



# DIVORCE AND MONEY STUDY

Fidelity Investments®' Divorce and Money study was designed to examine the financial and emotional well-being of Americans who have gone through a divorce, at all stages of the divorce process.

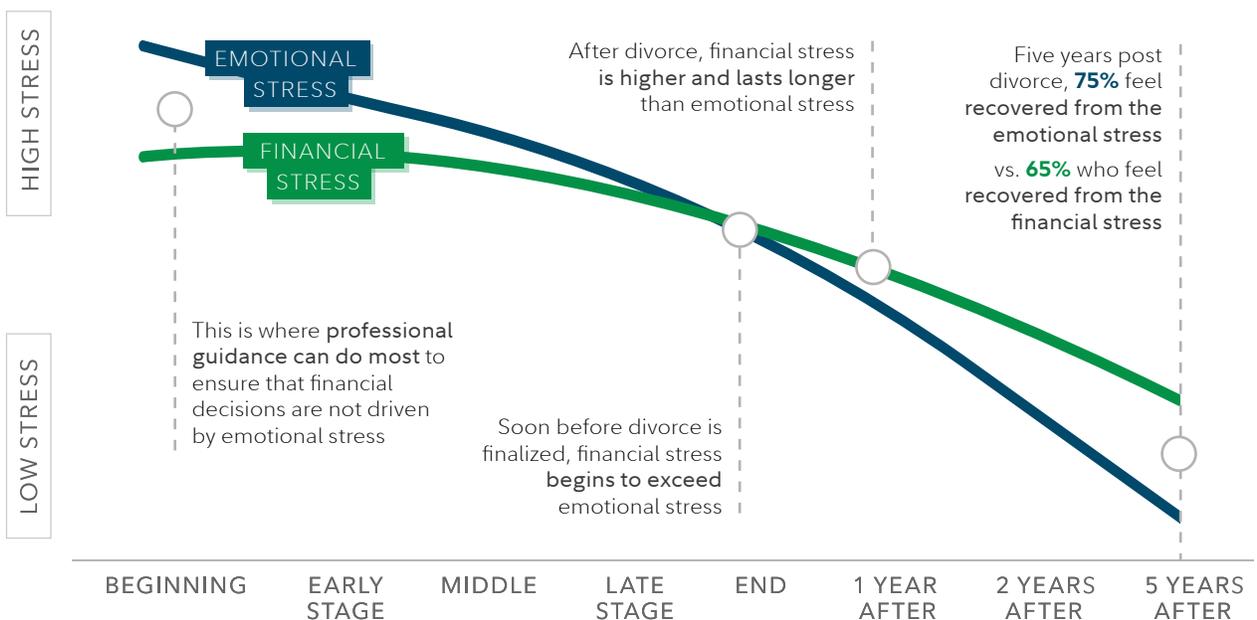
## Key Findings

- While emotional stress may feel harder to handle, recovering financially takes longer — and more than one-third have yet to fully do so up to five years following the divorce.
- 54% acknowledge making financial mistakes during their divorce.
- **One critical financial mistake: those who financially disengage during marriage & those who “wing it” during divorce tend to suffer heavier financial consequences. Bottom line: stay engaged.**

## Divorce: The Tipping Point Between Emotions and Finances

For most Americans, the emotional aspects feel most difficult to deal with up front, but once that divorce decree is signed, the game changes and financial stress becomes greater and longer-lasting.

### LEVELS OF EMOTIONAL AND FINANCIAL STRESS DURING DIVORCE





**46%** said they were surprised how hard the process was emotionally and that jumps to **54%** if the divorce was described as 'complicated.'

