

Individual and Social Costs of Divorce in Utah

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ABSTRACT: This preliminary report provides an overview of the economic consequences of divorce for couples experiencing divorce in Utah. The economic impact on the divorcing individuals, the surrounding communities in which they live, and the state and federal governments were assessed. The data collected in Utah reveals that the federal government absorbs the most substantial costs, including a host of expenditures related to welfare assistance and medical costs. The 9,735 divorces in Utah during 2001 cost the state and federal government nearly \$300 million in direct and indirect costs. Extrapolation from these estimates reveals that divorce and its direct and indirect economic consequences cost the United States \$33.3 billion annually. Implications for social policy and strengthening marriages are provided.

KEY WORDS: divorce; economic costs; government; marital dissolution; marriage.

In recent years the prevalence and ramifications of marital instability and divorce in the United States has spurred a flurry of interest from a host of public and private sectors, including religious organizations, policy makers, scholars and educators, women's and fatherhood associations, and government organizations, among others. Existing research has focused on several negative outcomes of divorce for couples and children. Two decades of research on the effects of divorce have revealed that members of divorced families have relatively lower levels of education and earnings (Keith & Finlay, 1988;

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Ross & Mirowsky, 1999). Perhaps worse, divorced parents often pass the prospect of poor incomes and family insecurity on to their children, thus continuing the expanding cycle of economic distress (Ross & Mirowsky, 1999). Other research has centered on areas such as the consequences of divorce on children's adjustment and well-being (Amato & Booth, 1996; Wallerstein & Kelly, 1990), and consequences of divorce into adulthood (Amato, 1996; Feng, Giarrusso, Bengtson, & Frye, 1999). Less is known about the economic fallout of divorce for the community of the divorcing family and for government support programs, however.

Although this research centers on the heavy financial consequences for divorcees, communities, and government, it is important that a critical element of this research be noted here. First, while focusing on the negative economic impact of divorce, it is imperative to be sensitive to those who have chosen to terminate their relationship. Research suggests that approximately 30% of the divorces in the US involve marital relationships with a high degree of conflict (Amato & Booth, 1997). Divorce in these situations is most often in the best interest of those involved. Thus, many of the costs outlined in this research enable couples to escape relationships that may be detrimental to their physical, mental, and emotional well-being. Furthermore, these costs may actually be considered benefits, enabling individuals to escape unhealthy or violent relationships. Hence, there are beneficial costs such as providing shelters, hospitalization, counseling, and other services to battered spouses and/or children. Thus, costs associated with divorce should be weighed against the potential benefits.

Although it is difficult to calculate the precise economic costs of divorce for various states or nations, some estimates have been made. Recent studies estimate the direct and indirect costs of divorce in Australia at \$6 billion per year (Parliament of the Commonwealth of Australia, 1998). The United Kingdom estimates the annual bill at \$30 billion, with the biggest burden coming from welfare payments to children and single parents, amounting to just under \$9 billion per year (Walker, 2000). Nock (1999) estimated that divorce costs the US roughly \$11 billion per year. However, these estimates do not reflect divorce costs related to delinquency, poor academic performance, drug use, medical utilization, lost productivity, charity costs, family support, and lost social capital, which are often difficult to obtain due to a lack of research and insufficient and unreliable information and estimates.

Theoretical Considerations

The theoretical and empirical framework utilized in this study derives primarily from the early work of Becker (1973, 1974) and his groundbreaking efforts and insights into the economic approach for theoretically analyzing the family. Becker's (1991) updated work, in addition to that of Becker, Landes, and Michael (1977), provide three underlying assumptions pertinent to this study: (1) couples marry (and divorce) if, and only if, they both expect to be better off when compared with any other alternatives; (2) the majority of marital breakups result from uncertainty, misinformation, and/or unfavorable outcomes; and (3) accumulation of marriage-specific capital (e.g., children) decreases the likelihood of divorce, but also decreases the likelihood of remarriage. Bryant (1990) summarizes these points with his model by noting that "individuals act on the basis of their expectations about the future benefits and costs of marriage" (p. 220). Thus, Becker's model implies that parties to marriage and to divorce make their decisions with a full awareness of all the costs involved. However, the reality is that couples are likely only to consider the personal and direct economic consequences of their decision, rather than the other direct and indirect costs associated with divorce. This research aims to quantify some of the more significant costs of the divorce decision (e.g., economic costs borne directly and indirectly by society), which may benefit couples by providing more accurate information regarding the true cost of divorce.

