

THE ECONOMIC WELL-BEING OF WOMEN
WHO BECOME DIVORCED OR SEPARATED IN MID AND LATER LIFE

**THE ECONOMIC WELL-BEING OF WOMEN
WHO BECOME DIVORCED OR SEPARATED IN MID AND LATER LIFE**

**By
SHARON C. WEBB**

**A Thesis
Submitted to the School of Graduate Studies
in Partial Fulfilment of the Requirements
for the Degree
Master of Arts
McMaster University**

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MASTER OF ARTS 1999
(Sociology)

McMaster University
Hamilton, Ontario

TITLE: The Economic Well-Being of Women Who Become Divorced or Separated in
Mid and Later Life

AUTHOR: Sharon C. Webb, Honours B.A. (McMaster University)

SUPERVISOR: Dr. Margaret A. Denton

NUMBER OF PAGES: xiii, 138

ABSTRACT

The aging of the baby boom and rising divorce rates mean that many women will spend their later life without income from a husband. Using 1994 data from the Statistics Canada Survey of Labour and Income Dynamics, this thesis examines the economic well-being of women who become divorced or separated in mid and later life. Means and chi-square tests are used to compare the various demographic income and employment characteristics of women and men aged 45 and older in their first marriages to women and men who become divorced or separated at age 45 and older. Linear and logistic multiple regression analyses are performed to examine factors associated with the economic well-being of older women. Economic well-being is measured by three variables: adjusted economic family total money income; before-tax low income cutoff; and ownership of dwelling. Results of this study show that women who become divorced or separated in mid and later life are much more likely to be in poverty than married men, married women and men who divorce or separate in mid and later life. This is particularly pronounced for women aged 65 and older who become divorced or separated at age 45 and older. Results also show that persons who divorce or separate in mid and later life are less likely than married persons to live in a dwelling which is owned by a member of the household. Factors which are positively associated with income for

women who become divorced or separated in mid and later life include: receiving investment income; receiving earnings; receiving pension income; and years of schooling. For female paid workers who become divorced or separated in mid and later life, the total number of hours paid and being a professional are associated with higher income. Very few women in this study received alimony and it was not found to be associated with income for women who become divorced or separated in mid and later life. Results of this study are consistent with previous research which shows extremely high rates of poverty among unmarried older women. These findings indicate that significant reforms are needed for the Canadian legal and retirement income systems in order to improve the economic well-being of women who divorce or separate in mid and later life. Policy implications and recommendations for future research are discussed.

ACKNOWLEDGMENTS

I would like to thank Margaret Denton for her support and guidance with this thesis. Margaret is a wonderful person, thesis supervisor and mentor. Over the last few years Margaret has provided me with numerous opportunities and a great deal of encouragement. She has also taught me many valuable research skills for which I cannot thank her enough.

I would also like to thank the members of my committee. I would like to thank Carolyn Rosenthal and Işık Urla Zeytinoğlu for their prompt and valuable comments on an earlier draft of this thesis. A special thanks is also extended to Lynda Hayward for her much appreciated and helpful advice on data analysis. I would also like to thank Philip Giles at Statistics Canada for providing information related to SLID data. Finally, I would like to thank my mother who has supported me throughout my studies.

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CHAPTER 1: INTRODUCTION

The decline in poverty among the older population in recent years has been one of the greatest success stories of Canadian transfer and tax policy (Dooley, 1994), leading many policy makers and researchers to argue incorrectly that the “problem” of poverty among the older population is an issue of the past (Smith, Magee, Robb & Burbridge, forthcoming). Indeed, the Canadian retirement income system has reduced poverty among the older population as a whole through improvements in programs such as the Old Age Security (OAS), Guaranteed Income Supplement (GIS), Spouses Allowance (SPA) and the Canada/Quebec Pension Plan (C/QPP). Some 66% of Canadians over the age of 65 relied on government pensions as their main source of income in 1993 (Crompton, 1993). However, this “improvement” paints only part of the picture. Some groups of the older population are still at risk of poverty in their later years, in particular, older unmarried women (McDonald, 1997; Moore & Rosenberg, 1997; Statistics Canada, 1990).

Research on women and poverty often utilizes the “feminization of poverty” thesis which claims that in recent years there has been an increase in women as a proportion of those in poverty (Dooley, 1994; Evans, 1991; Gimenez, 1990; Gonyea, 1994; Hardy & Hazelrigg, 1993; Northrop, 1990; Peterson, 1987; Starrels, Bould and Nicholas, 1994). This increase is associated with the increase in female headed

households in recent decades, part of which is due to rising divorce rates. Some argue that the “feminization of poverty” thesis is incorrect as women have *always* been more likely to be in poverty than men (Evans, 1991). Nevertheless, it is well established that in general, women are at greater risk of being in poverty than men in Canada (Evans, 1991; Moore & Rosenberg, 1997; Statistics Canada, 1990). Two groups of women stand out as the most at risk of poverty: single mothers and older women (Evans, 1991; Statistics Canada, 1990). Women are over represented among the aged poor, representing 73% of the low income older population in 1987. This is an increase from 67% in 1980 (Statistics Canada, 1990). Within the older population, women who live alone are at the greatest risk of poverty (Moore & Rosenberg, 1997). This is alarming since only 56% of women aged 55 and older were married in 1991 (Gee, 1995). Townson (1995) shows the discrepancy between unattached older women and other groups of older persons. In 1990, 47.1% of unattached women aged 65 and older had incomes below the Statistics Canada low-income cutoff, as compared with 33.3% of unattached men aged 65 and older and only 8.2% of families with a head person aged 65 and older (Townson, 1995, Table 13). These figures are a reflection of the extensive gender inequality that prevails in all aspects of Canadian society.

For women, poverty in mid and later life is directly related to marital status. According to Evans (1991) “[t]he observation that a woman is frequently “only a man away from poverty” highlights women’s proximity to poverty and the economic vulnerability of women who are on their own” (p.180). Indeed, evidence shows that marital status has a direct impact on the economic well-being of women in later life

(Burkhauser, Butler & Holden, 1991; Burkhauser & Duncan, 1989; Burkhauser, Holden & Feaster, 1988; Caputo, 1997; Crown, Mutschler, Schulz & Loew, 1993; DeViney & Solomon, 1995; Fethke, 1989; Galarneau & Sturrock, 1997; Hayes & Anderson, 1993; Holden & Kuo, 1996; Townson, 1995, 1997; Uhlenberg, Cooney & Boyd, 1990), with older divorced and separated women having the highest poverty rates among all older unmarried women (Crown et al., 1993).

Purpose of Thesis

The purpose of this analysis is to examine the economic well-being of women who become divorced or separated at the age of 45 and older. The objectives of this research are to answer the following two questions: 1) are there differences in the economic well-being of men and women aged 45 and older who are in their first marriages and men and women who become divorced or separated at the age of 45 and older?; and 2) what factors are associated with the economic well-being of women who become divorced or separated in mid and later life? Data from the Statistics Canada Survey of Labour and Income Dynamics will be used to answer these questions.

Literature Review

The purpose of this chapter is to critically review the literature on the impact of divorce on the economic well-being of older women. This chapter will show how the economic well-being of this group of women is related to gender inequalities in the labour force, family, legal system and retirement income system in Canada. Beginning with an outline of recent trends in divorce, this review will go on to demonstrate that divorce results in a significant decline in economic well-being for women in general as

well as women in mid and later life. Studies show that this decline is associated with the life course. Loss of a husband's income, gender inequalities in the labour force, family responsibilities, and lack of financial preparation are the factors most clearly associated with the decline in economic well-being. Research also shows that for older divorced women, remarrying, increasing labour force participation and receiving spousal and/or child support payments may mitigate the negative economic consequences of divorce. Finally, this chapter will examine the Canadian retirement income system as it pertains to women in general and women's access to it following a divorce. This topic is extremely timely in light of increasing divorce rates and the aging of the baby boomers.

Trends in Divorce In General

Divorce rates have escalated dramatically since the liberalization of divorce laws in the early 1970s (Gee, 1995; Gentleman & Park, 1997; Statistics Canada, 1990). Rates have increased from 134.8 divorces per 100 000 population in 1971, to 271.8 per 100 000 in 1981, to 273.9 per 100 000 in 1991 and leveled off to 262.2 per 100 000 population in 1995 (Gentleman & Park, 1997). Divorce rates have declined slightly from 1995 to 1996 (Statistics Canada, 1998b). According to 1991 divorce rates, 31% of couples who married in 1991 will eventually divorce (Gentleman & Park, 1997).

Trends in Divorce In Mid and Later Life

The risk of divorce decreases after five years of marriage and decreases with age. Persons in their 20s have the greatest risk of divorce (Gentleman & Park, 1997). However, the percentage of older divorced persons has quadrupled since 1971 so that 5% of those aged 55 and older were divorced in 1991 (Gee, 1995). This percentage is

expected to increase as future cohorts entering old age (especially the baby boomers) will be more likely to have experienced a divorce (Moore & Rosenberg, 1997). While divorce rates have stabilized for younger women since 1980, they are increasing for women past mid-life (Moore & Rosenberg, 1997; Uhlenberg, Cooney & Boyd, 1990). Uhlenberg, Cooney & Boyd (1990) estimate that 11 to 18 percent of women who are still in their first marriage at the age of 40 will obtain a divorce at some point. The trend towards an increase in divorce is occurring at the same time as the percentage of widowed and never married persons is declining (Gee, 1995; Moore & Rosenberg, 1997; Uhlenberg, Cooney & Boyd, 1990). It is important to note that the percent of older persons who are remarried is relatively low (only 12% of men and 8% of women aged 55 and older are remarried) (Gee, 1995). And, the probability of remarriage decreases with age and is very low after age 45 (Uhlenberg, Cooney & Boyd, 1990) although men are two times more likely to remarry than women (Gee, 1995). Clearly then, the impact of divorce in mid and later life is an issue that must be explored.

Marital Status and Economic Well-Being

Marital status is an important determinant of older women's economic well-being. Evidence shows that married women are economically better off in retirement than widowed or divorced persons (DeViney & Solomon, 1995; Holden & Kuo, 1996; Townson, 1995). DeViney & Solomon (1995) found that even after controlling for differences in education, on-the-job experience, and structural factors (i.e. industry or occupation) women still had lower incomes in retirement than men, and their marital career was the strongest factor affecting their retirement income. In fact, a disruption in a

woman's *marital career* is the *biggest factor* affecting a woman's net income in retirement:

“...for women it is not simply their *current* marital status but also their *previous* marital status that affects their retirement income. Women who are currently married and have been *continuously* married to the same man benefit substantially in terms of income in later life. Women who have experienced marital disruption are clearly disadvantaged financially, and receive much less retirement income than their continuously married counterparts” (pp. 96-97).

They found that a woman who has experienced a disruption in her marital career can expect to receive over \$500 less a month in retirement income than a women who has continuously been married to the same man.

Burkhauser & Duncan (1989) also found that out of nine life events (divorce/separation; widowhood; birth of a child; departure of all family members other than the spouse from the household; major work reduction due to retirement or permanent disability; at least two months of work lost to unemployment; at least two months of work lost to illness; large decreases in the work hours of wives and a \$5000 or more drop in asset income), divorce is the “single most devastating event” in terms of income loss for younger and middle-aged women (Burkhauser & Duncan, 1989, p.15).¹ And, they found that divorce presents six times the risk for a decline in economic well-being for women than for men. Rosenthal et al. (forthcoming) also provide evidence that marriage, as a life event, is related to older womens' economic well-being. Using the life course perspective to show how recent trends in work and family impact four cohorts of women, Rosenthal

¹ Their sample was too small to provide reliable estimates of the effects of divorce on older persons.

et al. conclude that due to higher labour force participation rates and greater access to pensions, younger cohorts of women will be more economically secure in retirement than their predecessors. But, they caution that the economic security of women in later life is contingent upon their marital status, with married women being more economically secure than unmarried women.

The Impact of Divorce on the Economic Well-Being of Women in General

Divorce has a serious and detrimental impact on the economic well-being of women. Research estimates that on average, women experience a decline in economic well-being (usually measured by income) following divorce or separation of 23% to 73% (Finnie, 1993; Galarneau & Sturrock, 1997; Hayes & Anderson, 1993; Hoffman & Duncan, 1988; Holden & Kuo, 1996; Holden & Smock, 1991; Peterson, 1996; Stirling, 1989; Uhlenberg, Cooney & Boyd, 1990; Weitzman, 1985). While many studies examine only the first year following a divorce, Stirling (1989) found that women experienced a decline in economic well-being of 30% and remained at that level *five years later*. A more recent Canadian study shows that even five years after separation, single mothers were at 21% and single women were at 19% below their pre-separation adjusted family income levels (Galarneau & Sturrock, 1997).

What is shocking about the research findings is that while women experience a decline in economic well-being following a divorce, men actually tend to increase their income following a divorce (Galarneau & Sturrock, 1997; Finnie, 1993; Holden & Smock, 1991; Peterson, 1996; Weitzman, 1985). In the first Canadian longitudinal study to examine the economic consequences of divorce, Finnie (1993) shows the devastating

impact of divorce on women as compared with men. Finnie compares the post divorce economic well-being to the year preceding the breakup to find:

- During the first year of divorce, women were at .57 of their pre-divorce income, while men were at .82. And, three years after the divorce, women were at .76 of their pre-divorce income, while men were at .97.
- Examining the ratios of post- to pre-divorce income to needs ratios, womens' income to needs ratio declined 27% in the first year and by the third year were at 90% of their pre-divorce level, but men on average *increased* their income to needs ratio by 23% in the first year of divorce and kept increasing.
- Over one-third of women who were not poor before their divorce fell into a low-income situation in the transition years and 30% remained at this level three years later. Only about 10% of men ever fell into low-income situation within three years following the divorce.

Similarly, an evaluation of the 1986 Canadian Divorce Act found that it is primarily women, and not men, who suffer economically after a divorce (Department of Justice, 1990). In this study, evidence from two samples of women and men (one sample in 1986 and one sample in 1988), showed that 58% (1986) and 46% (1988) of women were living below the poverty lines as compared with only 11% (1986) and 13% (1988) of men (after paying support).

The Impact of Divorce on the Economic Well-Being of Women in Mid and Later Life

While many studies have demonstrated that women experience a decline in economic well-being following a divorce or separation, very few studies have examined the impact of a divorce that occurs in mid and later life for women. The few studies that exist are based on U.S. data. In a comprehensive examination into the economic status of divorced older women, Crown et al. (1993) found that older divorced and separated women have the highest poverty rates among all older unmarried women. This study,

however, analyzed the economic status from the perspective of the current marital status of older women and did not focus on women who had experienced a divorce in mid and later life. In a study of recently divorced older women aged 40 to 75 years who had been in long-term marriages of 20 to 48 years (N= 338), Hayes & Anderson (1993) found that immediately following their divorce, 54% of women had difficulty keeping up with mortgage payments or rent, 45% had difficulty paying for children's needs, 33% had to find a full-time job, and 32% had to find a less expensive home or apartment. In a study of divorce for women after mid-life, Uhlenberg, Cooney & Boyd (1990) found that divorced women have much lower socioeconomic well-being than widows and married women, concluding that "recent and long-term divorcees appear more vulnerable financially than other women..." (p.S10).

The Negative Impact of Divorce on the Economic Well-Being of Women: A Life Course Perspective

A life-course or life-span perspective is useful in explaining the negative impact of divorce on the economic well-being of older women. Gonyea (1994) argues that a life-span perspective is helpful in understanding poverty in later life because it highlights diversity within the older population. This is especially important because certain groups of older persons such as persons of colour and unmarried older women are more likely to be characterized by poverty. According to Hagestad (1990), a life course approach "traces individuals as social personas and their pathways along an age-differentiated, socially marked sequence of transitions" (p.151). The life course perspective analyzes trajectories (life pathways) and transitions as they are influenced by social structures,

historical events and cultural values within a society. The life course perspective is unique because it integrates the micro and the macro, the objective and the subjective, social structure and human agency. Because humans have agency, no two persons will share the same life course. However, common patterns emerge in life course analyses, for example differential life patterns of men and women. For example, Burkhauser & Duncan (1989) found that disparities in the economic well-being of older men and women are related to different life events which place women at greater risk than men of experiencing a drop in economic well-being over the life course. The next section will examine some aspects of women's life courses that are associated with women's economic well-being in later life.

Factors Associated with the Economic Well-being of Divorced or Separated Older Women

Clearly, for many women, divorce spells a drop in economic well-being. The decline in economic well-being following a divorce is related to social structural conditions, namely gender inequalities within society. Indeed, Pulkingham (1995) criticizes studies which attribute women's poverty following divorce to divorce itself. She argues that "most analyses fail to recognize that it is the visibility of women's unequal access to independent resources, primarily employment income, that divorce reveals" (p.7). In a review of literature, Holden & Smock (1991) attribute the decline in socioeconomic well-being following divorce and a husband's death to three principal factors: the loss of direct access to their husband's income; women's responsibilities for caring for children; and gender inequalities in the labour market. Similarly, Galarneau &

Sturrock (1997) conclude that the decline in income following a divorce is a result of two main factors: women earn less than men and are most likely to have custody of children.

Older divorced women are affected by the same gender inequalities that affect most women in later life. By and large, older women in general are penalized in terms of their retirement income because they earn less than men, have less work experience, and are segregated into occupations and industries that pay less than men and are less likely to provide benefits such as pensions (Townson, 1995). At present, women earn 81 cents for every dollar earned an hour by men (Statistics Canada, 1998a). Today's middle-aged and older women also have significantly shorter work histories than men. Using data from the Statistics Canada Survey of Labour and Income Dynamics, Lathe & Giles (1994) show that women aged 55 to 69 have work experience levels of *less than one half* of their male counterparts. In addition, women who have raised children have less work experience than those women who have not. For example, women aged 45 years and older who had raised children had an average of 15 years of paid work experience as compared with 27 years of experience of women the same age who had not raised children. Because private pensions are usually tied to earnings and length of service, women who are covered by pensions are penalized for their shorter work histories (Townson, 1995). Indeed, women who were aged 45-54 in 1991, some of whom are retired today, were married in their early twenties, had children and stayed home as a full-time homemakers in their twenties and thirties, and returned to the work force in their mid-thirties and early forties. Most worked in retail trade and in community, business and personal services where pension coverage and earnings are low (Townson, 1995). In

fact, Peterson (1987) attributes the “feminization of poverty” to the dual labour market in which women are segregated in the secondary labour market, which is characterized by low pay.

Using several US sources of data, Crown et al. (1993) conclude that labour force participation is highly correlated with the economic status of divorced older women. They found that one percent of women aged 62 and older who worked full-time were in poverty, as compared to one-third of those out of the labour force. This is even more pronounced for divorced women aged 45 to 61. Sixty percent of divorced women in this age group who were not in the labour force were in poverty as compared with five percent of those working full-time. Being a member of a racial minority was also related to lower levels of economic well-being among divorced and separated older women. But, Crown attributes this to the lower labour force participation rates of minorities.

Lack of Financial Preparation

In addition to having shorter work histories, lower earnings, and less pension coverage than men, many divorced older women have not made financial plans for their retirement (Denton et al., 1998; Hayes & Anderson, 1993). This lack of financial preparation has serious consequences in terms of their financial well-being in retirement. But, financial preparation for divorce in later life is difficult because “no one wants her marriage to end in divorce or her relationship to break down, so planning ahead for this kind of eventuality may not be easy” (Townson, 1997, p.167). Similarly, Holden & Kuo (1996) speculate that widows may experience a decline in economic well-being following the death of their husbands because they are not prepared for their situations. A U.S.

national study of 12 654 persons aged 51-61 in 1992, found that many married persons underestimate the likelihood that they will spend the last years of their life without a partner. This has serious consequences for their economic security in later life as “a key factor in a couple’s financial decisions to preserve income and assets for the widowhood of the wife is their perception of the risk of widowhood” (p.390). One would also speculate that the risk of divorce may be underestimated, although no known studies have analyzed this issue in depth. Like widowhood, this underestimation is likely to have detrimental consequences for women.

A study conducted by Hayes & Anderson (1993) highlights an *alarming* lack of financial skills and preparation for retirement among older divorced women. Their study involved a sample of 338 recently divorced females aged 40 to 75 who had been in marriages ranging from 20 to 48 years. Of the sample, at the time of the divorce:

- 54% did not understand joint ownership of marital property;
- 62% did not understand, nor were aware of, marital investments;
- 60% did not understand, nor were aware of, insurance or pension coverage;
- 89% had made few or no long-range financial plans;
- 67% had no investments;
- 59% had no pension coverage;
- 49% had not explored Social Security benefits; and
- 80% had not considered places for relocation.

Although these divorced women made few efforts to financially plan for their future, they were aware of possible financial hardship in retirement. In fact, when asked what they

perceived their life to be like after retirement, 41% perceived greater financial stress.

