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Navigating Grey Divorce: Financial, Emotional, and Family Considerations

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Most people do not get married expecting to get divorced. When people have been married for more than 20 years, often one of the spouses feels comfortable that the marriage will continue and does not expect divorce (Radna, 2020). The realization that they will be divorcing may be accompanied by fear of losing the life to which they have grown accustomed and fear of financial insecurity. Divorce in a marriage of long duration signifies the ending of a life of socializing as a couple and family unit, as well as the routines, customs, and traditions that were built over the years and financial circumstances with which both parties are familiar.

Grey divorce is a term used to describe divorce between “older adults, typically from long lasting marriages. The term was coined as research showed the phenomenon of the overall divorce rate going down while the ‘grey haired’ demographic’s rate of late-in-life divorce was on the rise” (Levin & Van Haren, 2022). The phenomenon of grey divorce has gained increased attention due to its rising prevalence (Brown & Lin, 2022). Previously, couples over the age of 50 who were not happily married would generally remain married and “stick it out.” In many instances, they lived their separate lives while still living under one roof and continued to attend family and social events as a couple. But today, increasingly, several

factors are contributing to the increased divorce rates among adults over 50. These include the improving health and longevity of older Americans, adult children living outside of the family home, and the desire to live a happy, fulfilled life, even when over the age of 50 (Brown & Lin, 2022).

The growing trend of grey divorce is evident in celebrity and public figure grey divorces. Examples include:

- **Jeff Bezos:** The founder of Amazon and his ex-wife MacKenzie Scott divorced in 2019 when they were both over 50 years old. Their divorce settlement was worth an estimated \$38 billion (Butler & Heil, 2019).
- **Mel Gibson:** The actor and director was married to Robyn Moore for 31 years before they divorced in 2011 when they were both in their 50s. The divorce settlement was reportedly one of the largest in Hollywood history, with Mel Gibson paying out an estimated \$425 million (Kindelan, 2011).
- **Al and Tipper Gore:** The former vice president and his wife of 40 years announced their separation in 2010 when they were both in their 60s (Netter & Goldman, 2010).
- **Arnold Schwarzenegger:** The actor and former

governor of California separated from his wife Maria Shriver in 2011 after 25 years of marriage, when they were both over 50 years old (The Associated Press, 2021).

- Rupert Murdoch: The media mogul divorced his third wife, Wendi Deng, in 2013 when they were both over 50 years old. Their divorce settlement was reportedly worth \$1.8 billion (Lattman, 2013).

The reasons for divorce at an older age are often similar, regardless of whether the couple is famous.

Typical Reasons for Grey Divorce

The most common reasons cited for grey divorce are “growing apart” or a lack of shared interests and values (Cheng, 2019). In the early years of a marriage, the couple is often occupied with the shared responsibility of the children. As the children get older and require less physical care the couple may become more involved in their respective work and social lives. One spouse may feel neglected, or one or both spouses may have extra-marital affairs. There may have been issues that each partner tolerated while the children were younger, with which they no longer wish to be involved. Financial issues, including money management and retirement planning, are often contributing factors to grey divorce.

Impact of Grey Divorce on Divorcing Couples

Couples who divorce later in life often have accumulated significant assets, including retirement savings, real estate, and investments. Dividing these assets may be complex, and retirement plans and expectations may require adjustment.

Financial Implications

The financial concerns of a divorcing older couple are significant. The courts call the spouse with greater financial assets and income the “monied spouse” and the other party the “less monied spouse.” Using that terminology here, the monied spouse is typically concerned that they will be forced to continue working indefinitely, even though they were planning to retire, to support their spouse. The less monied spouse is typically concerned that they will suffer from financial insecurity after the divorce. The laws throughout the country concerning spousal support and division of marital assets are written to be fair to both parties, although the parties to the divorce may not see it that way.

One of the things that impacts divorce is litigation.

If a couple is unable to agree on support and division of marital assets, the parties go to court to resolve their issues. Whether the divorce is resolved with or without litigation, the issues to be determined remain largely the same: spousal support and division of the assets of the marriage. If there was no prenuptial agreement, the division of marital assets varies depending on the state in which you live. There are “community property” states and “equitable distribution” states. In community property states, the financial assets that are owned at the time of the divorce are divided equally between the parties, regardless of the length of the marriage or the name in which the asset is titled. In equitable distribution states, only the *marital portion* of the financial assets are divided equally.

Below are some key points concerning the financial aspect of grey divorce.

- *Retirement Accounts and Pension Plans* are often one of the most significant assets for older couples. Federal or state funded pensions often provide lifetime payments which provide consistency, predictability, and financial security. Retirement accounts such as 401ks and IRAs will be divided between the parties in accordance with the rules of the state in which the parties live. In equitable distribution states, it is best to have an actuary determine the portion of the retirement asset that is marital. In the simplest terms, the portion of the retirement account that was earned prior to the parties getting married, would remain separate. The portion that was accumulated during the marriage is the marital portion to be divided. For accurate and proper division, it is important to utilize a divorce attorney, an actuary, an accountant, and a financial advisor. A divorce attorney will assist in retaining the professionals required and facilitate the process. An actuary will determine the value of the retirement assets and perform the calculations necessary for distribution. An accountant will advise on how the transfer of the retirement assets will tax impact the parties, and a financial advisor will assist in facilitating the transfer.
- *Qualified Domestic Relations Order (QDRO)*. In the case of divorcing individuals with employer-sponsored retirement plans, such as pensions and 401ks, a QDRO may be necessary. A QDRO is a court order that provides the employer’s retirement plan administrator with the directives for dividing the retirement proceeds at the time of the employee’s retirement. A QDRO may also be put in place if the holder of the retirement

account has already retired and is receiving payments from their pension. In that case, the employer and plan administrator will be notified of the amount to be paid directly to the non-employee spouse.

