

**Everything is fair in love and war:
The Complex Journey of Asset Division
After Relationship Separation Late in Life**

Auckland 2023
TRA X Te Ara Ahunga Ora

TRA



**TE ARA
AHUNGA ORA**
Retirement Commission

● Agenda

The case for change: The impact of asset division

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Perceived fairness

2

How value is determined

3

How to enable decisions that will stand the test of time

4

Fostering respect for future lives

5

The Big Strategic Question:

How do we help people over 50 make equitable and fair decisions about asset division when going through relationship separation?

Everything is fair in love and war.

This widely used phrase of uncertain origin suggests that in matters of love and war – which could arguably apply to asset division after relationship separation – people resort to all means necessary to achieve what they want.

In the context of asset division after a relationship ends, this saying takes on a new meaning.

Or rather: When stakes are high, everything can seem fair.

Our sense of fairness is sensitive to multiple influences and strong emotions can significantly influence what we perceive as fair. Even financially uneven outcomes after asset division can be seen as fair when other values are sustained. What is fair to one person might seem deeply unfair to another, and even within the same person perspectives on fairness can change as different values come into play.

In this report, we will explore the objective and subjective context of asset division, how value is determined beyond monetary worth, and how Te Ara Ahunga Ora can create policies, educational resources, products, and services to ensure equitable outcomes for separating couples by promoting respect for their future lives.

- What Te Ara Ahunga Ora set out to do

Provide guidance to inform policies, educational resources, products & services that create equitable asset division outcomes for separating couples

- Our research objectives

1. Understand the wider context and experience of relationship separation after 50 years of age, and determine the social, cultural and individual factors that influence decision making in this context.
2. Explore the decision-making process of people who have gone through a formal separation and identify the factors that influenced these choices. Within this, a specific focus on:
 - Understand what 'value' means in relation to assets and the impact this has on decision making
 - Explore specifically how KiwiSaver is treated in this process
 - Understand the division of depreciating vs appreciating assets and who tends to get what
3. Explore the financial impact of asset division decisions if these are made within the family court vs out of the court

Method

5 x Expert Interviews

- 1 x Family court lawyer
- 1 x Mediator and family lawyer
- 1 x Relationship counsellor
- 1 x Academic specialised on post-separation asset division
- 1 x Māori community lawyer

12 x Depth Interviews

- With over-50 year olds who have gone through relationship separation in the past 5 years
- Pre-task: Immersion to facilitate process recall
- 1 hour interview
- Post task: Letter to self

10 min Online Survey

to test qualitative findings at scale

- N = 155
- 37% Male, 63% Female
- It's important to highlight that obtaining responses from separated couples using online surveys is challenging, resulting in a small sample size. While the findings can provide some insights into people's attitudes, please note that this sample is not nationally representative.
- In this report, we're presenting quantitative insights derived from groups as small as N=30. If the sample size is smaller than 30 for certain categories, we haven't included those findings in our report.
- All significance testing in this report compares Males versus Females.

The case for change: The impact of asset division

1

Kiwis care about fairness.

Fairness is a core value in New Zealanders' mindsets and therefore part of TRA's Kiwi Codes. In our latest 2023 iteration of this longitudinal study, more than two thirds (68%) of New Zealanders said it is very important that New Zealand is fair. 58% said people overseas would see NZ as one of the fairest or a slightly fairer country than the rest of the world. This is a good indication that New Zealanders think that New Zealand is relatively good at ensuring equitable outcomes through its governmental and legal systems.



New Zealand law is intended to help people determine what is fair when it comes to asset division and ensure outcomes are equitable.

Asset division is governed by the Property (Relationships) Act 1976. The Act sets out the legal framework for the division of relationship property when a relationship ends.

However, the Act gives little guidance to help couples assess what ‘value’ means and there is little direction for navigating the complexities of KiwiSaver distribution.

Relationship Property

Relationship property is defined as the assets and debts acquired during the relationship, with some exceptions like inheritances and gifts that are kept separate.

Equal Sharing

The default rule is that relationship property is to be divided equally between the partners, regardless of who acquired or contributed to the assets during the relationship.

Contributions

While equal sharing is the starting point, the Act allows for adjustments to the division based on the contributions of each partner to the relationship. Contributions can be financial, non-financial, or both. This means that if one partner made significant financial contributions to acquire a property, they may receive a greater share of it.

Duration of the relationship

The length of the relationship may also influence the asset division. For example, if the relationship was relatively short, the division might be more straightforward and may not involve a complete equal split.

Separate Property

Separate property, such as assets acquired before the relationship or inherited or gifted assets that were kept separate during the relationship, generally remain with the original owner.

Family Home

The family home is subject to special considerations. If it was the main home for both partners or their children, it is treated differently from other relationship property and may not be sold without the consent of both partners or a court order.

Yet people don't seem to access the support they need to protect their retirement plans from the negative impact of asset division.

2 in 3

see their retirement plans impacted negatively by the outcomes of their asset division.

1 in 5

divide their assets through informal negotiation only (that's without any legal or financial advice).

3 in 4

do not take KiwiSaver into account when dividing their assets, and receiving formal advice does not make them more likely to do so.

9 in 10

do not consider their retirement plans an influence on their decision-making during asset division.

Q. How has this divorce/separation impacted your retirement plans?
Q. Thinking about your recent separation which of the following methods did you use/engage in?
Q. When having to divide your relationship property, which of the following was included?
Q. Now thinking about how the relationship property was divided, which of the following influenced your decisions?
Base: n=155

Almost everyone ends up financially worse off post-separation, but women seem to be particularly affected.

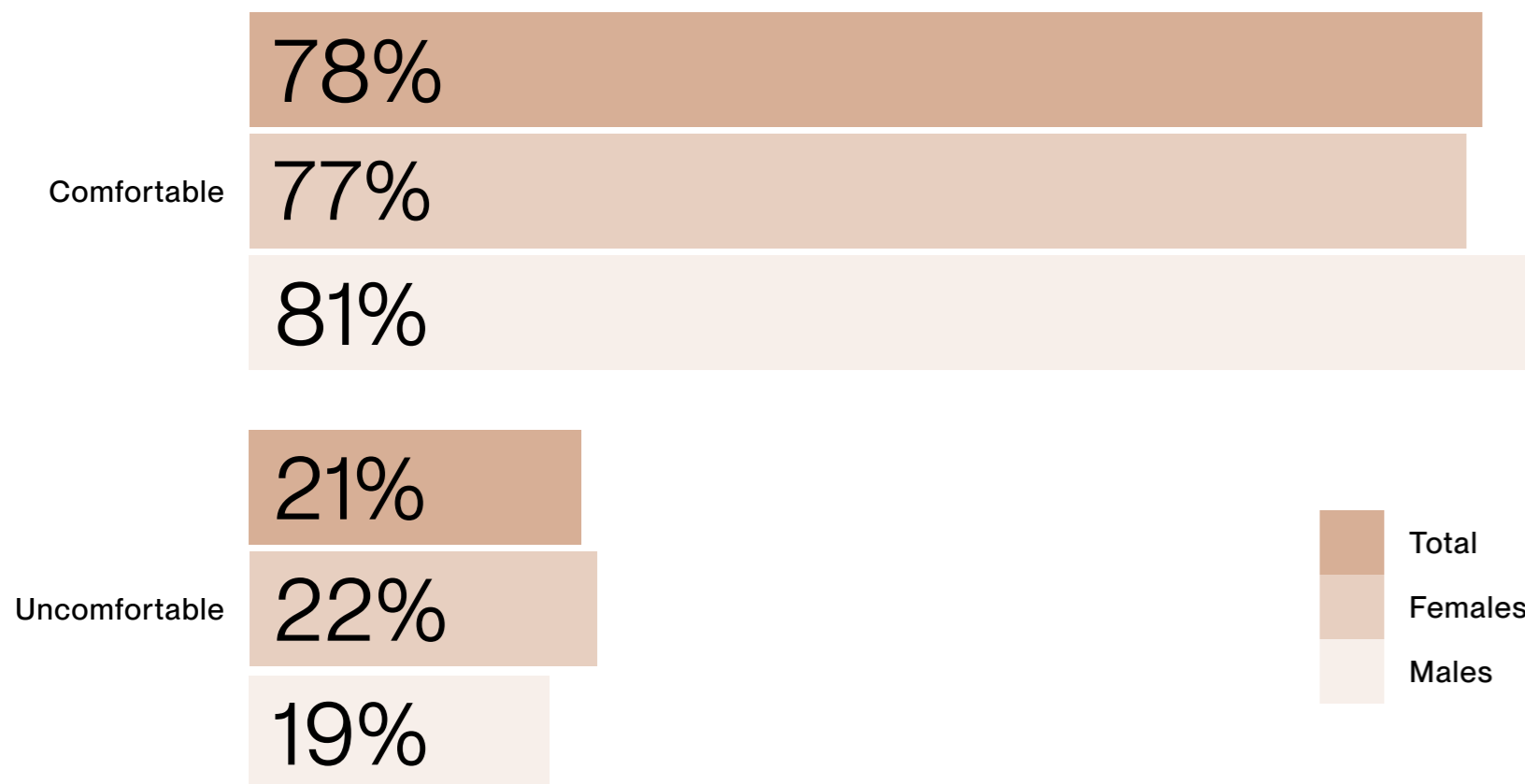
“There are no winners from asset division”

Family lawyer

Over half of our survey participants indicated reduced circumstances post-separation, with those feeling financially uncomfortable jumping from 21% to 64%.