What Factors Can Mitigate a Decline in Women's Economic Well-Being Following a Divorce?

One would conceive that the best way to improve economic well-being following a divorce is to remarry. In a review of literature, Holden & Smock (1991) suggest that remarriage seems to be “the most likely route to economic recovery” for divorced women (p.59). Using Statistics Canada's Longitudinal Administrative Data file (LAD) which covers almost the entire Canadian population, Galarneau & Sturrock (1997) studied married persons who separated between 1987 and 1993 and who had children before the breakup. They found that many men and women formed new relationships in the first five years following a separation. In fact, five years after separation, 54% of men and 45% of women had new partners. Galarneau & Sturrock concluded that remarriage has a profound positive impact on the family income after separation.

Several other factors have also been found to be related to improvements in economic well-being following a divorce for women. Studies show that education and job training (Mauldin, 1990) increase a woman's income following a divorce, while being black (Crown et al. 1993; Mauldin, 1990) and having health problems (Mauldin, 1990) tends to have the opposite effect. Research shows that divorcees with substantial work histories and high education levels experience less of a decline in economic well-being than divorcees with less substantial work histories and low levels of education (Choi, 1992). Despite the benefits of having an education, Stirling (1989) found that a majority of women did not further their education after a divorce. This may be because, for older

women, the investment return on education would be less than it would be for younger women. Also, divorced women may not be able to afford to go back to school nor have the time.

In contrast to education levels, research shows that women's labour force participation rates increase following a divorce (Stirling, 1989; Loew, 1995). And, Hou & Omwanda (1997) suggest that divorce rates are a causal factor in the rise of women's labour force participation rates since 1969. Several factors influence a woman's decision to participate in the labour force following a divorce. Loew (1995) found that wages, education, and asset wealth are negatively associated with older divorced women's labour force participation, but pension wealth is positively associated with labour force participation. Some research indicates that participation in the labour force improves a woman's economic well-being following a divorce (Crown et al., 1993) while others show that it does not (Stirling, 1989). Stirling (1989) attributes the lack of effect of increased labour force participation to "previous commitment to domestic production having resulted in intermittent labor force participation, child care responsibilities restricting current career opportunities, low wages resulting from insufficient human capital investment, occupational segregation, or discrimination" (p.557).

Spousal and Child Support

One might also speculate that spousal and/or child support may mitigate the negative economic consequences of divorce for women. Most (98%) recipients of support are women and most payers are men (Galarneau, 1992). Evidence shows that spousal and child support is a very important source of income for single women with

children under the age of 18 (Galarneau, 1992). In an analysis of 1988 tax data, Galarneau (1992) found that spousal and child support makes up a relatively large portion of income for recipients (38% of the average income of non-family or unattached women and 19% of the average income of single parent families), but only represents 9% of the average income of payers. This study also found that payers have much higher incomes than recipients. The Department of Justice (1990) also found that women derived an average of 35% and 24% (in 1986 and 1988 respectively) of their income from support compared with men who paid an average of 18% and 16% (in 1986 and 1988 respectively) of their gross income in support.

Although support is a very important source of income for women with children and accordingly has the potential to relieve some of the economic stresses of divorce, it is unlikely to make a significant impact on the economic well-being of most older divorced women because spousal support alone is rarely granted to divorced or separated women without children under the age of 18 (Galarneau, 1998; Townson, 1997; Department of Justice, 1990). In the US, only 4% of divorced women aged 45 and older received alimony payments in 1989 (Crown et al., 1993). In an evaluation of the Canadian Divorce Act, the Department of Justice found that very few women request and are awarded spousal support. Yet, the majority of women with children requested and were awarded child support (Department of Justice, 1990). Indeed, using data from Revenue Canada's income tax returns from 1982 to 1995 to study the income of separated people without children, Galarneau (1998) found that only 13% of men paid support and 7% of women received support one year after separation. Five years after the separation the

numbers were 10% and 5% respectively. For couples with children, 44% of men paid support, and 35% of women received support. Thus, when a divorce occurs in later life, women are unlikely to receive alimony payments because they do not have children under the age of 18.

The reason why most women do not receive spousal support is related to the Divorce Act, 1986. The Divorce Act specifies four objectives of support: “ a) to recognize any economic advantages or disadvantages to the spouses arising from the marriage or its breakdown; b) to apportion between the spouses any financial consequences arising from the care of any child of the marriage over and above the obligation apportioned between the spouses pursuant to subsection (7); c) to relieve any economic hardship of the spouses arising from the breakdown of the marriage; and d) insofar as practicable, to promote the economic self-sufficiency of each spouse within a reasonable period of time” (Department of Justice, 1990, p. 8). Galarneau (1998) attributes the low rates of support for single divorced women to the last of these objectives, which seeks to reduce financial ties between the spouses. The elimination of financial ties between spouses has far greater consequences for women than men because they are more likely to be dependent on a spouse’s (husband’s) income during the marriage. Similarly, in an evaluation of the Divorce Act, the Department of Justice (1990) found that

“[F]amily law lawyers are generally under the view that courts in awarding spousal support are giving the most weight to the objective of promoting self-sufficiency and, therefore prefer to make orders of limited duration. While lawyers are split in their views about the impact of this emphasis on self-sufficiency, about half see it as having severe impact on older women

who have not been in the labour force and, as well, on younger women who are not given sufficient time to obtain the kind of training which will allow them to avoid jobs at minimum wage or social assistance” (p.131).

The Department of Justice concludes “the courts are sometimes making unrealistic assumptions about the ability of women in their 30's and 40's to become self-sufficient and are making no award or awards of too short a duration” (p.131).

Even when alimony is awarded to women, the enforcement of payments has been generally unsatisfactory (Townson, 1997). Due to a lack of an appropriate data base, it is difficult to estimate how many men fail to comply with support orders. But, in interviews with divorced persons (women, N=274), the Department of Justice (1990) found that only 67% of women received their payments regularly and only 42% always received their payments on time. Of those who did not receive their payments regularly, 47% had received no payments within the last six months.

The Canadian Retirement Income System, Women and Divorce

So far, this review of the literature has demonstrated that divorce means a decline in economic well-being for women, and that this decline is related to several factors, the most important being the loss of a husband's income, inequalities in the labour force, family responsibilities, and lack of financial preparations for retirement. Some factors which may reduce the negative consequences of divorce for older women are remarriage, increasing labour force participation, education, job training, and receiving spousal and/or child support. Currently, no known research exists that examines the role of Canada's retirement income system in influencing divorced women's economic well-being. Next this chapter will review this role and the impact of divorce on retirement income from

these sources.

The First Tier

The Canadian retirement income system is comprised of three tiers (Galarneau, 1991). The first tier intend to provide seniors with a basic guaranteed income. It includes Old Age Security (OAS), the Guaranteed Income Supplement (GIS), and the Spouses Allowance (SPA). The OAS is a universal pension payable to anyone over the age of 65 who meets Canadian residency requirements, while the GIS is based on need payable to OAS recipients who have little or no income. The SPA is also based on need, payable to persons aged 60 to 64 who are spouses of OAS recipients or who are widows or widowers with low income. While the OAS was once considered universal, since 1989, a “clawback” has been in place wherein seniors with incomes above \$50 000 have their OAS benefits reduced. How much the reduction is depends on the amount of net income the person receives from other sources. In other words, the higher one’s income is, the less one receives in OAS benefits. Once a senior’s net income exceeds a certain level, the entire amount of the OAS must be repaid to the federal government through the income tax system. This “clawback” is only partially indexed to inflation, meaning that the clawback has declined, and will continue to decline in real terms. Furthermore, effective July 1996, the clawback was applied before rather than after payment of benefits (Battle, 1997). This marked the “end of universal old age pension” in Canada (Battle, 1997, p.533). Implications of the clawback for women will be discussed later.

Access to the first tier of the Canadian retirement income system does not change following a divorce. Most women are eligible for the OAS, because it is “universal”, at

least for those with low income. However, even the maximum OAS benefit is small, representing an equivalent of 13% of the average industrial wage (Townson, 1995). The maximum benefit for the OAS was \$385.81 per month and the maximum GIS benefit for a single pensioner (with no income other than the OAS) was \$458.50 for the first three months in 1994 (Townson, 1995).

The Second Tier

The second tier of the retirement income system is intended to replace a proportion of a worker's pre-retirement income (approximately 25% of a person's average earnings). It includes the Canada/Quebec Pension Plan (C/QPP), a government sponsored pension plan based on earnings. Currently, the C/QPP is funded as a "pay as you go" system, with the contributions of working persons today financing the benefits of retired persons today. The C/QPP adjusts for women's intermittent labour force patterns and family responsibilities. While calculations for determining the benefit are based on lifetime earnings, contributors may exclude from the calculation 15% of their earnings to cover periods during which they may have been unemployed or had lower wages. In addition, the C/QPP also allows periods when a worker had a child under the age of seven to be excluded from the calculation (Townson, 1995). In January 1995, the maximum benefit was \$713.19 a month (Statistics Canada, 1996). Although many more women than ever before contribute to the C/QPP due to their increased labour force participation, women are still less likely than men to participate in the C/QPP (Galarneau, 1991). This is especially the case for women who are currently older (Denton et al., 1998).

The growth in female labour force participation has resulted in an increasing

proportion of women who contribute to the C/QPP (their contributions represented 39% of contributions in 1993 as compared with 34% in 1983) (Statistics Canada, 1996). But it is important to recognize that because the C/QPP benefits are based on employment income, women receive much lower benefits than men. This reflects both women's lower wages and less time spent in paid employment. For example, the average monthly payment to a woman who retired in 1993 was \$263, while the average for a man was \$478 (Townson, 1995). Despite the smaller C/QPP benefits that women receive relative to men, the first and second tier are very important sources of income for low income seniors (Statistics Canada, 1996). Persons 65 and older with a total income of less than \$20 000 derive three-quarters of their income from the OAS/GIS and C/QPP (Statistics Canada, 1996). Given that women are more likely to be in lower income categories (Townson, 1995; Statistics Canada, 1990), it goes without saying that these first two tiers of the Canadian retirement income system play an extremely important role in the economic security of women in later life.

Canada is one of three countries (the other two are Germany and the United States) that allow divorcees to have rights to social insurance types of pensions, which are based on prior contributions (i.e. C/QPP in Canada) (O-Grady-LeShane, 1993). In Canada, C/QPP pension credits earned during a marriage are divided equally upon divorce (Townson, 1997). "Credit-splitting" involves adding up the credits that both spouses earned in the CPP during the marriage and dividing the credits equally. Credit splitting in Canada is mandatory, with the exception of three provinces (Saskatchewan, British Columbia, and Quebec) which allow spouses to opt out of credit splitting. If a

divorce took place before June 1986, CPP credits can only be split following an application by a spouse. If a divorce occurred after January 1, 1987, applications for credit-splitting are no longer necessary. A person simply has to notify the CPP authorities. But, this is only the situation in the case of a divorce (applications are still necessary for separated spouses or common-law relationships). Despite the relative ease of this process, most divorced women have not taken advantage of the credit-splitting option (Townson, 1995). Part of the reason is that many women were unaware of the application needed previously, and many women decide to forfeit their rights to the credits in exchange for other assets upon the breakdown of their marriage (Townson, 1995).

The Third Tier

The third tier of the Canadian retirement income system includes private savings (Registered Pension Plans [RPPs] or employer pension plans; Registered Retirement Savings Plans [RRSPs]; and private investments). Research shows that older women's retirement savings are influenced by work history, marital status, income level, education, family/household composition and occupation (Kokrda & Cramer, 1996).

RRSP contribution is highly correlated with income, so that those with higher income are much more likely than those with low income to contribute to RRSPs (Statistics Canada, 1996). RPPs and RRSPs are tax deductible (up to a certain limit as determined by the government). Because high income earners are more likely to have RPPs and RRSPs, some argue that the Canadian Income Tax system is regressive, benefitting only a small group of wealthy individuals (Battle, 1997). Women earn less

than men and are less likely than men to contribute to RRSPs (Galarneau, 1991; Statistics Canada, 1996). Recent evidence suggests that women's contributions to RRSPs are on the rise (Galarneau, 1991; Frenken, 1991). In fact, rates of growth in RRSP contributions are greater for women than for men and women account for most of the growth in RRSP participation in the last 15 years (Frenken, 1991; Frenken, 1997). But having an investment in an RRSP does not guarantee that a person will not cash in their savings. Many people cash in RRSPs long before their retirement. In fact, three out of four dollars in RRSP benefits were cash withdrawals in 1990 (Frenken, 1992). Frenken (1992) notes, "These contributors may liquidate their savings either for necessity (such as job loss), to meet an unusual financial obligation (to assist in purchasing a home or to pay off a mortgage, for example), or simply for enjoyment (possibly travel or early retirement)" (p.10). While divorce is not listed in Frenken's list of possibilities, it certainly seems plausible that because women experience declines in income following a divorce, they may be forced to cash in RRSPs long before retirement approaches.

In 1992, only 35.3% of women in the labour force were covered by employer pensions plans as compared with 41% of men (Townson, 1995). Employed older women (aged 45 to 64) are much less likely than employed older men to belong to a registered employer sponsored pension plan (RPP) (Crompton, 1993). In 1991, one-half (51%) of women aged 45-54 were covered by a private pension plan as compared with 62% of men (Townson, 1995). Pension coverage is also related to income, with 24% of those in low income groups (over-represented by women) covered by private pensions compared with 81% of those with high income in 1991 (Townson, 1995). Women's lower coverage is

related to their greater likelihood of working in occupations and industries with low pension coverage as well as their greater likelihood of working part-time (pension coverage is estimated at only 28% for part-time employees aged 45 to 64) (Crompton, 1993; Townson, 1995). Some predict that this will change due to women's increased labour force participation rates (Galarneau, 1991), but others are skeptical because women are still more likely to be concentrated in occupations and industries (i.e. clerical occupations and the service industry) in which pension coverage is low (Crompton, 1993).

In the case of divorce, entitlement to a share in a husbands' private pension is determined by family law, while the way in which the share is paid out is determined by pension legislation (Townson, 1997). The nature of the split will depend on the type of pension plan, for example if it is a defined benefit or defined contribution plan. Defined contribution plans are much easier to divide. As part of the divorce settlement, many couples opt to trade off other assets in lieu of the pension. In this case, lawyers will prepare a net worth statement (assets minus liabilities) for each spouse at the beginning and end of the marriage. Then, the spouse with the highest net worth must make an equalization payment to the other spouse (Townson, 1997). So, a woman may trade off her right to the pension in order to keep other assets (for example, the house).

Little is known about the private investments of older divorced women. In the US, Crown et al. (1993) describe the asset holdings of divorced women as "extremely modest" (p.38), with home ownership, bank interest and automobiles as the most commonly held assets. They found that only 53% of divorced women aged 62 and older

and 58% of divorced women aged 45 to 61 owned their homes. Townson (1995) shows that single women aged 45-54 in 1991 were much less likely to own a home than their married counterparts. In the US, Uhlenberg, Cooney & Boyd (1990) also found that older divorced women were much less likely than older widowed and married women to own a home. There are no known Canadian studies that examine the assets of older divorced women. The 1991 Survey of Ageing and Independence provides some information on the financial preparations that individuals make for retirement, some of which include private investments. In an analysis of the 1991 Survey of Ageing and Independence, Denton et al. (1998) found that financial preparations for retirement vary by age, gender, marital status, education level, employment status, income and wealth distribution. They found that divorced and widowed persons were less likely to make financial preparations for retirement. For example, separated persons were less likely to have built up savings, or have made major purchases; divorced persons were less likely to have RRSPs, built up savings, payed off or avoided debts or made major purchases; and widowed persons were less likely to have RRSPs or belong to an RPP.

After a divorce, women's entitlement to RRSPs depends on family property laws of the province in which a woman lives (Townson, 1997). Usually funds may not be transferred from the RRSP of one spouse to the RRSP of another. But if three conditions are satisfied, an exception is made: the spouses were living apart at the time of the transfer; the transfer was made as part of a written separation agreement or under judgement of a court; and the transfer was made to settle rights arising out of the marriage on or after the breakdown (Townson, 1997).

Chapter One Conclusion

In summary, literature shows that divorce results in a significant decline in economic well-being for women in general as well as women in mid and later life. Studies show that the loss of a husband's income, gender inequalities in the labour force, family responsibilities, and lack of financial preparation are the factors most clearly associated with the decline in economic well-being. Research also shows that remarrying, increasing labour force participation and receiving spousal and/or child support payments may mitigate the negative economic consequences of divorce for older women. Finally, literature has shown that older women's economic well-being is most dependent upon their receipt of government transfers.

Most previous research on the effect of divorce on economic well-being have focused on younger women with children. And, the few studies which examine the economic well-being of divorced older women are based on U.S. data. While results of U.S. studies are useful, the Canadian legal and retirement income system is different and results may therefore be quite different. There are no known Canadian studies on the economic well-being of women who become divorced or separated in mid and later life. There are a few Canadian studies which examine the economic well-being of women following a divorce, but these studies tend to concentrate on women with children and do not focus on older women. Experiencing a divorce in mid and later life has different consequences for women than experiencing a divorce at a younger age. For example, women who have experienced a divorce at the age of 45 and older may have little work experience because they were dependent upon their husbands for many years prior to the

divorce. These women are not able to easily re-enter (or enter for the first time!) the labour market because they lack the work experience and skills required for good jobs in today's labour market. As such, many may have to enter the labour market in low wage, unskilled jobs in the secondary labour market. These jobs may do little to help women in retirement because they pay little and often have few benefits if any, including pension plans. Older divorced women are also less likely than younger divorced women to have young children at home. This impedes their chances of being awarded support because, as the literature shows, judges often deny these older women adequate alimony because it is wrongly assumed that these women are able to simply re-enter the labour force to take care of their financial needs.

The age of a divorce also has implications for retirement planning. As divorce is, for the most part, not something that one plans for, many women are caught unexpectedly because they have been depending on their husband for their financial security in later life. When this "security" is taken away through divorce or separation, older women are left with little time to work and build their own savings before they turn 65. Thus, women who have experienced a divorce late in life are an extremely vulnerable population which is in need of research attention.

The purpose of this thesis is to examine the economic well-being of women who become divorced or separated at the age of 45 and older. The objectives of this research are to answer two questions. The first question is are there differences in the economic well-being of men and women aged 45 and older who are in their first marriages and men and women who become divorced or separated at the age of 45 and older? In order to

answer the first question, this analysis will compare various demographic, employment and income characteristics of the four groups. The second question is what factors are associated with the economic well-being of women who become divorced or separated in mid and later life? Data from the Statistics Canada Survey of Labour and Income Dynamics will be used to answer these questions. In order to answer question two, linear and logistic regression analyses will be performed with a sample of females who become divorced or separated at age 45 and older.

CHAPTER 2: METHODOLOGY

Survey of Labour and Income Dynamics

The Statistics Canada Survey of Labour and Income Dynamics (SLID) is a longitudinal household survey. Individuals from households are interviewed twice a year (once in January and once in May) for six years. Each six year sample is called a panel. After three years, or halfway through one SLID panel, another panel begins. This comprises a data base which always contains overlapping panels. The first panel began for the reference year 1993. Beginning in 1997 a “top-up” sample of about 9000 persons has been selected each year to augment the cross-sectional sample (due to sample attrition) in order to improve its representativeness.

The population for SLID is all Canadians, with the exception of persons living in the Yukon, Northwest Territories, in institutions, on Reserves and in barracks of the Canadian Armed Forces. The initial sample for each panel is drawn from the Labour Force Survey (LFS). The LFS has a response rate of 95%+, and approximately 88% of the LFS respondents agreed to provide information for SLID. The LFS uses stratified, multi-stage probability sampling, and is drawn from an area frame (for more information on this see Statistics Canada, 1997).

Each panel comprises approximately 15 000 households or 31 000 persons aged 16 and older. These persons are asked questions about the previous year and thus,

persons aged 15 and older are included in the data. Although information is gathered on family or household information, the basic unit of analysis in SLID is the individual. All individuals in a household are followed for six years regardless of whether they move out of the household. Persons who move into a household during the panel are also included as “cohabitants”, but if they subsequently move out, they are no longer followed.

The longitudinal nature of the survey is particularly conducive to the study of *dynamics*, which are transitions or changes in patterns of activity over time. This survey focuses on income dynamics (i.e. transitions in and out of poverty), labour market dynamics (i.e. transitions in and out of work), and family dynamics such as divorce or separations within families. Major research themes in SLID are: employment and unemployment dynamics; life cycle labour market transitions; job quality; family economic mobility; dynamics of low income; life events and family changes; and educational advancement and combining school and work.

