

MarketWatch

Opinion: Why boomer divorces – like Bill and Melinda Gates – are soaring

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First there's heartbreak, then there's finances



Most divorces don't merit "Breaking News" alerts on cable or big front-page headlines. But when they involve world-famous tycoons whose net worth runs into the 12 figures, well, that's different. Which is why the surprising split of Bill and Melinda Gates will fuel—as the 2019 divorce of Jeff and MacKenzie Bezos (now Scott) did—business, celebrity and gossip coverage for weeks to come.

But there is one thing that the end of these two high-profile marriages have in common with many lesser couples who pull the plug: They've been married for a long time—the Gates and Bezos marriages lasted 27 and 26 years, respectively—and they're quite likely to be baby boomers. Bill and Melinda Gates are 65 and 56. Bezos is 57, but at 51, his ex MacKenzie is a member of Generation X.

Baby boomer divorces—a phenomenon [also known as “gray” divorces](#)—are surging. The Pew Research Center notes that divorce rates for people age 50 and over have doubled since 1990. Professor Wendy Manning, [co-director of the National Center for Family & Marriage Research](#) at Bowling Green State University, tells me they're rising faster than the overall divorce rate, which is actually declining.

Why are so many boomers calling it quits?

“Baby boomers realize what their life expectancy is and might be expecting more out of their lives, and realize that they're facing just kind of ‘OK’ marriages,” Manning says. “And they want to move on.”

It's also easier for boomers to move on in an era when there's no longer a social stigma about getting divorced, she adds.

On top of the heartbreak of a broken marriage, there are the finances. Try these scary stats on for size: Nearly half—48%—of households headed by someone 55 or older lack any kind of retirement savings, according to the U.S. Government Accountability Office (GAO). And AARP warns that the standard of living for a man divorcing after age 50 drops by 21%—but the real pain is borne by women: Their standard of living plunges by a life-altering 45%.

This in turn makes crucial safety net programs like Social Security absolutely essential. Consider this [alarming data from the Social Security Administration](#), which says that among elderly beneficiaries, 70% of unmarried persons depend on Social Security for 50% or more of their income. Even worse, 45% of unmarried persons rely on Social Security for virtually all—90% or more—of their income.

“Divorce is one of the most financially devastating and traumatic events that you can go through,” says Robin Graine, a Fairfax, Va., divorce mediator. But she says some of this pain can be mitigated up front by negotiating things like retirement savings, life insurance and pensions.

“This is particularly important if your ex-spouse remarries,” Graine says. “Spouse #2 will get it, unless you ensure that your name remains listed as the beneficiary.” She also warns that if your name is removed as the beneficiary for anything, “it's likely your divorce will reduce or eliminate any inheritance they receive” as well.

There are other considerations as well. A divorce means a doubling of key costs. Each party will have to set up their own household—two mortgages/rents, two sets of utility bills, etc. You'll also have to ensure that healthcare needs are taken care of. Remember: A man can expect to have some \$135,000 in out-of-pocket healthcare costs after age 65, [according to Fidelity Investments](#), while women, who typically live a bit longer, will likely face \$150,000 in healthcare costs. Again, these are projected out-pocket expenses.

Let's face it: Divorce can be really expensive. Old age can be really expensive. But what's *really* expensive? Being older *and* divorced. If you're in an unhappy situation and think divorce is the answer, well, tread carefully and make sure that your needs are taken care of.