

## The Divorce Gap – women see their household income drop twice as much as men, following divorce

- Women see their household income fall by 41%, compared to men (21%) in the year following a divorce
- Women are more likely to face financial struggle post-divorce (24% women vs 18%) and have greater concerns about meeting essential costs (21% women vs 13%)
- Women are significantly more likely to waive rights to a partner's pension as part of a divorce, creating potential risk in retirement

Women are likely to see their annual household income take a serious financial hit in the first year following their divorce, falling by an estimated 41%, compared to just 21% for men, according to research from Legal & General Retail.<sup>1</sup>

The disparity between men and women is caused by a number of factors, one being that men are more likely to be the main breadwinner in families (70% vs. 21% of women), and commonly earn more. This presents a challenge as couples separate their finances and fund two separate households.

One in four women financially struggle post-divorce (24%) compared to their male counterparts (18%), leading to increased likelihood of worries about the cost of essentials (21% vs. 13% of men).

While men and women tend to agree that the division of their finances at the point of divorce is fair and equitable (53% men and 46% women), the research has found that many women may be signing over their rights to a key financial asset.

Despite the pressures on their finances, women are significantly more likely to waive their rights to a partner's pension as part of a separation (30% women vs. 17%). This raises concerns about the ability of women who are divorcing to fund their retirement, due to a significant gap in pension wealth at the time of divorce.

According to the figures, women saved an average of £23,000 into their pension pot at the point of divorce, compared with £60,000 by men.

### **Katharine Photiou, Managing Director Workplace Savings, Legal & General Retail**

**“Our research shows that women are taking a financial hit when going through a divorce. They are not only impacted in terms of household income, but their long-term finances are at risk too, as pensions are often not discussed when people consider a fair way to split marital finances.**

**“Transitioning from years of mutual financial planning and splitting costs to a single income household can leave women, in particular, with money worries. Women are also more likely to waive their rights to some of their partner's pension, which could leave them without adequate resources in retirement; this is despite the fact that many women will take on a disproportionate amount of family responsibility over the course of their marriage, often at the expense of their ability to work and build their own pension pots.**

**“If possible, divorcing couples should consult a financial adviser who can increase the likelihood of a divorce being fair, leaving both parties equipped with the best possible financial situation to enter a new phase of their life.”**

**-ENDS-**

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<sup>1</sup>Opinium Research conducted research between 20<sup>th</sup> November to 4<sup>th</sup> December 2023, among a nationally representative panel of 2,750 UK adults who are divorced.

## Notes to editors

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*\*as at HY 2023*

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In 2022, we had total individual annuity sales of £954 million, and issued £632 million of Lifetime Mortgages and Retirement Interest Only Mortgages. Our Workplace pension platform served 4.9 million members, while our Protection businesses gave peace of mind to more than 6.3 million UK life insurance, 1.8 million group and 1.5 million US customers, taking in £3.1 billion of gross written premiums.

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