Although SLID is a longitudinal survey, this analysis focuses on the year 1994, and is, thus, a cross-sectional analysis. A cross-sectional approach is chosen due to limitations in the SLID data available for public use. At the time of this research, only the 1993 and 1994 data was available in the public SLID microdata. For confidentiality reasons, the years 1995 and 1996 were not available for public use. Analyses of the two years 1993 and 1994, does not permit a sample large enough to capture the impact of divorce on income. In fact, one would have to have access to data stretching five years to really capture any long-term changes in income following a divorce or separation. Thus, the focus here is just on 1994 data. Further limitations due to the availability of data in

the public use file will be discussed later.

Interviews

Over the span of the six year panel, 13 interviews are conducted with survey respondents. These include: a preliminary interview to collect background information; six labour interviews conducted every January; and six income interviews conducted every May. Income interviews are conducted in May because it is just after the tax season and persons are more likely to be familiar with their financial circumstances. Respondents have the choice to give Statistics Canada permission to access their tax records for the income data. If the respondent gives their permission, an income interview is not required. Background demographics and income interviews were conducted on all persons, while labour interviews were not conducted on persons aged 70 and older. Interviews are computer assisted in design. Response rates for the labour and income interviews in 1994 are 91.9% for the cross-sectional or wave and 77.9% for the longitudinal or cumulative.

Data Development

The process of developing the data for the purposes of this analysis was complex and involved four stages. The first stage involved developing a SLID data file for the purposes of this analysis. The second, third and fourth stages involved selecting the samples utilized for this analysis.

Stage One: Creating the Data File

Statistics Canada have compiled the 1993 and 1994 SLID data in four files per year. At the time of this study the following files were available:

- a 1993 cross-sectional **person** file which contains income data, highly detailed demographics and less detailed employment information;
- a 1994 cross-sectional **person** file which contains income data, highly detailed demographics and less detailed employment information;
- a longitudinal **person** file which combines both 1993 and 1994 cross-sectional files;
- a 1993 cross-sectional **job** file which contains income data, less detailed demographics and highly detailed employment information;
- a 1994 cross-sectional **job** file which contains income data, less detailed demographics and highly detailed employment information; and
- a longitudinal **job** file which combines both 1993 and 1994 cross-sectional job files.

Variables utilized in this analysis are identified in the literature as important factors associated with income for older divorced women. Because not all of the important variables were contained in either the SLID longitudinal **person** or **job** files, selected variables were added to the longitudinal person file from the longitudinal **job** file. The longitudinal **person** file contains the highly detailed information on marital histories, and thus was used as a framework from which to add other variables. The 1994 cross sectional weight from the 1994 cross sectional **person** file was also added to the longitudinal person file for reasons that will be discussed next.

Weighting

Due to it's complexity, SLID uses four different weights: the longitudinal weight; the cross-sectional weight; the cross-sectional labour weight; and the sub-sampling weight. The weighting improves the reliability of statistical tests, which are generally

based upon the assumption of simple random sampling (Statistics Canada, 1997). The cross-sectional labour weight is appropriate in circumstances that heavily rely on labour data from the jobs file. Although some of these variables are used here, for the most part, this analysis focuses on individual characteristics and income data from the longitudinal **person** file. Since this research concentrates on 1994 data, the 1994 cross-sectional weight is the most appropriate weight for this research (Private communication from Philip Giles, Statistics Canada, 1999). Next, the second stage in the data development, the selection of the sample, will be discussed.

Stages Two, Three and Four: Selecting The Samples

To recap, stage one in developing the data for this analysis involved creating the data file. The second, third and fourth stage involved selecting the samples for this analysis. In the second stage, persons aged 45 and older were selected from the SLID data file created in stage one. The third stage involved computing the marital histories for those aged 45 and older. The fourth stage involved computing those who become divorced or separated at age 45 and older. Three sub-samples are used for the purpose of this analysis. The first sub-sample, “sample one”, contains persons aged 45 and older in first marriages and persons who become divorced or separated at age 45 and older. Sample two consists of paid workers aged 45-69 in first marriages and paid workers aged 45-69 who become divorced or separated at the age of 45 and older. Sample three comprises persons aged 65 and older in first marriages and persons aged 65 who become divorced or separated at the age of 45 and older.

Computing Marital Histories for Persons Aged 45 and Older

The third stage of data development entailed computing the marital histories for the SLID population aged 45 and older. SLID collects data on: the marital status at the time of the first interview; the date that marital status began and its duration; the date of the first marriage; and whether or not the person had been married more than once. This is the starting point from which SLID then collects all marital statuses changes during the six year panel. Thus, the marital histories are not complete because SLID does not collect information on the period between the first marriage and the current marital status at the first interview. The incompleteness of marital history data in SLID is not a problem in this analysis because it is still possible to examine a sample of persons who are in their first marriages and a sample of persons who become divorced or separated in mid or later life. The marital statuses SLID collects are organized in the data file so that each marital status fall under a different marital state, for example, marital state one, marital state two, marital state three etc.. If the persons' marital history ended at state three for example, then state four would be coded not applicable. If this marital state changed within the six year panel then a marital state four would be added accordingly. These marital states are organized in chronological order, each with a start and end date. State one is always single, state two will have a start date of the date of first marriage, and states three, four and five etc. are anything but single. Thus, SLID does not provide a complete marital history for each person, but it is possible to derive a sample of those who are still in their first marriage and those who become divorced or separated at age 45 and older.

To select these groups, a variable was computed which consists of values for

every combination of marital states. For example, one combination would be: state one = single, state two = married, state three = separated, state four = divorced. Several combinations were selected to comprise the samples used in this analysis. Table 1 shows the various marital state combinations for persons aged 45 and older (N=12 271) but does not take into account the age at which the divorce or separation occurred. To obtain the group of persons in their first marriages, the following combinations were selected: 1) state two = married (state two is the end state); 2) state two = common-law and state three = married (state three is the end state). Those who comprise the divorced or separated category include the combinations of marital states that ended in divorce or separation. Table 1 shows the combinations of marital states that were included and excluded from this analyses. Not included were combinations in which: there were less than ten persons and when state two was common-law and the end state. The state two = common-law (end state) was excluded because SLID does not contain information on common-law relationships that ended prior to the start of the panel. Thus, it was not possible to assume that those respondents were in their first common-law relationship. Table 1 shows the combinations used to select the final sample which will be shown in Table 2.

Table 1: Sample Selection, Marital Status Combinations for All Persons Aged 45 and Older

Marital Status Combination	No. of Respondents	Selected for Sample
State 2 = Married	7544	Yes
State 2 = Common-law State 3 = Married	10	Yes
State 2 = Married State 3 = Separated	232	Yes
State 2 = Married State 3 = Separated State 4 = Divorced	519	Yes
State 2 = Married State 3 = Common-law State 4 = Separated	10	Yes
State 2 = Married State 3 = Common-law State 4 = Divorced	12	Yes
State 2 = Married State 3 = Married State 4 = Separated	60	Yes
State 2 = Married State 3 = Married State 4 = Separated State 5 = Divorced	60	Yes
State 1 = Never Married	680	No
State 2 = Common-law	42	No
State 2 = Married State 3 = Married	870	No
State 2 = Married State 3 = Common-law	161	No
State 2 = Married State 3 = Widowed	1711	No
State 2 = Married State 3 = Separated State 4 = Widowed	14	No
State 2 = Married State 3 = Widowed State 4 = Married	13	No

Table 1: Sample Selection, Marital Status Combinations for All Persons Aged 45 and Older (continued)

Marital Status Combination	No. of Respondents	Selected for Sample
State 2 = Married State 3 = Common-law State 4 = Married	16	No
State 2 = Married State 3 = Separated State 4 = Divorced State 5 = Married	30	No
State 2 = Married State 3 = Separated State 4 = Divorced State 5 = Common-law	37	No
State 2 = Married State 3 = Married State 4 = Widowed	137	No
Other ¹	48	No
Missing	64	No
Total N = 12 271		

1. This represents a total of 19 marital state combinations, each comprising less than 10 persons.

Computing The Age at Divorce or Separation

After the marital histories were computed for persons aged 45 and older in stage three, the age of the start date of the end marital state was computed for the marital states which ended in divorce or separation. This was done by subtracting the year of the start of the end marital state from the year of birth. This was the fourth stage in data development.

Table 2 shows that final selection of marital states included in this analysis.

Table 2: Final Selection of Marital States Included in this Analysis

Marital State	Marital State Combination	No. of Respondents
Females Aged 45 and Older in First Marriages	State 2 = Married	3442
	State 2 = Common-law State 3 = Married	3
Males Aged 45 and Older in First Marriages	State 2 = Married	3851
	State 2 = Common-law State 3 = Married	7
Females Divorced or Separated at Age 45 and Older	State 2 = Married State 3 = Separated (started at age 45 and older)	66
	State 2 = Married State 3 = Separated State 4 = Divorced (started at age 45 and older)	93
	State 2 = Married State 3 = Common-law State 4 = Separated (started at age 45 and older)	2
	State 2 = Married State 3 = Common-law State 4 = Divorced (started at age 45 and older)	3
	State 2 = Married State 3 = Married State 4 = Separated (started at age 45 and older)	21
	State 2 = Married State 3 = Married State 4 = Separated State 5 = Divorced (started at age 45 and older)	5

Table 2: Final Selection of Marital States Included in this Analysis (continued)

Sample	Marital State Combination	No. of Respondents
Males Divorced or Separated at Age 45 and Older	State 2 = Married State 3 = Separated (started at age 45 and older)	69
	State 2 = Married State 3 = Separated State 4 = Divorced (started at age 45 and older)	74
	State 2 = Married State 3 = Common-law State 4 = Separated (started at age 45 and older)	5
	State 2 = Married State 3 = Common-law State 4 = Divorced (started at age 45 and older)	7
	State 2 = Married State 3 = Married State 4 = Separated (started at age 45 and older)	24
	State 2 = Married State 3 = Married State 4 = Separated State 5 = Divorced (started at age 45 and older)	3
Total N = 7675		

All three samples used in this analysis are developed from the marital state combinations in Table 2. These samples will be described next.

Sample One: Persons Aged 45 and Older in First Marriages and Persons Who Become Divorced or Separated at Age 45 and Older

Sample one comprises four groups of individuals: 1) females aged 45 and older who are still in their first marriage (N=3445); 2) males aged 45 and older who are still in their first marriage (N=3858); 3) females who become divorced or separated at age 45 and older (N=190); and 4) males who become divorced or separated at age 45 and older

(N=182).

Sample Two: Paid Workers Aged 45-69 in First Marriages and Paid Workers Aged 45-69 Who Become Divorced or Separated at Age 45 and Older

Like sample one, samples two and three are drawn from the marital states in Table 2. The second sample comprises the same individuals in Table 2 but only selects on those who are paid workers. Sample three also comprises the same respondents in Table 2 but includes only those who are aged 65 and older. Samples two and three were developed because persons who are paid workers and persons who are 65 and older are likely to have different sources of income. For example, paid workers are more likely to rely on income from earnings, while those who are 65 and older qualify for the OAS, GIS, C/QPP etc. Also, sample two permits the analyses to focus more specifically on labour market factors as predictors of economic well-being. The literature shows that women's labour market participation is likely to play a role in their economic well-being.

The four comparison groups in sample two are: 1) females aged 45-69 who are still in their first marriage and are paid workers (N=1198); 2) males aged 45-69 who are still in their first marriage and are paid workers (N=1543); 3) females aged 45-69 who become divorced or separated at age 45 and older and are paid workers (N=78); and 4) males aged 45-69 who become divorced or separated at age 45 and older and are paid workers (N=63). Sample 2 only includes those aged 16-69 because those who are aged 70 and older were not included in the labour interviews.

Sample Three: Persons Aged 65 and Older in First Marriages and Persons Aged 65 and Older Who Become Divorced or Separated at Age 45 and Older

The four comparison groups for sample three are: 1) females aged 65 and older

who are still in their first marriage (N=988); 2) males who are aged 65 and older who are still in their first marriage (N=1304); 3) females aged 65 and older who become divorced or separated at age 45 and older (N=53); and 4) males aged 65 and older who become divorced or separated at age 45 and older (N=54). Next, the variables used in the analyses will be described.

Variables

Income Variables

This analysis examines both individual and economic family income in means and chi-square tests. However, in regression analyses, family income is used instead of individual income measures because family income best reflects the economic circumstances of married women. Family income variables in SLID are the sum of the individual incomes of people living together as part of the same economic family on December 31 of 1994. All economic family income variables used in this analysis control for family size. This is done by dividing the 1994 economic family income variable by the **1994 family equivalence scale**. The family equivalence scale takes into account the size and composition of one's family. This scale is used by Statistics Canada when deriving Low Income Measure (LIM). This scale is calculated by summing the equivalences for each person in the family. The oldest person receives an equivalence of 1, the second oldest person is 0.4 and all other persons receive an equivalence of 0.4 if they are 16 or older or 0.3 if they are under age 16.

All income variables include 0, which is no income. All income variables in this analysis start at 0 with the exception of economic family and individual total money

income, economic family and individual investment income, and economic family and individual total earnings which have negative amounts. The amounts of income were rounded or perturbed² on the SLID public use file.

Economic family total money income 1994 is the total taxable income as well as non-taxable items such as Worker's Compensation and Social Assistance. It excludes capital gains and RRSP withdrawals. In the case of investment income, the net value is used rather than the taxable amount. **Economic family total government transfers 1994** includes the total income from all government transfers including: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers. Unfortunately, it was not possible to access more detailed government transfers such as OAS, GIS, SPA, C/QPP, and Social Assistance on the SLID public use microdata. The public data file uses a sub-sample of these variables of only one member of the household for confidentiality purposes. Because the sample used in this analysis is so small, it was not possible to use the sub-sample. Thus, this analysis uses only the total of all government transfers. **Economic family investment income** consists of the sum of income from actual amount of dividend reported, interest and other investment income, net partnership income and rental income. **Economic family**

² Perturbation is the random raising or reduction of values by unequal amounts and proportions while "maintaining data integrity for the purpose of producing precise and accurate statistics" (Statistics Canada, 1997, p.65).

pension income includes the total economic family income from employer pensions, RRSP annuities and RRIF withdrawals. **Economic family alimony** is the total alimony, separation allowance and child support income received under court orders or written agreements. **Economic family total earnings** includes the total economic family income from wages, salaries and net self-employment.

For the regression analyses, the economic family income variables were recoded into dichotomous variables coded 0 = not received as a source of income, 1 = received as a source of income. For example, 0 = did not receive government transfers; 1 = received government transfers. Not received as a source of income includes all those who had 0 or less (some income sources had negative values) of the particular type of income.

Individual Income variables are the same as economic family income variables, except they represent the incomes of individuals. The components of individual government transfers were available in the public SLID microdata file. These variables were rounded and bottom-coded by Statistics Canada. **OAS/GIS/Spouse Allowance 1994** is the total income from Old Age Security Pension, Guaranteed Income Supplement, and Spouse's Allowance from the federal government in 1994. **CPP/QPP 1994** is the total income from the Canada and Quebec Pension Plan benefits for 1994, including retirement, disability, surviving spouse and orphan's benefits. **Social assistance 1994** is the total social assistance and provincial income supplements for 1994. Very few persons over the age of 65 receive social assistance because they qualify for federal government retirement benefits such as the GIS. Low income seniors also qualify for provincial income supplements. **Individual proportion of family income**

1994 is the proportion that the individual contributed to the economic family's total money income. **Largest source of income 1994** is the largest source of income for the person's total money income. It includes: no income; wages and salaries; total net income from self-employment; total government transfers; total investment income; retirement pensions, superannuation and annuities; and other money income.

Before tax low income cutoff 1994 is a measure of low income calculated by Statistics Canada based on expenditure patterns. The cut-offs reflect the person's family size and size of area of residence. The variable before tax low income cutoff 1994 is a dichotomous variable coded 0 = below before-tax low income cutoff, 1 = above before-tax low income cutoff 1994. Appendix A shows the low income cutoffs for 1994.

Family received social assistance in 1994 is a yes/no variable to indicate whether the social assistance was received by at least one family member in 1994.

Individual Variables

The **marital status dummy variables** were created for the purposes of regression analyses. These were coded: female aged 45 and older in their first marriage 0=no, 1 = yes; male aged 45 and older in their first marriage 0 = no, 1 = yes; female divorced or separated at age 45 and older 0 = no, 1 = yes; and male divorced or separated at age 45 and older 0 = no, 1 = yes. **Age** is based on numeric age in 1994 (i.e. age 45). **Years of schooling** represents the total years of schooling as of December 31, 1994. **Visible minority status** is a dichotomous variable coded as 0 = not a visible minority, 1 = a visible minority. Statistics Canada bases the visible minority status on several questions including ethnic background, mother tongue, and country of birth.

Ever had or raised a child 1994 is a dichotomous variable (yes/no) to indicate if the woman ever bore, adopted or raised any children. SLID only collects information on children from females. **Number of children born or raised** is the number of children born or raised, with the maximum coded to six. **Family size** is the number of family members. SLID applies a broad definition of family, which includes all persons sharing a dwelling and related by blood, marriage, common-law or adoption. **Household size** is the number of persons living in the household for all persons, as of December 31 of 1994. Values greater than 7 are coded to 7. **Household type** describes the household composition as of December 31, 1994. Household types include: one person households; households with two or more persons/one economic family; and households with two or more persons/two or more economic families. **Type of dwelling** is also as of December 31, 1994. **Ownership of dwelling 1994** is a dichotomous variable coded as 0 = dwelling is not owned by a member of the household as of December 31, 1994, and 1 = dwelling is owned by a member of the household as of December 31, 1994.

Employment Variables

The employment factors are only included in the analyses on sample two which includes those aged 45-69 who are paid workers. This is because persons aged 70 and older did not complete a labour interview. **Paid worker** is a yes/no variable to indicate if the person held a paid worker job at any point in 1994. **Years of work experience** represents number of years of work experience in full-year, full-time equivalents. This variable is calculated for all persons aged 15 to age 69. It collapses years worked part-time or part-year into full-time equivalents. A full-year (6 months or more), full-time (30

hours per week or more) is equal to 1 full-year, full-time equivalents, a full-year, part-time job (6 months or more, under 30 hours per week) is equal to 0.5, a full-year, some full-time/some part-time is equal to 0.5, a part-year (less than 6 months), whether full-time or part-time is equal to 0.25, and a year with no work experience is equal to 0.

These equivalents are simply added up to equal the total years of work experience.

Pension plan with job is a dichotomous variable coded as 0 = no pension plan with job, 1 = pension plan with job. **Hourly wage all jobs** is the average wage rate of all paid worker jobs for each hour the person worked in 1994 excluding self-employment. **Total hours paid all jobs** includes the total number of hours for all jobs held in 1994, excluding unpaid absences.

SLID provides the **occupation** coding for each job for the beginning and end of the year. The end occupation is used in this analysis. Because SLID provides data on up to six jobs per year, this analyses had to focus on one job for the occupation information. First, the job with the highest total hours paid was selected. However, some individuals had two jobs with equal hours, so the first of these two jobs was selected. SLID codes occupation according to the Standard Occupational Classification (1980). For the purposes of this analyses, the Pineo-Porter-McRoberts collapsed socioeconomic classification of occupations will be used. This is six categories including: professional/high level management; semi-professional, technical, middle-management; supervisors, foremen/forewomen; skilled workers/employees/farmers; semi-skilled workers/employees; and unskilled workers/employees/farm labourers. Dummy variables are created for the purpose of regression analyses and each of the six groups are coded as

such: 0 = no; 1 = yes. Missing variables were also assigned a dummy variable to be entered into the regression model.

Number of weeks employed and **number of weeks unemployed** refer to the total number of weeks spent employed and unemployed in 1994. **Annual labour force status** includes seven different annual labour force statuses for the year 1994: employed all year; unemployed all year; not in the labour force all year; employed part-year, unemployed part-year, employed part-year, not in the labour force part-year; unemployed part-year, not in the labour force part-year; and employed, unemployed and not in labour force during year. **Job status** is a yes/no variable to indicate whether their job was full-time based on the last work schedule in 1994 (i.e average weekly hours at job in December). The job referred to in this file is the same job used to derive the occupation variable (the job with the highest total hours paid).

Missing Values

A number of variables used in this analysis had missing values. With the exception of one variable, missing values for each variable comprised less than 5% of the sample. Missing values in some variables were recoded in order to reduce missing data. Missing values were treated in either of two ways. The first way was to recode the missing data to "0" in the case of dichotomous variables. These variables include visible minority status, pension plan with job 1994, and ownership of dwelling. Non-dichotomous variables missing values were re-coded to the mean for each sample. This was the case for years of schooling, total hours paid all jobs, and years of work experience. Males and female missing data was coded to the mean of each gender for

years of work experience because there was such a substantial difference between the males and female means. In all cases, with the exception of years of work experience, the missing values were less than 5% of the sample. Missing values in sample two (paid workers aged 45-69 in first marriages and paid workers aged 45-69 who become divorced or separated at the age of 45 and older) for years of work experience were don't know (11.5%), refusal (7.3%) and not applicable (8.0%). Although this represents approximately one-quarter of sample two, this variable was included in the analyses anyway because it is a variable deemed extremely important in the literature on older divorced women. It is hoped that coding to the mean separately for women and men would compensate for the larger number of missing cases. Other variables such as family size, household size, number of children born or raised, largest source of income, and annual labour force status were collapsed into fewer categories to reduce empty cells in the chi-square analyses. These variables were not used in the multiple regression analyses.