Method

To date, there have been relatively few studies conducted on the economic impact divorce has on communities and governments. The purpose of this study is to identify and estimate, where possible, the financial impact divorce has on the broader society by identifying the sectors that play a role in helping individuals whose marriage has ended in divorce. The objective of this research is to identify and estimate the financial costs/impact of divorce for couples, the community, Utah's state government, and the federal government. The information presented here is not an absolute reflection of the economic costs associated with divorce. The goal, rather, was to gather the known information and present it in the context of societal costs. Estimates were used where solid dollar figures were missing or unknown. It is anticipated that the following information will be made available to other states, enabling them to calculate and estimate the economic consequences of divorce in their respective states.

TABLE 1

Direct Economic Costs of Divorce to the Utah State Government in 2001

Direct state costs	Percent of state budget	Economic costs (\$)
Department of Workforce Services		
Temporary assistance for needy families (TANF)	.30	6,051,364
Child care match/Maintenance of efforts (MOE)	.30	696,321
Food stamps (administrative costs)	.30	4,161,348
Department of Health and Human Services		
Medicaid	.10	21,400,000
Medicaid (administrative costs)	.30	408,950
Children's Health Insurance Plan (CHIP)	.10	696,000
Utility rate assistance	.10	99,204
Child support enforcement	–	33,159,744
Courts	–	10,000,000
Total economic costs		76,672,931

TABLE 2

Direct Economic Costs of Divorce to the Federal Government for Utah Divorces in 2001

Direct federal costs	Percent of state budget	Economic costs (\$)
Department of Workforce Services		
Temporary assistance for needy families (TANF)	.30	22,888,563
Child care	.30	3,284,457
Food stamps	.30	19,193,549
Food stamps (administrative costs)	.30	9,853,372
Department of Health and Human Services		
Medicaid	.10	52,398,000
Women, infants, and children (WIC)	.05	1,556,332
Children's health insurance plan (CHIP)	.10	1,704,000
Low income home energy assistance program (LIHEAP)	.10	1,024,400
Subsidized daycare/school meals	.10	3,338,843
Public housing assistance	.10	6,234,510
Total economic costs		121,476,026

For purposes of this research, societal costs are primarily economic costs, including direct expenditures of dollars by state and federal government agencies. The indirect value of lost economic output due to illness, disability, injury, or premature death is implied, but not always estimated. This study

examines five categories of monetary costs including: (1) direct personal costs to the couple associated with the divorce in the year it occurred (legal fees, relocation, lost productivity, etc.); (2) costs to the community that are implied but difficult to estimate (charities, bankruptcy); (3) direct costs to the state government of Utah that were related to the divorce aftermath (Medicaid, food stamps, Children's Health Insurance Plan, courts, etc.); (4) direct costs to the federal government that are associated with divorce (Medicaid, Temporary Assistance for Needy Families, aid for Women, Infants, and Children, food stamps, etc.); and (5) indirect estimated costs to the state and federal governments that are related to divorce but cannot easily be quantified (crime, reform institutions, etc.).

Incidence

In 2001 there were 23,209 marriages and 9,735 divorces in Utah (National Center for Health Statistics, 2002). This incidence of 9,735 divorces was used to calculate aggregate costs. Estimates were derived separately for each section of the study. The first section details costs to the individuals involved in the divorce. Divorce filing fees and fees associated with Utah's divorce education program for parents were obtained from the Utah State Courts website (<http://www.utcourts.gov>). Costs associated with housing were acquired from US Census Bureau data (2001), and costs associated with lost work productivity were extrapolated from prior research (Forthofer, Markman, Cox, Stanley, & Kessler, 1996). Direct costs to the community, or charitable costs, were attained from the IRS Statistics of Income Bulletin (2001). The section related to direct costs to state and federal governments came from several sources, including several personal communications. Estimates for state and federal costs were based on data that suggests roughly 50% of individuals on Utah's welfare rolls result from a divorce. Thus, estimates of between 5 and 30% of the state's budgets for the various categories are used to determine the costs for each sector (see Tables 1 and 2).