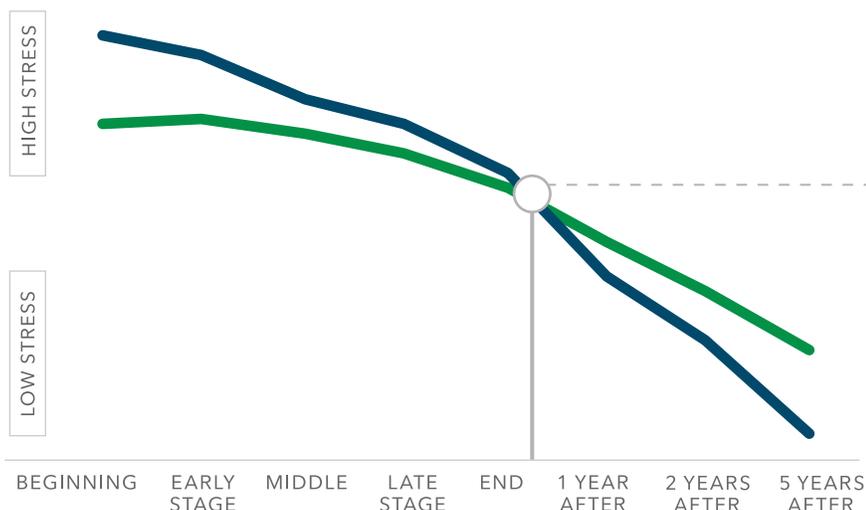


**56%** of respondents say smaller details were sometimes harder to work out than the bigger things.



Nearly as many cited who gets the pet (**39%**) as one of the hardest things to deal with emotionally, up there with working out alimony or child support.

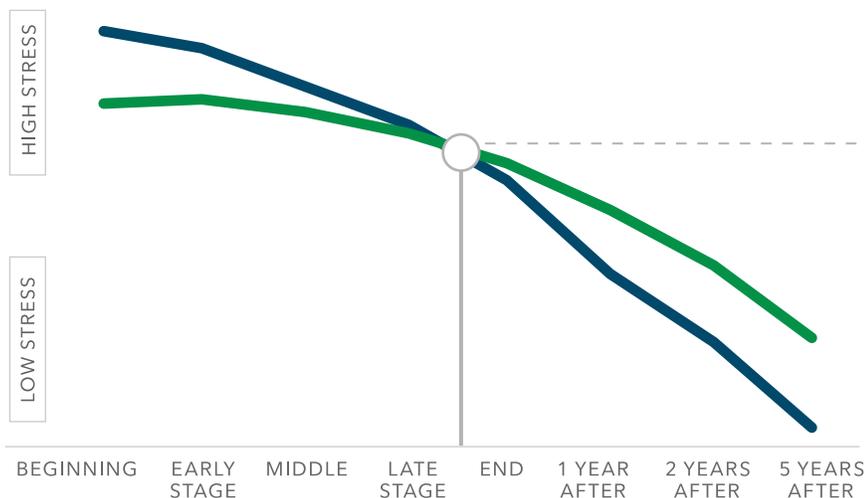
## PERHAPS NOT SURPRISINGLY, MEN AND WOMEN HAVE DIFFERENT "GLIDE PATHS"



### FOR WOMEN

The financial stress exceeds the emotional stress shortly **after** the divorce is finalized.

Five years post-divorce **72%** of women feel recovered from the emotional stress vs. **63%** who feel recovered from the financial stress.



### FOR MEN

For men, it's right **before** the divorce is finalized.

Five years post-divorce **77%** of men feel recovered from the emotional stress vs. **66%** who feel recovered from the financial stress.

● FINANCIAL STRESS ● EMOTIONAL STRESS



## During the marriage, don't be a financial bystander.

Being financial partners with your spouse may not save your marriage, but it could better prepare you to handle divorce and recover more quickly. Conversely, there are **negative consequences** to letting your partner take the reins.

While most divorced people report having been involved in day to day finances during their marriage...

**83% MEN 85% WOMEN**

...it's a different story for long-term and retirement investing.

**82% MEN 60% WOMEN**

### THE UPSIDE OF BEING INVOLVED?



#### FEWER REGRETS

of all respondents wish they had been more involved with finances during the marriage.



For those not involved in managing daily finances, that regret nearly doubles to **81%**.



#### MORE POSITIVE OUTCOMES

Actively involved in long-term and retirement investing are now in better financial shape vs. **50%** of those not very involved.



Furthermore, those not involved took longer to recover from financial stress. **37% have yet to recover vs. 27%** of those who were involved.



#### FEWER SURPRISES

Of those involved in managing daily or long-term finances were surprised by the cost of living on their own vs. **37%** of those not involved.



Furthermore, **70 % of those who were involved feel good about their settlement vs. 63%** of the people not involved in daily finances.



During the divorce process, avoid the temptation to “wing it.”

**75%** said they “figured things out as they went along”.

Of concern, older couples in longer marriages were more inclined to wing it, meaning that they did not rely upon resources to help them map out the process and create a plan:

- **83%** for marriages that lasted **21+ years**.
- **65%** men and **79%** women would have found a **roadmap** to help guide them through the divorce to be helpful.

