

Factsheet: Separation and divorce



Women who are going through a separation or divorce often experience financial hardship as a result. This is also a crucial time when financial abuse can begin, or worsen if it was already present.

Separation can have many different impacts on a person's life and create a significant financial burden.

Common issues experienced by women who are separating include:

- A sudden change in income — often a significant drop
- Insecure housing
- Becoming a sole parent
- Legal fees for property settlement and other family court matters
- A lack of funds whilst waiting for property settlement and child support processes to be finalised
- Re-entering the workforce
- Relying on income support payments (e.g. Newstart)

Financially abusive behaviours that may occur during separation include:

- Refusal of the ex-partner to continue paying joint debts
- Failure to consider superannuation as a shared asset
- Refusal of the ex-partner to pay child support
- The ex-partner hiding assets
- The ex-partner draining joint bank accounts

The financial impacts of relationship breakdown can last for years, so your client may be experiencing the effects of separation even if the break-up was not recent. Research has found that divorce has a significant negative effect on women's income, while men's income often increases after divorce. These outcomes are worse for mothers with dependent children. It takes women an average of five years to recover financially from divorce, but the impact of this financial shock can have longer lasting effects on their savings and superannuation. Although the short-term impacts of separation may be mitigated after several years, the long-term impacts contribute to the precarious situation many women face in later life.

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