The Utah Department of Workforce Services' annual report (2000) and several personal communications with state employees provided data pertaining to government financial and temporal assistance such as Temporary Assistance to Needy Families (TANF) and food stamps, in addition to costs related to child support enforcement, and the Utah court systems. Government data related to medical assistance was obtained from the State of Utah Fiscal Focus Report (2001), while costs related to rental and utility assistance were provided by employees from Utah's Department of Community and Economic Development. Costs related to daycare and school meals came from a report of the Utah State Office of Education (2002). The more complicated indirect costs of divorce to government and society as a whole were obtained chiefly from previous studies on divorce in the United Kingdom (Walker, 2000) and Australia (Parliament of the Commonwealth of Australia, 1998).

Results

Utah's Direct Personal Cost

Legal fees and filing fees. While no two divorces are alike, and no conclusive studies to date have been conducted on the average cost of attorney and legal fees, one conservative estimate of the legal expenditures to the average couple with children is \$3,500 per spouse, or \$7,000 per divorce (Hoge, 1998). This is an approximate estimate with a high degree of variability due to the varying circumstances of divorces. Further, every couple in Utah pays a \$95 filing fee to start the divorce process (Utah State Courts, n.d.).

Divorce education class. Utah is one of a handful of states that mandates a couple receive a divorce education class prior to the divorce being finalized. Divorcing parents with children under 18 are required to take a divorce education class that focuses on the emotional well-being of the children, and how to help them cope with their parents' divorce. The cost of the course is \$35 per person, or \$70 per couple (Divorce Education for Parents Program, n.d.). K. Prince, the Education Program Coordinator for the Utah Judicial Institute Administrative Office of the Courts, estimates that 60% of divorces in Utah involve couples with children under 18 (Personal communication, July 31, 2002). For 2001, that represents 5,841 couples with children under 18 who divorced.

Housing. Nearly every divorce results in one geographic move, while approximately 35% of divorces result in two geographic moves. The average American child in a two-parent family experiences 1.5 moves before age 15. The average child from a divorced family moves 2.5 times (McLanahan & Sandefur, 1994). Furthermore, those who divorce are more than twice as likely to shift from being homeowners to renters (Booth & Amato, 1992). Moreover, renters tend to suffer a larger housing cost burden than homeowners (Chi & Laquatra, 1998). Thus, overall housing quality tends to decline shortly after a divorce. Evidence also suggests that finding affordable housing is becoming a growing challenge, particularly for low-income single women (Cook, Crull, Fletcher, Hinnant-Bernard, & Peterson, 2002).

The average housing cost for a couple living in the US with at least one minor child in 1999 was \$15,590. The average housing cost for one parent with at least one minor child was \$11,626. The average housing cost for one adult with no minor children was \$8,207 (US

TABLE 3

Direct Personal Economic Costs of Divorce in Utah for 2001

Direct personal costs	%	Divorces	Costs per couple (\$)	Economic costs (\$)
Legal fees	100	9,735	7,000	68,145,000
Divorce filing fee	100	9,735	95	924,825
Divorce education class	.60	5,841	70	408,870
Housing	.60	5,841	4,243	24,783,363
Lost productivity	100	9,735	1,478	14,388,330
	57	5,548	1,478	8,201,348
Total economic costs				116,851,736

Census Bureau, 2001, Table 660, p. 660). Therefore, the average housing costs after a divorce are \$19,833 ($\$11,626 + \$8,207$) per year compared to \$15,590 for intact families. Thus, the net additional housing costs (to former couples) due to divorce equals \$4,243 ($\$19,833 - \$15,590 = \$4,243$). This assumes that every divorce leads to only one geographic move, and costs are solely those due to lost economies of scale. However, as noted earlier, an estimated 60% of divorcing couples in Utah have children under 18 years of age. Thus, the formula for Utah would look like this: 5,841 couples (60% of total number of couples divorcing in 2001) multiplied by \$4,243 equals \$24,783,363. These figures, once again, were representative of national housing figures, with expected degrees of variability.

Lost productivity. Utah's current population of just over 2 million people is roughly 1% of the national population. According to Forthofer et al. (1996), lost productivity for Utah would equate to approximately \$68 million due to marital problems generally, not just divorce. They further estimated that work loss for distressed couples translates into \$1,478 per year, for men married between 0 and 10 years. Extrapolation of this figure ($\$1,478 \times 9,735$) equates to \$14,388,330 lost to divorcing men in Utah. Further, an estimated 57% of women in Utah are employed (US Census Bureau, 2000). Thus, they too would be expected to experience lost productivity due to divorce. This estimated cost equals another \$8,201,348 ($\$1,478 \times 5,548$) (See Table 3). It must also be noted that work loss not only affects the divorced individuals, but also the employer and business for which they work, which, in turn, may cumulatively affect the local, state, federal, and global markets as well. Aggregate direct personal costs of divorce in Utah for 2001 are provided in Table 3.

