

Coping with the Hazards of Separation

Divorce, Separation, Single Parenting and women's lifelong economic wellbeing

Lifelong Economic Wellbeing for Women in Australia research (2015) was undertaken by economic Security 4 Women (eS4W) as part of an informed dialogue to ascertain the perceptions of and issues of Australian women concerning to their economic empowerment and wellbeing throughout every decade of their lives. It reveals the fiscal challenges and/or opportunities that impact women economically, including the cumulative effects of sometimes intersecting advantage and disadvantage on lifelong personal wellbeing and financial security.

A series of eS4W Discussion Papers address key areas that emerged through women's narrative in the survey including the implications and impacts of divorce, violence, and parenting on women in the workforce, and for women wishing to re-enter the workforce.

This discussion paper on divorce, separation, single parenting and women's lifelong economic security while mainly drawn from the 2015 research results, and will also build on eS4W previous studies such as economic Security for Women Research Report¹ (2004); 'What Women Want' Survey (June, 2006) and 'Key Issues for Australian Women'² (June, 2006).

on divorce, separation, single parenting and women's lifelong economic security is drawn from Stage 1 (e-Survey and consultations) and Stage 2 (Draft Discussion Papers and Roundtables) of the economic Security for Women *Lifelong Economic Wellbeing for Women in Australia* research (2015) results. This sections also builds on eS4W previous studies such as economic Security for Women Research Report³ (2004); 'What Women Want' Survey (June, 2006) and 'Key Issues for Australian Women'⁴ (June, 2006).

Divorce or a breakdown of a co-habitation relationship is an extremely emotional process. While divorce / separation is a personal matter, the emotional impact can spill over into the workplace suddenly making it a public affair. There are so many unknowns and insecurities about divorce that people are often confused, filled with dread, and unsure of how to navigate the process. Where children are concerned this can become paralyzing and severely impact on parents and children alike.

Lack of appropriate and affordable housing is a key challenge for many women who separate from partners whether they have children or not. Access to safe, affordable and appropriate housing is critical to improving women's safety and increasing women's workforce participation. Improving and strengthening housing affordability services and infrastructure is critical to progressing to a gender equal society⁵.

Those affected by divorce / separation report multiple dimensions in continuing and advancing in the workforce. For women, the intersecting issues around the gender pay gap, time taken out from the workforce to have children and undertaking the majority of care in the family and home, pose challenges that can lead to situations of homelessness, increasing poverty and a future with minimum superannuation and inadequate pension entitlements.

¹ http://www.security4women.org.au/wp-content/uploads/Policy-Paper_May-2004.pdf (accessed 12th April 2016)

² http://www.security4women.org.au/wp-content/uploads/1000WomenTalkS4W_KeyIssues_Report_300606.pdf (accessed 12th April 2016)

³ http://www.security4women.org.au/wp-content/uploads/Policy-Paper_May-2004.pdf (accessed 12th April 2016)

⁴ http://www.security4women.org.au/wp-content/uploads/1000WomenTalkS4W_KeyIssues_Report_300606.pdf (Last accessed 12th April 2016)

⁵ Pre-Budget Submission of the Equality Rights Alliance February 2016

<http://www.treasury.gov.au/~media/Treasury/Consultations%20and%20Reviews/Consultations/2015/2016%20Pre%20Budget%20submissions/Submissions/PDF/Equality%20Rights%20Alliance.ashx> (accessed 12 June, 2016)

The Gendered Implications of Divorce, Separation and Single Parenting

At the time of separation many women face a period where there is severe financial uncertainty. Financial gaps and/or losses while divorce settlements are undertaken combine with having to pay increased mortgages or rent; and in many cases fighting for child support from fathers. Some report on the high legal fees and unfair property settlements impacting on their financial situation and in time away from work due to legal and court visits. Highly noted is the insufficient welfare support, combined with lack of options for work due to child commitments, severely impacting of the economic well-being of respondents.

The mental, physical and psychological aspects of divorce, that manifest long after the divorce / separation was also highly discussed. Women across all ages commented that the loss of structure in the family was a key challenge to being divorced. For older women, this loss manifests in retirement funds, loss of transport and in some cases, a need to re-enter the workforce after many years due to increased financial vulnerability. Where overseas retirement payment entitlements are not considered in divorce settlements this can leave the partner with fragile financial means. The loss of a home, structure to manage a family, loss of transport, lack of immediate childcare, has a huge impact on the self-esteem and confidence of those going through divorce. For some, who are in the workforce, there is a sudden need for more flexible work practices to enable the balance between children and work to be achieved.