For women, the jump was even more pronounced than for men. Based on our qualitative research, we can attribute this to reduced earning potential for women who typically stepped back from their career while they took on the role of primary caregiver.

Financial position pre-separation*



Financial position post-separation*



*Note financial positions have been combined into 'total comfortable' and 'total uncomfortable'
 Q. How would you describe your household's financial situation before the divorce / separation?
 Q. How would you describe your household's financial situation after the divorce / separation?
 Base: n=155

Outcomes of asset division will be crucially determined by what people are willing to ask for, particularly for those who don't seek legal advice.

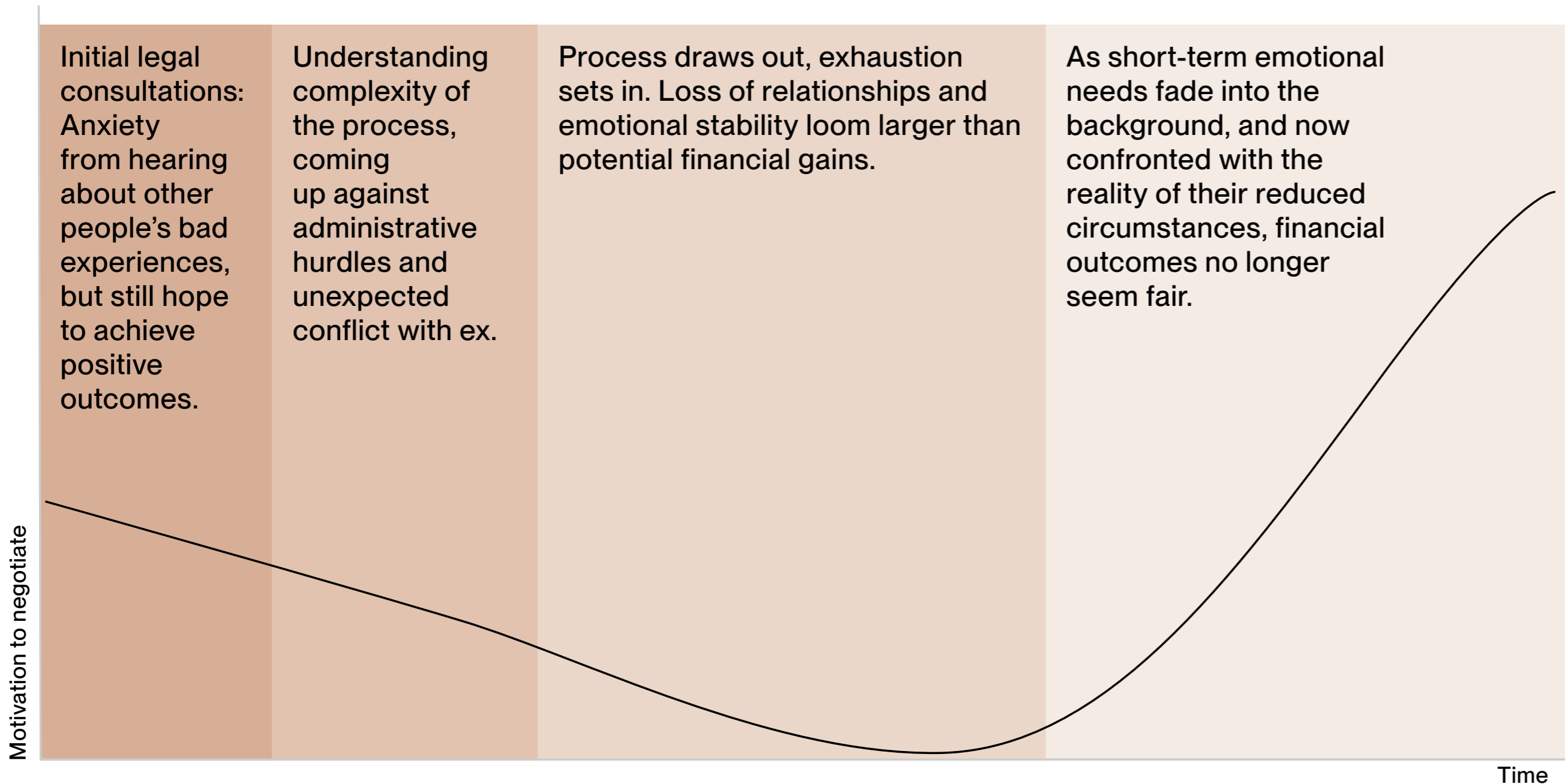
To understand how people make decisions during asset division, we need to understand what they perceive as fair to negotiate over.

Perceived fairness

2

Negotiations are driven by what each partner perceives as their fair share. However, perceptions of fairness are not only subjective across different individuals but can also undergo changes within the same individual over time.

What is perceived as fair can change throughout the asset division process.



Meet Mia

“At the time, 50-50 felt fair. It felt quite generous of him given that I was the one who made the decision to leave.

In hindsight, I probably should have gone for a little bit more. [...] The division of household duties was more 70-30 and my career was on hold for a good decade to raise our son. He's now earning really good money over in Australia, so for him the separation turned out to be a good thing financially. While my circumstances have changed for the worse.”

Mia is a woman in her mid-50s who initiated a separation from her husband of almost 30 years. The separation was relatively amicable. They had children, who have flown the nest.

She now works full-time in an event coordination role. Financially, she has been struggling a bit, relying on savings to cover expenses. The separation landed on a 50/50 split of assets, including KiwiSaver, which Mia found fair at the time, especially given that she was the one initiating the separation.

She has since faced challenges to find lucrative employment. By her own assessment, this is due to not having continued her career growth being the primary caregiver of the children. She values her independence but is worried about her financial security in retirement.

In hindsight, 1 in 3 perceive the outcome of their asset division to be unfair, with men and women equally likely to say so.

“Because my financial input during the relationship was 90%+. No children involved, she worked same as I did, and her contribution other than financial was no greater or less than mine.”
– **Very Unfair, Male**