Additional Direct Personal Costs

Other factors that are difficult to calculate include personal loss of income, particularly for women who stayed at home and/or were unemployed prior to the divorce. It is well recognized that the immediate impact of divorce typically lowers the living standards of the former wife and children, if she is the custodial parent. One study reports that economic well-being (as assessed by income relative to needs) declined by about 36% for mothers (Bianchi, Subaiya, & Kahn, 1999). Hoffman and Duncan (1988) report a decline of 30% in income for divorced women during the first year after the divorce. For both the man and the woman, the declines were most serious for those already in lower socioeconomic status levels, with women being more likely to experience a heavier drop financially. However, decreases in income were largely dependent on whether the husband or wife was previously in the paid labor force (McKeever & Wolfinger, 2001).

Another factor, for parents receiving child support, is the possibility that their ex-spouse may fail to pay some, or even any, of the support owed. This may add a greater burden to the spouse, who may already be experiencing financial struggles. According to the Current Population Survey (CPS), of the 7.9 million parents with child support agreements, 41% received full payment, 27% received partial payment, and the remaining 32% received no payment at all (US Census Bureau, 1999). This may lead a parent (likely the mother) to return to court, if she can afford to, and seek adjustments to, or enforcement of, the child support agreement.

Other factors include, but are not limited to, occupational and/or educational training—particularly for the custodial spouse, who may need to return to school as a result of the divorce (Coffield, 2002). Further personal costs include childcare, commute costs for visitation if children are involved, marriage counseling, and possible partial loss of retirement benefits. These are real costs that many divorced persons encounter, but are highly variable among couples.

Divorce Costs to the Community

Charities. While marriage is often believed to be a private institution between two people, the consequences of a marriage ending in divorce can have a large and extensive impact. Many divorces likely invoke a costly consequence that may be absorbed by immediate and extended family, the local community, food banks, charities, and religious organizations. One study found that 83% of married or

widowed respondents contributed annually to charities, compared to 62% of the divorced/separated respondents and 62% of those who have never married (Allen, Vogt, & Cordes, 2001). Budgets typically tighten with divorce, and any excess money that was previously available to donate to charitable organizations must now be spent on rent, legal costs, and child support.

According to the American Association of Fundraising Counsel (AAFRC) Trust for Philanthropy (2002), Americans gave \$212 billion to charities during the year 2001. Utah's total charitable contributions reached more than \$1.8 billion in 1999 (IRS Statistics of Income Bulletin, 2001). A large portion of this giving comes from members of the Church of Jesus Christ of Latter-day Saints in the form of tithing and other offerings. The beneficiaries of these donations are often couples and children who are in need of housing, food, clothing, and other physical needs. Assuming that only 1% of these donations went to help families of divorce, this equates to \$10.8 million in charitable assistance.

Bankruptcy. Since 1990, non-business bankruptcies have doubled in the US, for a total of 1,452,030 filings in 2001 (American Bankruptcy Institute, 2002). Utah, which leads the nation in bankruptcy filings per household, had a total of 18,936 non-business bankruptcies in 2001 (American Bankruptcy Institute, 2002). Of these, 65% (12,232) were filings under Chapter 7. It is unknown how many of these occurred as a result of divorce, nor is it known how much debt owed to businesses and/or individuals were discharged in these bankruptcies. However, Sullivan, Warren, and Westbrook (1989, 2000) conclude that one of the causes of bankruptcy is related to divorce and the increase in the number of single parent families. While there is no economic estimate tied to bankruptcy provided in this report, it is recognized that bankruptcy often takes a financial toll on many businesses and individuals. Nearly 13% of respondents in a Gallup poll listed divorce as one of the major reasons for bankruptcy (Dugas, 1997).

Direct Costs to the State of Utah

The direct divorce costs to the state of Utah were divided into five central categories: (1) costs associated with the Utah Department of Workforce Services; (2) costs associated with the Utah Department of Health; (3) costs associated with child support enforcement; (4) utility assistance costs; and (5) costs associated with the court system. These

costs are outlined in sequential order below and aggregate costs are summarized in Table 1.

