



REMEMBERING RETIREMENT ASSETS DURING DIVORCE: QUALITATIVE RESEARCH FINDINGS

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Introduction

Divorce can be quite difficult, both emotionally and financially. It is important that both parties in a divorce be aware of the laws and regulations that will have a bearing on their long-term financial security. During the process of splitting assets, it is especially important that the two spouses remember to consider retirement assets such as any 401(k) plans or pensions. In cases where most of the retirement assets accrued during a marriage are in one spouse's workplace retirement plan, oftentimes the other spouse is not aware that they may be entitled to a share of those retirement assets or that they need a special court order called a Qualified Domestic Relations Order (QDRO) to ensure that they receive their share. Because men are still the primary breadwinner in most marriages and tend to accrue more retirement assets than women, this issue is particularly relevant to women.

Objectives

This qualitative research study among women was conducted in order to:

- Identify the information sources women use to navigate separation or divorce
- Examine women's familiarity with their spouse's/former spouse's retirement benefits
- Assess whether or not women considered getting a share of their spouse's/former spouse's retirement benefits during the divorce process and why
- Evaluate potential messages related to the importance of addressing retirement assets during divorce proceedings
- Obtain reactions to a brief explanation of a QDRO and why it is important

Methodology

From July 26 – July 29, 2021, a total of 21 women participated in one-on-one, in-depth interviews. Most of the women were divorced or separated, while a few were married. All interviews were online and were conducted by a professional interviewer from Limelight Insights by Shugoll.

Critical participant screening criteria included:



Mix of ages 35 to 64

Married 5 or more years

Spouse/former spouse was the primary breadwinner

Spouse/former spouse contributed to an employer sponsored retirement plan

Mix of those represented by an attorney and those representing themselves

Mix of employment status at time of divorce/separation

The Purpose and Limitations of Qualitative Research

- The purpose of conducting qualitative research is to understand the how and why behind perceptions, opinions, behavior, and attitudes.
- Qualitative research allows for key findings to be supported by participant verbatim responses that provide the “how” and “why” in the participant’s own words.
- The limited number of participants involved in qualitative research means the study should be regarded as exploratory in nature.
- The non-statistical nature of qualitative research means the results cannot be generalized to the population under study with a known level of statistical precision.



OVERALL LESSONS LEARNED

Overall Lesson Learned #1

Overall, many separated and divorced women whose spouse/former spouse was the primary breadwinner in their marriage feel helpless, vulnerable, and alone as they go through the separation or divorce process.

- They often feel like no one is on their side.
- Many of these women say they don't know where to start, and they feel totally alone.
- It's a highly emotional time.
- As one woman put it, *"divorce is trauma."*
- Many are hesitant to appear too aggressive or "selfish" during the divorce settlement.



Overall Lesson Learned #2

Many women, even those who are currently married, do not know much about their spouse's/former spouse's retirement benefits.

Notably, some divorced or separated women who used attorneys were not advised appropriately about their entitlement to retirement benefits.

These findings suggest it is critical to:

- Educate women about the importance of retirement benefits for their long-term financial security.
 - ✓ Encourage women to be more aware of their household's finances and assets throughout their marriage
 - ✓ Educate women about the importance of a QDRO and how to get one before their divorce is finalized.
- Empower women to be proactive during their separation/divorce proceedings to help ensure they are satisfied with the overall outcome.

Overall Lesson Learned #3

Many women feel that there is a lack of free (or affordable) guidance, resources, and information about how to navigate a separation or divorce, particularly in the absence of domestic violence.

- Women would welcome a non-profit organization that is willing to provide resources and information to help them navigate their separation/divorce.
- Other opportunities for helping women navigate the financial aspects of separation/divorce include:
 - ✓ Providing pre-divorce counseling to help women understand what their finances may be like after a divorce and how best to secure their share of any marital assets.
 - ✓ Creating a “divorce checklist” on which women can list all of their joint assets and review key steps to take during the divorce process.

Overall Lesson Learned: Quotations

"It's just so upsetting and scary when you're not the person making all the money. It's a little hard to absorb, there is a lot of stuff that's very technical and it's hard." -Divorced

"We got divorced in an area where attorneys didn't seem to have a whole lot of experience with 401(k)s and pensions. So, I was trying to educate myself as much as possible." -Divorced

"There aren't any organizations that help. There should be. There are a lot of law firms that try to get you in, and if you're not paying the firm because you need a consultation, they're not even giving you any information. There needs to be an organization for someone going through a divorce." -Divorced

"I was just so tired. I wanted it to be over. I didn't know a whole lot about the process. I don't know anybody else that has been divorced. Divorce in my family is kind of a shameful thing, so I didn't want to talk to family about it. I really didn't know what I was entitled to." -Divorced

