

CASE STUDY

Earning Capacity

Report

BY CLAIRE DEACON - 2021

Individual Instruction

Julie (52) and Stephen (59) got divorced in 2015 and Julie was awarded child and spousal maintenance with a view to the spousal element decreasing in 2021. This decrease was based on Julie's ability to retrain and then return to her former, successful career and she was on track to achieve this. Julie had raised their children for 20 years without working, whilst Stephen continued with his career as an Accountant. Due to unexpected childcare responsibilities, Julie was unable to retrain, as hoped, within the timescales and was finding it difficult to articulate her situation in mediation, which had come to a standstill. She commissioned an Earning Capacity Report, not only to set out her position to date, but also to get the benefit of my advice to explore ways in which she could maximise her earning potential now and in the immediate and long term future.

Whilst Julie had not worked for 20 years and had no recent work experience, she did have a degree and so this gave us many options. I set out some different scenarios that were available to her; two of the scenarios involved retraining and would not yield an income for two years but would make her financially independent; one option involved retraining and would not be realised for at least two years but was self-employed and therefore the income would be inconsistent. My fourth option was for Julie to seek voluntary work for no longer than 12 months to establish some solid work experience and build on her job search from there until she had capacity to start retraining.

I set out all the options in my report and this was issued to Stephen's Lawyer and the Mediator, Louisa Whitney.

Although Julie instructed me as an individual, her report was unbiased. It gave factual, researched data on what her career options were, given her capacity and barriers to work, both now and in the future. Whilst Julie confided in me and stated her preferences, this did not alter my report which remained objective throughout. We were able to present a solution which gave an evidence based explanation as to her capacity to work and a clear date for spousal maintenance to end.

Client's Feedback

"The Earning Capacity Report was extremely helpful in highlighting my career strengths, as well as my barriers to work. It provided a timeline from Claire's professional perspective about when I could be expected to be earning both a part time and then a full time salary, highlighting the costs and duration of any necessary training required with an expected starting salary. The Report was able to be referenced as a non biased and impartial report in Mediation, and if necessary Court, which enabled discussion and eventually a successful agreement to be reached on issues relating to Maintenance."

Louisa Whitney LKW Family Mediation

"Claire Deacon recently provided an Earning Capacity Report to assist a separated couple in mediation with me. There are often issues regarding work with disputes about how much a party might be able to work, and what level of income they might be expected to achieve. This is an issue where it is often challenging to find common ground so being able to obtain an expert report from an experienced professional really helped to inform their discussions so that they were able to find a way forward based on what was objectively realistic with regard to work. Claire's report was thorough in having researched and evaluated all of the potential options based on the experience the person had. It also dealt with the question of the hours that were able to be worked together with the salary that might reasonably be expected, and the timeframe within which this was likely to be achieved. It was a really useful report that ultimately led to the parties being able to find a way forward."