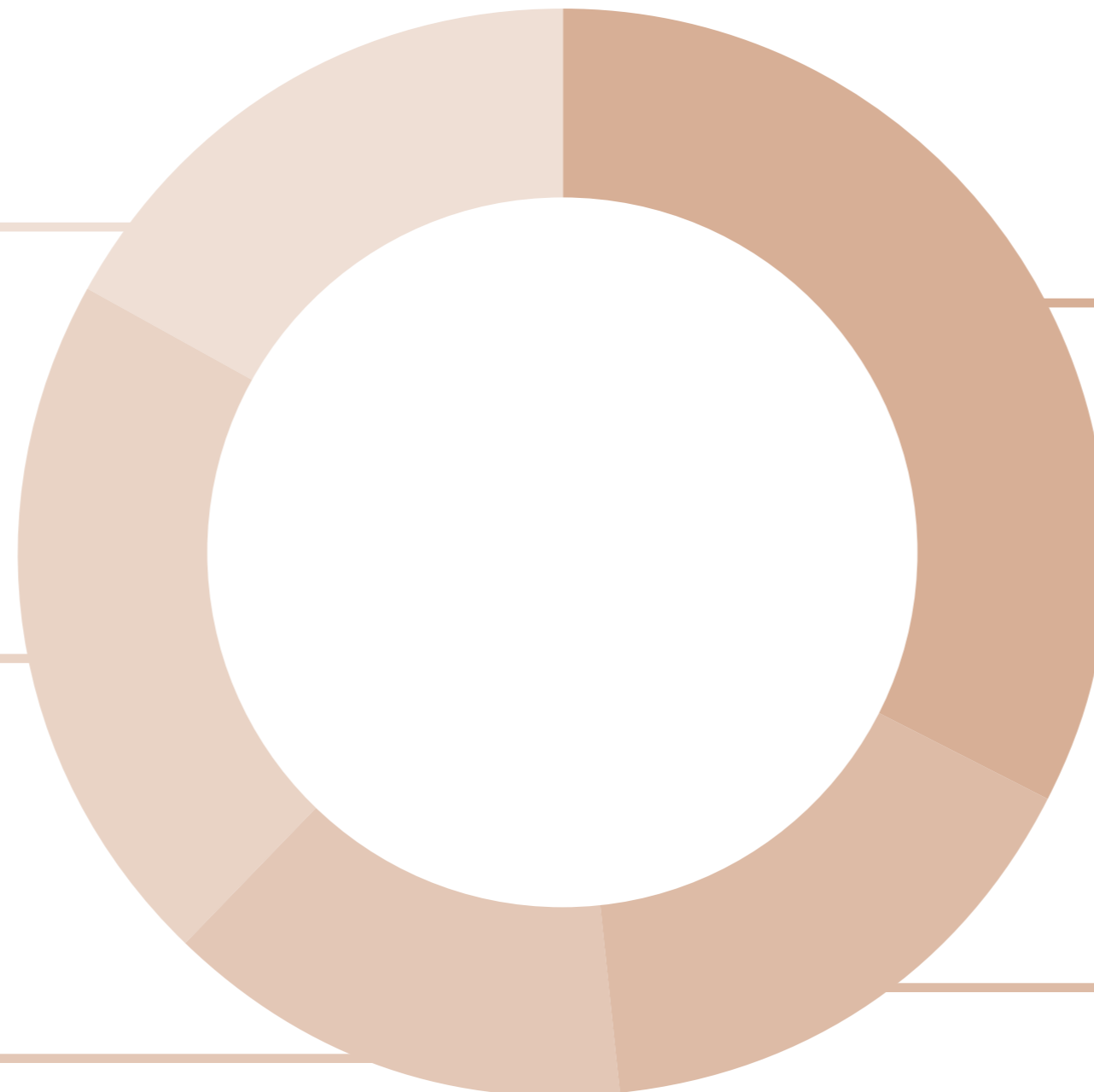
17%
Very Unfair

“My ex made it so difficult that I just signed the agreement to get it done. He got basically everything except the house.”
– **Very Unfair, Female**

“There was no allowance for retirement as this was built into the business. He had no KiwiSaver but got half of mine. I paid for my car, but it was in his name, so I had to then give him half the value.”
– **Somewhat Unfair, Female**

21%
Somewhat Unfair

14%
Neutral



33%
Very Fair

“My wife could earn more than me and she was moving away, so it suited us for me to get most of the furniture. We were both reasonable in our expectations and flexible.”
– **Very Fair, Male**

“Got more than what I was legally entitled to, mainly to ensure the children wouldn’t suffer and for my ex to feel less guilty about the circumstances of our separation.”
– **Very Fair, Female**

16%
Somewhat Fair

“His KiwiSaver was not included. I did not have KiwiSaver as we decided just his would do from when we were married which was 13 years. I believe that should have been included.”
– **Somewhat Fair, Female**

Q. Thinking about everything you received from the division of relationship property, how fair did you think the outcome was?
Q. And what makes you say that?
Base: n=155

“The idea that asset division after relationship separation is a rational fight to the last penny is completely wrong.”

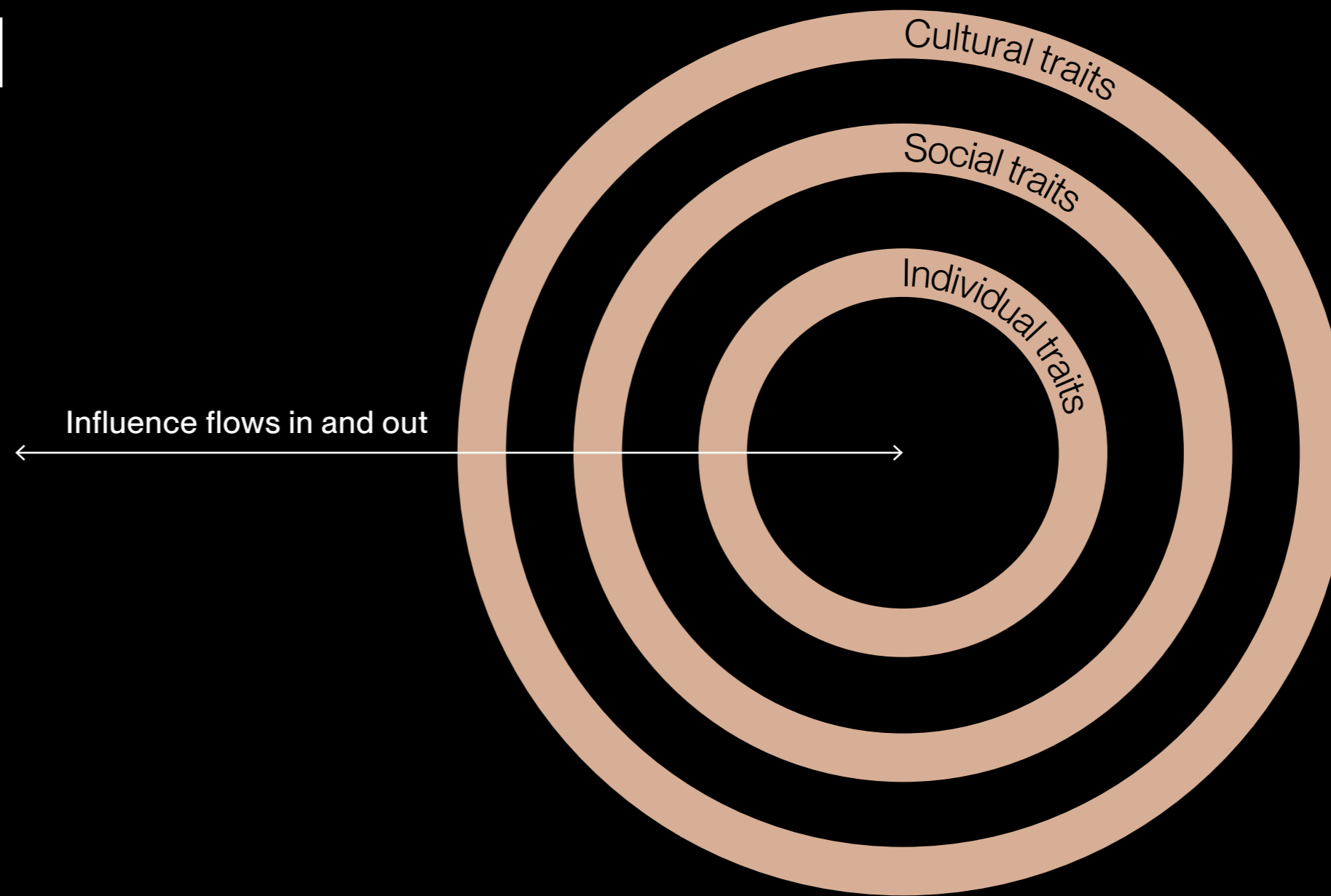
— Family Lawyer

In the process of asset division after relationship separation, the pursuit of fairness is a nuanced journey.

Factors extend beyond rational considerations of absolute monetary value and legal entitlements, to deeply held values influenced by society, social environment, and individual traits.

Values outside of financial and legal equity have a profound influence on perceived fairness.

Cultural, social and individual influences are strong and often deeply meaningful to the individual. They can pull people in many different directions during the process of negotiating the relationship property division.



Cultural Traits:

- Historical disparity
- Generational learning from past family trauma
- Gender Norms
- Te Ao Māori

Social Traits:

- Prioritising children’s wellbeing
- The ending relationship
- Peers’ experiences
- Whānau interests and support

Individual traits:

- Level of financial and legal literacy
- Being the leaver vs. the left
- Conscientiousness
- Positive coping strategies
- Mental illness
- Substance abuse