"I didn't know as much as I should about his pension plan. That's a part of the reason why I felt very disempowered where I lacked education and knowledge." -Divorced

"I almost wish there had to be some kind of pre-divorce consultation that you had to do. If they could give you that information ahead of time, that your standard of living might take a little bit of a hit, but this is how we're going to work through this process, and to do the best that we can, to get you everything that you're supposed to get. You're not raking the guy over the coals. You're just getting what you put into the marriage. Maybe an attorney could run a group where women come together and talk about this stuff ahead of time and learn from each other." -Divorced

Overall Lesson Learned: Quotations (continued)

"I think there needs to be an overall message communicated to women that you can't be in the dark about the finances."
-Separated

"The biggest message that should be out there is, 'Make yourself knowledgeable about what the assets are before you even move on your divorce.'" -Separated

"I don't know a lot of the stuff in our family, and that's worrisome. But, at the same time, I really do trust my husband." -Married

"You should know where your tax return is, where a copy of your tax return exists, because that's really the source to learn about your assets. It is a document that you're entitled to." -Separated

"I consider myself a knowledgeable and resourceful person. And when all I could do is Google law firms and read their Frequently Asked Questions, that suggests to me that there are not a lot resources out there for women going through this." -Separated

"I wish there was one cohesive place where I can get what the typical steps in a separation/divorce entails." -Separated



MESSAGING LESSONS LEARNED

Message Testing Overview

Over the course of each interview, several messages were presented to participants and were evaluated in the following ways to determine:

- Overall meaning or message in a participant's own words.
- Whether the messages were clear and easy to understand.
- Whether the messages were interesting enough to make women want to find out more information.
- Whether the messages were motivating enough to make women want to take action.
- Which words or phrases are particularly appealing.
- Which words or phrases are particularly unappealing.
- Which message is most preferred.

Messages Tested

The following four messages were tested with all interview participants:

Know Your Rights: If your spouse has a workplace retirement plan, such as a 401(k) or pension, you may have a legal right to a share of the benefits. Act now to learn about your spouse's retirement benefits and how to get your share.

You Deserve Your Share: As a partner in the marriage, you contributed to the marriage and deserve a share of your spouse's retirement benefits. Make sure you get your fair share.

Don't Forget the Biggest Asset: Workplace retirement benefits, such as a 401(k) or pension, are often the biggest asset in a marriage. Don't leave them out of your divorce.

Secure Your Future: No matter your age, retirement assets are important to your long-term financial security. Make sure to get your fair share of your spouse's retirement benefits.

Note: The order in which the messages were presented was rotated in an effort to avoid order bias.

Messaging Lessons Learned #1

The two most preferred messages are:

1) Know Your Rights (preferred most by 10 of 21 women)

If your spouse has a workplace retirement plan, such as a 401(k) or pension, you may have a legal right to a share of the benefits. Act now to learn about your spouse's retirement benefits and how to get your share.

2) Don't Forget the Biggest Asset (preferred most by 6 of 21 women)

Workplace retirement benefits, such as a 401(k) or pension, are often the biggest asset in a marriage. Don't leave them out of your divorce.

Messaging Lessons Learned #2

The following changes may be useful to improve the two most preferred messages:

Know Your Rights

- Consider alternative call-to-action phrases to “Act now,” which can come across as “gimmicky” or “cheesy.” Suggested alternatives include “Ask an attorney,” “Learn more now about...,” or “Be informed about...”
- Consider alternatives to “get your share,” which can be interpreted as aggressive or combative. One suggested alternative is “secure your share.”

Don’t Forget the Biggest Asset

- A few say their children are their biggest asset. As such, consider adding the term “financial” to clarify that the statement’s emphasis is on “the biggest financial asset in a marriage.”
- Consider using the verbiage from the QDRO explanation, which some feel is clearer – “Workplace retirement benefits such as a 401(k) or pension are often the most valuable asset in a marriage (other than the home).”
- Consider replacing “don’t leave them out of your divorce” with “don’t forget them during your divorce,” which some feel is more catchy and attention-grabbing.

Messaging Lessons Learned #3

Messaging Dos

- Keep the tone factual/informational as opposed to emotional.
- Use language that is easy to understand without the help of a lawyer or research.
- Include the following information:
 - ✓ Where to find additional resources and information
 - ✓ A clear call-to-action specifying immediate next steps
- Use specific examples of “workplace retirement benefits” or “retirement assets.”
- Clarify that this is relevant regardless of age, with phrases such as “no matter your age” and “important to your long-term financial security.”
- Use phrases that are objective and reference the “legal” right that most women have to their spouse’s retirement benefits.