- *Other Financial Assets* including bank accounts, brokerage accounts, digital assets, cryptocurrency, NFTS, and shares of stock will be divided during the divorce. If the accounts were established during the marriage or increased in value during the marriage, in equitable distribution states, the marital portion will be divided between the spouses. In community property states, the financial assets owned by either or both of the parties at the time that the divorce is started will be divided equally.
- *Marital Home and Real Estate*. It is important to decide which spouse will remain in the marital residence or whether it will be sold. If one person desires to remain in the marital residence, the spouse who leaves must be compensated for their financial share of the residence. This is typically called a “buy-out.” If only one of the spouses is on the deed to the house, the divorce attorney will advise whether the spouse who is not listed on the deed is considered an owner of the house that the parties lived in during the marriage. Importantly, it is equity in the house, not the fair market value, that is divided at the time of the divorce or when determining the amount of the buyout. The equity is calculated by deducting the current mortgage balance from the current fair market value of the house (Radna, 2020, p. 44). When deciding whether to remain in the house, it is important to be aware of the costs associated with the house to determine whether the party will have the financial ability to pay those costs (Radna, 2020, p. 42). If the parties own vacation homes and/or investment properties, time shares, condos, or co-ops, it must be determined how those will be divided as well.
- *Alimony, Spousal Support, and Child Support*. Alimony, also known as spousal support, is of great concern to both parties to the divorce. The monied spouse pays support to the non-monied spouse based on a calculation set forth by the laws of the state in which the parties primarily live. The duration (length of time that spousal support must be paid) will also be determined by the laws of the state in which the parties primarily reside. If there are children under the age of 21, child support and payment for school, including college, must be decided. Like spousal support,

child support is a calculation typically governed by the laws of the state where the parties primarily reside.

- *Healthcare and Insurance*. Healthcare costs may be a significant concern in grey divorce. Individuals who were covered under a spouse’s health insurance plan should discuss and consider the best options for continued health insurance coverage. Some parties choose to be legally separated instead of divorced in states where health insurance coverage through a spouse’s employer terminates upon divorce. Other options include COBRA or the monied spouse contributing towards the health insurance premium of the non-monied spouse until Medicare coverage is available.
- *Debts and Liabilities*: Grey divorce may involve the division of debts and liabilities accrued during the marriage. This could include mortgages, credit card debt, car loans, and other financial obligations.

Understanding the financial responsibilities of each party and working towards a fair resolution is essential to protect the financial well-being of all involved.

Emotional Toll

The emotional impact of grey divorce should not be disregarded. Adult children may side with one parent against the other, stepchildren may end the relationship with the non-biological parent, the relationship with grandchildren may be impacted, relationships with in-laws may be lost, and friendships with people whom the parties socialized with as a couple may end. Some key considerations include:

- *Grief and Loss*. Even if the parties agree that they should divorce, it is common to mourn the dreams, shared memories, and vision of growing old together. Support from friends, family, or a therapist is helpful.
- *Identity and Self-Worth*. After being a married couple for many years, a new identity will form for each of the parties in their post-divorce lives. While challenging, this process presents an opportunity for personal growth, self-reflection, exploration of new interests and hobbies, and focus on self-care.
- *Loneliness and Social Connections*. Divorce may lead to feelings of loneliness. Building new social connections and support networks by participating in community groups, joining clubs or interest-based organizations, and attending divorce

support groups will help with the transition.

- *Change and Uncertainty.* Divorce in later life often brings significant changes, such as adjusting to a new living situation, potentially reentering the workforce, or facing financial challenges. Accepting and adapting to these changes may be difficult, but essential for moving forward. Taking things one step at a time, seeking professional guidance, and prioritizing emotional well-being by practicing self-care will prove helpful.

Family Considerations

The family structure is irreversibly altered when the parents divorce. In a grey divorce, the children are typically adults with their own families. The impact on all involved must be considered and addressed.

- *Adult Children.* While grey divorcees are less likely to have minor children, adult children experience emotions as they adjust to their parents' separation. Be aware that divorce may strain family relationships. It is important to prioritize minimizing conflict and maintaining respectful interactions, especially in the presence of adult children. Avoid involving them in the disputes between the former spouses, as this can negatively impact their well-being and relationships with both parents. Maintaining open lines of communication with the adult children without disparaging the other parent or discussing the details of the issues with the other parent, while also providing love and support, will help them adjust to the new family dynamic.
- *Grandchildren.* Grey divorce may require adjustments in each party's role and involvement in the lives of the grandchildren. Communication with the adult children about the desire to continue being present and involved with the grandchildren should ease the initial discomfort and aid in facilitating a plan that avoids confusion and maintains consistency.

New Beginnings

Ultimately, grey divorces are not the end but rather the beginning of a new chapter. They provide an opportunity to rediscover oneself, to rewrite the narrative, and to embrace the freedom and potential that comes with starting anew. While the challenges may be different from those faced by younger divorcing couples, grey divorcees possess a reservoir of wisdom, experience, and resilience that can guide them towards a brighter and more fulfilling future. With financial planning, open communication, determination, support, and a

positive outlook, grey divorces can be a catalyst for personal growth, happiness, and the pursuit of a life well-lived. •CSA



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