, 1992-97:

Top five gainers

Facilities-support management services	175%
Data-processing schools	105%
Home health care	103%
Recreational camps	91%
Physical, biological research	79%

Top five decliners

Business, secretarial schools	33%
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Death toll rises in tire inquiry

25 more fatalities linked to peeling Firestone tread

By James R. Healey
and Lorrie Grant
USA TODAY

Federal safety sleuths say information has them investigated more than twice as many deaths as they were just last Friday. The probe of alleged defects in Firestone ATX, ATX II and Wildcat light-truck tires.

The higher death toll, disclosed Monday by the National Highway Traffic Safety Administration, is the latest bad news for major U.S. company Bridgestone/Firestone and its Japanese owner, Bridgestone/Firestone's woes.

NHTSA said publicity about peeling from the tires generated a flood of complaints. As a result, NHTSA is looking for deaths linked to the Firestone up from 21 just last week, a four-fold increase when the probe began. Complaints total 270, up from last week, 90 in May.

Most NHTSA probes do involve deaths, making the Firestone investigation even more serious.

NHTSA is careful to say it isn't investigating the tires, but asked Ford Motor for information because many accidents involved Ford Explorer sport-utility vehicles, the biggest user of the tires.

Four of the 10 biggest tire retailers have stopped selling Firestone tires because of the probe. Tire Kingdom, the largest U.S. tire seller, told USA TODAY Monday that it halted ATX, ATX II and Wilderness tires at 148 stores.

Tire Kingdom's commitment to safety is "first and foremost to customer safety. Therefore, as a tire retailer, we have a responsibility to look into this matter. Tire Kingdom is suspending sales," said Jim Pascover says.

Five other chains, including tire retailer Sears Roebuck and Discount Tire and No. 10 Auto Express, have suspended sales of those Firestone tires during the probe.

The controversy clouds Firestone's image when it plans to celebrate its 100th anniversary next year. "The perception is not right now that Firestone is potentially unsafe," says a spokesman for Firestone. "Happy birthday, Firestone," says Christine