With one being the state with the least percentage of children in poverty, and 51 the highest, Utah ranks third among the other states in the percentage of children in poverty. While this statistic appears exceptional, Utah ranks 20th in the percentage of children without health insurance (State of Utah's Children, 2000). Biele (1998) reports that Utah's governor indicated in 1994 that divorce and the subsequent financial strains accounted for 75–80% of the people on Utah's welfare rolls.

The Utah Department of Workforce Services' annual report (2000) made clear that appropriated funds were earmarked for two categories: general funding, which was more than \$55 million, and federal funding, which was just over \$342 million. A conversation with an employee at Utah's Department of Workforce Services revealed a breakdown of those receiving TANF assistance (A. Kump, personal communication, April 3, 2003). Persons who were divorced or legally separated accounted for 15% of those receiving TANF assistance, while families in which a parent had deserted accounted for 35–37% of those receiving TANF assistance. The state employee explained that the majority of those in the latter category were families in which divorce was pending. Thus, approximately 50% of those on Utah's welfare rolls may be associated with divorce and its financial stressors. However, it was unknown the percentage of persons that were already receiving TANF funds prior to a divorce, and it is unlikely that divorce alone caused the person(s) to apply for TANF funds. Consequently, for purposes of this research, it was estimated that 30%, rather than 50%, of the budget that funds programs such as food stamps, child care, and TANF, is directly or indirectly associated with divorce. Furthermore, an additional study conducted by Taylor, Barusch, and Vogel-Ferguson (2002) in Utah revealed that from a sample of 1,484 individuals on Utah's welfare rolls, 32% indicated they were currently divorced, while an additional 13% indicated their marital status as separated. The estimated 30% figure will thus be utilized throughout the report for both state and federal welfare funds. Other state and federal funds will be estimated and calculated differently. While the majority of the programs noted here generally receive federal funding, the state funds noted in this section are typically used for Maintenance of Effort (MOE), matching funds, fraud enforcement, and administrative costs. The costs associated with divorce are outlined below.

The Department of Health and Human Services is primarily responsible for assisting persons with medical and insurance needs.

While nearly 70% of the appropriated budget flows from federal funds, approximately 30% of the funds are supplied from the state. O. Fuller, an information program analyst for the Utah Department of Health, indicated that nearly 10% of the Medicaid and CHIP participants were divorce related clients (personal communication, September 19, 2002). Hence, the estimated 10% figure will be utilized throughout this report for both state and federal funds pertaining to medical assistance and other healthcare costs, unless otherwise indicated.

Child support enforcement. The Office of Recovery Services reports that, in Utah, payments were received in approximately 43% of all court ordered child support cases. The average cost to the state for child support collection services was \$414 per case per year. The total annual cost for Utah's 80,000 cases was \$33,159,744 (Utah Department of Workforce Services, 1998).

Home electric lifeline program (HELP, utility rate assistance). Utah has a federally funded energy assistance program, a version of the larger federal Low-Income Home Energy Assistance Program (LIHEAP), entitled the Home Energy Assistance Target (HEAT) Program (Utah Home Energy Assistance Target Program, n.d.). HEAT provides financial assistance to low-income households throughout the state. Additionally, the Utah Department of Community and Economic Development (2002) has a Home Electric Lifeline Program (HELP) that operates in coordination with the LIHEAP, but is funded by a surcharge on all electric customer bills. This program costs nearly \$10,000,000 in Utah in 2001, of which 10% was estimated to assist divorce related participants.

Court costs. R. Turner, an employee for the Utah Court system, reported that in the fiscal year 2000 a total of 12,574 divorce filings came into Utah District Courts (personal communication, January 9, 2001). An additional 2,260 divorce modifications took place during that same period. It was not known exactly how long it took Utah's judges and commissioners to handle these cases, but their best estimate was that it required the direct attention of 12 full-time judges or commissioners statewide. At an estimated \$200,000 per year per judge, this amounts to a cost of \$2,400,000. This figure is for the cost of judges only. There were a number of additional employees, utility costs, records costs, and other expenditures that were not accounted for. Additional court costs are added when either spouse

comes to court to dispute issues such as alimony and/or child support. A summary of the aggregate direct costs to the state of Utah is outlined in Table 1.