**67%** SAID IT WAS DIFFICULT TO ASK FOR HELP AND SUPPORT

## THE UPSIDE OF HAVING A ROADMAP IN PLACE?

### BETTER OUTCOMES

WINGERS

MAPPERS

**23%**

**18%**

Emotional recovery time is somewhat similar for both “wingers” and “mappers”, but more “wingers” have not yet recovered financially. (**32%** vs. **23%**).

**25%**

**15%**

Fewer people who did the research report being in worse financial shape than before and feel they have less financial control. (**24%** vs. **13%**).

**71%**

**81%**

More “mappers” also feel confident about managing their finances and are less likely to say they learned a lot about finances. (**61%** vs. **69%**).

### FEWER SURPRISES

**32%** vs. **23%**

The cost of living once single again.

**19%** vs. **14%**

A settlement not as generous as expected.

**44%** vs. **36%**

How long it would take to feel recovered.



The divorce experience has impacted how people think about marriage financially.

#### FINANCIAL MISTAKES

**1/2** 

who remain single **want a prenup** if they get married again.

#### GETTING RE-MARRIED

**1/5** respondents were **re-married** at the time of the survey.

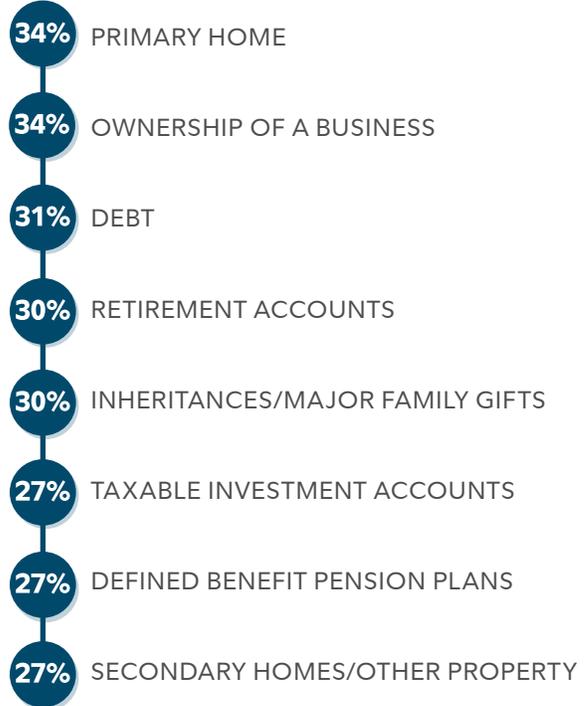
OF THAT NUMBER \_\_\_\_\_

**67%** 

say getting divorced affected how they think about **finances in their current marriage**.

#### SPLITTING ASSETS

**71%** of divorced people wish they had more guidance during the divorce process, **including guidance on:**



*These percentages are based on those people who had negotiated over these items.*

**TWO-THIRDS** OF THOSE WHO HAVE SINCE REMARRIED INDICATE THAT DIVORCE AFFECTED HOW THEY THINK ABOUT FINANCES IN THEIR CURRENT MARRIAGE. AMONG THOSE WAYS:

**60%** are now more involved in managing their day-to-day finances.

**38%** now have more financial independence

**35%** are now more involved in managing investments and savings

**25%** now worry less about money



Giving advice and guidance—  
from those who have been there.

**54%** acknowledge making **financial mistakes during their divorce** and have suggestions for making the process less stressful.

## WHEN ASKED WHAT ADVICE THEY'D OFFER A PERSON STARTING TO UNDERGO A DIVORCE, THE TOP ANSWERS WERE:



Have a **financial plan** for moving forward after divorce is over.



Try to keep your **emotions** out of the financial discussions.



Avoid making **hasty decisions** simply to get the divorce over with.



Know your **full financial picture** before the divorce process.



## Methodology

The Fidelity Investments 2019 Divorce and Money study presents findings from a nationwide survey of **1,107 Americans, ages 25 to 75, who had divorced within the past six months to 10 years.**

The survey was fielded in **October 2019** by **Versta Research, an independent research firm not affiliated with Fidelity Investments.** The results of this survey may not be representative of all adults meeting the same criteria as those surveyed for this study.

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