Messaging Lessons Learned #3 (continued)

Messaging Don'ts

- Avoid words or phrases that can come off as aggressive or combative (e.g., “make sure to get”).
- Avoid words or phrases that sound “gimmicky” or “cheesy” (e.g., “act now”).
- Avoid the term “deserve” as it elicits mixed reactions. Many say it sounds greedy or too subjective.

Messaging Lessons Learned: Quotations

*"It sounds angry. I don't like 'you deserve your share.' We're angry enough at the time." –Divorced
[**You Deserve Your Share**]*

*"I feel like the only thing this message is missing that would make it perfect is, underneath this message, there should be a number in bold, a phone number or a website." -Separated
[**Don't Forget the Biggest Asset**]*

"Examples ['such as a 401(k) or pension'] are always great because everyone might not be aware. So, I think that's helpful." -Separated

"The last thing you need is more emotional stuff during the divorce process. You don't need the information that you find to fuel that emotion, to make you make bad decisions." –Divorced

*"I really like the 'don't forget the biggest asset.' That's really catchy." –Divorced
[**Don't Forget the Biggest Asset**]*

*"It was very clear; it was very straightforward, to the point; it explained to you that if, you know, your partner had this, then you have a legal right to a share of it." -Separated
[**Know Your Rights**]*

Note: Bolded, bracketed term represents headline of message to which quote refers.
If no message is named, quote was not a reaction to one particular message.

Messaging Lessons Learned: Quotations (continued)

“I like ‘know your rights’ because I think it’s the most informative. You have a legal right. I think that’s important to know that if you are going through a divorce to definitely mention this to your lawyer. Don’t feel like you’re being greedy or whatever, you might have a legal right to these benefits.” –Married
[Know Your Rights]

“‘Get’ sounds like you’re trying to get it out of somebody and it’s not yours, like you’re just trying to be revengeful. I like ‘secure your share’ because it sounds more like you’re deserving of it.” –Married
[any message with “get your share”]

“Stating that those savings plans or future benefits are often the biggest asset in a marriage is very enlightening. There’s this assumption that it’s our house. But those are long-term savings plans and benefits that are going to provide for you in your later ages. So I think it’s a very good way of putting it.” –Married
[Don’t Forget the Biggest Asset]

QDRO Explanation Tested

The following explanation of a QDRO was tested with all interview participants:

Workplace retirement benefits such as a 401(k) or pension benefits are often the most valuable asset in a marriage (other than the home).

It's important to find out the value of your spouse's 401(k) or other retirement assets and take the steps to secure your fair share.

*A divorce decree alone is not enough. You will need a **qualified domestic relations order (QDRO)** to guarantee your share of your spouse's workplace retirement benefits.*

If you wait until after the divorce is final, it will be much more difficult, more expensive, and sometimes even impossible to get your share of your ex's retirement assets.

QDRO Explanation Lessons Learned

Many women had the misperceptions outlined below after reading the QDRO explanation. Suggested points of clarification are noted.

Misperceptions After Reading QDRO Explanation	Clarifications Needed
An attorney would tell them if they needed a QDRO	Not all family law and legal services attorneys draft QDROs
All attorneys can draft QDROs	Oftentimes, a QDRO specialist is needed to draft a QDRO and here’s where you can find one...

“How would I know I need a QDRO? I would hope that my divorce lawyer would be informed enough to tell me about this.” -Separated

“It would be very helpful to read this statement if you knew somebody or if you were going through it yourself.” -Married

Suggested Updates to Messages and QDRO Explanation

Suggested updates to two preferred messages (*changes in red*):

- ***Know Your Rights:*** *If your spouse has a workplace retirement plan, such as a 401(k) or pension, you may have a legal right to a share of the benefits. **No matter your age, learn more now** about your spouse's retirement benefits and how to **secure** your share.*
- ***Don't Forget the Biggest Asset:*** *Workplace retirement benefits, such as a 401(k) or pension, are often the biggest **financial** asset in a marriage. Don't leave them out of your divorce. **(or, use "most valuable" instead of "biggest")***

When explaining QDROs, consider adding the following points:

- *A QDRO is a court order that must be obtained before a divorce is final.*
- *Here is how to get a QDRO: . . . (list the steps to take)*
- *Do not assume that your attorney knows about QDROs. Some attorneys do not.*
 - *If you have an attorney, here are some questions to ask him/her in order to learn whether they have the experience and qualifications to draft a QDRO.*