Analysis

To recap, the purpose of this analysis is to examine the economic well-being of women who become divorced or separated at the age of 45 and older. Two questions are asked: 1) Are there differences in the economic well-being of men and women aged 45 and older who are in their first marriages and men and women who become divorced or separated at the age of 45 and older?; and 2) What factors are associated with the economic well-being of women who become divorced or separated in mid and later life? Means and chi-square tests, multiple linear and logistic regression will be applied to the

three samples as appropriate.³ All means tests, chi-square tests and regressions are weighted. The weight used was the 1994 cross-sectional weight. This weight was downweighted to each sample size by multiplying the 1994 cross-sectional weight by the sample size divided by the weighted population size.

Means and Chi-square Tests

The first part of the analysis involves a comparison of women and men who are in their first marriages and women and men who become divorced or separated at the age of 45 and older. Means and chi-square tests are used to compare the individual, income and employment characteristics for the four comparison groups in each sample.

Regression Analyses

The second part of this analysis involves regression analyses to determine factors associated with economic-well being. Based on the literature, several variables were chosen for the regression analysis. Three dependent variables were chosen to measure economic well-being: economic family total money income; before-tax low income cutoff; and ownership of dwelling. Economic family total money income is used to show the effects of the independent variables on economic family total money income in actual dollars. The second is a measure of poverty, that is widely used by Statistics Canada. And, while ownership of dwelling is not a measure of income, it is considered a measure of wealth.

The independent variables fall under three broad categories: individual factors; labour market factors; and income factors. Individual factors include: marital status;

³ Logistic regression is performed on variables which are dichotomous.

years of schooling; age and visible minority status. It is well-established that marital status has a direct impact on economic well-being in later life. Age has also been shown to have both a negative and a positive affect on older divorced women. Education has also been associated with higher income among divorced older women. Lastly, visible minority status is commonly associated with lower income levels.

Employment factors include: pension plan with job; years of work experience; hourly wage; total hours paid; and occupational status. With respect to labour market factors, literature shows that women are penalized in their retirement incomes due to their fewer years of work experience. It has also been shown that women suffer financially because they are less likely to have a pension plan with their job. Women are also paid less than men, a factor which may contribute to grave economic circumstances in retirement. Women also work fewer hours than men because they are more likely to work part-time, again contributing negatively to their income in later life. The literature shows that women are more likely to be in occupations at the lower end of the job hierarchy, deemed the secondary labour market, and thus are less likely to have the benefits and wages that are associated with jobs in the primary labour market.

Income factors used in the regression analyses include: receipt of economic family government transfers, investment income, pension income, alimony, and earnings. Previous research has shown that income from various sources is associated with women's economic well-being in retirement.⁴ For example, it was concluded in the

⁴ Sources of income have been used in previous research to examine the income of widows (McDonald, 1997).

literature review that women's financial well-being very much depends on their receipt of government transfers. It was also shown that women are less likely to have investment income and income from job pensions than men, which also contributes negatively to their financial situation in later life. Literature shows that despite the potential to help the economic plight of divorced older women, alimony currently does not adequately meet the needs of divorced or separated older women. This is because very few women actually receive support if they do not have dependent children. Finally, with the increase of women working, earnings have been found to be a very important factor in women's economic well-being.

Multiple linear regression is performed on the dependent variable economic family total money income, while logistic regression is performed on low income cutoff and ownership of dwelling. Two sets of regression analyses are performed on each of the three samples. The first is a "full sample" regression (either sample one, two or three). Marital statuses are entered into the regression equations as a set of dummy variables with married males as the reference group. The second set of regressions select on divorced or separated females, and therefore do not include marital status dummy variables. Most variables were used for all three samples such as years of schooling, age, visible minority status, receipt of investment income, receipt of pension income, and receipt of alimony. Although literature shows that having children living in the household is associated with the economic well-being of divorced women, it was not included in this analyses for two reasons. First, SLID only provides information on children for the females. Second, the income variables used in the regression analyses are

adjusted to control for family size and composition, so it was not necessary to include children living in the household in the analyses. Receipt of earnings was excluded from the regressions on paid workers because it was a constant and receipt of government transfers was excluded from the regressions on those aged 65 and older (sample three) because it was a constant. Employment characteristics variables were only included in the regressions on paid workers because persons over the age of 70 did not complete the SLID labour interview.

Limitations of The Research

This study is limited because it is cross-sectional in design. Therefore, although it is possible to show associations between variables, it is not possible to examine changes in income both before and after a divorce or separation. The latter is only possible through longitudinal analyses. This study was also limited in the variables available for analysis in SLID. Several important variables were not examined in this study including the impact of: remarriage; assets; and retirement planning on the economic well-being of older women. Another limitation of this study is the small samples of persons who become divorced or separated at age 45 and older relative to the married persons. This could not be avoided because SLID did not over sample divorced or separated persons or older persons. Finally, it was not possible to break down economic family government transfers into the components of economic family C/QPP benefits, economic family social assistance and economic family OAS/GIS/SPA because these were suppressed in the public use SLID data. Nevertheless, this study does examine economic family total government transfers to give results at a more general level. This analyses thus represents

a preliminary basis from which future research can be generated.

CHAPTER 3: RESULTS

Differences in the Economic Well-being of Men and Women Aged 45 and Older Who Are in Their First Marriages and Men and Women Who Become Divorced or Separated at the Age of 45 and Older

The objectives of this research are to answer two questions. The first of these questions is are there differences in the economic well-being of men and women aged 45 and older who are in their first marriages and men and women who become divorced or separated at the age of 45 and older? This will be answered by comparing women and men in first marriages to women and men who become divorced or separated in mid or later life. Comparisons between the four groups will be drawn for samples one, two and three consecutively.

Differences in Individual Characteristics

Table 3 compares the individual characteristics of females aged 45 and older in their first marriages, males aged 45 and older in their first marriages, females who become divorced or separated at age 45 and older and males who become divorced or separated at age 45 and older.

Table 3: 1994 Individual Characteristics, Persons Aged 45 and Older in First Marriages and Persons Who Become Divorced or Separated at Age 45 and Older

Independent Variable	Female Married	Male Married	Female Divorced or Separated	Male Divorced or Separated	
	mean (std. dev)	mean (std. dev)	mean (std. dev)	mean (std. dev)	F Test
Total years of schooling	11.11 (3.47)	11.29 (3.97)	11.75 (3.59)	10.97 (3.42)	3.02* (df=3)
Age	58.61 (10.02)	60.14 (10.74)	58.77 (8.45)	59.74 (9.41)	13.55*** (df=3)
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Visible minority	6.5 (217)	6.8 (264)	2.9 (6)	11.8 (27)	14.64** (df=3)
Ever had or raised a child	94.6 (3151)	-	95.6 (195)	-	.35 (df=1)
No. of children ever born or raised					14.59* (df=6)
0	5.5 (179)	-	4.5 (9)	-	
1	10.5 (341)		15.5 (31)		
2	31.1 (1013)		25.5 (31)		
3	24.7 (804)		24.0 (48)		
4	13.7 (447)		19.5 (39)		
5	6.3 (206)		3.0 (6)		
6	8.1 (264)		8.0 (16)		

Table 3: 1994 Individual Characteristics, Persons Aged 45 and Older in First Marriages and Persons Who Become Divorced or Separated at Age 45 and Older (continued)

Independent Variable	Female Married	Male Married	Female Divorced or Separated	Male Divorced or Separated	
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Family size					4853.01*** (df=12)
1	0.5 (16)	0.7 (28)	68.4 (141)	77.6 (177)	
2	57.0 (1914)	53.4 (2074)	21.4 (44)	14.5 (33)	
3	21.3 (714)	20.8 (809)	7.8 (16)	6.6 (15)	
4	14.0 (470)	16.0 (623)	-	0.9 (2)	
5 or more	7.2 (241)	9.0 (349)	2.4 (5)	0.4 (1)	
Household size					4541.08*** (df=12)
1	0.4 (15)	0.7 (28)	64.7 (134)	72.9 (167)	
2	56.9 (1908)	53.1 (2061)	24.2 (50)	18.8 (43)	
3	21.1 (709)	20.9 (810)	8.2 (17)	7.0 (16)	
4	14.2 (475)	16.1 (625)	0.5 (1)	0.9 (2)	
5 or more	7.4 (248)	9.2 (358)	2.4 (5)	0.4 (1)	
Household Type					4578.70*** (df=6)
1 pers hhd	0.4 (15)	0.7 (28)	65.0 (134)	72.9 (167)	
2+ hhd/1econ	98.7 (3310)	98.3 (3815)	31.6 (65)	22.7 (52)	
2+hhd/2+econ	0.9 (30)	1.0 (38)	3.4 (7)	4.4 (10)	
Type of Dwelling					614.87*** (df=9)
Single detach	81.2 (2716)	81.5 (3147)	39.2 (80)	41.9 (95)	
Semi-detach	8.6 (286)	8.4 (324)	10.3 (21)	11.5 (26)	
Apartment	9.1 (303)	8.9 (343)	48.0 (98)	37.9 (86)	
Other	1.1 (38)	1.2 (47)	2.5 (5)	8.8 (20)	
Dwelling owned by member of hh	87.7 (2943)	87.7 (3406)	51.0 (105)	50.7 (116)	453.08*** (df=3)

* p< .05 **p<.01 ***p<.001

Table 3 shows that the four groups do not drastically differ in terms of years of schooling, age, ever having or raising a child (women only), and number of children born or raised

(women only). Females who become divorced or separated at age 45 and older are significantly less likely and males separated or divorced are significantly more likely to be a visible minority. These four groups also differ in terms of family and household size. Married persons have larger families and households than the divorced or separated groups. This is especially noticeable in the households that have 3 or more persons. The married persons are much more likely than the divorced or separated persons to have 3 or more persons living in the household. Divorced or separated persons are much more likely than married persons to live alone. This makes sense because divorced persons do not have a spouse. However, it is interesting that despite similar ages, in comparison to married persons, much fewer divorced or separated persons live with their children. In fact, 65.0% of females divorced or separated and 72.9% of males divorced or separated have only one member in their household. These four groups drastically differ in their dwellings. Married persons are significantly more likely to live in a single detached house (81.2% females, 81.5% males) than divorced or separated females (39.2%) and males (41.9%). Conversely, divorced or separated females (48%) are the group most likely to live in an apartment, followed by divorced or separated males (37.9%) and married females (9.1%) and married males (8.9%). Married persons (87.7% of females and males) are more likely than divorced or separated females (51.0%) and males (50.7%) to live in a dwelling which is owned by a member of the household.

Differences in Income

Table 4 compares the four groups in terms of their economic family incomes. As described previously, these variables have been adjusted to account for family size and

composition.

Table 4: 1994 Adjusted¹ Economic Family Income Variables, Persons Aged 45 and Older in First Marriages and Persons Who Become Divorced or Separated at Age 45 and Older

Independent Variable	Female Married	Male Married	Female Divorced or Separated	Male Divorced or Separated	
	mean (std. dev)	mean (std. dev)	mean (std. dev)	mean (std. dev)	F Test
Adjusted EF after tax inc.	26 932 (14 649)	26 649 (14 307)	17 435 (11 017)	22 812 (13 011)	33.52*** (df=3)
Adjusted EF total money inc.	32 967 (21 095)	32 614 (20 582)	20 359 (14 478)	27 738 (17 803)	28.31*** (df=3)
Adjusted EF total earnings	20 124 (22 688)	20 636 (22 376)	11 326 (15 841)	15 669 (21 403)	14.30*** (df=3)
Adjusted EF gov't transfers ²	5959 (5855)	5606 (5740)	4859 (4754)	6474 (6743)	5.01** (df=3)
Adjusted EF investment inc.	2336 (6636)	2195 (6359)	1510 (4649)	1219 (4729)	3.08* (df=3)
Adjusted EF pension inc.	3756 (7523)	3420 (7141)	1471 (4134)	3504 (7478)	6.90*** (df=3)
Adjusted EF alimony	9 (164)	3 (109)	912 (3012)	274 (1847)	162.69*** (df=3)

* p<.05 **p<.01 ***p<.001

1. Adjusted income variables take into account the family size and composition.

2. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

Divorced or separated females have the lowest incomes from all sources with the

exception of investment income and alimony. Divorced or separated females have a

mean economic family total money income of \$20 359 as compared with married women

(\$32 967), married men (\$32 614) and divorced or separated men (\$27 738). Divorced or separated males also have incomes lower than the married groups, but not as low as divorced or separated females.

Table 5 shows the individual incomes for the four comparison groups.

Table 5: 1994 Individual Income Variables, Persons Aged 45 and Older in First Marriages and Persons Who Become Divorced or Separated at Age 45 and Older

Independent Variable	Female Married	Male Married	Female Divorced or Separated	Male Divorced or Separated	
	mean (std. dev)	mean (std. dev)	mean (std. dev)	mean (std. dev)	F Test
Total money inc.	15 025 (15 475)	34 177 (27 083)	21 101 (15 172)	28 598 (19 660)	447.27*** (df=3)
Total earnings	9716 (15 612)	21 709 (28 842)	11 517 (16 776)	16 710 (23 581)	158.14*** (df=3)
Total Gov't transfers ¹	2947 (3874)	5159 (5837)	4941 (4899)	6282 (6736)	127.70*** (df=3)
Investment inc.	1433 (4370)	1927 (6563)	1639 (5015)	1216 (4750)	5.16** (df=3)
OAS/GIS/SPA	1453 (2379)	1681 (2534)	1558 (3140)	1713 (2847)	5.24** (df=3)
CPP/QPP	870 (1889)	2350 (3183)	1160 (2306)	2145 (3149)	188.40*** (df=3)
Social Assistance	68 (639)	152 (1213)	1155 (2791)	608 (1913)	74.72*** (df=3)
Pension inc.	624 (2929)	4510 (9796)	1679 (5022)	3524 (7768)	166.71*** (df=3)
Alimony	11 (232)	0 (22)	1019 (3205)	262 (1831)	181.33*** (df=3)

Table 5: 1994 Individual Income Variables, Persons Aged 45 and Older in First Marriages and Persons Who Become Divorced or Separated at Age 45 and Older (continued)

Independent Variable	Female Married	Male Married	Female Divorced or Separated	Male Divorced or Separated	
	mean (std. dev)	mean (std. dev)	mean (std. dev)	mean (std. dev)	F Test
Individual proportion of family income	28.22 (22.31)	62.32 (25.23)	91.95 (19.93)	93.62 (16.18)	1775.17*** (df=3)
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Largest source of individual inc.					806.58*** (df=18)
No income	10.9 (366)	1.8 (70)	-	-	
wages+salaries	36.8 (1236)	43.1 (1673)	42.5 (88)	41.7 (95)	
self-employment	3.3 (112)	7.4 (289)	2.4 (5)	3.9 (9)	
gov't transfers	33.8 (1133)	28.2 (1094)	39.1 (81)	36.8 (84)	
investment inc	10.9 (367)	3.9 (153)	3.4 (7)	3.1 (7)	
pensions, superan & annuities	2.4 (82)	13.4 (522)	6.8 (14)	11.8 (27)	
other money inc	1.8 (60)	2.1 (83)	5.8 (12)	2.6 (6)	

* p<.05 **p<.01 ***p<.001

1. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

Table 5 shows the drastic differences between the economic family and individual incomes of married and divorced or separated women. When examining economic family income, as in Table 4, it appears that married women are much better off financially than their divorced or separated female counterparts. In Table 5, married and divorced or separated women look much more alike. In fact, in some cases married women fare worse than divorced or separated women. For instance, the mean individual

total money income of married women is \$15 025 as compared to \$21 101 for divorced or separated females, \$28 598 for divorced or separated males and \$34 177 for married males. However, the income of married females only comprises 28.22% of their family income as compared to 93.62% for divorced or separated males, 91.95% for divorced or separated females, and 62.32% for married males. Thus, it is clearly more important to examine economic family incomes to truly gain a clear picture of the economic well-being of married women. Table 5 reveals the individual income from the various components of government transfers (recall that economic family government transfers was only provided as a total for the public use SLID data). Here, it is clear that women, both married (\$870) and divorced or separated (\$1160) have lower C/QPP benefits than married males (\$2350) and divorced or separated males (\$2145). Also, divorced or separated women (\$1155) have a significantly higher average income from Social Assistance than married women (\$68), married men (\$152) and divorced or separated men (\$608). In terms of the largest source of income, fewer married males receive government transfers as their largest source of income (28.2%) than divorced or separated women (39.1%) and men (36.8%) and married women (33.8%). It is important to point out that although many divorced or separated women rely on government transfers as their largest source of income, the average income from government transfers is only \$4941. Males, both married (13.4%) and divorced or separated (11.8%) were more likely than married (2.4%) and divorced or separated females (6.8%) to have retirement pensions as their largest source of income.

Table 6 shows low income characteristics for the four comparison groups.

Table 6: 1994 Low Income, Persons Aged 45 and Older in First Marriages and Persons Who Become Divorced or Separated at Age 45 and Older

Independent Variable	Female Married	Male Married	Female Divorced or Separated	Male Divorced or Separated	
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Below Before Tax low inc cutoff	8.3 (279)	8.8 (341)	42.5 (88)	25.8 (59)	323.54*** (df=3)
Family rec'd soc assist in 1994	4.3 (137)	4.5 (167)	21.8 (41)	13.8 (30)	148.77*** (df=3)

* p< .05 **p<.01 ***p<.001

Most striking is that 42.5% of divorced or separated females live below the before tax low income cutoff as compared to 25.8% of divorced or separated males and only 8.8% of married males and 8.3% of married females. Also, 21.8% of divorced or separated females' families received social assistance in 1994 as compared with 13.8% of divorced or separated males and 4.5% of married males and 4.3% of married females.

Table 7 shows the receipt of various sources of economic family income received for the four groups.

Table 7: 1994 Receipt of Sources of Income, Persons Aged 45 and Older in First Marriages and Persons Who Become Divorced or Separated at Age 45 and Older

Independent Variable	Female Married	Male Married	Female Divorced or Separated	Male Divorced or Separated	
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Received EF government transfers ¹	85.9 (2856)	85.5 (3289)	88.8 (183)	86.4 (197)	2.07 (df=3)
Received EF investment income	63.1 (2096)	62.5 (2404)	39.1 (81)	36.1 (82)	110.14*** (df=3)
Received EF pension income	36.6 (1215)	33.8 (1299)	19.3 (40)	25.9 (59)	35.80*** (df=3)
Received EF alimony	0.4 (14)	0.2 (7)	12.1 (25)	2.2 (5)	431.37*** (df=3)
Received EF total earnings	68.0 (2258)	70.6 (2716)	59.4 (123)	57.3 (130)	29.18*** (df=3)

* p< .05 **p<.01 ***p<.001

1. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

All four groups are equally as likely to receive government transfers. However, only 36.1% of divorced or separated males and 39.1% of divorced or separated females received investment income, as compared with 63.1% of married females and 62.5% of married males. Divorced or separated women (19.3%) and men (25.9%) were also less likely than married women (36.6%) and men (33.8%) to receive pension income. On the other hand, divorced or separated females (12.1%) were more likely to receive alimony than other groups. Nevertheless, 12.1% is a relatively low percentage of women over the

age of 45 to be receiving alimony, especially considering their low levels of income.

Married persons are also more likely to be receiving earnings (70.6% of males and 68.0% of females) than divorced or separated women (59.4%) and men (57.3%).

Differences in the Economic Well-Being of Paid Workers Aged 45-69 in First Marriages and Paid Workers Aged 45-69 Who Become Divorced or Separated at Age 45 and Older

Differences in Individual Characteristics

Table 8 compares individual characteristics for sample two (paid workers) comparison groups.