Direct Costs to the Federal Government

The Utah Department of Workforce Services annual report (2000) was used to obtain the appropriated federal funding that was to be used in 2001 for the following areas: TANF, Food Stamps, Food Stamps Administration, and Child Care. The aforementioned estimate of 30% was used for these calculations. Furthermore, the Department of Health data were obtained from the State of Utah Fiscal Focus (2001) annual report to estimate divorce-related expenditures for Medicaid and CHIP. Energy assistance appropriations, distributed by Utah's HEAT program, were obtained from the National Energy Assistance Directors' Association (NEADA) (2001) and were based on regular appropriations while excluding allotted emergency funds. The Utah Department of Health's Women, Infants, and Children (WIC) Program expenditures were obtained from S. Knight, a Department of Health employee, and divorce-related costs were estimated at 5% (personal communication, April 4, 2003). This conservative estimate excludes administration operations, which totaled nearly \$9 million in 2001. The subsidized daycare and school meals information was obtained from a report by the Utah State Office of Education (2002), which estimated related divorce costs to be 10%. Finally, the Utah Department of Community and Economic Development receives federal funds from the United States Department of Housing and Urban Development (HUD). S. Link, a program analyst for the regional HUD office in Colorado reported that Utah received over \$62 million for Public Assistance Housing and Section 8 Rental Assistance (personal communication, April 10, 2003). It was estimated that 10% of these funds were used to support divorce-related individuals. Additional individual housing authorities that receive federal funds exist, but were not included in these figures. The estimated direct costs to the federal government from Utah's divorces are outlined in Table 2.

Indirect Estimated Costs of Divorce to the State and Federal Governments

The divorce of parents not only produces direct financial costs, but substantial indirect costs likely accrue for American taxpayers as well. Research suggests a strong relationship between family background

and problems such as crime, abuse and neglect, and addictions (Fagan & Rector, 2000). From a divorce study conducted in the United Kingdom, Walker (2000) reports that one-fifth of their total costs of family breakdown were attributed to dealing with crime and domestic violence. These indirect costs are either absorbed by the government, the citizens, or both. In the US, victims of crime in 1992 alone lost \$17.6 billion in direct costs, including losses from property theft or damage, medical expenses, cash losses, and lost job time due to injuries (Larson, Larson, & Swyers, 1995). In addition, indirect costs, which include the costs of prosecuting, incarcerating, and following up on criminals after their release, in 1988 cost American taxpayers at least another \$61 billion (US Department of Justice, 1991). However, it is also recognized that many other factors are related to criminal behavior such as academic success, parental support, and community environment, in addition to the age of the child at the time of divorce, among other contributing factors.

While crime and incarceration account for a sizeable portion of indirect costs, other costs related to divorce are also included. These consist of physical abuse, drug abuse, higher drop-out rates, depression, addictions, neglect, and mental health problems. It should be noted that the indirect costs to the state identified here were significantly lower than estimates and projections from other studies. Specifically, the studies from the United Kingdom (Walker, 2000) and Australia (Parliament of the Commonwealth of Australia, 1998) estimated that the indirect costs associated with divorce are likely just as high as or higher than the direct costs. This study leans toward the conservative side by simply estimating the indirect costs associated with divorce at \$100 million annually in the state of Utah.

Conclusion

This study advances our understanding of the consequences of divorce by providing estimates of the economic costs of divorce to individuals, and state and federal governments. This research aimed to quantify some of the more significant economic costs of the divorce decision, which, according to Bryant's (1990) economic model, may benefit couples by providing more accurate information regarding the true costs of divorce, both direct and indirect. In summary, it is estimated that, in the state of Utah, divorce and its financial consequences total some \$414 million dollars per year for both individuals and government agencies. An estimated \$300 million is the direct and

indirect costs to both the state and federal government, while the remaining expenditures constitute direct costs to the divorced individuals, their families, and religious and charitable organizations. This averages out to roughly \$30,000 in direct and indirect costs per divorce for the state of Utah and related federal expenditures. An extrapolation of these costs can be estimated as follows: Divorce costs the state and federal government approximately \$125 million in direct and indirect costs per 1 million population. Further extrapolation of this estimate to the US produces a total bill of roughly \$33.3 billion annually, which equates to \$312 per household. This estimate accounts neither for the billions of dollars in personal expenditures, nor the immeasurable mental and emotional costs to the individuals, children, and families, which are perhaps the most damaging effects of divorce.

