



Gray Divorce: A Financial Landmine for Women over 50

By Denise French, CRPC, CDFA

Since 1990, the divorce rate for Americans over the age of 50 has doubled, and more than doubled for those over the age of 65. This number has grown so much professionals have pinned the title “The Gray Divorce” to this phenomenon.

At a time when divorce rates for other age groups have stabilized or dropped, fully one out of every four people experiencing divorce in the United States is 50 or older, and nearly one in 10 is 65 or older, according to a new report by Susan L. Brown and I-Fen Lin, sociologists at Bowling Green State University. More than half of all gray divorces are to couples in first marriages. Indeed, 55 percent of gray divorces are between couples who’d been married for more than 20 years.*

For those of us who work mainly with women facing divorce, this poses an increased need for financial planning before, during and after the marriage. There are also specific concerns for women in this age group and certain note-worthy points to remember if you or someone you care for in this life stage is facing divorce.

Gray divorce creates a much deeper cut than divorces occurring earlier in life. Younger adults have more time to regain their financial footing after a divorce. In addition, younger adults likely have not amassed the amount of wealth those over 50 have sacrificed and saved for, so there is more to divide and lose later in life. People who divorce later in life are often significantly disadvantaged financially as a result. Most likely, the rest of your years are going to be directly impacted as a result of what you did, or did not, receive in your divorce settlement.

Women who divorce after 50 are especially vulnerable to financial struggles. Given higher incomes and more continuous work histories, men are generally much better positioned than women to weather the financial storm of a divorce. There is significant economic disparity between men and women, and the older we get, the more that dangerous gap widens.

As a professional focused on divorcing women, here are several protective measures I recommend women, especially those over 50, utilize to protect themselves.

Protective actions for women facing divorce:

- Know your rights. Talk to a good family law attorney and know your rights. Don't listen to what your husband says your rights are, call a family law attorney and schedule an hour consultation. The little bit of money you spend on that consultation could provide an immense amount of relief and empowerment. We can recommend attorneys in your area. This is very important.
- Know what you own, know what you owe, and what it costs to run your home. If you have not had to or were forced out of paying attention to the details of your financial life, now is the time to stand up and do so. This is not an easy transition to make but a necessity, and you can do it. We all can. Start now by learning what you own, what you owe and what it costs to live.
- Read your mail! This may help you understand what you own, what you owe and what your monthly bills look like. This is the beginning of financial independence. Make copies of financial statements and bring them to your financial planner for advice. We often receive boxes of papers and that is great!! A financial planner can help you interpret what you own, what you owe and what it costs to run your life.
- Talk to a financial planner who understands divorce. If you are going from married to single after several decades, you are going to want help from several professionals. A solid financial planner can be invaluable during this time by advising you on all things financial related to your divorce before, during and after the divorce process.
- Get advice on health insurance. If you are not yet 65 and not working, you are going to need health insurance from some source. There are options. Talk to someone who understand the health care system and get their advice. You can stay on your husband's COBRA (if he is working) for 36 months after divorce, but it can be expensive.
- Life insurance on your ex-husband. This can be very important, especially for women since they will, statistically, live longer than their ex-spouses. Talk to a financial planner about including life insurance in your budget and your divorce attorney about adding this to your settlement.
- Understand you have rights to your ex-spouses social security payments. If you have been married for 10 years to your ex-spouse and you are still unmarried, you can receive 50% of your ex-spouses social security payments and 100% if he passes away before you. Talk to a financial planner who understands social security rules relevant to divorce, and include this income in your financial plan.

- Have a budget. Understand the budget is not a restraint, it is a comfort providing financial peace of mind when followed. It is part of an overall plan. You may have to adjust your lifestyle, but the peace of mind that follows can make it worthwhile.

Ask a room full of women about their hopes for retirement, and you might hear about travel, continued education, hobbies, grandchildren, and lots of rest and relaxation. Nobody plans to be in deep financial difficulty because of a mid- or late-life divorce. While it is possible to survive gray divorce with your finances intact, it takes some serious planning. Expert advice can help. If you're experiencing or contemplating your own gray divorce, get connected with a divorce financial advisor with specific expertise helping women through it.

Our office can help. Call us for a complimentary consultation, for new clients only, and visit us on line at www.divorcestrategiesgroup.com for a list of relevant articles and educational information related to divorce and financial planning.

*Till Death Do Us Part? No way. Gray Divorce on the Rise by [Brigid Schulte](#) October 8, 2014
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