

# ALBUQUERQUE DIVORCE LAWYER BLOG

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## **Divorce and the Economy: A Puzzling Relationship**

In 2007, the U.S. began experiencing what is now called, the Great Recession. One surprising fact found during this period of economic hardship involved the steady decline of the divorce rate. In fact by 2008, this rate had dipped to its lowest level in 30 years in over 44 states.

Data collected by the National Marriage Project, based out of the University of Virginia supported these findings, actually finding that the stability of marriages was positively affected by the recession. Foreclosures, lay-offs and investment losses may be evidence that married couples pull together during such events. Yet, this stability and sense of togetherness may be short-lived.

Typically, financial conflict has been a top predictor of marital breakdowns. Yet, one of the statistics highlighted by the National Marriage Project involved the claim that many couples either put aside or postponed seeking a divorce during the recession. One major factor could involve the housing market collapse, as many divorcing couples cannot cash in on home equity when real estate prices have plummeted. Finally, in some housing markets it is near impossible to sell a home and even more difficult to get financing on another. Most families simply cannot take on the costs associated with running separate households.

There are many other issues as well that make divorce quite difficult in times of financial stress. Health insurance is a major issue. A divorce will often leave one party with no insurance which today can be quite disastrous. A division of property and debt is made more difficult in these financial times. The community debt in particular can be extremely problematic forcing one or both parties into bankruptcy. Then there is child support and alimony which for the paying party can simply put them over the financial edge. So while financial stress pulls couples apart, these same stressors actually bind them together for better and for worse.

The research appears to hold true. As the effects of the recession began to ease in 2010, statistics revealed an increase in divorce rates. This trend may be due to less

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financial uncertainty. Rebounds in employment rates and investment portfolios may alleviate the fears of those who want to go it alone. Others may find more creative ways to separate, continuing to share community property until the housing market bounces back.

Divorce can be a complex issue, particularly in today's unpredictable economy. Divorce has always been a highly stressful and uncertain time for couples. The recession has magnified the issues and often the complexities of a divorce. If you are considering divorce and the implications this may have on your financial future, it is important to consult an **experienced divorce attorney**. You can then better consider your options, having some certainty in uncertain times.

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