Table 8: 1994 Individual Characteristics, Paid Workers Aged 45-69 in First Marriages and Paid Workers Aged 45-69 Who Become Divorced or Separated at Age 45 and Older

Independent Variable	Female Married Paid Workers	Male Married Paid Workers	Female Divorced or Separated Paid Workers	Male Divorced or Separated Paid Workers	
	mean (std. dev)	mean (std. dev)	mean (std. dev)	mean (std. dev)	F Test
Total years of schooling	12.42 (3.15)	12.29 (3.91)	13.02 (2.89)	12.09 (2.99)	1.57 (df=3)
Age	51.56 (5.27)	52.67 (5.64)	54.68 (6.24)	53.94 (5.16)	17.89*** (df=3)
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Visible minority	8.7 (102)	7.6 (116)	4.3 (4)	14.5 (12)	7.33 (df=3)
Ever had or raised a child 1994	94.3 (1101)	-	98.9 (92)	-	3.59 (df=1)
No. of children ever born or raised					11.44** (df=3)
0	5.7 (66)	-	1.1 (1)	-	
1	9.8 (114)		9.7 (9)		
2	41.6 (482)		30.1 (28)		
3 or more	42.8 (496)		59.1 (55)		
Family size					1613.69*** (df=12)
1	0.1 (1)	0.2 (3)	57.9 (55)	60.2 (50)	
2	38.1 (450)	37.1 (565)	26.3 (25)	31.3 (26)	
3	28.3 (334)	25.3 (386)	10.5 (10)	6.0 (5)	
4	23.4 (276)	24.6 (375)	0	1.2 (1)	
5 or more	10.1 (119)	12.7 (194)	5.3 (5)	1.2 (1)	

**Table 8: 1994 Individual Characteristics,
Paid Workers Aged 45-69 in First Marriages and Paid Workers
Aged 45-69 Who Become Divorced or Separated at Age 45 and Older (continued)**

Independent Variable	Female Married Paid Workers	Male Married Paid Workers	Female Divorced or Separated Paid Workers	Male Divorced or Separated Paid Workers	
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Household size					1541.00*** (df=12)
1	0	0.2 (3)	55.8 (53)	56.0 (47)	
2	38.1 (449)	36.5 (557)	27.4 (26)	34.5 (29)	
3	27.8 (328)	25.3 (386)	10.5 (10)	7.1 (6)	
4	23.8 (281)	25.0 (381)	1.1 (1)	1.2 (1)	
5 or more	10.3 (121)	12.9 (197)	5.3 (5)	1.2 (1)	
Household Type					1540.45*** (df=6)
1 pers hhd	-	0.2 (3)	56.4 (53)	56.6 (47)	
2+ hhd/1econ	99.1 (1168)	98.4 (1499)	41.5 (39)	39.8 (33)	
2+hhd/2+econ	0.9 (11)	1.4 (21)	2.1 (2)	3.6 (3)	
Type of Dwelling					387.30*** (df=9)
Single detach	87.8 (1034)	86.2 (1315)	41.9 (39)	42.9 (36)	
Semi-detach	7.5 (88)	7.7 (117)	12.9 (12)	16.7 (14)	
Apartment	3.7 (44)	5.0 (76)	44.1 (41)	36.9 (31)	
Other	1.0 (12)	1.1 (17)	1.1 (1)	3.6 (3)	
Dwelling owned by member of hh	93.0 (1097)	93.0 (1418)	57.9 (55)	55.4 (46)	261.25*** (df=3)

* p< .05 **p<.01 ***p<.001

Table 8 shows that of those who are paid workers, divorced or separated females (54.68) and males (53.94) are slightly older than married men (52.67) and women (51.56).

Results also show that divorced or separated women are slightly more likely to have children than married women (98.9% and 94.3% respectively). Divorced and separated

women (59.1%) are also more likely to have had three or more children than married women (42.8%). As expected, the four comparison groups differ in terms of their family and household sizes. Divorced and separated men and women are more likely to belong to one person households (56.4% and 56.6% respectively) than married women (0%) and men (0.2%). Divorced or separated persons are also less likely to live in households with 3, 4 and 5 or more persons. Married women (87.8%) and men (86.2%) are more likely than divorced or separated men (42.9%) and women (41.9%) to live in single detached houses. But, divorced and separated women (44.1%) and men (36.9%) are more likely than married men (5.0%) and women (3.7%) to live in apartments. However, only 57.9% of divorced or separated women and 55.4% of divorced or separated men live in a dwelling which is owned by a member of the household as compared with 93% of married women and men.

Differences in Income

Table 9 compares the four groups of paid workers in terms of their adjusted economic family incomes.

**Table 9: 1994 Adjusted¹ Economic Family Income Variables,
Paid Workers Aged 45-69 in First Marriages and Paid Workers
Aged 45-69 Who Become Divorced or Separated at Age 45 and Older**

Independent Variable	Female Married Paid Workers	Male Married Paid Workers	Female Divorced or Separated Paid Workers	Male Divorced or Separated Paid Workers	
	mean (std. dev)	mean (std. dev)	mean (std. dev)	mean (std. dev)	F Test
Adjusted EF after tax inc.	32 401 (14 305)	31 711 (14 165)	20 985 (12 818)	24 927 (13 019)	24.99*** (df=3)
Adjusted EF total money inc.	40 879 (20 375)	40 463 (20 065)	25 310 (16 587)	31 101 (17 462)	23.35*** (df=3)
Adjusted EF total earnings	34 965 (20 171)	35 722 (20 150)	20 630 (17 989)	27 408 (18 902)	20.50*** (df=3)
Adjusted EF gov't transfers ²	2390 (3436)	2094 (3504)	2219 (3215)	2114 (3039)	1.64 (df=3)
Adjusted EF investment inc.	1156 (4534)	738 (2858)	409 (2675)	168 (829)	4.67** (df=3)
Adjusted EF pension inc.	1602 (5051)	999 (4111)	918 (3435)	1144 (4428)	4.11** (df=3)
Adjusted EF alimony	14 (176)	0 (0)	1002 (3451)	0 (0)	74.91*** (df=3)

* p<.05 **p<.01 ***p<.001

1. Adjusted income variables take into account the family size and composition.

2. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

Divorced or separated women average \$25 310 in economic family total money income

as compared with \$40 879 for married women, \$40 463 for married men, and \$31 101 for

divorced or separated men. Divorced or separated women (\$20 630) earn significantly less economic family earnings than married men (\$35 722) women (\$34 965) and divorced or separated men (\$27 408). They also earn less pension income. Both divorced and separated men (\$168) and women (\$409) receive less investment income than married women (\$1156) and married men (\$738). Conversely, divorced or separated women have a higher mean income from alimony (\$1002) than other groups. Still, this amount is quite low.

Table 10 compares the individual income variables for the four groups of paid workers.

Table 10: 1994 Individual Income Variables, Paid Workers Aged 45-69 in First Marriages and Paid Workers Aged 45-69 Who Become Divorced or Separated at Age 45 and Older

Independent Variable	Female Married Paid Workers	Male Married Paid Workers	Female Divorced or Separated Paid Workers	Male Divorced or Separated Paid Workers	
	mean (std. dev)	mean (std. dev)	mean (std. dev)	mean (std. dev)	F Test
Total money inc.	26 801 (16 326)	48 204 (26 920)	27 107 (16 868)	33 109 (18 268)	219.42*** (df=3)
Total earnings	23 707 (16 527)	43 435 (26 936)	22 011 (18 790)	29 130 (20 066)	175.91*** (df=3)
Total Gov't transfers ¹	1162 (2546)	1672 (3929)	2323 (3582)	1962 (3568)	7.45*** (df=3)
Investment inc.	712 (3164)	638 (3233)	564 (3602)	191 (891)	.75 (df=3)
OAS/GIS/SPA	57 (518)	97 (637)	28 (296)	0	1.78 (df=3)
CPP/QPP	91 (656)	290 (1247)	368 (1306)	433 (1463)	9.69*** (df=3)
Social Assistance	16 (309)	25 (432)	383 (1881)	187 (917)	16.64*** (df=3)
Pension inc.	203 (1766)	1392 (6079)	945 (3480)	1533 (5959)	14.48*** (df=3)
Alimony	23 (294)	0	1089 (3614)	0	76.85*** (df=3)
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Individual proportion of fam income	39.12 (21.64)	68.59 (21.41)	91.82 (18.32)	91.91 (13.39)	588.84*** (df=3)

**Table 10: 1994 Individual Income Variables,
Paid Workers Aged 45-69 in First Marriages and Paid Workers
Aged 45-69 Who Become Divorced or Separated at Age 45 and Older (continued)**

Independent Variable	Female Married Paid Workers	Male Married Paid Workers	Female Divorced or Separated Paid Workers	Male Divorced or Separated Paid Workers	
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Largest source of individual inc.					12.64** (df=3)
wages+salaries	91.2 (1073)	91.3 (1393)	80.9 (76)	88.1 (74)	
Other	8.8 (104)	8.7 (132)	19.1 (18)	11.9 (10)	

* p<.05 **p<.01 ***p<.001

1. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

Table 10 shows that both married (\$26 801) and divorced or separated women (\$27 107) earn less individual total money income than married men (\$48 204) and divorced or separated men (\$33 109). Divorced and separated (\$22 011) and married women (\$23 707) also earn significantly less than married (\$43 435) and divorced or separated men (\$29 130). Divorced and separated women average \$2323 in government transfers as compared with an average of \$1162 for married women, \$1672 for married men, and \$1962 for divorced or separated men. This may be due to the fact that they have a significantly higher average social assistance than the other groups. Again, married women's income only accounts for 39.12% of their family income as compared with 91.91% of divorced and separated men, 91.82% of divorced and separated women and

68.59% of married men. Married men and women (91.3% and 91.2% respectively) are more likely than divorced or separated women and men (80.9% and 88.1% respectively) to have wages and salaries as their largest source of income.

Table 11 compares low income characteristics for the four groups of paid workers.

Table 11: 1994 Low Income, Paid Workers Aged 45-69 in First Marriages and Paid Workers Aged 45-69 Who Become Divorced or Separated at Age 45 and Older

Dependent Variable	Female Married Paid Workers	Male Married Paid Workers	Female Divorced or Separated Paid Workers	Male Divorced or Separated Paid Workers	
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Below Before Tax low inc cutoff	4.7 (56)	2.7 (41)	16.0 (15)	16.7 (14)	71.29*** (df=3)
Family rec'd soc assist in 1994	2.8 (33)	3.0 (45)	6.7 (6)	7.2 (6)	8.95* (df=3)

* p< .05 **p<.01 ***p<.001

Table 11 demonstrates that divorced or separated men and women (16.7% and 16.0%) are significantly more likely to live below the before-tax low income cutoff than married women (4.7%) and men (2.7%). And, 7.2% of divorced or separated men, and 6.7% of divorced or separated women reported that their family received social assistance in 1994 as compared with only 2.8% of married women and 3.0% of married men.

Table 12 compares the receipt of sources of income for the four groups in sample two.

Table 12: 1994 Receipt of Sources of Income, Paid Workers Aged 45-69 in First Marriages and Paid Workers Aged 45-69 Who Become Divorced or Separated at Age 45 and Older

Independent Variable	Female Married Paid Workers	Male Married Paid Workers	Female Divorced or Separated Paid Workers	Male Divorced or Separated Paid Workers	
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Received EF government transfers ¹	77.2 (901)	73.8 (1116)	87.2 (82)	80.5 (66)	12.37** (df=3)
Received EF investment inc.	58.0 (677)	54.1 (819)	33.7 (32)	22.0 (18)	57.27*** (df=3)
Received EF pension inc.	15.0 (175)	10.1 (153)	11.6 (11)	6.1 (5)	17.57*** (df=3)
Received EF Alimony	0.6 (7)	0.1 (1)	10.6 (10)	-	158.56*** (df=3)
Received EF total earnings	99.7 (1164)	99.5 (1506)	100 (94)	100 (82)	.97 (df=3)

* $p < .05$ ** $p < .01$ *** $p < .001$

1. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

Divorced or separated women (87.2%) are significantly more likely than married women (77.2%), married men (73.8%) and divorced or separated men (80.5%) to receive government transfers. Divorced or separated men and women (22.0% and 33.7% respectively) are significantly less likely to receive investment income than married women (58.0%) and men (54.1%). Divorced or separated men and women (6.1% and 11.6%) are also significantly less likely to receive pension income than married women

(15.0%) and men (10.1%). Only 10.6% of divorced or separated women paid workers receive alimony.

Differences in Employment Characteristics

Table 13 compares the employment characteristics for the four groups of paid workers.

Table 13: 1994 Employment Characteristics, Paid Workers Aged 45-69 in First Marriages and Paid Workers Aged 45-69 Who Become Divorced or Separated at Age 45 and Older

Dependent Variable	Female Married Paid Workers	Male Married Paid Workers	Female Divorced or Separated Paid Workers	Male Divorced or Separated Paid Workers	
	mean (std. dev)	mean (std. dev)	mean (std. dev)	mean (std. dev)	F Test
No. of weeks employed	48.54 (11.06)	49.15 (9.90)	45.66 (13.64)	45.58 (15.41)	5.87*** (df=3)
No. of weeks unemployed	2.31 (7.62)	2.31 (7.45)	4.66 (10.67)	4.12 (10.82)	4.14** (df=3)
Total no. of hours paid all jobs in 1994	1546.23 (686.68)	1972.43 (645.59)	1503.61 (708.14)	1719.59 (691.14)	96.43*** (df=3)
Hourly wage all jobs	14.67 (7.42)	20.54 (8.52)	15.11 (8.67)	17.11 (7.94)	121.15*** (df=3)
Years of work experience	18.62 (8.23)	31.32 (7.59)	20.55 (8.14)	31.40 (5.26)	612.13*** (df=3)

**Table 13: 1994 Employment Characteristics,
Paid Workers Aged 45-69 in First Marriages and Paid Workers
Aged 45-69 Who Become Divorced or Separated at Age 45 and Older (continued)**

Dependent Variable	Female Married Paid Workers	Male Married Paid Workers	Female Divorced or Separated Paid Workers	Male Divorced or Separated Paid Workers	
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Annual Labour Force Status					5.43 (df=3)
Employ all year	81.3 (959)	81.8 (1246)	73.4 (69)	76.2 (64)	
Other	18.7 (220)	18.2 (278)	26.6 (25)	23.8 (20)	
Pension Plan With Job	45.3 (534)	69.3 (1057)	58.5 (55)	56.6 (47)	158.47*** (df=3)
Occupation					154.08*** (df=18)
missing	0.2 (2)	1.0 (15)	1.1 (1)	1.2 (1)	
professional	14.8 (175)	17.4 (266)	8.4 (8)	4.8 (4)	
semi-prof	13.0 (153)	6.6 (101)	15.8 (15)	16.7 (14)	
supervisor	9.3 (110)	18.4 (281)	8.4 (8)	22.6 (19)	
skilled	18.1 (213)	20.2 (308)	16.8 (16)	16.7 (14)	
semi-skilled	22.7 (268)	18.2 (278)	45.3 (43)	15.5 (13)	
unskilled	21.9 (258)	18.2 (277)	4.2 (4)	22.6 (19)	
Job Status					351.98*** (df=3)
Job full-time	70.6 (818)	96.0 (1433)	69.1 (65)	97.1 (67)	
Job Part-time	29.4 (341)	4.0 (59)	30.9 (29)	2.9 (2)	

* p<.05 **p<.01 ***p<.001

Table 13 shows that married men and women spent on average more weeks employed (49.15 and 48.54 respectively) than divorced or separated men and women (45.58 and 45.66 respectively). Conversely, divorced or separated men and women spent more weeks unemployed than married persons. Divorced and separated women have the lowest average of total hours paid in 1994 (1503.61), followed by married women

(1546.23), divorced or separated men (1719.59) and married men (1972.43). Consistent with the literature, women, both married and divorced or separated have the smallest average composite hourly wage (\$14.67 and \$15.11 respectively) compared with married and divorced or separated men (\$20.54 and \$17.11 respectively). Women also have far fewer years of work experience than men. Married women have an average of 18.62 and divorced or separated women have an average of 20.55 years of full-time full-year work experience as compared with 31.32 for married men and 31.40 years for divorced or separated men. Married men are the most likely group to have a pension plan with their job (69.3%) as compared with married women (45.3%), divorced or separated men (56.6%) and divorced or separated women (58.5%). Divorced or separated females (8.4%) are less likely than married females (14.8%) to be professionals. They are also more likely than the other three groups to be in semi-skilled occupations. In fact, 45.3% of divorced or separated females are in semi-skilled jobs as compared to 15.5% of divorced or separated men, 18.2% of married men, and 22.7% of married women. And, divorced or separated females are the group least likely to be unskilled. Only 4.2% of divorced or separated females are in unskilled occupations, as compared to 22.6% of divorced or separated males, 21.9% of married females and 18.2% of married males. Both divorced or separated and married women (30.9% and 29.4%, respectively) are more likely than married and divorced or separated men (4.0% and 2.9%, respectively) to work part-time.

Differences in the Economic Well-Being of Persons Aged 65 and Older in First Marriages and Persons Aged 65 and Older Who Become Divorced or Separated at the Age of 45 and Older

Differences in Individual Characteristics

Table 14 compares the individual characteristics for the four comparison groups in sample three, persons aged 65 and older in their first marriages and divorced or separated at the age of 45 and older.

**Table 14: 1994 Individual Characteristics,
Persons Aged 65 and Older in First Marriages and Persons
Aged 65 and Older Who Become Divorced or Separated at the Age of 45 and Older**

Independent Variable	Female Married 65+	Male Married 65+	Female Divorced or Separated 65+	Male Divorced or Separated 65+	
	mean (std. dev)	mean (std. dev)	mean (std. dev)	mean (std. dev)	F Test
Total years of schooling	9.82 (3.39)	9.99 (3.78)	11.48 (3.62)	9.77 (3.65)	3.63* (df=3)
Age	71.91 (5.18)	72.85 (5.96)	70.10 (4.63)	71.86 (5.53)	8.49*** (df=3)
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Visible minority	5.0 (48)	4.8 (63)	1.9 (1)	10.1 (7)	5.04 (df=3)
Ever had or raised a child	93.1 (884)	-	88.5 (46)	-	1.56 (df=1)
No. of children ever born or raised				-	4.32 (df=3)
0	7.0 (66)	-	11.5 (6)		
1	12.7 (119)		9.6 (5)		
2	23.1 (216)		13.5 (7)		
3+	57.2 (536)		65.4 (34)		
Family size ¹					1622.44*** (df=6)
1	1.1 (11)	1.7 (22)	81.1 (43)	95.7 (66)	
2	85.0 (817)	81.5 (1073)	15.1 (8)	1.4 (1)	
3+	13.8 (133)	16.8 (221)	3.8 (2)	2.9 (2)	
Household size ¹					1525.29*** (df=6)
1	1.1 (11)	1.7 (22)	77.4 (41)	91.3 (63)	
2	84.9 (816)	81.5 (1072)	18.9 (10)	5.8 (4)	
3+	13.9 (134)	16.9 (222)	3.8 (2)	2.9 (2)	
Household ¹ Type					1567.00*** (df=6)
1 pers hhd	1.1 (11)	1.7 (22)	77.4 (41)	90.0 (63)	
2+ hhd/1econ	98.6 (948)	98.0 (1289)	17.0 (9)	5.7 (4)	
2+hhd/2+econ	0.2 (2)	0.3 (4)	5.7 (3)	4.3 (3)	

**Table 14: 1994 Individual Characteristics,
Persons Aged 65 and Older in First Marriages and Persons Aged 65 and Older
Who Become Divorced or Separated at the Age of 45 and Older (continued)**

Independent Variable	Female Married 65+	Male Married 65+	Female Divorced or Separated 65+	Male Divorced or Separated 65+	
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Type of Dwelling ¹					172.55*** (df=9)
Single detach	71.7 (689)	74.1 (974)	17.3 (9)	40.6 (28)	
Semi-detach	9.3 (89)	8.9 (117)	9.6 (5)	8.7 (6)	
Apartment	17.9 (172)	15.8 (207)	67.3 (35)	39.1 (27)	
Other	1.1 (11)	1.2 (16)	5.8 (3)	11.6 (8)	
Dwelling owned by member of hh	79.0 (759)	81.4 (1071)	26.9 (14)	40.6 (28)	144.98*** (df=3)

* p<.05 **p<.01 ***p<.001

1. Chi-square results may be invalid where frequencies are less than 5 cases.

Divorced or separated women have the highest average years of schooling with 11.48 years as compared with 9.77 for divorced or separated males, 9.82 for married women, and 9.99 years for married men. Divorced or separated men and women are more likely than married men and women to live in one person households. In fact, 90.0% of divorced or separated men and 77.4% of divorced or separated women live in one person households, whereas 98.6% of married women and 98.0% of married men live in households with two or more persons but one economic family. Only 17.3% of divorced or separated women live in a single detached house as compared with 74.1% of married males, 71.7% of married females and 40.6% of divorced or separated males. In fact, 67.3% of divorced or separated women live in apartments. And, only 26.9% of divorced

or separated women live in a dwelling which is owned by a member of the household as compared with 81.4% of married men, 79.0% of married women and 40.6% of divorced or separated men.

Differences in Income

Table 15 compares the economic family incomes of the four groups of persons aged 65 and older.