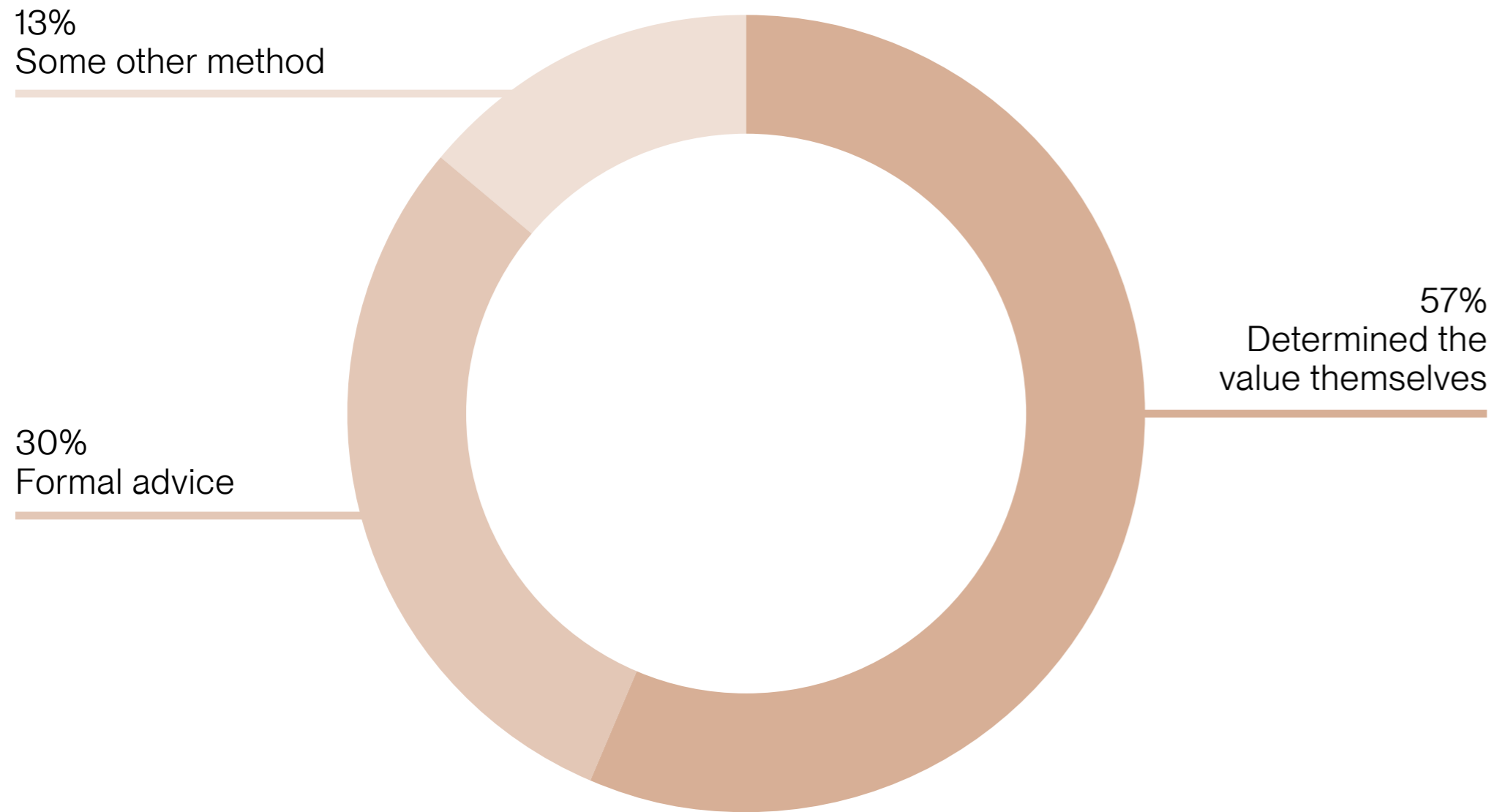
To help people achieve more equitable financial outcomes, we need a detailed understanding of how non-monetary values influence decision making during asset division.

How value is determined

3

Most people (57%) determine the value of their relationship property without formal advice, leaving them vulnerable to emotionally driven decision-making.

Method of valuing assets



While determining the value of assets without professional advice didn't seem to affect overall fairness perceptions, people were even less likely to consider KiwiSaver as part of their relationship pool when determining the value of their assets themselves (1 in 5 as opposed to 1 in 4).

The cost of seeking advice is likely the main reason why people would determine the value of their assets on their own. However, participants also seemed to equate coming to an informal agreement with being more reasonable or amicable.

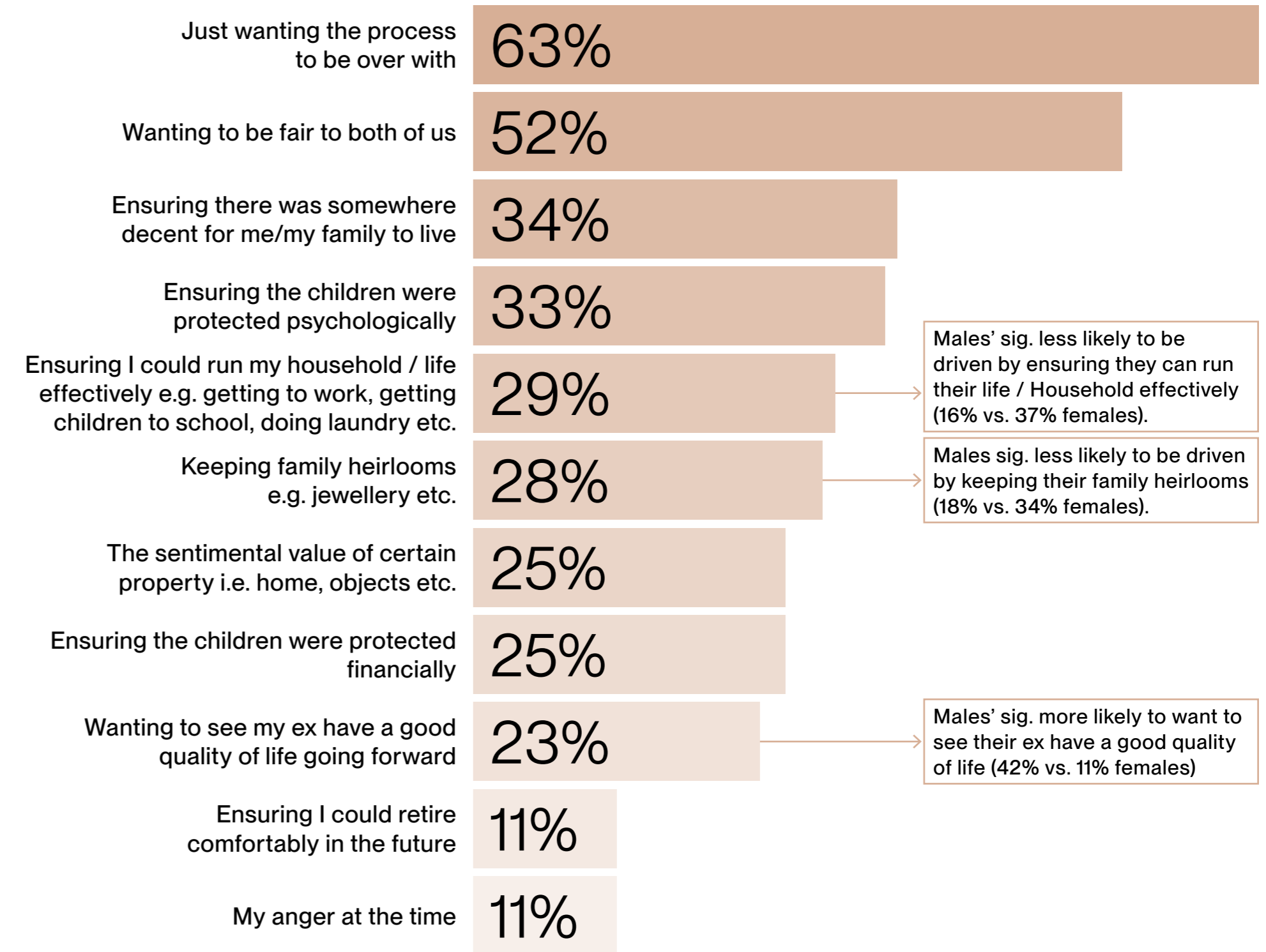
Implication:

Normalising that seeking professional advice is not a sign of distrust or conflict may be an important lever for encouraging people to get the right level of support.

While fairness is an important consideration during asset division, many other values influence decision making, such as family values and the sentimental value of objects.

Only 1 in 10 consider their retirement plans as an influence on their decision making.

Influencers of decision making



Note: Data below 10% has been excluded

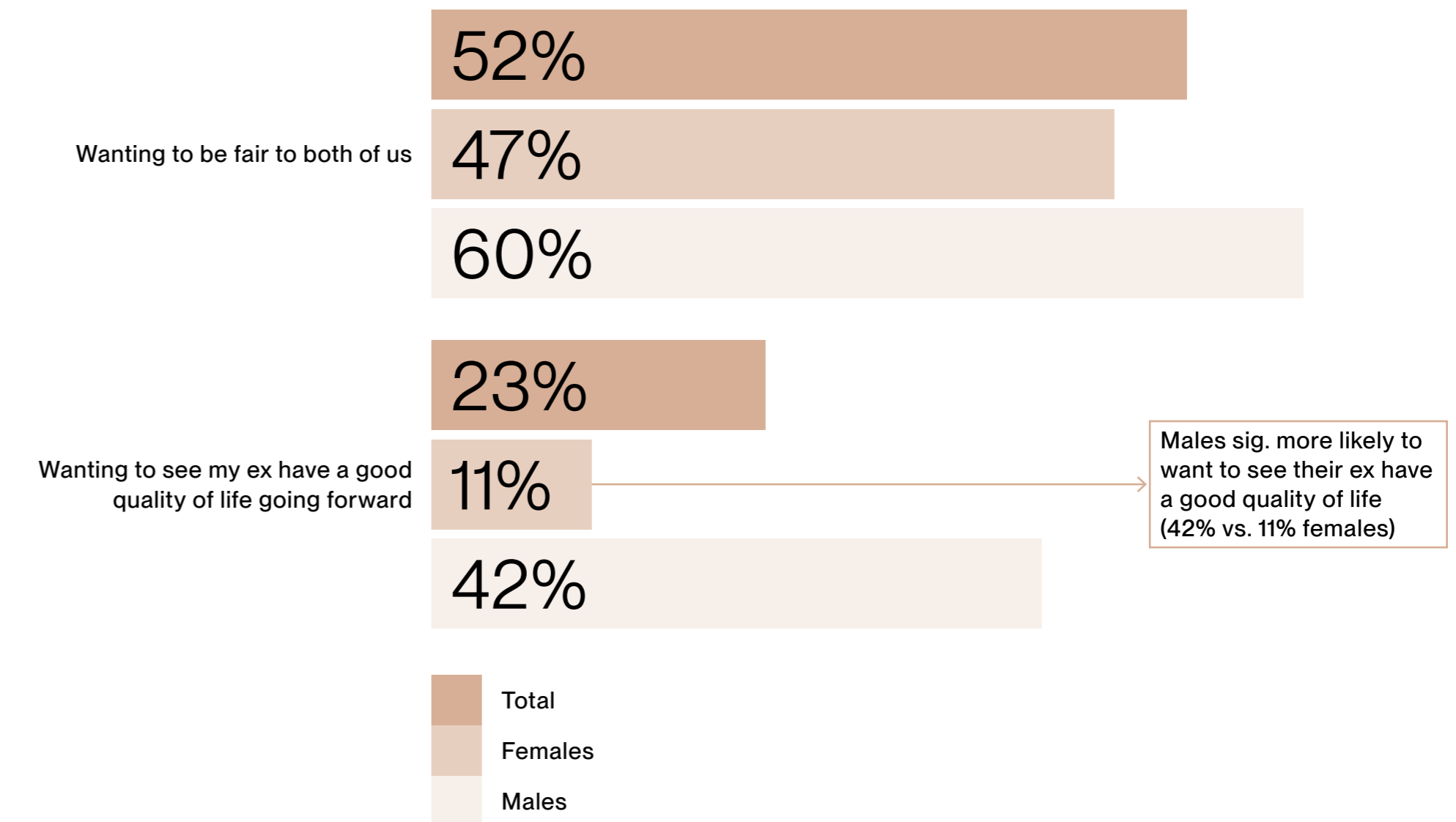
Q. Now thinking about how the relationship property was divided, which of the following influenced your decisions?
Base: n=155