Limitations

There are a number of obvious limitations in this study. First, there is no accurate way of estimating actual indirect costs of divorce such as incarceration, drug abuse, mental health services, and other general assistance. Furthermore, the direct costs are also preliminary estimates, likely with a moderate to high degree of variability. The vast majority of the direct costs, as estimated in this report, are related to Medicaid and TANF expenditures. While estimating conservatively with the Medicaid expenses (10%), if this actual figure were doubled, these costs would considerably augment the total economic costs of divorce. Second, there are obvious economic benefits of divorce for some persons, such as revenue for lawyers, landlords, etc. Third, this study did not include the costs when cohabiting couples break up, nor the government costs associated with unwed childbearing, which is a relevant factor related to divorce (Cherlin, Kirenan, & Chase-Lansdale, 1995; Furstenberg & Teitler, 1994). Fourth, there is no accurate method of determining if/how these consequences affect individuals when/if they choose to remarry. Finally, it is recognized that this compilation likely will never be complete. Additional information will be added and current information updated to provide more accurate estimates. Most state agency budgets continue to expand each year. Future studies may do well to follow a sample of divorced couples over a period of time, carefully documenting various financial costs. We do know that the financial consequences of divorce are often distressing, but perhaps the full impact and extent may never be known nor fully understood.

Implications

While divorce is a major societal concern, the objective of this research is not to condemn divorce, but to provide a delineated estimate of the financial costs of divorce for individuals, communities, and governments. Although divorce rates are high, 9 out of 10 individuals still choose to marry sometime during their life (Kreider & Fields, 2002). The results of this study bring to light several important implications for policymakers and marriage researchers.

First, previous research indicates that divorce is more common among lower-income couples. Programs addressing better means of providing economic, marital, and life skills for families with financial problems need to be considered. With a new awareness of the costs of divorce, and given current divorce rates, it may well be time to reconsider divorce laws and policies. According to economic theory, people act on a knowledge of the costs and benefits of marriage and divorce. Likewise, government systems should be able to act with careful consideration, given the added knowledge of what marital disruption costs various sectors of society.

Second, these findings emphasize the importance of considering the influence of premarital, marital, and divorce education as a means of strengthening relationships, thus possibly preventing marital breakdown. Several longitudinal studies indicate that disparaging marital conflict and communication problems are among the most significant predictors of marital instability and divorce (Gottman, 1994). These findings coincide with Becker's (1991) model, which implies that divorce results from misinformation and uncertainty.

Recent research indicates that premarital and marriage education programs are beneficial and generally effective in producing direct and short-term gains in interpersonal skills and overall relationship quality (Carroll & Doherty, 2003). Thus, premarital and marriage education courses may be an effective means of lowering the divorce rate and the many economic costs associated with divorce. Premarital and marriage education courses provide much needed information to couples who choose to marry. These courses may also replace uncertainty with greater skills and confidence. However, it is essential that premarital and marriage education be research-based, user friendly, and accessible to couples at higher-risk for relationship problems, such as those with lower-incomes (Halford, Markman, Kline, & Stanley, 2003).

The research of Criddle, Allgood, and Piercy (2003) indicates that mandatory divorce education classes, such as the ones offered in Utah,

may be another effective way to lessen some of the economic costs of divorce. Their research revealed that both males and females who went through the course had lower conflict scores than those who did not attend. Moreover, those who attended the class were also less likely to return to court for issues pertaining to the divorce than non-attendees. This likely translates into fewer legal costs associated with the divorce.

Finally, while there may be no completely accurate or scientific method of assessing the economic consequences of divorce to couples, communities, and society as a whole, we do know the costs, both emotional and fiscal, can be enormous. Thus, investing in marriages and families may be a minor cost compared to the economic and emotional costs of divorce. Perhaps the most important part of this report lies not in the specific costs of divorce categorized, but in their ability to raise a conscious awareness of the full spectrum of costs associated with divorce.

Popenoe and Whitehead (2002) postulate that divorce has a significant negative effect on American society and culture. They summarize the situation this way:

Beyond the negative consequences for the physical and mental health of the people involved, today's high divorce rate seriously affects the broader social health of our nation. Divorce is not merely a personal event but, when extensive, can influence the character and tone of an entire culture. (p. 43)

The results from this study suggest that divorce has several direct and indirect economic consequences that are absorbed not only by individuals, but also by communities and governments. Further, this suggests that marriage is not merely a private institution, but rather a foundational institution that directly and indirectly affects society economically, particularly if that marriage ends in divorce. Continued research focusing on the various macro-economic impacts of divorce will provide a rational basis for couples, communities, and governments to make informed decisions regarding marriage and divorce in the future.

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