It was noted that the loss of assets and superannuation entitlements through divorce created a burden on women who retained the role of primary child-carer, further impacting on their work/career choices and as a consequence, their financial stability. In contrast, men can continue without interruption or obstacles to full time work, full employment benefits such as career growth and wage increases, leading to greater superannuation investment and financial stability. It was further commented that some women remain in an ill-fated marriage because of financial struggles.

Single Parenting and Work

Respondents in the study and the following roundtables commented that dealing with divorce is hard enough. Becoming a sole parent responsible for the primary childcare is a major challenge to entry or ways of engaging with work. Increased household expenses, together minimal access to benefits, increases the need for higher wages, but the time factor of being a sole parent dealing with having to care for children without flexible work practices, has in some cases led to a move from full time to part time / casual work. Moving from two incomes to one is a real challenge for sole parents, especially where the partner defaults on child support payments.

Respondents noted that access arrangements can become challenging, and the lack of 'fair sharing' of childcare, nursery, pre and after school care or funding for such care, is noted as a key added expense for sole parents.

Achieving decent work can be a huge challenge for single parents who find themselves in a changed family situation and who become caught in the predicament where school hours do not reflect business hours. Casual or part-time work for some becomes the only option leading to budgeting challenges and in some cases unpredictable and unlivable income.

Housing security in some cases becomes an issue, stress levels rise and relationships can become fraught; at times this may spill over into the workplace or home. Entering education or further training programs can be a challenge due to costs or time constraints.

Concerns / Recommendations

What is clear from the eS4W report is that for too many women, the challenge of making ends meet and caring for their families is a day-to-day struggle. Clearly the impacts of divorce and being a single parent have been key challenges for many women. Unfortunately, these challenges are not new; policy and legislation has been slow to develop and adjust to these social and economic challenges.

Despite progress made in some areas, women too frequently continue to earn less than men, face penalties or stereotypes because of caregiving responsibilities, lack access to strong workplace policies

that offer greater flexibility and paid leave options, and are shut out of leadership or advancement opportunities.

Skills enhancement/development was reported as key to career advancement and finding work and education and training for women should be made more accessible.

With the current push by governments to increase the number of women in the workforce by 2025, there is a drastic and urgent need for change.

Increase flexibility in the workplace. Whether caring for elderly or young children or coping with the effects of domestic violence, there is an urgent need to accommodate women's changing life circumstances. Further studies should investigate just what a flexible workplace might look like for both large and SME employers if we are to give women maximum chance of workforce participation over their working life.

Sexually-transmitted debt is strongly evidenced through divorce / separation where children are involved. Loss of assets, financial means and superannuation entitlements increased the economic burden carried by the woman. The lack of available information for women to better inform them of their rights to a fair financial outcome, such as access to their husband's superannuation entitlements, post-divorce / separation, is an important factor in minimising stress and conflict.

More information on rights in divorce / separation is needed. Also, the time in court to sort out financials should be capped to allow financial settlement to occur within a reasonable timeframe.

In some cases, housing security becomes a critical issue, resulting in increased stress, conflict and fraught relationships between the divorcing / separating partners.

The Government should establish an Affordable Housing Growth Fund to increase the supply of affordable housing through government investment. The fund should be strictly designated for expanding the stock of affordable housing by providing direct capital funding to State and Territory Governments. Program guidelines should enable housing providers to draw on a range of affordable housing programs to deliver maximum affordability and provide mixed tenure developments. Funding in the first year should be delivered through a revived Social Housing Initiative National Partnership Payment to the States and Territories for capital funding of social housing stock, until the current Federation review and future funding arrangements are determined.

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economic Security4Women (eS4W) is a national women's alliance, funded by the Australian Government through the Office for Women in the Commonwealth Department of Prime Minister and Cabinet. eS4W is one of five National Women's Alliances.

It is an alliance of women's organisations united in the belief that economic wellbeing and financial security are essential for women and will enable women of all ages to have an equal place in society.

A key function of eS4W's remit is to source the views, issues and concerns of Australian women on matters that affect their lifelong economic wellbeing and financial security.

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