APPENDIX: PARTICIPANT PROFILE

Participant Profile	Total	Divorced	Separated	Married
Marital Status	(n=21)	(n=8)	(n=8)	(n=5)
Divorced	8	8	0	0
Separated	8	0	8	0
Married	5	0	0	5
Number of Previous Marriages	(n=16)	(n=8)	(n=8)	N/A
One	13	6	7	N/A
More than one	3	2	1	N/A
Years Married	(n=21)	(n=8)	(n=8)	(n=5)
5 to 9 years	4	1	3	0
10 to 14 years	7	4	2	1
15 to 19 years	3	1	2	0
20 to 24 years	4	1	1	2
25 years or more	3	1	0	2
Years Divorced	(n=8)	(n=8)	N/A	N/A
2 years	3	3	N/A	N/A
3 years	1	1	N/A	N/A
3.5 years	1	1	N/A	N/A
4 years	1	1	N/A	N/A
5 years	1	1	N/A	N/A
6 years	1	1	N/A	N/A
Attorney Representation During the Divorce/Separation	(n=16)	(n=8)	(n=8)	N/A
Yes, I was represented by an attorney	7	4	3	N/A
No, I represented myself	9	4	5	N/A

Participant Profile (continued)	Total	Divorced	Separated	Married
Employment Status At Time of Divorce/Separation	(n=16)	(n=8)	(n=8)	N/A
I was employed full-time at the time of my divorce/separation	8	4	4	N/A
I was employed part-time at the time of my divorce/separation	5	2	3	N/A
I was not employed either full-time or part-time at the time of my divorce/separation	3	2	1	N/A
Time Since Previously Working at the Time of Divorce/Separation	(n=3)	(n=2)	(n=1)	N/A
8 years	1	1	0	N/A
10 years	1	1	0	N/A
15 years	1	0	1	N/A
Type of Previous Employment	(n=3)	(n=2)	(n=1)	N/A
Full-Time	3	2	1	N/A
Current Employment Status	(n=5)	N/A	N/A	(n=5)
Currently employed part-time	2	N/A	N/A	2
Not currently employed either full-time or part-time	3	N/A	N/A	3
Years Since Last Employment	(n=3)	N/A	N/A	(n=3)
10 years	2	N/A	N/A	2
14 years	1	N/A	N/A	1
Type of Previous Employment	(n=3)	N/A	N/A	(n=3)
Full-Time	2	N/A	N/A	2
Part-Time	1	N/A	N/A	1

Participant Profile (continued)	Total	Divorced	Separated	Married
Age	(n=21)	(n=8)	(n=8)	(n=5)
35 to 39	3	0	3	0
40 to 44	3	1	0	2
45 to 49	7	3	2	2
50 to 54	6	4	2	0
55 to 59	1	0	1	0
60 to 64	1	0	0	1
Household Income	(n=21)	(n=8)	(n=8)	(n=5)
\$30,000 to \$39,000	1	1	0	0
\$40,000 to \$49,999	1	0	1	0
\$50,000 to \$74,999	7	5	2	0
\$75,000 to \$99,999	3	0	1	2
\$100,000 to \$149,000	5	1	2	2
\$150,000 to \$199,999	4	1	2	1
Racial Background*	(n=21)	(n=8)	(n=8)	(n=5)
Hispanic/Latino	4	1	3	0
Black/African-American	5	1	3	1
White/Anglo/Caucasian	12	6	2	4
Asian American	1	0	1	0
Children Under 18 At Home	(n=21)	(n=8)	(n=8)	(n=5)
Yes	15	4	8	3
No	6	4	0	2
Education Level	(n=21)	(n=8)	(n=8)	(n=5)
High school graduate	2	0	1	1
Some college	5	1	1	3
College graduate	12	7	5	0
Graduate or professional degree	2	0	1	1

*Numbers may add to more than the total because participants could select more than one response.

Participant Profile (continued)	Total	Divorced	Separated	Married
Personal Contributions to an Employer Sponsored Retirement Plan	(n=21)	(n=8)	(n=8)	(n=5)
Yes, I contribute/contributed to an employer sponsored retirement plan	19	8	6	5
No, I do not contribute/did not contribute to an employer sponsored retirement plan	2	0	2	0
Personal Retirement Plan Would Support a Comfortable Retirement	(n=19)	(n=8)	(n=6)	(n=5)
Yes, my personal retirement plan would support a comfortable retirement	3	1	2	0
No, my personal retirement plan would not support a comfortable retirement	16	7	4	5

About AARP

AARP is the nation's largest nonprofit, nonpartisan organization dedicated to empowering Americans 50 and older to choose how they live as they age. With nearly 38 million members and offices in every state, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, AARP works to strengthen communities and advocate for what matters most to families with a focus on health security, financial stability and personal fulfillment. AARP also works for individuals in the marketplace by sparking new solutions and allowing carefully chosen, high-quality products and services to carry the AARP name. As a trusted source for news and information, AARP produces the nation's largest circulation publications, AARP The Magazine and AARP Bulletin. To learn more, visit www.aarp.org or follow @AARP and @AARPadvocates on social media.



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