With power comes responsibility – men are more likely to consider fairness and their partner’s quality of life as an influence on their decision making.

Among the surveyed men, 60% stated that their decision-making in asset division was influenced by a desire for fairness towards both parties, bringing it close to the top influence on decision making overall. Additionally, 42% of men said that ensuring a good quality of life for their ex-partner influenced their decisions. Women were less inclined to choose these answer options.

This discrepancy is likely due to men seeing themselves as responsible for maintaining fairness during negotiations as it is more often their larger asset base that needs to be redistributed compared to their ex-partner’s.

Influencers of decision making - Fairness

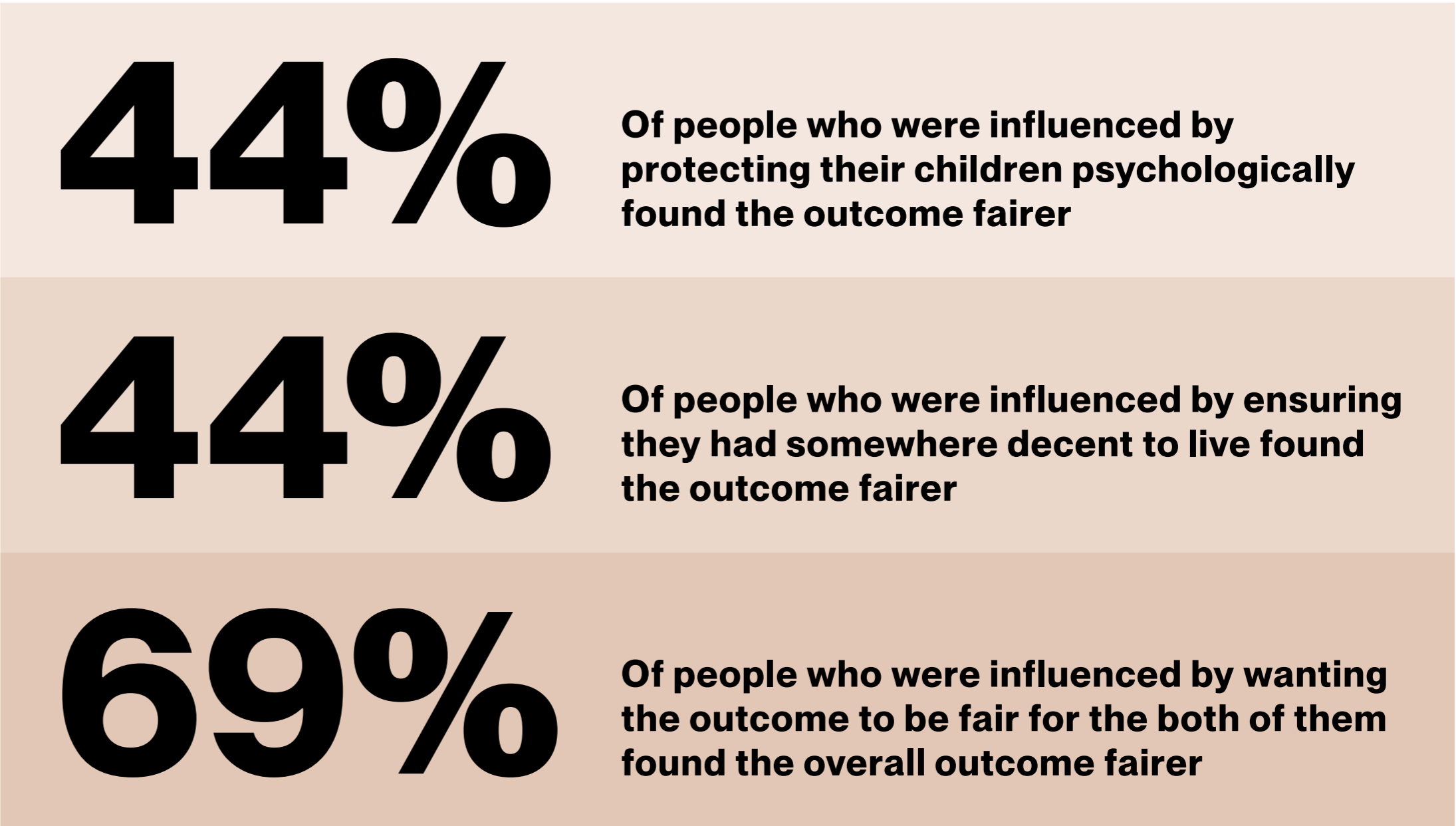


Q. Now thinking about how the relationship property was divided, which of the following influenced your decisions? (Only fairness related answer options shown)
Base: n=155

While some non-monetary, more emotional values are linked to a **stronger** sense of perceived fairness, the desire for a swift resolution seems to have an **adverse** effect on the perception of fairness.

Keeping fairness front of mind or holding on to values such as considering your children’s psychological well-being or preserving a decent place to live seem to go hand in hand with greater perceived fairness.

People who said they only wanted the process to end quickly also said they got less fair results. This could both mean that when the process is more difficult, it’s not as fair; or when fairness is difficult to achieve, the process becomes harder.



In-depth conversations with people who have been through the process of asset division provided us with a deeper understanding of how value is determined and in which way different values might influence financial equity.

The value of family

No amount of wealth can compensate for the fracture of family bonds.

Safeguarding family relationships

To maintain good family relationships, people are willing to make concessions or give in to avoid prolonged fighting and growing resentment among family members.

“I never talk ill about his mother to him, and I tried to de-escalate the negotiations as much as possible to make sure he never feels like he needs to pick a side between us.”

Male, 50+

Not repeating parents’ mistakes

This current generation of individuals aged 50+years has either witnessed or personally experienced the profound psychological impact that divorce can have on children. Having learned from the mistakes of previous generations, they prioritise their children’s mental health.

“He’s a great kid, I try to tell him that and reassure him. It’s been hard on him, and I get it, I went through the same thing at a similar age. So I try to do right by him and not repeat my parents’ mistakes.”

Male, 50+

Maintaining a stable family home

Many prioritise stability for their family and view the family home as a symbol of that stability. The emotional attachment to the family home may influence their decisions during asset division, even if it means giving up other financial assets.

“We’re in the same street where I grew up. My children went to the same primary school I’ve been to. We are so embedded in the community here. I asked the kids: “Do you want to live somewhere else? Should we move to a nice new house?” And they were always like “No, no, no, no, mum.” So it was important to me to me to give them that.”

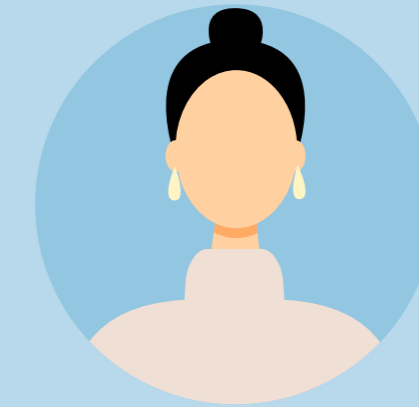
Female, 50+

Respecting what the family wants

Some sought advice from family members or culturally preferred to solve family issues within the family before even considering what they were legally entitled to.

“First and foremost, I think this is a family matter. So I first talked to the family and figured out what they wanted, before I talk to any lawyers.”