**Table 15: 1994 Adjusted¹ Economic Family Income Variables,
Persons Aged 65 and Older in First Marriages and Persons Aged 65 and Older
Who Become Divorced or Separated at the Age of 45 and Older**

Independent Variable	Female Married 65+	Male Married 65+	Female Divorced or Separated 65+	Male Divorced or Separated 65+	
	mean (std. dev)	mean (std. dev)	mean (std. dev)	mean (std. dev)	F Test
Adjusted EF after tax inc.	23 402 (12 238)	23 590 (12 863)	14 722 (6905)	19 514 (8218)	10.73*** (df=3)
Adjusted EF total money inc.	26 903 (17 908)	27 281 (18 744)	16 089 (9237)	22 773 (12 509)	7.58*** (df=3)
Adjusted EF total earnings	2759 (8487)	4689 (12 213)	2459 (6788)	1265 (3299)	7.77*** (df=3)
Adjusted EF gov't transfers ²	12 586 (3111)	11 707 (3684)	10 026 (3419)	13 142 (4355)	19.96*** (df=3)
Adjusted EF investment inc.	4015 (9161)	3843 (8823)	479 (735)	1432 (4323)	4.39** (df=3)
Adjusted EF pension inc.	7086 (9276)	6612 (8537)	2904 (5317)	5819 (8780)	4.15** (df=3)
Adjusted EF alimony ³	11 (221)	3 (77)	177 (1082)	865 (3264)	47.90*** (df=3)

* p< .05 **p<.01 ***p<.001

1. Adjusted income variables take into account the family size and composition.

2. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

3. F test results may be invalid where frequencies are less than 5 cases.

Divorced or separated women have significantly lower incomes than all three other groups for every source of income, excluding alimony. The average economic family

total money income of women aged 65 and older who become divorced or separated at age 45 and older is \$16 089 as compared to \$27 281 for married men, \$26 903 for married women, and \$22 773 for divorced or separated men. Divorced or separated women also have significantly lower government transfers, investment income and pension income than all other groups. Divorced or separated women average \$479 in investment income as compared with \$4015 of married women, \$3843 for married men, and \$1432 for divorced or separated men. Divorced or separated women receive on average \$2904 in pension income as compared to \$7086 for married women, \$6612 for married men, and \$5819 for divorced or separated men. Although it appears that divorced or separated females even have lower alimony income than divorced or separated males, this finding is likely influenced by the low number of cases that receive alimony.

Table 16 compares the individual incomes for the four groups in sample three, persons aged 65 and older in first marriages and persons aged 65 and older who become divorced or separated at the age of 45 and older.

**Table 16: 1994 Individual Income Variables,
Persons Aged 65 and Older in First Marriages and Persons Aged 65 and Older
Who Become Divorced or Separated at the Age of 45 and Older**

Independent Variable	Female Married 65+	Male Married 65+	Female Divorced or Separated 65+	Male Divorced or Separated 65+	
	mean (std. dev)	mean (std. dev)	mean (std. dev)	mean (std. dev)	F Test
Total money inc.	11 431 (9176)	25 718 (21 773)	16 923 (9745)	21 782 (12 078)	126.38*** (df=3)
Total earnings	398 (2995)	2800 (13 388)	2323 (6792)	880 (2148)	10.57*** (df=3)
Total Gov't transfers ¹	7286 (2887)	10 875 (3094)	10 256 (2921)	12 903 (4192)	287.92*** (df=3)
Investment inc.	2250 (5599)	3265 (8844)	573 (932)	1395 (4331)	5.73*** (df=3)
OAS/GIS/SP A	4897 (1587)	4923 (1731)	6049 (3442)	5480 (2241)	9.44*** (df=3)
CPP/QPP	2237 (2342)	5519 (2295)	2990 (2860)	4914 (2545)	371.52*** (df=3)
Social Assistance	68 (372)	53 (533)	266 (1270)	123 (568)	3.32* (df=3)
Pension inc.	1391 (4016)	8385 (11 283)	3533 (7307)	5489 (8661)	114.20*** (df=3)
Alimony	10 (289)	0 (0)	192 (1133)	865 (3264)	46.71*** (df=3)
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Individual proportion of family income	31.46 (16.35)	64.82 (20.28)	98.11 (8.70)	96.61 (15.63)	848.60*** (df=3)

**Table 16: 1994 Individual Income Variables,
Persons Aged 65 and Older in First Marriages and Persons Aged 65 and Older
Who Become Divorced or Separated at the Age of 45 and Older (continued)**

Independent Variable	Female Married 65+	Male Married 65+	Female Divorced or Separated 65+	Male Divorced or Separated 65+	
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Largest source of individual income ²					263.91*** (df=18)
No income	0.4 (4)	0.7 (9)	-	-	
wages+salaries	1.2 (12)	4.6 (61)	15.4 (8)	2.9 (2)	
self-employment	0.4 (4)	1.6 (21)	-	-	
gov't transfers	83.9 (807)	61.8 (813)	76.9 (40)	77.1 (54)	
investment inc	9.8 (94)	6.3 (83)	-	2.9 (2)	
pensions, superan	3.5 (34)	24.4 (321)	7.7 (4)	17.1 (12)	
& annuities	0.7 (7)	0.5 (7)	-	-	
other money inc					

* p<.05 **p<.01 ***p<.001

1. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

2. Chi-square results may be invalid where frequencies are less than 5 cases.

Table 16 reveals that although women in general fare much worse than men, married women fare worse than divorced or separated women in terms of individual total money income, total earnings, total government transfers, OAS/GIS/SPA, C/QPP, and pension income. However, married women have a greater average investment income. Married women have the lowest average individual total money income (\$11 431), followed by divorced or separated females (\$16 923), divorced or separated males (\$21 782) and married males (\$25 718). Divorced or separated men have the highest average

government transfers (\$12 903), followed by married men (\$10 875), divorced or separated women (\$10 256), and married women (\$7286). Divorced or separated women have the highest average OAS/GIS/SPA income (\$6049) as compared with divorced or separated men (\$5480), married men (\$4923) and married women (\$4897). Married males have the highest average C/QPP income (\$5519), followed by divorced or separated males (\$4914), divorced or separated females (\$2990) and married females (\$2237). Married males also have the highest average pension income (\$8385), followed by divorced or separated males (\$5489), divorced or separated females (\$3533) and married women (\$1391). Again, although it may appear that married women are worse off than divorced or separated women, it is important to note that the average individual proportion of family income from married females is 31.46% as compared with 98.11% for divorced or separated women, 96.61% for divorced or separated men, and 64.82% of married men. Government transfers are the largest source of individual income for all four groups. Married men and divorced or separated men are more likely than women to report retirement pensions as their largest source of income. And, 15.4% of divorced or separated women aged 65 and older report that earnings are their largest source of income, compared with 4.6% of married men, 2.9% of divorced or separated men and 1.2% of married women.

Table 17 compares the four groups with respect to low income characteristics.

Table 17: 1994 Low Income, Persons Aged 65 and Older in First Marriages and Persons Aged 65 and Older Who Become Divorced or Separated at Age 45 and Older

Dependent Variable	Female Married 65+	Male Married 65+	Female Divorced or Separated 65+	Male Divorced or Separated 65+	
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Below Before Tax low inc cutoff	5.3 (51)	6.6 (87)	62.3 (33)	27.1 (19)	262.14*** (df=3)

* p< .05 **p<.01 ***p<.001

An alarming 62.3% of divorced or separated women live below the before-tax low income cutoff, as compared with 27.1% of divorced or separated men, 6.6% of married men, and 5.3% of married women.

Table 18 compares the four groups in terms of receipt of income sources.

**Table 18: 1994 Receipt of Sources of Income,
Persons Aged 65 and Older in First Marriages and Persons Aged 65 and Older
Who Become Divorced or Separated at Age 45 and Older**

Independent Variable	Female Married 65+	Male Married 65+	Female Divorced or Separated 65+	Male Divorced or Separated 65+	
	% (N)	% (N)	% (N)	% (N)	Pearson's Chi-Square
Received EF government transfers ¹	100 (957)	99.4 (1302)	100 (52)	100 (70)	6.61 (df=3)
Received EF investment income	75.7 (724)	75.3 (987)	46.2 (24)	54.3 (38)	37.83*** (df=3)
Received EF pension income	72.8 (697)	71.2 (933)	41.5 (22)	48.6 (34)	40.47*** (df=3)
Received EF alimony ²	0.4 (4)	0.2 (3)	3.8 (2)	7.1 (5)	64.29*** (df=3)
Received EF total earnings	21.5 (206)	29.4 (385)	21.2 (11)	22.9 (16)	18.81*** (df=3)

* p< .05 **p<.01 ***p<.001

1. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

2. Chi-square results may be invalid where frequencies are less than 5 cases.

Table 18 shows no significant differences in receipt of government transfers for the four groups. Divorced or separated women are the least likely group to receive investment income (46.2%), followed by divorced or separated men (54.3%), married men (75.3%) and married women (75.7%). Divorced or separated women are also the least likely to receive pension income (41.5%), followed by divorced or separated men (48.6%), married men (71.2%) and married females (72.8%). Only 3.8% of divorced and

separated women receive alimony as compared with 7.1% of divorced or separated men. Married men are the most likely group to receive earnings (29.4%), followed by divorced or separated men (22.9%), married women (21.5%), and divorced or separated women (21.2%). Still, these percentages are quite high considering the age of this population (65 and older).

Regression Analyses

Factors Associated with the Economic Well-being of Women Who Become Divorced or Separated in Mid and Later Life

To recap, the objectives of this research are to answer two research questions. First, are there differences in the economic well-being of men and women who are in their first marriages and men and women who become divorced or separated at the age of 45 and older? In order to answer the first question, this analysis has compared various demographic, employment and income characteristics for the four groups. The second question is what factors are associated with the economic well-being of women who become divorced or separated in mid and later life? This question will be answered by performing several regressions for sample one, two and three. Two types of regressions are performed for each sample. The first uses the full sample and the second selects only on divorced or separated women. Multiple linear regression is used with the dependent variable adjusted economic family total money income and logistic regression is performed on the dichotomous dependent variables before-tax low income cutoff and ownership of dwelling. Adjusted economic family total money income, before-tax low

income cutoff and ownership of dwelling are each regressed on marital status, total years of schooling, age, visible minority status and receipt of several sources of income.

Regression analysis determines the effect of the independent variables on the three measures of economic well-being, while holding other variables constant. For example, it is possible to see the effect of marital status independent of the effects of years of schooling, age, visible minority status and so on.

Factors Associated with Economic Well-Being, Persons Aged 45 and Older in First Marriages and Persons Who Become Divorced or Separated at Age 45 and Older

Table 19 shows the results of regressions using sample one, persons aged 45 and older in first marriages and persons who become divorced or separated at age 45 and older. Marital status is entered as a set of dummy variables with married men as the reference group.

**Table 19: Multiple Linear Regression,
Adjusted¹ Economic Family Total Money Income, Persons Aged 45 and Older in First
Marriages and Persons Who Become Divorced or Separated at Age 45 and Older**

	Adjusted Economic Family Total Money Income
Independent Variables	B (SE B)
Marital Status	
female first mar	779.64 (415.30)
female div or sep	-9117.63 (1284.43)***
male div or sep	-773.46 (1194.57)
male first mar (ref)	-
total years of schooling	1494.95 (57.22)***
age	-11.26 (27.95)
visible minority status	-1789.15 (804.53)*
rec'd govt transfers ²	-14 274.63 (602.88)***
rec'd investment income	4474.00 (430.78)***
rec'd pension income	6382.38 (523.37)***
rec'd total earnings	12 809.95 (581.50)***
rec'd alimony	-481.57 (2499.58)
Constant	14 767.65 (2141.32)***
Adj R²	.30
F Test	293.44***

* p<.05 **p<.01 ***p<.001

1. Adjusted income variables take into account the family size and composition.

2. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

Table 19 shows that being a female who is divorced or separated at the age of 45 and older has a significant impact on economic family total money income. In fact, compared to a married male, being a divorced or separated female decreases total money income by \$9117.63, holding the other independent variables constant. A divorced or separated

male has 773.46 less total money income than a married male. Each year of schooling increases total money income by \$1494.95 while being a visible minority decreases income by \$1789.15. Results also show that receiving government transfers decreases total money income by \$14 274.63, while receiving investment income increases total money income by \$4474.00, pension income increases total money income by \$6328.38 and receiving earnings increases income by \$12 809.95. Alimony was not significantly associated with total money income.

Table 20 shows before-tax low income cutoff and ownership of dwelling regressed on several independent variables for persons aged 45 and older in first marriages and persons who become divorced or separated at age 45 and older.

**Table 20: Logistic Regression,
Before-Tax Low Income Cutoff and Ownership of Dwelling, Persons Aged 45 and Older in
First Marriages and Persons Who Become Divorced or Separated at Age 45 and Older**

	Above Before-Tax Low Income Cutoff 1994	Ownership of Dwelling 1994
Independent Variables	B (SE B)	B (SE B)
Marital Status		
female first mar	.1695 (.0932)	-.0344 (.0762)
female div or sep	-1.9188 (.1948)***	-1.8917 (.1676)***
male div or sep	-.7458 (.1980)***	-1.7753 (.1552)***
male first mar (ref)	-	-
total years of schooling	.0838 (.0126)***	.0142 (.0102)
age	.0442 (.0060)***	-.0281 (.0046)***
visible minority status	-1.0233 (.1402)***	-1.2615 (.1179)***
rec'd govt transfers ¹	-2.4869 (.3589)***	-.2892 (.1378)*
rec'd investment income	.6330 (.0904)***	.7592 (.0763)***
rec'd pension income	2.0147 (.1294)***	.5283 (.0888)***
rec'd total earnings	2.2873 (.1290)***	1.2010 (.0991)***
rec'd alimony	.8348 (.4529)	.0724 (.3624)
Constant	-1.0203 (.5755)	2.5754 (.3711)***

* p<.05 **p<.01 ***p<.001

1. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

Table 20, column two, shows that being a divorced or separated female is significantly associated with being below the low income cutoff. Being a divorced or separated male also is also significantly associated with being below the low income cutoff. Being a visible minority and receiving government transfers are associated with being below the low income cutoff. Years of schooling, age, receiving investment income, receiving

pension income, and receiving earnings are associated with being above the low income cutoff.

Column three in Table 20 shows that compared to a married male, being a divorced or separated woman is negatively associated living in a house which is owned by a household member. This is also the case for divorced or separated males. Years of schooling is not associated with dwelling ownership. Being older, being a visible minority and receiving government transfers are negatively associated with living in a dwelling which is owned by a member of the household. Receiving income from investments, pensions, and earnings are positively associated with living in a dwelling which is owned by a member of the household.

Factors Associated with Economic Well-Being of Females Who Become Divorced or Separated at Age 45 and Older

Table 21 summarizes regression analyses, selecting on only women who become divorced or separated at age 45 and older.

Table 21: Multiple Linear Regression, Adjusted¹ Economic Family Total Money Income, Females Who Become Divorced or Separated at Age 45 and Older

	Adjusted Economic Family Total Money Income 1994	
Independent Variables	B	(SE B)
total years of schooling	726.56	(241.53)**
age	176.97	(111.06)
visible minority status	2280.05	(4631.85)
rec'd govt transfers ²	-15 628.34	(2650.31)***
rec'd investment income	6089.46	(1628.38)***
rec'd pension income	2861.52	(2138.39)
rec'd total earnings	10 117.49	(1933.62)***
rec'd alimony	1924.48	(2414.61)
Constant	6063.00	(8261.31)
Adj R ²	.45	
F Test	21.77***	

* p<.05 **p<.01 ***p<.001

1. Adjusted income variables take into account the family size and composition.

2. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

Results of the multiple regression on economic family total money income show that much fewer variables are associated with total money income for divorced or separated females than for the entire sample as shown in Table 19. When selecting on just divorced or separated females, years of schooling and receiving investment income and earnings are significantly and positively associated with total money income. Each year of school increases income by \$726.56, receiving investment income increases income by \$6089.46 and receiving earnings increases income by \$10 117.49. Receiving government transfers

decreases total money income by \$15 628.34.

Table 22 shows low income cutoff and ownership of dwelling regressed on several independent variables for females who become divorced or separated at age 45 and older.

Table 22: Logistic Regression, Before-Tax Low Income Cutoff and Ownership of Dwelling, Females Who Become Divorced or Separated at Age 45 and Older

	Above Before-Tax Low Income Cutoff 1994	Ownership of Dwelling 1994
Independent Variables	B (SE B)	B (SE B)
total years of schooling	.2749 (.0783)***	.0264 (.0526)
age	.0110 (.0305)	-.0526 (.0246)*
visible minority status	2.7828 (2.9464)	.6138 (1.0801)
rec'd govt transfers ¹	-2.7022 (2.1380)	-1.1424 (.6758)
rec'd investment income	.6000 (.4546)	1.2717 (.3550)***
rec'd pension income	2.2601 (.6660)***	1.0492 (.4540)*
rec'd total earnings	3.5157 (.6257)***	.7696 (.4031)
rec'd alimony	.9320 (.6179)	.9842 (.5187)
Constant	-3.8416 (3.1119)	2.5675 (1.8163)

* p<.05 **p<.01 ***p<.001

1. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

Column two in Table 22 shows that years of schooling, receiving pension income and receiving income from earnings are positively associated with being above the before-tax low income cutoff. Table 22, column three shows that age is negatively associated with living in a dwelling which is owned by a member of the household. Receiving income from investments and pensions are positively associated with

ownership of dwelling for divorced or separated women.

Factors Associated with Economic Well-Being, Paid Workers Aged 45-69 in First Marriages and Paid Workers Aged 45-69 Who Become Divorced or Separated at Age 45 and Older

Table 23 presents the results of the full sample multiple linear regression for sample two, paid workers aged 45-69 in first marriages and paid workers aged 45-69 who become divorced or separated at age 45 and older. Adjusted Economic Family Total Money Income is regressed on marital status, years of schooling, age, visible minority status, pension plan with job, years of work experience, average hourly wage all jobs 1994, total number of hours paid all jobs 1994, occupational status, and receipt of several sources of income.

**Table 23: Multiple Linear Regression, Adjusted¹ Economic Family
Total Money Income, Paid Workers Aged 45-69 in First Marriages
and Paid Workers Aged 45-69 Who Become Divorced or Separated at Age 45 and Older**

	Adjusted Economic Family Total Money Income 1994
Independent Variables	B (SE B)
Marital Status	
female first mar 45-69	8942.99 (854.92)***
female div or sep at 45-69	-6770.93 (1866.22)***
male div or sep at 45-69	-3172.87 (1839.23)
male first mar 45-69 (ref)	-
total years of schooling	604.51 (107.01)***
age	61.14 (63.84)
visible minority	99.24 (1103.31)
pension plan with job	2651.27 (713.33)***
years of work experience	102.67 (41.97)*
average hourly wage all jobs 1994	835.36 (47.61)***
total no. hours paid all jobs 1994	2.87 (.49)***
Occupation	
missing	-3612.37 (3797.78)
prof	5609.55 (1225.73)***
semi-prof	1776.15 (1317.00)
supervisor	7332.99 (1128.20)***
skilled	4074.15 (1005.09)***
semi-skilled	3956.40 (959.06)***
unskilled (ref)	-
rec'd govt transfers ²	-10 363.96 (729.65)***
rec'd investment inc	2134.97 (623.81)***
rec'd pension inc	7792.56 (991.14)***
rec'd alimony	1221.34 (3866.45)
Constant	3673.62 (3925.42)
Adj R²	.37
F Test	86.52***

* p<.05 **p<.01 ***p<.001

1. Adjusted income variables take into account the family size and composition.

2. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

Results show that for those who are paid workers, compared with a married male, being married and female increases economic family total money income by \$8942.99, holding other independent variables constant. Being a divorced or separated woman decreases total money income by \$6770.93. Each year of schooling increases total money income by \$604.51. Having a pension plan with one's job increases income by \$2651.27. Each year of full-time, full-year work experience increase income by \$102.67, each \$1.00 in average hourly wage increases income by \$835.36, and each hour paid in 1994 increases income by \$2.87. Compared to being unskilled, being a professional increases income by \$5609.55, being a supervisor increases income by \$7332.99, being a skilled worker increases income by \$4074.15, and being semi-skilled increases income by \$3956.40. Receiving government transfers decreases income by \$10363.96, while receiving investment income increase income by \$2134.97, and receiving pension income increases income by \$7792.56.

Table 24 presents logistic regressions using sample two, paid workers aged 45-69 in first marriages and divorced or separated at age 45 and older. Before-tax low income and ownership of dwelling are regressed on several individual, employment and income variables.

