

For richer for poorer: divorce leaving women feeling financially vulnerable, but boosting net worth

- 67% of HNW women say divorce contributed to their current net worth
- 16% of divorced women say they were awarded a majority of assets in their divorce settlements, while 17% were awarded everything
- Despite this, 18% say they felt anxious about how they'd cope with their finances post divorce

Divorce is a wealth generator for many high-net-worth (HNW) women, with 67% saying the value of their current net worth has been generated from the divorce of their partner, according to research from wealth manager Charles Stanley.

Typically, divorcees experience a significant drop in household income after a break up, yet 16% of HNW women say their divorce contributed a significant amount to their net worth, while 27% said it contributed a moderate amount. 23% said it contributed a small amount to their current net worth.

The significance of divorce boosting women's overall net worth is tangible. One third (33%) of HNW women were either awarded everything or the majority of assets in their divorce settlements. This is an almost-even split, with 17% getting everything and 16% awarded more assets than their ex-partner.

When discussing their divorce and what assets would be split, the main home (44%), personal household assets, such as furniture, art, or heirlooms, (37%), and savings - either joint or individual - (31%) were the top items of conversation.

The research also found that pensions were a big topic of discussion for women when it came to conversations about splitting assets (20%).

While divorce seems to have boosted women's net worth, it does still bring into question how vulnerable divorcees are. 21% of HNW women say their financial situation got better following their divorce, but 17% said that their situation got worse. Divorce also prompted a change in action, with 21% of divorced women saying they changed the way they approach their finances, getting more actively involved, while only 18% consulted with a financial adviser to understand their financial situation. Divorce also left some HNW women with a different appetite for risk (13%).

Having sole responsibility for their wealth left HNW women with feelings of anxiety about how they'd cope with their finances (18%). 14% said they felt overwhelmed about their finances and didn't know how they would manage. 19% said they wished they were more aware of their financial circumstances before they divorced.

Mia Kahrmanovic, Financial Planner at Charles Stanley, comments: *"Divorce can be a difficult and lonely experience to go through, both emotionally and financially. While this research shows that*

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women are stepping away from divorce with positive contributions to their net worth, it does illustrate how many are also financially vulnerable.

Inheriting any sum of money, whether from a divorce or bereavement, can provide a valuable opportunity for individuals to take more control of their lives, and for women, help them in feeling financially empowered. At the same time though, it can seem overwhelming, which is why it's a good idea to seek professional advice to help establish a secure financial future, both individually and for any family involved."

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Note to Editors

Methodology

Research was carried out for Charles Stanley by Censurwide, surveying 751 women who are high net worth individuals across the UK, aged 18+ (defined as £100k 'personal' income OR £100k investable assets, AND/OR £200k household income). Survey conducted between 23/08/2024 and 30/08/2024.

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