Female, 60+



Meet Samantha

“I didn’t want to fight, because I’d seen so many similar cases that took a long time and still ended up affecting everyone involved very badly. The relationship just gets worse and worse. The children will hate their father. And for myself the journey would be very painful. First and foremost, this is a family matter. So, I first talked to my children and figured out what they wanted before I talked to any lawyers.”

Samantha, aged in her mid-60s, initiated a separation from her husband of over 20 years . The legal divorce process took about 2 years. They have two adult sons who had already moved out before the separation.

The decision to separate was influenced by her ex-partner’s overseas work commitments. The extended periods of separation posed challenges. Seeking legal assistance, Samantha engaged a lawyer fluent in Cantonese through the Citizen’s Advice Bureau, resulting in a surprisingly smooth process.

Samantha’s unwavering commitment to her sons profoundly influenced her decisions during the separation. Overcoming difficulties as a single parent, she aspired to pursue studies in graphic design. She believes her children’s unwavering support and the family’s adherence to cultural values allowed her to cope throughout these difficult times.

The value of closure

No matter how amicable the breakup was, the desire for a specific type of closure shapes one's perception of what constitutes a fair split of finances.

In the pursuit of closure, some people opt to let go of monetary disputes as a gesture of goodwill towards their former partner.

"I still pay his insurance and little things like that, because I know it's not on his mind."

Female, 60+

"My father wanted me to take the family home. And I said, No, no, that's not fair that [my ex] doesn't get anything. I mean, yes, we should have had the mortgage paid off by now if he'd worked harder, we probably would have. But, you know, I still think he's still entitled to something."

Female, 50+

But parting with assets can also symbolise closure as a reflection of the conscious decision to sever ties and avoid further emotional exasperation with the ex-partner.

"Initially I wanted him to move out, but he flat out refused and I knew he couldn't really afford to. He could have lived with a friend, but then he also couldn't have had the kids there. And because he's the one who earns less than me, we set it up that he's supposed to look after the kids more. So I guess he can't just go flatting somewhere randomly. And honestly, he's just not capable of finding a place, so I would have to do it for him. So instead I went looking myself."

Female, 60+



Meet Jim

"I ended up giving her everything to essentially buy her off [...]. My lawyer could see that I was the one who was being domestically abused but couldn't do anything about it [...] My male pride got in the way of fighting for myself."

Marrying in 2013, Jim faced challenges soon after when his wife quit her job, leading him to work demanding hours to support them both. He became the primary provider for their 7-year marriage, even as his relationship with his daughter from a previous marriage suffered due to conflicts with his new wife.

In 2019, they separated, and shortly after, his wife filed for divorce, accusing him of false charges. Despite living separately, he continued supporting her while grappling with legal complexities. In the end, he gave in to all demands made by his ex-partner to be able to move on.

As he navigated the legal process, Jim faced unique challenges in seeking help and acceptance as a man subjected to emotional abuse. Resilience and determination kept him moving forward, supported by a new partner and professional guidance. He now contributes to a charity that provides mental health support to men.

Note: Pen portraits throughout this report, while based on the real experiences of research participants, have been fictionalized to protect people's privacy.

Māori values

With a holistic perspective on their hauora (well-being), Māori participants relied on whānau support and open communication more than on institutional support and legal frameworks.

Whānau well-being

While family is valued across cultures, Māori participants were particularly deliberate in considering the interests of whānau. Mutual respect and the well-being of the entire whānau were primary considerations during asset division.

“The whanau was very involved, supporting both of us every step of the way.”

Female, 50+

Korero

Māori participants engaged in long and open discussions before involving lawyers or formal legal processes. Communication was considered essential to understanding each other’s interests and needs fully.

“We sat down and talked it out until the blame-shame-game faded away. Getting it all out on the table was the hard part, moving past all the hurt. After that, it was easy to pick out what was his and what was mine.”

Female, 60+

Focus on Hauora

Hauora, as a comprehensive concept of well-being, embraces the physical, mental, social, and spiritual dimensions. As a guiding principle, it enables the fair negotiation of values beyond mere monetary considerations.

“Our hauora is in a good place. We sorted things out based on what we truly cared about, not just the actual worth. He’s really into fishing, so I told him, ‘Sure, you can keep the boat,’ and in return, I got to keep our two big dogs. Those pups are my buddies, and I couldn’t bear to see them separated.”

Female, 50+

Distrust in Western institutions

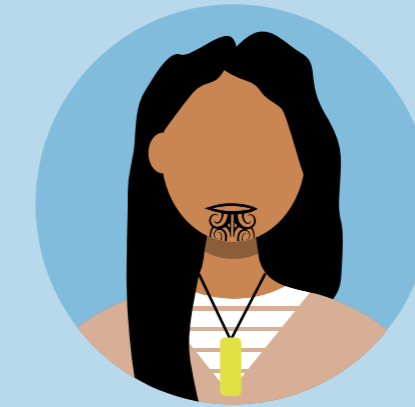
Māori participants relied more on basic community law advice and whānau support rather than extensive legal processes.

“I got some basic community law advice, but mostly relied on my mates who have been through the same thing.”

Male, 60+

“[The lawyer] just didn’t seem to be interested in what I needed at all. She was very distant and cold. I tried to get through that part of the process as quickly as possible.”

Male, 50+



Meet Tania

“We decided from the get-go that we’d take care of each other’s best interests without any hard feelings – you know, we wanted things to be easygoing around each other and for the sake of our children and mokopuna.”

After a long marriage, Tania and her spouse parted ways amicably. Their mutual respect guided their decisions. They prioritized open communication, involving their children and grandchildren, to ensure everyone understood the process.

Property and finances were secondary; their focus was on emotional closure. Their discussions encompassed fair division of assets, including a holiday home for their children, a 50:50 house sale, and respectful allocation of significant belongings. They shared a commitment to each other’s hauora.

Tania found security in a new city, a freehold home, and a different career. Despite occasional loneliness, supportive friendships and an ongoing friendship with her ex-spouse provided comfort. As she looks ahead, Tania envisions a hopeful future with travel and time spent with her grandchildren.

The value of your work

KiwiSaver has an emotional value beyond similar investments.

People treated their KiwiSaver account differently from other financial investments. If it was considered at all – as only 1 in 4 couples takes KiwiSaver into account when dividing their assets – the person with the greater KiwiSaver amount usually ‘paid out’ their partner an equivalent share of the house sale money or savings when separating.

When people talked about KiwiSaver, they saw it as more directly connected to their own work efforts than other assets. The fact that KiwiSaver is always under the individual person’s name adds to the general impression that it belongs to them personally and was not part of the relationship property pool.

Even those who received formal advice did not necessarily consider KiwiSaver either, indicating that family lawyers may not be encouraging their clients to meet this legal obligation consistently.

“I wanted to maintain my KiwiSaver balance so she got more out of the sale of our house. [...] I don’t think she paid that into her KiwiSaver, I think it’s just sitting in her account as she’s hoping to buy property again.”

Male, 50+

How KiwiSavers were split

26%

included in asset division

There are no significant differences between how Males vs. Females split their KiwiSavers.

We kept our own KiwiSaver	39%
We took the total value of our KiwiSaver and divided it between us equally	12%
We took formal/legal advice on how to value and divide KiwiSaver between us	15%
We traded off other relationship property so that our own KiwiSaver balance(s) could remain intact	24%
Other	7%
I can't remember	2%

How bank savings + other investments (incl. investment property) were split

65%

included in asset division

There are no significant differences between how Males vs. Females split their bank savings and other investments.

I received it	7%
My ex received it	11%
We co-own or still share it	4%
We split it	70%
We gave it away / disposed of it	0%
We sold and then split the money	8%
Other agreement	12%

Q. You mentioned KiwiSaver was included in the relationship property that was divided. How was this valued and divided? Base: n=41

Q. Thinking about the relationship property that was divided, who received the bank savings / cash assets / investments including investment property? Base: n=100

The value of finding a way back to well-being

Everyone experiences general exhaustion.

Going through asset division can be financially, emotionally, and mentally draining. Some individuals found it easier to let go of assets just to bring the process to a conclusion and move forward with their lives.

And in some cases, this cumulates in deteriorating health.

Two of our participants cut the asset division process short due to serious health concerns, such as struggling with depression or heart attack. There came a point where there was no question that their focus needed to be on securing emotional stability not financial resources.

‘Just wanting the process to be over’ was the top reason driving decision making, with 63% of people selecting it in the online survey. It’s associated with perceived unfairness.



Meet Karl

“It was such a nightmare of a situation. I actually ended up having a heart attack last year. Now my only concern is to look after my health, so I can be there for my girls.”

Karl met his partner through friends while traveling in Colombia, sparking chemistry that led to eight years together and the birth of their three daughters. However, the relationship crumbled due to age and lifestyle differences.

Cultural clashes and disappearing acts strained their connection, and Karl took the step to initiate the separation. His main goal was ensuring stability and security for their children, a process that involved legal guidance from two lawyers.