Table 24: Logistic Regression, Before-Tax Low Income Cutoff and Ownership of Dwelling, Paid Workers Aged 45-69 in First Marriages and Paid Workers Aged 45-69 Who Become Divorced or Separated at Age 45 and Older

	Above Before-Tax Low Income Cutoff 1994	Ownership of Dwelling 1994
Independent Variables	B (SE B)	B (SE B)
Marital Status		
female first mar 45-69	.8958 (.3215)**	-.1232 (.2083)
female div or sep at 45-69	-1.1952 (.4736)*	-2.5227 (.2969)***
male div or sep at 45-69	-.4950 (.5610)	-2.1825 (.2605)***
male first mar 45-69 (ref)	-	-
total years of schooling	-.0338 (.0363)	.0412 (.0238)
age	-.0243 (.0218)	-.0196 (.0146)
visible minority	-1.0120 (.3043)***	-.9328 (.2071)***
pension plan with job	1.8481 (.3772)***	.0869 (.1657)
years of work experience	.0304 (.0130)*	-.0177 (.0098)
average hourly wage all jobs 1994	.2218 (.0312)***	.0469 (.0128)***
total no. hours paid all jobs 1994	.0002 (.0002)	-.0000 (.0001)
Occupation		
missing	.7089 (1.8168)	-1.9198 (.5547)***
prof	-.4272 (.4242)	-.5586 (.2805)*
semi-prof	-.8495 (.4588)	.3794 (.3190)
supervisor	.5632 (.5279)	-.0956 (.2608)
skilled	.1057 (.3482)	-.1918 (.2274)
semi-skilled	.6662 (.2857)*	.1299 (.2140)
unskilled (ref)	-	-
rec'd govt transfers ¹	-2.5168 (.8682)**	-.0213 (.1842)
rec'd investment inc	.8256 (.2455)***	.8850 (.1519)***
rec'd pension inc	1.9752 (.5847)***	.1515 (.2394)
rec'd alimony	8.1741 (21.3008)	1.8898 (.8702)*
Constant	1.9341 (1.6254)	2.6321 (.9086)**

* p<.05 **p<.01 ***p<.001

1. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

Compared with a married male, being female and married is associated with being above the low income cutoff, while being a divorced or separated female is associated with being below the low income cutoff. Being a visible minority and receiving government transfers are associated with being below the low income cutoff. Having a pension plan with a job, more years of work experience, higher hourly wages, being semi-skilled, receiving investment income and receiving pension income are associated with being above the low income cutoff.

Compared with a married male, being a divorced or separated female and a divorced or separated male are negatively associated with living in a dwelling which is owned by a member of the household. Other factors which are negatively associated with ownership of dwelling include: being a visible minority; having a missing value for the occupation variable; and being a professional. Factors which are positively associated with living in a dwelling which is owned by a member of the household is a higher hourly wage, receiving investment income and receiving alimony.

Factors Associated with Economic Well-Being of Female Paid Workers Who Become Divorced or Separated at Age 45 and Older

Table 25 shows the various factors which are associated with adjusted economic family total money income, for women who become divorced or separated at age 45 and older who are paid workers.

Table 25: Multiple Linear Regression, Adjusted¹ Economic Family Total Money Income, Female Paid Workers Aged 45-69 Who Become Divorced or Separated at Age 45 and Older

	Adjusted Economic Family Total Money Income 1994	
Independent Variables	B	(SE B)
total years of schooling	-723.90	(661.79)
age	474.55	(276.42)
visible minority	-6149.01	(6911.50)
pension plan with job	4189.59	(4127.54)
years of work experience	189.86	(207.59)
average hourly wage all jobs 1994	371.74	(256.83)
total no. hours paid all jobs 1994	5.93	(2.25)*
Occupation		
missing	-1576.37	(17 983.51)
prof	20 523.35	(9584.42)*
semi-prof	-1929.30	(7846.10)
supervisor	655.17	(8247.28)
skilled	-1732.53	(7871.25)
semi-skilled	699.64	(7025.12)
unskilled (ref)	-	
rec'd govt transfers ²	-12 187.38	(4731.46)*
rec'd investment inc	6123.62	(3250.37)
rec'd pension inc	-685.31	(6231.08)
rec'd alimony	6679.26	(4679.36)
Constant	-5506.70	(19 644.13)
Adj R ²	.41	
F Test	4.79***	

* p<.05 **p<.01 ***p<.001

1. Adjusted income variables take into account the family size and composition.

2. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

Table 25 shows that each one hour increase in the number of total hours paid in 1994 increases adjusted economic family total money income by \$5.93. Compared to being in an unskilled occupation, being a professional increases income by \$20 523.35 for divorced or separated women workers. On the other hand, receiving government transfers decreases income by \$12 187.38.

Table 26 shows logistic regression results for female paid workers aged 45-69 who become divorced or separated at age 45 and older .

Table 26: Logistic Regression, Before-Tax Low Income Cutoff and Ownership of Dwelling, Female Paid Workers Aged 45-69 Who Become Divorced or Separated at Age 45 and Older

	Above Before-Tax Low Income Cutoff 1994		Ownership of Dwelling 1994	
Independent Variables	B	(SE B)	B	(SE B)
total years of schooling	-.3710	(.5382)	.0021	(.1395)
age	.2871	(.2488)	.0185	(.0570)
visible minority	20.3768	(300.3043)	1.7947	(1.4502)
pension plan with job	5.0300	(4.1324)	-.1638	(.8618)
years of work experience	.3694	(.2207)	-.1458	(.0557)**
average hourly wage all jobs 1994	.3160	(.2172)	.1383	(.0615)*
total no. hours paid all jobs 1994	-.0004	(.0014)	.0013	(.0005)*
Occupation				
missing	-9.6361	(950.7218)	-5.5095	(28.7591)
prof	3.6234	(163.5964)	-1.6769	(1.9126)
semi-prof	7.7765	(136.4062)	.6828	(1.6456)
supervisor	13.9458	(177.7333)	-1.2260	(1.6756)
skilled	-11.4785	(10.6398)	-1.5851	(1.6260)
semi-skilled	-1.2756	(3.4240)	-.5663	(1.4260)
unskilled (ref)	-	-	-	-
rec'd govt transfers ¹	-8.7991	(8.4830)	-1.8600	(1.1174)
rec'd investment inc	9.3988	(7.3058)	-.3926	(.6884)
rec'd pension inc	11.3178	(186.7315)	1.2123	(1.2493)
rec'd alimony	28.5478	(131.7240)	4.1593	(1.4521)**
Constant	-12.5880	(10.9257)	.3486	(3.8989)

* p<.05 **p<.01 ***p<.001

1. Government transfers include: Child Tax Benefits; Old Age Security (OAS); Guaranteed Income Supplement (GIS); Spouse's Allowance (SPA); Canada Pension Plan (CPP); Quebec Pension Plan (QPP); Employment Insurance benefits; Social Assistance; Provincial Income Supplements; Worker's Compensation; GST credits; taxable government transfers and non-taxable government transfers.

Column two, Table 26 shows that no factors were significantly associated with low income cutoff for divorced or separated women workers. Years of work experience is negatively associated with living in a dwelling which is owned by a member of the household for divorced or separated women workers. A higher hourly wage, total number of hours paid in 1994 and receiving alimony is positively associated with ownership of dwelling for this group of women.

Factors Associated With Economic Well-Being, Persons Aged 65 and Older in First Marriages and Persons Aged 65 and Older Who Become Divorced or Separated at Age 45 and Older

Table 27 shows multiple linear regression results of adjusted economic family total money income regressed on several independent variables for sample three, persons aged 65 and older in first marriages and persons aged 65 and older who become divorced or separated at age 45 and older.

Table 27: Multiple Linear Regression, Adjusted¹ Economic Family Total Money Income, Persons Aged 65 and Older in First Marriages and Persons Aged 65 and Older Who Become Divorced or Separated at Age 45 and Older

	Adjusted Economic Family Total Money Income 1994	
Independent Variables	B	(SE B)
Marital Status		
female first mar 65+	550.19	(667.64)
female 65+ div or sep 45+	-8744.45	(2228.89)***
male 65+ div or sep 45+	-750.64	(1946.83)
male first mar 65+ (ref)	-	
total years of schooling	1379.28	(91.81)***
age	-94.60	(58.90)
visible minority status	-720.27	(1513.19)
rec'd investment income	6614.90	(776.98)***
rec'd pension income	6496.26	(750.90)***
rec'd total earnings	11 778.34	(762.65)***
rec'd alimony	2434.68	(4413.47)
Constant	7354.48	(4530.98)
Adj R ²	.27	
F Test	88.74***	

* p<.05 **p<.01 ***p<.001

1. Adjusted income variables take into account the family size and composition.

For those age 65 and older, being a female who is divorced or separated decreases economic family total money income by \$8744.45 compared to being a married male. Each year of schooling increases total money income by \$1379.28, receiving investment income increases income by \$6614.90, receiving pension income increases income by \$6496.26, and receiving earnings increases income by \$11 778.34.

Table 28 shows logistic regression results of before-tax low income cutoff and ownership of dwelling regressed on several independent variables for persons aged 65

and older in first marriages and persons aged 65 and older who become divorced or separated at age 45 and older

Table 28: Logistic Regression, Before-Tax Low Income Cutoff and Ownership of Dwelling, Persons Aged 65 and Older in First Marriages and Persons Aged 65 and Older Who Become Divorced or Separated at Age 45 and Older

	Above Before-Tax Low Income Cutoff 1994	Ownership of Dwelling 1994
Independent Variables	B (SE B)	B (SE B)
Marital Status		
female first mar 65+	.3463 (.2011)	-.1284 (.1132)
female 65+ div or sep 45+	-3.4485 (.3851)***	-2.4209 (.3432)***
male 65+ div or sep 45+	-.9428 (.3747)*	-1.6594 (.2823)***
male first mar 65+ (ref)	-	-
total years of schooling	.0720 (.0273)**	-.0037 (.0155)
age	.0174 (.0161)	-.0300 (.0096)**
visible minority status	-1.7020 (.3048)***	-2.0267 (.2269)***
rec'd investment income	.4770 (.1896)*	.5654 (.1225)***
rec'd pension income	2.3543 (.2170)***	.4853 (.1202)***
rec'd total earnings	2.0849 (.3138)***	1.3656 (.1671)***
rec'd alimony	-.3481 (1.0819)	-1.4890 (.6311)*
Constant	-9.201 (1.2510)	2.8219 (.7445)***

* p<.05 **p<.01 ***p<.001

Compared to a married male aged 65 and older, being a female aged 65 and older who is divorced or separated at age 45 and older is associated with being below the low income cutoff. The same is true for divorced or separated men. Being a visible minority is also associated with being below the low income cutoff. Years of schooling, receiving investment income, receiving pension income, and receiving earnings are associated with being above the low income cutoff for those aged 65 and older.

Being a divorced or separated female and male are both negatively associated with living in a dwelling which is owned by a member of the household. Being older, a visible minority and receiving alimony are also negatively associated with ownership of dwelling for those aged 65 and older. Receiving investment income, pension income and earnings are positively associated with ownership of dwelling.

Factors Associated With The Economic Well-Being of Females Aged 65 and Older Who Become Divorced or Separated at Age 45 and Older

Table 29 shows adjusted total money income regressed on several independent variables, for women aged 65 who become divorced or separated at age 45 and older.

Table 29: Multiple Linear Regression, Adjusted¹ Economic Family Total Money Income, Females Aged 65 and Older Who Become Divorced or Separated at Age 45 and Older

	Adjusted Economic Family Total Money Income 1994	
Independent Variables	B	(SE B)
total years of schooling	463.76	(354.36)
age	48.38	(251.89)
visible minority status	3611.75	(7858.69)
rec'd investment income	3327.22	(2262.00)
rec'd pension income	6268.59	(2372.59)*
rec'd total earnings	10 757.54	(2956.10)***
rec'd alimony	-142.87	(5635.71)
Constant	894.85	(18 585.77)
Adj R ²	.34	
F Test	4.81***	

* p<.05 **p<.01 ***p<.001

1. Adjusted income variables take into account the family size and composition.

Table 29 shows that receiving pension income increases economic family total money

income by \$6268.59 and receiving earnings increases income by \$10 757.54.

Table 30 shows results of logistic regression analyses for females aged 65 and older who become divorced or separated at age 45 and older.

Table 30: Logistic Regression, Before-Tax Low Income Cutoff and Ownership of Dwelling, Females Aged 65 and Older Who Become Divorced or Separated at Age 45 and Older

	Above Before-Tax Low Income Cutoff 1994	Ownership of Dwelling 1994
Independent Variables	B (SE B)	B (SE B)
total years of schooling	-.0068 (.1449)	-.1749 (.1399)
age	-.0905 (.1001)	.0177 (.0835)
visible minority status	-5.3444 (31.4709)	-6.3859 (31.4561)
rec'd investment income	-.1230 (.7929)	1.2710 (.7605)
rec'd pension income	2.1502 (.9641)*	1.8899 (.8916)*
rec'd total earnings	3.6403 (1.2484)**	1.1678 (1.0618)
rec'd alimony	.7246 (2.1271)	.9698 (1.8451)
Constant	4.1131 (7.3449)	.3518 (6.2637)

* p<.05 **p<.01 ***p<.001

Column two shows that the receiving pension income and earnings are associated with being above the low income cutoff. Column three shows that only pension income is associated with living in a dwelling which is owned by a member of the household for women aged 65 and older who become divorced or separated at age 45 and older.

CHAPTER 4: DISCUSSION AND CONCLUSIONS

The purpose of this analysis was to examine the economic well-being of women who become divorced or separated at the age of 45 and older. The objectives of this research were to answer two questions. First, are there differences in the economic well-being of men and women aged 45 and older who are in their first marriages and men and women who become divorced or separated at the age of 45 and older? Second, what factors are associated with the economic well-being of women who become divorced or separated in mid and later life? This chapter will first summarize the findings of this analysis and then go on to discuss the policy implications of this study.

Summary of Findings

Divorce, Separation and Poverty

In response to the first question, results of this study have shown that indeed, there are drastic differences in the economic well-being of men and women aged 45 and older who are in their first marriages and men and women who become divorced or separated at the age of 45 and older. This study confirms current literature which shows extremely high rates of poverty among unmarried older women (McDonald, 1997; Moore & Rosenberg, 1997; Statistics Canada, 1990). Above all, this study demonstrated the grave economic situations of women who have experienced a divorce or separation late in life. Results of this study show that being a female who is divorced or separated is associated

with being below the before-tax low income cutoff. Findings also show that females who become divorced or separated at age 45 and older have low economic family total money income and are less likely than married persons to live in a dwelling which is owned by a member of the household.

When compared to married women, married men, and divorced men, divorced or separated women were found to have the lowest average economic family total money income. They are also the most likely group to receive social assistance and to live below the low income cutoff. For example, 42.5% of divorced or separated females aged 45 and older live below the poverty line, as compared with 25.8% of divorced or separated males, 8.8% of married males and 8.3% of married females. This only gets worse when selecting on just those aged 65 and older in sample three. For those aged 65 and older, 62.3% of divorced or separated females live below the poverty line as compared with 27.1% of divorced or separated men, 6.6% of married men, and only 5.3% of married women. And, very few factors are likely to bring these women above the low income cutoff. For example, the logistic regression analysis shows that only pension income and earnings are positively associated with being above the low income cutoff for women aged 65 and older who become divorced or separated at age 45 and older. And, these women were found to have significantly lower pension income and earnings than men and married women.

Divorce, Separation and Home Ownership

Also consistent with the literature (Crown et al., 1993; Townson, 1995; Uhlenberg, Cooney & Boyd, 1990), this study found that divorced or separated women

were significantly less likely to own a home than married persons. It was also found that divorced or separated men were less likely to own a home than married persons.

Divorced or separated persons were also more likely than married persons to live in an apartment. This is not surprising because when a married couple shares a house, at least one member of the household usually moves out upon separation or divorce. And, many shared houses may be sold when dividing assets in a divorce settlement.

Divorce, Separation and Retirement Income

Results of this study highlight the importance of investment income, pension income and earnings in retirement for women who become divorced or separated at age 45 and older. For those aged 65 and older, these three sources of income were all associated with being above the low income cutoff and living in a dwelling which is owned by a member of the household. While the total government transfers were similar for the four groups, the components of this total was different. Divorced or separated women are more likely to receive OAS income, while married persons and divorced or separated males receive more C/QPP income. Nevertheless, the total amount that each groups averaged from government transfers did not drastically differ. What makes this interesting is that although the four groups in this study receive approximately the same total amount of government transfers, women who become divorced or separated are less likely to receive income from other sources such as pension and investment income. If government transfers were to reduce inequality or poverty among the older population, this group of women would be receiving larger amounts of government transfers. Thus, government transfers do little to reduce inequality between the four groups in this study.

Women who become divorced or separated at age 45 and older have significantly less pension income than married persons and divorced or separated men. Only 41.2% of divorced or separated women aged 65 and older received pension income as compared with 72.8% of married women, 71.2% of married men, and 48.6% of divorced or separated men. In fact, the average economic family income from pensions for divorced or separated women aged 65 and older is \$2904 as compared with \$7086 for married women, \$6612 for married men, and \$5819 for divorced or separated men aged 65 and older. This discrepancy may be related to pension benefit calculations which are usually based on years of contribution and earnings. Literature shows these types of calculations are detrimental to women who earn only 81 cents for every dollar a man earns (Statistics Canada, 1998a) and have fewer years of work experience (Townson, 1997). Results of this study support this literature. In fact, results show that women (both divorced or separated and married) earn significantly less and have significantly fewer years of work experience than men.

This study also found, like previous studies, that women earn significantly less C/QPP benefits than men. Married and divorced or separated women aged 65 and older receive significantly less C/QPP benefits than married and divorced or separated men. The lower levels of C/QPP benefits for divorced or separated women prevail despite their legal entitlement to half of their ex-husbands' benefits. This is consistent with Townson's (1997) speculation that most women do not take advantage of this legal right or they trade these benefits in divorce settlements. Although, it is not clear in this study what they might exchange these benefits for as this study suggests that women do not

appear to exchange benefits for home ownership or investments. Indeed, results of this study show that divorced or separated women were not more likely than divorced or separated men to live in a dwelling which is owned by a member of the household. And, they have less investment income.

Employment

Consistent with the literature, this study found that women paid workers were more likely than men to be in part-time jobs. This was reflected in their fewer total number of hours paid in 1994. Women also had significantly less work experience than men. For example, married women workers had an average of 18.62 and divorced or separated women had an average of 20.55 years of full-time, full-year work experience, as compared with an average of 31.32 years for married men, and 31.40 years for divorced or separated men. As expected, women in this study also earned significantly less than men from their job in 1994. This may be because they are more likely to work part-time than men. However, women still have a significantly lower average hourly wage than men.

Based on the literature, it was expected that women would be over-represented among the unskilled jobs because these jobs are more likely to be in the secondary labour market. However, this was not the case. There were some differences found in skill levels between the four comparison groups, although not the striking differences that were expected. Most of the sample were not in professional occupations. Despite their higher incomes, a considerable proportion of married males in this study were found to be in unskilled occupations. This may be because older men are more likely to be employed

in the manufacturing sector which comprises many unskilled but well remunerated occupations. But, these jobs are fast disappearing with the changes in the economy from a goods to a service economy (Economic Council of Canada, 1990).

Having a pension plan with the job, years of work experience, average hourly wage, total number of hours paid, being a professional, a supervisor, a skilled worker, and being a semi-skilled worker were positively associated with economic family total money income. And, several employment characteristics were associated with being above the low income cutoff including: having a pension plan with the job; years of work experience; average hourly wage; and being a semi-skilled worker. Average hourly wage and total number of hours paid in 1994 were the only employment characteristics positively associated with ownership of dwelling. All of these findings indicate that jobs in the primary labour market, with higher pay and benefits are associated with higher income in mid and later life.

Contrary to the literature, which suggests that years of work experience is extremely important to retirement income, this study did not find any associations between years of work experience and income. However, this may be because sample two analyses, which included years of work experience, is comprised only of paid workers who are aged 45 to 69. It was not possible to use work experience in the other two samples because this information was not collected for persons aged 70 and older. This is an important limitation because years of work experience is most likely to have an impact on retirement income due to pension calculations.

Factors Associated with the Economic Well-being of Women Who Become Divorced or Separated in Mid and Later Life

The second question in this study was answered by regressing adjusted economic family total money income, before-tax low income cutoff and ownership of dwelling on several individual, employment and income variables for women who become divorced or separated at the age of 45 and older.

The regression analyses showed that alimony is not significantly associated with income for women who have experienced a divorce or separation in mid and later life. This is most likely due to the extremely low levels of alimony for women who become divorced or separated at age 45 and older. For example, results showed that only 12.1% of women who become divorced or separated at age 45 and older received alimony. This study supports other literature which shows that older women are not likely to receive support if they do not have young children (Department of Justice, 1990; Galarneau, 1998; Townson, 1997).

