

# The Pandemic Has Exposed the Gap in Women's Financial Needs

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by Debra Schoenberg

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The COVID-19 pandemic left married couples across the country cooped up together in their homes. While some have been able to work through the stress and challenges of quarantine, many have felt the strain on their marriages. Couples have found themselves juggling childcare, school, work, household chores, and finances, all the while worrying about their health and the health of their families during a global pandemic.

Increased marital stress is highlighting the financial challenges divorce brings, especially to women. Divorced women face changes in their lives that are both emotionally and financially devastating, and studies have shown that there's a higher probability that women will face a decline in their financial stability compared to men.

The outcome is worse for women who have delayed their careers to stay home and take care of their families. This is why it is important for divorcing women to have a financial advisor on their team who can help them with their long-term financial goals.

As a family-law attorney, here are some of the most important factors I have encountered and that you should keep in mind so that your client's financial needs are met.

The pandemic has forced millions to work remotely. Unfortunately, women have suffered the most, as they make up a large percentage of the education, office and administrative work, and social services workers – all of which have been severely affected. Additionally, many women had to take time off from their jobs to provide childcare at home and assist with distance learning. Not only has the crisis caused greater levels of stress and financial instability, but it is widening the gender pay gap, according to a recent NPR report. This issue affects women in many industries, and while the gender pay gap has improved over the last few decades, women still have to work harder than men to earn enough money to support themselves.

Since March 2020, when the pandemic began in the United States, women earned \$0.81 on the dollar compared to men. That not only means women have less money on which to live but less money to save for retirement.

Women live longer than men, which means they have to stretch that lesser amount of money in retirement savings over a longer period of time. The gender pay gap may be even wider for married women because they are more likely to put their children ahead of their careers. A study released last year found that married women with children earn about 79% of the median income for men, and married women without children only earn 78% of the median male income. The difference in pay for women is unconscionable.

Women often have less confidence when talking about money, a problem that can follow them into retirement and result in lower lifetime earnings. But with the right approach, you can help your female clients improve their financial education, including learning how to set budgets and establishing long-term savings goals.

As a financial advisor, consider the fact that although one of the primary goals of women after a divorce is to achieve financial self-reliance, many don't consult with a professional when going through the divorce process. According to a report released by the U.S. Government Accountability Office, women who went through a divorce had detrimental effects on their income security, having their household income fall by 41%, almost twice the size of the decline that men experienced. Fewer women feel financially secure and are struggling in their financial decision making.

In 2019, only 38% of women reported saying they were the breadwinner at home, a decline from 47% in 2016. The factors



contributing to this decline in financial confidence among women include the large population who are near or in retirement, family dynamics, and careers that are leaving women with less time to focus on their financial planning and strategies. Despite this, many women choose not to consult with a financial advisor when they are getting divorced due to lack of awareness, according to a report released by *Forbes*. As financial advisors, it's important to understand that divorce comes with special financial hurdles, especially for women. With your help, you will be able to work together with your client to develop a plan that will protect her and her future and minimize any financial mistakes that may cause unnecessary stress along the way.

In the COVID-19 era, there are additional financial considerations that need to be addressed during a divorce process, as women are taking more breaks from their careers. I have seen that there is a lack of awareness, especially if the other spouse managed the financial matters, putting women at a disadvantage. Female clients must gather an experienced divorce team that includes a professional financial advisor. As a family law attorney, it is my job to navigate their case and divorce settlement, but it should be in collaboration with a professional who can advise them on how to best meet their future financial goals.

*Debra Schoenberg is a family law attorney and founder of Schoenberg Family Law Group P.C. With more than 30 years of experience and expertise, Ms. Schoenberg handles legal matters that range from complex financial issues and extensive marital estates, to high-conflict custody matters.*