

Offsetting the financial loss of divorce



Over the past 25 years, the **rate of divorce** among adults 50 and older increased by

109%.¹

¹ "Gray Divorce: How Divorcing Later in Life Can Affect Your Retirement Plans," Forbes.com (Feb. 25, 2019).

Why is this happening?

As people **live longer**, they embrace **new opportunities**

When **kids move away**, it's a big loss that **changes the couple's purpose**

Women are earning more, making them **more financially independent**

Society is **more accepting** of divorce

People are **exchanging financial security** and lifestyle for **happiness**



Divorce after 50 can be financially devastating.

Two can live as cheaply as one.

The **cost of living** when you're single is **40% to 50% higher** than for couples on a per-person basis.²

When divorce occurs later in life, couples have **fewer earning years** to recoup any financial losses, pay off debt or recover from a stock market downturn.

The **cost of a divorce** is **\$15,000 or more** per person.³

² "10 Mistakes to Avoid When Divorcing Over 50," Investopedia.com (March 30, 2020).

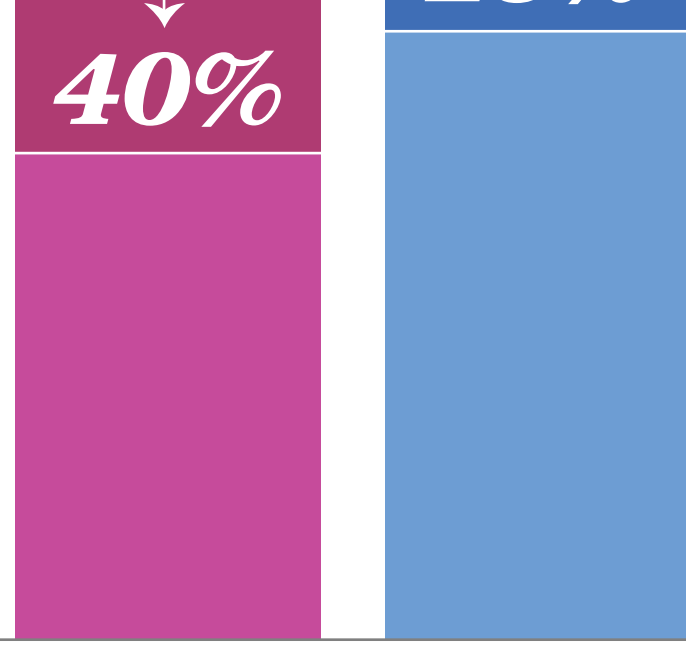
³ "How Family Dynamics Influence Retirement Security," from the essay collection "Family Structure, Roles and Dynamics Linked to Retirement Security," Society of Actuaries (May 2019).

The financial fallout is greater for women.

After a divorce, household income

drops by 40% for women,

but only **25% for men.**⁴



Men may have **better employment options**

Men typically earn more, especially when women stay home to raise children

With a greater life expectancy, **women may live longer**

⁴ "The Nation's Retirement System," U.S. Government Accountability Office (Oct. 18, 2017).

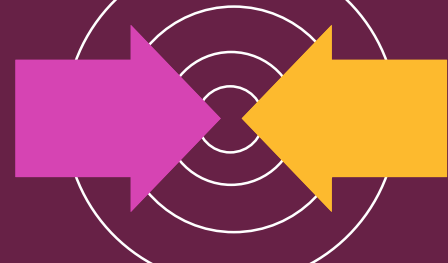
Solutions to help offset the negative impact

50/50

Strive for a **more equitable split** of the assets



When splitting the assets, make sure you're not taking on all the **taxable investments**



Consider the impact before trading retirement assets for ownership of your home



Review and, if necessary, **change the beneficiaries** on your investments and life insurance and update estate documents



Access Social Security **divorced spouse benefits**



Include **health care expenses** as part of the divorce settlement



Consider adding **protected income sources** to your portfolio to help create reliable income

You may be facing distinct challenges, but Nationwide® can **help by providing retirement income planning solutions.**



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