Receiving government transfers was associated with less economic family total money income for divorced or separated women. This makes sense because women who are poor are more likely to be receiving government transfers than women or men who have higher incomes. No factors were found to be negatively associated with being above the low income cutoff for divorced or separated women. This is likely because there was little variation in income within this group of women - approximately two-thirds live below the before-tax low income cutoff.

Years of schooling, receiving investment income, receiving earnings, and

receiving income from pensions were found to be positively associated with economic family total money income for women who have divorced or separated at age 45 and older. Years of schooling, receiving pension income, and receiving earnings were found to be positively associated with being above the low income cutoff this group of women. For divorced or separated women aged 65 and older, receiving pension income and earnings were positively associated with economic family total money income and being above the low income cutoff. For divorced or separated women workers, total hours paid and being a professional were positively associated with economic family total money income. In fact, being a professional increased divorced or separated women's economic family total money income by \$20 523.35. This highlights the importance of working in the primary labour market.

Overall, very few factors were significantly associated with income for divorced or separated older women. Much fewer factors were significantly associated with income for the divorced or separated women than the full sample(s). For example, while several factors were found to be significantly related to being above the low income cutoff for the whole sample of paid workers, no factors were associated when divorced or separated women workers were examined separately.

For divorced or separated women paid workers, years of work experience was negatively associated with ownership of dwelling. This is probably because older individuals may be more likely to live in apartments or seniors' residents. A higher hourly wage was also positively associated with ownership of dwelling. This makes sense, since those who earn more would be more likely to afford to own a home. Total

number of hours paid in 1994 was also positively associated with ownership of dwelling for women paid workers who become divorced or separated in mid and later life. This suggests that women who work more hours are more likely to be able to afford to own a home. Lastly, receiving alimony was positively associated with living in a dwelling which is owned by a member of the household for divorced or separated women workers. It may be that women who receive alimony are more likely to have had better divorce settlements, and thus are awarded the family home in a settlement. Or, the alimony income enables these women to afford to keep their own homes. The only factor associated with home ownership for divorced or separated women aged 65 and older was pension income, which is positively associated with living in a dwelling which is owned by a member of the household.

In sum, regression analyses showed very few factors were associated with the income of women who divorce or separate in mid and later life. The lack of factors associated with economic well-being for this group of women most likely occurred because there is little variation in income for this group of women. In other words, regressions show very few factors associated with higher income because most of these women are in the low income bracket. It is clear then, that unmarried older women are not economically secure in mid and later life.

Marital Status and Economic Well-Being in Mid and Later Life

Overall, results of this study highlight the importance of marital status in securing a favorable financial situation in later life. Indeed, divorced or separated females have less economic family total money income than married persons and divorced or separated

men, are more likely than married persons and divorced or separated men to live below the low income cutoff, and are less likely than married persons to live in a dwelling which is owned by a member of the household. Based on the results of this study, it can be concluded that women are indeed just “a man away from poverty”. Indeed, Pulkingham (1995) argues that women’s poverty following divorce is not caused by the divorce itself, but rather “it is the visibility of women’s unequal access to independent resources, primarily employment income, that divorce reveals” (p.7). This study confirms this argument by revealing the significantly lower earnings of women relative to men. This study also suggests that currently married women would likely meet the same fate as divorced women if they were to divorce or separate from their husbands. In terms of individual income, it is clear that married women are, in some cases, worse off than divorced or separated women. For example, married females have the lowest total money individual income (\$15 025), followed by females who become divorced or separated (\$21 101), males who become divorced or separated (\$28 598) and married males (\$34 177). Also, married women aged 65 and older only averaged \$2237 in C/QPP benefits in 1994 as compared with the average of \$5519 for married men, \$4914 for divorced or separated men, and \$2990 for divorced or separated women. Among paid workers, married women earn roughly the same as divorced or separated women, both of which are significantly lower than the income of the men in this study. It is clear then, if these older married women were to divorce or separate, they too would be in economic jeopardy. With rising divorce rates and the aging of the baby boomers, this has serious implications for all women. Next, the discussion turns to the policy implications of this study.

Policy Implications of The Findings

Implications for the Legal System

While the Canadian legal system has a long way to go in achieving economic equality of spouses upon divorce, recent changes represent a step in the right direction for women. Amendments to the Divorce Act, effective May 1, 1997, changed the way in which child support payments are determined from a “case by case” process to a mathematical formula based on the income of payer, the costs of raising children and on the type of expenses involved (Galarneau & Sturrock, 1997). The income tax treatment of child support has also been changed. Until recently, the income tax act allowed payers of support (mostly men) to deduct the full amount paid from their income, while the recipients of support (mostly women), were required to include the support payments in their taxable income and pay tax on it. According to Townson (1995) “the tax treatment of these payments is one more factor undermining the ability of divorced women now aged 45-54 to set aside private savings for retirement” (p.54). This injustice has recently been corrected so that payments will no longer be deductible for payers nor taxable for the recipients (Galarneau & Sturrock, 1997). Unfortunately these changes do not apply to support orders that were granted before May 1, 1997, leaving many women still having to pay income tax on their support payments.

Recent government initiatives have addressed the issue of non-paying fathers. Legislation has been enacted at both the provincial and federal level to promote a more rigorous enforcement of child support payments. Expensive media campaigns have also urged fathers to ‘pay up’ (Pulkingham, 1995). While on the outset, this practice seems

quite reasonable in addressing the poverty of single mothers, Pulkingham (1995) has voiced several words of caution about this initiative. First, Pulkingham (1995) points out that many men do not earn enough to keep a family out of poverty. Therefore, implementing a level of support that would significantly reduce the incidence of poverty among custodial mothers would only increase the incidence of poverty among non-custodial fathers. Indeed, this study shows that while divorced or separated men are better off financially than divorced or separated women, they are not as well-off as married men and married women. In fact, 25.8% of divorced or separated males live below the low income cutoff. Second, Pulkingham (1995) argues that these initiatives are based on a “male as breadwinner” ideology, that women’s economic needs should be dependent on the male. And, this government initiative has the hidden agenda of placing responsibility for poor single mothers and children on individuals within the family rather than on the state. Third, Pulkingham (1995) argues that since many women do not have equal access or control over money prior to divorce, family law reform measures which can only address post-divorce redistribution cannot adequately address poverty among single mothers. She contends that only a redistribution of resources between all individuals in Canada will have an impact on the economic well-being of single mothers.

While the recent changes in child support payments are in fact a step in the right direction, they will likely do little to improve the situation of women who divorce at a later age. Further amendments to the Divorce Act are needed to improve the economic well-being of older divorced women. A major criticism of the Divorce Act has been its overemphasis on the promotion of economic independence of spouses following a

divorce. The result of this has been that very few women ever receive spousal support if they have no children living with them under the age of 18. Indeed, this study reveals the low number of older women receiving alimony. This is extremely dangerous for the many middle-aged women who have spent considerable amounts of time out of the labour force to care for children, and may lack the necessary job skills required to secure a decent paying full-time job. Thus, changes are needed to ensure that older divorced women receive the adequate alimony to compensate them for their years spent caring for the children.

Implications for the Canadian Retirement System

The First Tier

Many Canadians are concerned about the future of government sponsored retirement income system. Indeed, they should be. This study found few differences in government transfers between married men and women and divorced or separated men and women. Government transfers are the largest source of individual income for all four groups aged 65 and older. Since divorced or separated older women have fewer additional sources of income such as pension and investment income, government transfers have not served to reduce inequalities among the older population. This is consistent with the literature which shows that while improvements to the public transfers have benefitted some seniors, they have not markedly improved the economic situation of unmarried older persons.

The clawback in the OAS also has serious implications for the economic well-being of older women. This clawback is not fully indexed to inflation, meaning in the

future, many women whose retirement incomes are much below \$50 000 will have to pay back OAS benefits. Gee & McDaniel (1991) point out that “women have lower pensions to start with, so de-indexation, by whatever means, cuts deeper for women. In addition, women live longer in retirement than men, so experience the de-indexation of their pensions for a longer period” (p.468).

The Second Tier

Results of this study shows that divorced or separated older women receive much lower levels of C/QPP benefits than men. They also receive much lower average incomes from employer pensions. These low levels of pension benefits prevail for divorced or separated women despite their legal right to half of their spouses’ benefits. There are several reasons why divorced or separated women may not be accessing their rights to their spouses’ retirement benefits. First, while the Canadian legal system allows for equal division of pensions, the process is complex, and requires a lawyer. Many women cannot afford such a luxury. And, funding cuts to the legal aid system in Ontario will likely result in many women being unable to afford lawyers to negotiate the support payments they need to secure an adequate financial future in later life. It is also important to realize that many divorced or separated women do not have anything to split with their husbands. For example, only 38% of eligible tax-filers contributed to an RRSP at some point between 1991 to 1993 (Statistics Canada, 1996) and most of those who contribute to RRSPs are those from higher income brackets (Frenken, 1992; Statistics Canada, 1996). Furthermore, only one-half (52%) of men receive employer pension plans (Townson, 1995).

The Third Tier

Pension Reform

This study has policy implications for employer pension calculations, which are not gender-friendly. Most employer sponsored pensions fail to consider the time that women spend out of the labour force in order to care for children or aged relatives. Indeed, this study shows that women have significantly fewer years of work experience than men. In the past there has been discussion of implementing a government sponsored homemakers pension that compensates women for the time they spent out of the labour market to care for others. Perhaps this issue should be brought to the forefront of policy once again.

Pension calculations based on earnings may be partly addressed through pay equity legislation. But, although pay equity is beginning to address the lower earnings of women, unfortunately many women are concentrated in occupations and industries unlikely to implement pay equity. These same occupations and industries also have low rates of pension coverage. The growth in non-standard forms of work such as part-time, short-term, self-employment and temporary jobs (Economic Council of Canada, 1990) which have lower rates of pension coverage will have enormous implications for the economic well-being of future women who experience a divorce in mid and later life. Certainly, results from this study indicate that divorced or separated women already receive much lower incomes from employer pensions.

Ideally, one would like to see measures to reduce or remove this occupational segregation. But, realistically, it is more feasible to hope for legislation to encourage

these sectors to provide workers with access to adequate employer-sponsored pensions. This also includes part-time workers. Already, most jurisdictions have pension legislation requiring employers who offer pension plans to full-time employees, to give the option of joining to part-time employees on a pro-rated basis. But in most of the cases, joining is mandatory for full-time employees but optional for part-time employees (Townson, 1995). Many employer sponsored pension plans are not indexed to inflation, having serious consequences for women who live longer than men (Townson, 1995).

Evidence suggests that Canada is experiencing a polarization in the labour market between “good jobs” with higher earnings, skill, and security and “bad” jobs with lower earnings, skill and security (Economic Council of Canada, 1990). Older workers who lose their jobs before retirement through downsizing or other reasons are less likely to have the education needed to obtain highly skilled “good jobs” and thus have a much lower chance of finding a job in this type of labor market (Economic Council of Canada, 1990). This has serious implications for women who experience a divorce in mid and later life and must return to the labour force for economic reasons. Indeed, this study showed the enormous positive association between earnings and income for persons aged 65 and older. Receiving earnings increases economic family total money income by \$11 778.34 for those aged 65 and older.

One explanation for the positive association between earnings and income for those of retirement aged (65 and older) is that those with higher paying jobs (i.e. professionals) may be more likely to be working past aged 65 because they enjoy their work. This is purely speculation because there is no occupation information on persons

aged 70 and older because SLID did not administer the labour interview to this population. On the other hand, older persons may be working to supplement their income in retirement out of necessity. This seems likely the case for divorced or separated women who are aged 65 and older, given their low incomes. In fact, receiving earnings increases their income by \$10 757.54 in 1994. This is extremely important for a group of women of whom 62.3% live below the before-tax low income cutoff.

Retirement Planning

In 1995, it was well publicized that if contribution rates for the CPP remained the same, by 2015, the CPP would no longer be collecting enough revenue to pay for its retirement benefits (Battle, 1997). This led to calls by the media and the Canadian government for Canadians to plan for their own retirement (Battle, 1997). Canadians are constantly bombarded with advertisements about the benefits of RRSPs. Recent government initiatives such as a reductions in government pension benefits and increases in tax assistance for RRSPs and RPPs (Battle, 1997) suggest that in the future, individuals will be responsible for their own retirement. And, the campaign for individuals to be responsible for their own retirement appears to have worked. From 1983 to 1993, RRSP contributions grew 138% (Statistics Canada, 1996). In fact, changes in the Income Tax Act in 1991 resulted in an increase of 70% in RRSP contributions (Statistics Canada, 1996). This has serious implications for women who are still less likely than men to contribute to RRSPs and who make up the majority of low-income contributors (Frenken, 1997).

The current emphasis on individual responsibility for retirement coupled with

rising divorce rates leave many women having to prepare for their retirement on their own. But, literature shows that many older divorced women lack financial knowledge and have not made adequate financial plans for their retirement. In fact, this study highlights the low investment income of divorced or separated older women relative to married persons and divorced or separated older men. Government, policy makers, retirement planners, and educators should make every effort to increase retirement planning education for all women. And, this education should begin early.

Limitations of the Study and Recommendations for Future Research

One important limitation of this research is its cross-sectional design. Thus, this analysis was only able to show associations between variables at one point in time. Previous research has examined the impact of divorce or separation by examining income both before and after divorce. This type of analysis should be performed for this population of older women, that is those who have experienced a divorce or separation in mid and later life. This type of analysis is possible due to the longitudinal nature of the Survey of Labour and Income Dynamics. However, it won't be possible for a few years until the study matures. The effect of the length of time one has spent divorced could also be examined when the SLID survey matures. The currently small SLID sample of divorced or separated women hindered this type of analysis.

One limitation of this study was that specific sources of economic family government transfers such as C/QPP and OAS/GIS/SPA were not examined in regression analyses. This was because these income sources were not available on the public use file. Future research could examine these sources of income with the assistance of

Statistics Canada.

Remarriage is another issue worthy of analysis that was not touched on here. Indeed, literature shows remarriage increases the economic well-being of divorced women enormously. Due to the nature of the data it was not possible to obtain an adequate size sample of those who had divorced or separated at aged 45 and older and who had remarried. Thus, future research would benefit from data which over samples divorced or separated persons. It would also be interesting to see a survey conducted which collects information on persons' *entire* marital histories. One could examine then, the effect of a variety of marital patterns on income. And, since literature shows that unmarried women are the worst off group of older persons, future studies would benefit from a comparison of women who have experienced a divorce or separation at aged 45 and older to women who have become widowed at aged 45 and older.

Future research should include assets in calculating measures of economic well-being. Most current research looks at income but not at assets.⁵ Unfortunately SLID did not contain detailed information on assets. Although this study did examine ownership of dwelling as a dependent variable, other assets are an important part of economic well-being in retirement, especially for divorced older women who are entitled to one half of marital assets.

Results of this study revealed the importance of earnings for those aged 65 and older. Unfortunately, because SLID did not administer the labour interview to those aged 70 and older, this topic was not investigated in any detail. Years of work experience was

⁵ This is due to a lack of database from which to draw analyses.

also not calculated for those aged 70 and older. This is again unfortunate because the literature shows that years of work experience is one of the most important variables associated with retirement income. Future research would benefit from a more in-depth analyses of these labour force issues for older persons. This will be possible when SLID matures and persons in the first panel turn age 70.

Much of the existing research has concentrated on establishing a relationship between gender, divorce and declines in economic well-being following marital breakdown. Indeed, it is well-established that women experience a decline in economic well-being following a divorce, while men on average, experience an increase. What is less clear is *how* exactly this process unfolds. Future research should examine why women experience such negative economic consequences of divorce. Qualitative studies such as case studies or in-depth interviews could shed light on some of the major concerns facing Canadian women who have experienced a divorce in mid and later life. For example, case studies could reveal the impact of various types of divorce settlements on the economic well-being of older divorced women. Certainly, results of this study show that the adequacy of divorce settlements for older women is a topic extremely worthy of investigation. Qualitative analyses using a life course perspective would permit future researchers to examine issues such as how the timing of a divorce affects economic well-being and if young-old divorcees are more prepared for retirement than old-old divorcees.

Finally, since most current research on older divorced women is based on U.S. data, Canadian researchers should attempt to examine this topic more in depth. Because

the Canadian retirement income system is quite different from the US system, many questions are still unanswered. This research is a beginning.

Conclusion

As the baby boomers and future cohorts enter old age, the prospects that a woman will experience a divorce in later life are growing (Moore & Rosenberg, 1997; Uhlenberg, Cooney & Boyd, 1990). Rising divorce rates mean that many women will face a future without the benefit of a husband's income in retirement. Results of this study showed that women who become divorced or separated in mid and later life are much more likely to be in poverty than men and women in their first marriages and men who become divorced or separated in mid and later life. This is consistent with current literature which highlights the high poverty rates of unmarried older women.

This study showed that both divorced or separated men and women are less likely than married persons to live in a dwelling which is owned by a member of the household. Factors which are associated with higher income for divorced or separated women include receiving investment income, receiving earnings, receiving pension income, and years of schooling. For divorced or separated women who are paid workers, total hours paid and being a professional were associated with higher income.

Consistent with the literature, findings of this study showed that divorced or separated women aged 65 and older earn significantly less employer pension income than the three comparison groups. They also earn significantly less C/QPP benefits, despite the fact that they are legally entitled to one half of their husbands C/QPP benefits.

Alimony was not found to be associated with income for divorced or separated

women, although it was positively associated with ownership of dwelling for paid workers. The reason why alimony was not associated with income may be because the amounts of alimony received was quite low and only a very small proportion of divorced or separated women received alimony. This indicates that significant reforms are needed to the justice system which has been shown to deny older women adequate alimony.

Overall this study highlights the importance of marital status for economic well-being in mid and later life. Married women are much better off financially than divorced or separated women when examining economic family income. However, when comparing individual incomes of both married and divorced or separated women, it was found that married women may in fact be worse off than the divorced or separated women. Thus, this research confirms the much quoted women are often just “a man away from poverty”.

It is important to understand that these factors are dependent on our legal and social welfare system. The Canadian Divorce Act does little to provide women with adequate access to resources such as spousal support (very few women not living with children under the aged of 18 ever receive spousal support). On the other hand, the Canadian legal system has attempted to help many women to maintain (or not drastically reduce) their economic well-being following a divorce by legislating mandatory credit-splitting of pensions and other assets following a divorce. But, then again, many women do not have access to expensive lawyers and many others do not have any assets or pensions to split with their husbands. While the Canadian retirement income system has improved the economic situation of older persons as a whole via the OAS, GIS, SPA and

C/QPP, current research suggests that it has failed to improve the economic well-being of unmarried older women. This analysis certainly suggests that it has failed to improve the economic situation of women who become divorced or separated in later life. And, recent government initiatives such as a reductions in government pension benefits and increases in tax assistance for RRSPs and RPPs (Battle, 1997) imply that in the future, individuals will be responsible for their own retirement. This will have serious and negative repercussions for women who, live longer than men, and are very much dependent on government pensions in their old age. Finally, we must recognize that the economic status of older divorced women is to a considerable degree related to the values within our society. Gender inequality in the labour force, the family, the legal system, and the retirement income system has powerful and devastating consequences for the economic futures of women who experience a divorce in mid and later life.

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APPENDIX A

Low Income Cutoffs, for 1994 (1992 Base), and Low Income Measures, Before Tax and after Tax

Size of Family Unit	Low Income Cutoffs					Low Income Measure
	Size of Area of Residence				Rural Areas	
	500 000 and over	100 000 to 499 999	30 000 to 99 999	Less than 30 000		
Before Tax						
1 person	16 511	14 162	14 063	13 086	11 410	12 299
2 persons	20 639	17 702	17 579	16 357	14 263	
3 persons	25 668	22 016	21 863	20 343	17 739	
4 persons	31 071	26 650	26 465	24 626	21 472	
5 persons	34 731	29 791	29 583	27 527	24 003	
6 persons	38 393	32 931	32 702	30 428	26 533	
7 or more persons	42 054	36 072	35 820	33 329	29 064	
After Tax						
1 person	13 635	11 486	11 309	10 333	8940	10 382
2 persons	16 638	14 014	13 798	12 609	10 908	
3 persons	21 043	17 726	17 452	15 948	13 797	
4 persons	26 209	22 077	21 736	19 862	17 184	
5 persons	29 294	24 675	24 293	22 199	19 206	
6 persons	32 378	27 273	26 851	24 537	21 229	
7 or more persons	35 462	29 871	29 408	26 874	23 252	

Source: Statistics Canada. (1997). Survey of Labour and Income Dynamics microdata user's guide. *Dynamics of Labour and Income*. Ottawa: Minister of Industry. Catalogue 75M0001GPE: p. 131.