

## **Divorce Effect and Financial Wellness: Comparing Currently Married and Single Older Women**

**Yoon G. Lee, Utah State University<sup>1</sup>**  
**C. Ryan Dunn, Utah State University<sup>2</sup>**

Previous studies indicate divorce experience had impact on wealth holdings among women. The main research question of this study is to what extent divorce experience of women over their lifetime influence women's wealth holdings. Using data from the 2008 Health and Retirement Study (HRS), this study examined the differences in the amounts and types of assets between currently married women and currently single women by their divorce experiences (i.e., the number of divorce) and investigated the effect of divorce experiences on levels of household wealth among currently married and single women aged 51 and above. The sample for this study includes currently married women (N=4,224), and currently single women (N=3,103). The sub-samples of married women consist of no divorced married women (n=2010), women with one divorce (n=920), two divorce (n=224), and more than 3 divorce (n=70). For the sub-sample of single women, there were never married (n=1,676), one divorce (n=994), two divorce (n=340), and more than 3 divorced women (n=93). To measure the financial wellness of older women, the levels of net worth was included in the empirical models as a dependent variable. To identify the effects of the number of divorces on the levels of net worth, dummy categorical variables for divorce experience [one, two, more than three, and never divorced (reference group)] were included in the OLS regression models for both currently married and single older women.

The descriptive statistics indicate that there were significant mean differences in the levels of net worth between the currently married and currently single older women. In particular, mean levels of all asset categories for the women with more divorces were much lower than women with less divorce for both currently married women and single women. As for the types of assets, there were differences in the percentage of ownership regarding the financial assets, non-financial assets, and net worth according to women's divorce experience. The currently single older women tended to have much lower percentage of asset holdings in cash assets, risky assets, retirement accounts, illiquid assets, and home equity than currently married older women. The findings also show that single women with more than three divorces had the lowest percentages of holdings in stocks and bonds, and had the lowest percentages on IRAs and home equity among the eight women groups. The multivariate results indicate that all else being equal, as the number of divorces increased, the levels of net worth decreased for both currently married and currently single older women. In particular, for the currently single women group, all three coefficients associated with one divorce, two divorces, and three plus divorces were statistically significant and negative in predicting the levels of net worth. The findings of this study suggest that being married is significant predictor of women's financial wellness because the levels of all asset categories were much higher for the currently married women than the currently single women. The findings of this study also imply that the cumulative disadvantage such as repeated divorce experience (more than one divorce) could have a negative impact on women's wealth accumulation over their lifetime.

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<sup>1</sup>Associate Professor, Department of Family, Consumer, and Human Development, Utah State University, 2905 Old Main Hill, Logan, UT 84322, Phone: 435-797-1555, Fax: 435-797-3845, e-mail: yoon.lee@usu.edu

<sup>2</sup>Doctoral Student, Department of Family, Consumer, and Human Development, Utah State University, e-mail: charlesryandunn@gmail.com