



The Divorce Gap – women see their household income cut in half in the year after a divorce

- Women's incomes cut in half following a split – leaving them financially vulnerable (24%) and struggling to meet the cost of essentials (19%) and this can impact retirement
- Women are twice as likely as men to reduce work hours post-divorce due to childcare responsibilities
- Women are significantly more likely to waive rights to a partner's pension as part of a divorce settlement (28% vs 17%), creating potential retirement risks

Women see their income cut in half in the year following divorce, according to new research from savings, protection and retirement provider L&G¹. In comparison, men's incomes fall by just 30% over the same period.

Women face greater financial struggles post-divorce

The new findings, which come on the third anniversary of the introduction of no-fault divorces which made divorce easier for UK couples, highlight the financial vulnerability that many women face after a marital breakdown, as well as the longer-term impact on retirement. One in four women (24%) struggle financially after their split, compared to just 16% of men. Additionally, nearly double the number of women (19% vs. 10% of men) find it hard to meet the cost of essentials.

Living alone tends to be more expensive, as sharing housing and utility costs with a partner can significantly reduce individual expenses. Women are more likely to feel the impact of losing that financial support with two-thirds (63%) citing this as a challenge, compared to only 39% of men.

Women want to refocus on their careers, but caring responsibilities remain a barrier

Over half (51%) of divorces involve women who were financially reliant on their husbands during their marriage, in 24% of cases women were the main breadwinner and in 22% of marriages the couple earned the same amount. For many women, divorce marks a major shift in their careers. Post-divorce, one in five women (19%) return to the workforce and many take the opportunity to refocus on their careers (24%).

However, women face additional hurdles balancing work and family responsibilities after a separation, causing further financial challenges. Women are twice as likely as men to reduce their working hours after divorce to accommodate caring responsibilities (14% of women vs. 7% of men). They are also much more likely to struggle balancing childcare with work after separating (19% vs. 9%).

The Divorce Gap can leave women worse off in retirement

The financial impact of divorce often continues even into retirement. Post-divorce, women are significantly more concerned about the financial implications of retiring alone (13% vs. 8% of men).

Divorce settlements frequently fail to account for the value of people's pensions, despite this being a significant financial asset. This disproportionately impacts women, who typically retire with a much smaller pension pot due to the gender pay gap, but also due to the increased likelihood they will have taken career breaks, or worked part-time, to support their family. Only 13% of divorcing couples consider pensions when dividing assets and women are far more likely to waive their rights to their partner's pension (28% of women vs. 17% of men). These findings

¹Opinium Research conducted 2,945 online interviews of UK adults who are divorced. The research was conducted between the 25th October and 12th November 2024.



come a decade after the introduction of Pension Freedoms, which allowed workplace pension savers aged 55 and over the flexibility to access their pension as they wish.

Lorna Shah, Managing Director, Retail Retirement, L&G: "Women often face greater financial challenges after a divorce and the effects can last well into retirement. This is in part because women are still far more likely to pick up the majority of childcare and broader caring responsibilities, both during and after a marriage. After separating, they not only have to manage the higher costs of living on a single income but also deal with the impact this may have had on their retirement savings.

"When dividing finances, it's important to look at everything, including pensions, which are often overlooked but can be a major asset and, if possible, to take proper financial advice. This is especially important for women, who may have taken career breaks, or worked part-time to support their partner's career, leaving them with smaller pension savings of their own.

"Divorce is a tough time, but careful financial planning can make a big difference. That's why we've created a [financial health check tool](#) to help guide you through this process."

-ENDS-



Notes to editors

About L&G

Established in 1836, L&G is one of the UK's leading financial services groups and a major global investor, with £1.2 trillion in total assets under management (as at HY24) of which c. 40% (c. £0.5 trillion) is international.

We have a highly synergistic business model, which continues to drive strong returns. We are a leading international player in Institutional Retirement, in Retail Savings and Protection, and in both public and private markets through our Asset Management division. Across the Group, we are committed to responsible investing and dedicated to serving the long-term savings and investment needs of customers and society.

As at 6 February 2025, L&G has a market capitalisation of £14.1 billion.

About our Retail business

L&G's Retail business is a leading provider of retirement and protection solutions. We aim to support our c.12.8 million policyholders and workplace members throughout their financial lifetimes.

We focus on helping the customers of today and tomorrow achieve better long-term outcomes. We use the latest technology to connect with them quickly, efficiently and wherever possible in highly personalised ways.

In 2024, our workplace pension platform served 5.5 million members, with net flows of £6 billion. We achieved record total individual annuity sales of £2,118 million and £270 million of lifetime mortgage advances (including retirement interest only mortgages). Our UK protection businesses gave peace of mind to about 6.6 million people, with our retail gross premium income rising to £1,525 million and our group equivalent going up to £528 million.

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