Through it all, a supportive friend provided emotional guidance, but the separation took a toll on Karl’s health, culminating in a heart attack. His focus turned to his daughters’ well-being and his own recovery, leading to a decision to cut off contact with his ex-wife.

Karl reflects on the lessons learned and the importance of taking time to evaluate decisions. His support system consists of close friends and family, who stand by him during this challenging time.

Note: Pen portraits throughout this report, while based on the real experiences of research participants, have been fictionalized to protect people’s privacy. DECISION_MAKING. Now thinking about how the relationship property was divided, which of the following influenced your decisions? Base n=155.

Even financially uneven outcomes after asset division can be seen as fair when other values are sustained.

However, the painful process of asset division often makes people rush their decisions and keeps them from thinking about their long-term interests.

To enable more equitable outcomes, people need the headspace to consider their values carefully, both in terms of what they value now, and what they will value in the future.

How to enable decisions that will stand the test of time

4

- We asked participants to write a letter to their past selves, giving advice for the process of asset division based on their experience. Here is a summary of their advice in one single letter:



Dear Past Me,

I want to make sure you can act on what I know now:

First and foremost, don't let the stress of the situation make you lose sight of what is most important, and what will be important to you in the future. I know it's hard but try to think of how your decisions today will affect you in years to come.

Don't let all this negativity get to the kids. They might seem grown up, but this is still going to affect them deeply. Keep things as stable as possible for them. Work with their other parent and be supportive.

Talk openly with your partner and try not to focus on past hurt. This is the last step you have to take to leave all that behind you. Open conversations will lead to fairer solutions that benefit everyone, especially your children. Stay calm even when it's hard.

Don't underestimate the benefits of being organised. Keep track of money and things you both own. This will make things easier when a hailstorm of administrative tasks rains down on you. Being ready now can save you stress and money later.

Get a good lawyer! You are allowed to shop around, it's important that you feel like you can trust them. They need to be respectful of your values, but also nudge you to keep your long-term well-being in mind when deciding what to negotiate for.

Don't forget to take care of yourself. These times are emotional. Find ways to relax, get away from it all, and get support from friends and family.

If there is still time, think about getting a contracting out agreement that protects your assets. It's not about not trusting; it's about being ready for all eventualities of life.

You can do this! Hold a strong vision for your and your family's future in your heart. That will get you through this difficult time.

With care,

Your Future Self

Soft Skills

Building emotional resilience is key to ensuring equitable outcomes, as it ensures that people keep a level head and don't make rash decisions to escape an overwhelming situation.

A strong sense of self

A strong sense of self can make it easier to form a clear and realistic vision of your future. When individuals have a clear understanding of their values, goals, and boundaries, they are better equipped to advocate for themselves and make choices that align with their best interests.

Effective communication

Open and honest discussions with the other party can lead to mutually beneficial agreements, minimizing conflicts and misunderstandings. Clear communication also allows individuals to express their needs, concerns, and priorities, paving the way for constructive negotiations.

Positive coping mechanisms

Engaging in activities that promote emotional well-being, such as exercise, mindfulness practices, or spending time with loved ones, can help reduce stress and anxiety. Maintaining a level head throughout the process allows individuals to make more rational and well-thought-out decisions.

Social support

Friends, family, or a support group can offer emotional encouragement, practical advice, and a sense of belonging during what can be a challenging time. They can provide an unbiased perspective, helping individuals see the bigger picture and make sound decisions.

Hard Skills

Effective asset division also takes hard skills, some of which can be learned before or during the process, while others require the support by specialised professionals.

Financial & Legal Literacy

When individuals have a good understanding of their finances and legal entitlements, they gain foresight for the challenges ahead and can make informed decisions about how to divide their resources fairly.

Being organised

Keeping well-organized records of assets, financial documents, and agreements can help prevent misunderstandings and disputes. Being organized also allows for a smoother process and makes the many administrative tasks more manageable.

A trusted lawyer

A good lawyer understands the importance of achieving a balanced and equitable settlement. They are sensitive to the emotional needs of their clients in the moment, recognizing that the stress and emotions of the process may cloud judgment. Their objective perspective is crucial to keep the long-term interests of their clients at the center of decision making, ensuring that KiwiSaver and retirement plans are carefully considered.

Career management

Primary caregivers who prioritized family over career face particular challenges: due to age discrimination, stepping into a career later in life is tough. People can prepare for this by seeking spousal support and getting career coaching.

Short term values driven by temporary emotional needs during asset division can lead to inequitable outcomes on the long term. Good outcomes take deliberate effort and seeking the right kind of support.

In order to make good decisions that work on the long term, people need to be motivated by what they will value in the future.

Achieving long-term equity and better retirement outcomes requires respect for your future life.

“Don’t let the short-term stress of the situation make you forget about your long-term vision for your life and your retirement.”

- Female, 50+

Fostering respect for future lives

5

When confronted with the prompt ‘Tell us about your goals and aspirations for your retirement’, it seemed like participants had never dared to think about it.

“Funny, because I haven’t really thought about that a lot. After the divorce, I’ve just wanted to be and live in the moment... And now I’m almost 60.”

Female, 56, separated 2 years ago

“I haven’t even thought about this. I love my work, I love working, always have done, never stopped.”

Female, 56, separated 2 years ago

“I’m sure I will have to work well into retirement age. I don’t really mind... I don’t know how realistic it is, but I would like to own a home without a mortgage before it’s too late.”

Female, 56, separated 2 years ago

“I haven’t really thought about retirement. With my recent health issues, my main concern right now is to live until my girls are 18.”

Male, 55, separated 2 year ago

“I don’t have any long-term goals. I’m just getting on with life.”

Male, 63, separated 2.5 years ago

“I don’t have any retirement plans. It would actually be great to get some advice on this.”

Female, 61, separated 6 months ago

There are many reasons one might avoid thinking about retirement during asset division, but real fear of the compromises that will have to be made is certainly an important one.

We are unlikely to convince people to look ahead towards retirement if there is nothing to look forward to.

Whāia te iti kahurangi, ki te tuohu koe, me he maunga teitei.

Seek the treasure that you value most dearly, if you bow your head, let it be to a lofty mountain.

- Māori Whakataukī from a waiata by composer Wiremu Kerekere (1923-2001), Ngati Porou, Te Aitanga-a-Mahaki

Acknowledging that there will be compromise, having a vision for the future, a strong ‘why’, needs to be the starting point for encouraging long-term thinking, acquiring financial literacy and being resilient to short-term concerns.

Respect for your future life needs to become a core factor in deciding what is fair during asset division.

Weaving respect for future lives through Te Ara Ahunga Ora’s policies, educational resources, products, and services has the potential to help people bridge the gap between their current concerns and future outcomes, thereby ensuring fairness that lasts.

Focus on...

Policy

Integrate a values lens on asset division late in life into retirement policy and guidelines, acknowledging how asset division decisions mirror personal values.

Consider how late career development can determine financial outcomes post-asset division and how to address KiwiSaver being seen as directly linked to the individual, and therefore less likely to be considered during asset division.

Consider the needs of women, Māori, migrants, and other social groups who have historically been denied access to resources and financial education.

Educational Resources

Develop educational materials and programs that enable people to first build and then realise a strong vision of their future.

Create modules that guide individuals on assessing their values and connecting them with financial goals, such as online questionnaires.

Provide examples and case studies showcasing how different financial choices can contribute to both immediate needs and long-term aspirations.

Products & Services

Products and services need to take the emotional aspects of asset division into account and help people base their decisions around a strong vision of their future life. They need to:

- Be mindful of the intense stress of asset division and aim to simplify processes wherever possible
 - Address emotional barriers to engaging with financial planning such as not wanting to acknowledge reduced circumstances
 - Address both soft and hard skills necessary to ensure ease, and thereby facilitate equity
 - Specifically address the reality of reduced earning potential when developing a career late in life
 - Legal and financial advisors to encourage consideration of KiwiSaver and retirement plans as they interact with couples going through asset division
-

Appendix

Disclaimers

The graphs and tables presented in this section serve to offer additional contextual information to complement the overall report. This includes supplementary information in the survey that hasn't necessarily been explicitly referenced in the main body of the report.

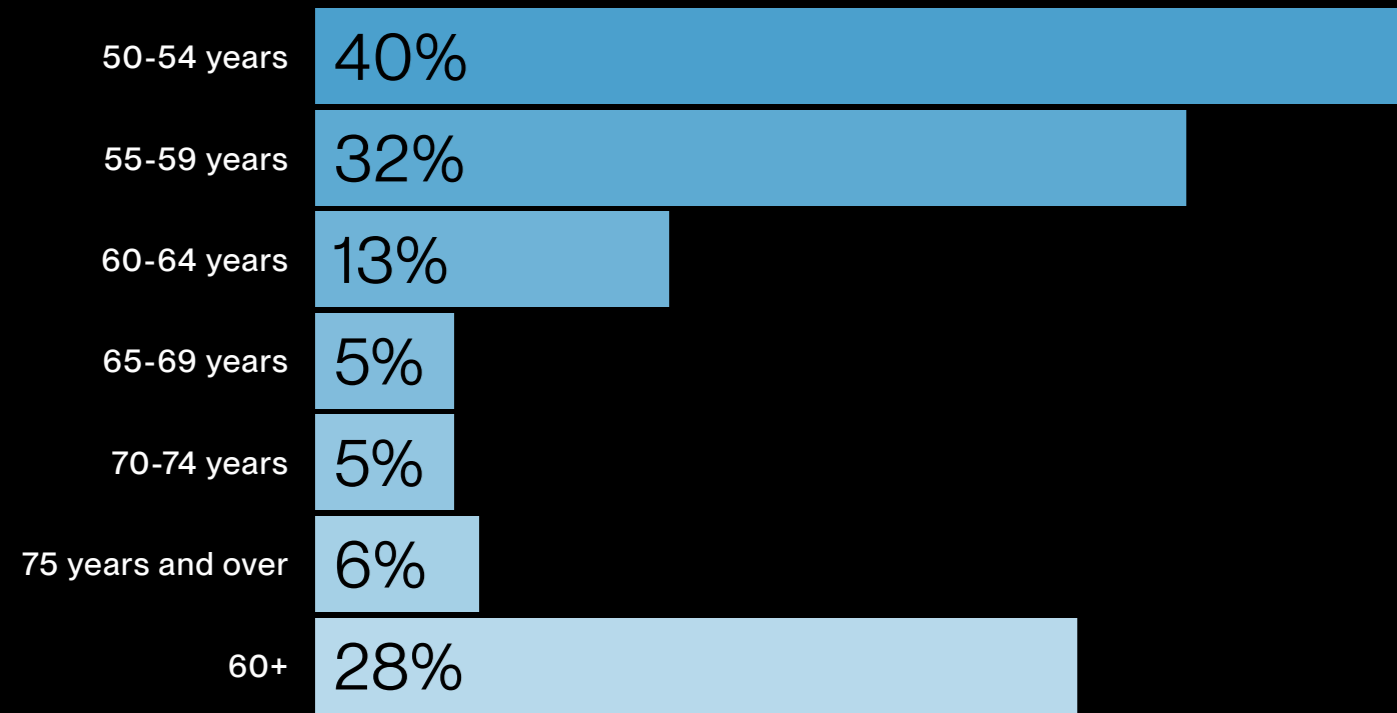
It's important to highlight that obtaining responses from separated couples using online surveys is challenging, resulting in a small sample size. While the findings can provide some insights into people's attitudes, please note that this sample is not nationally representative.

In this report, we're presenting quantitative insights derived from groups as small as N=30. If the sample size is smaller than 30 for certain categories, we haven't included those findings in our report.

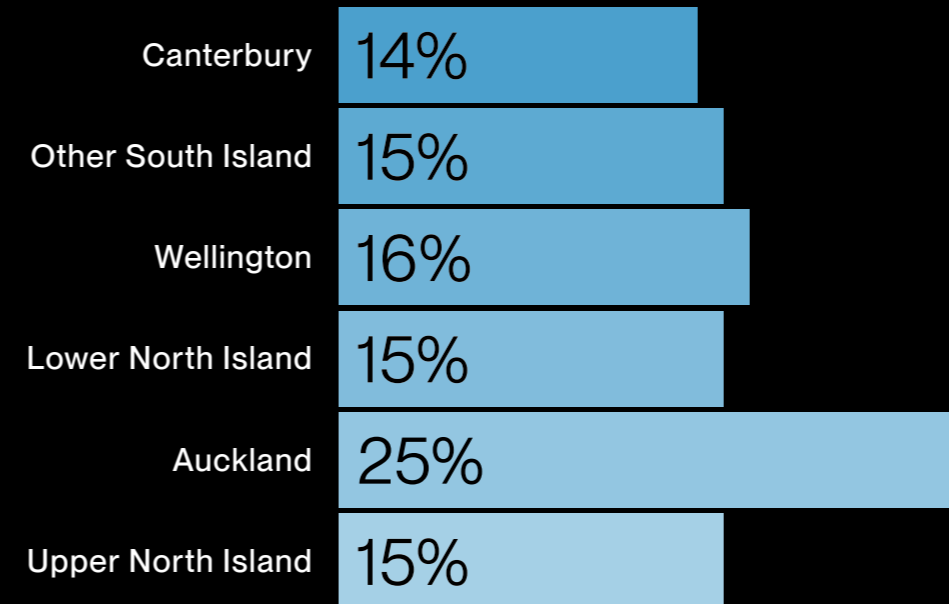
Unless specified otherwise, assume that differences between Males versus Females are not statistically significant.

Demographics

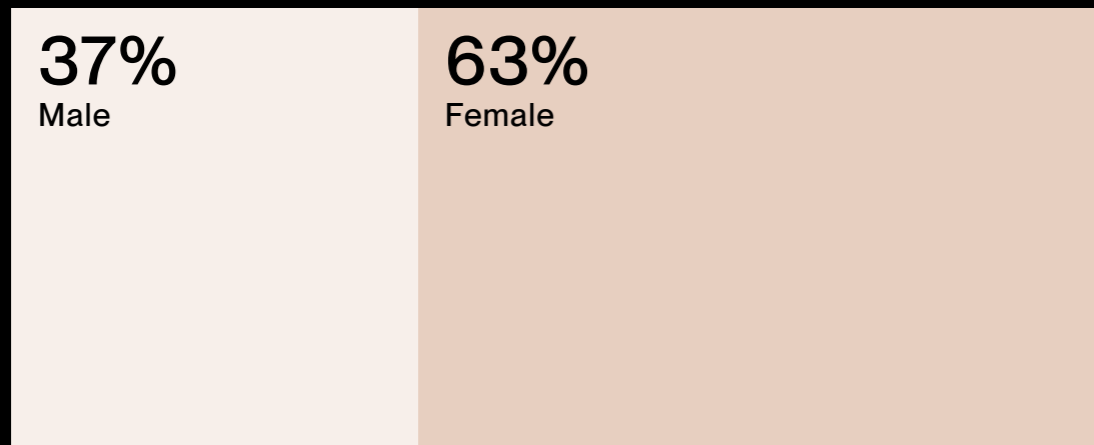
Age



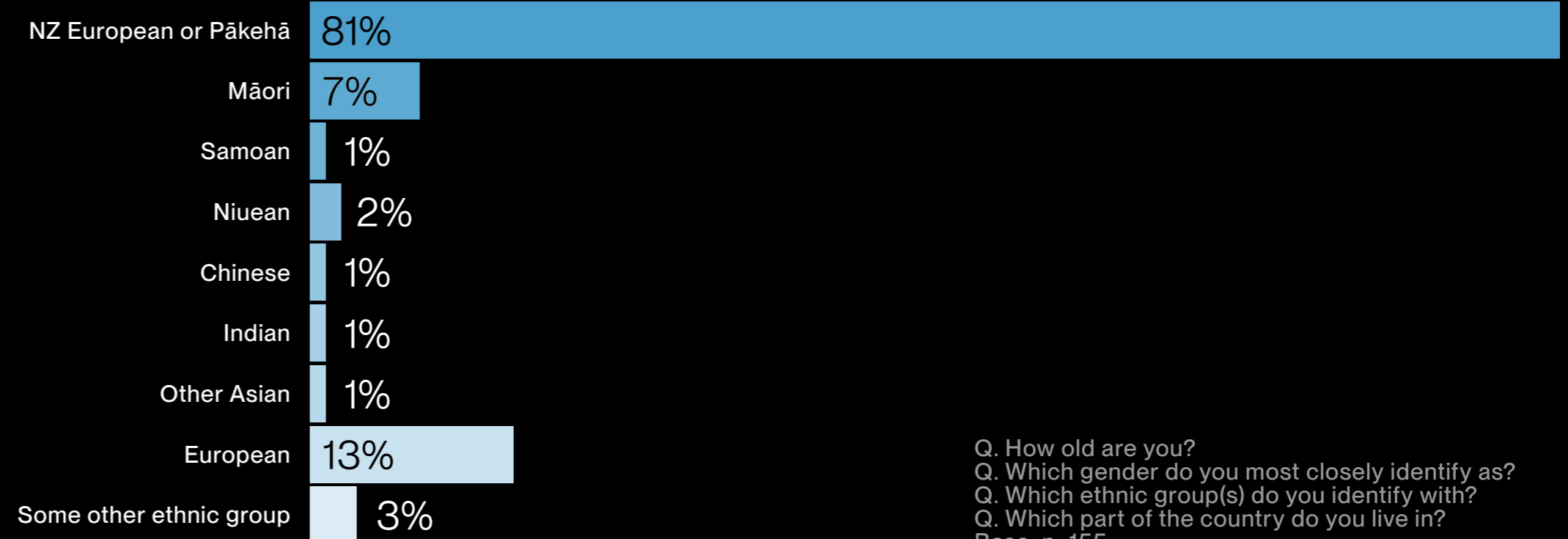
Region



Gender



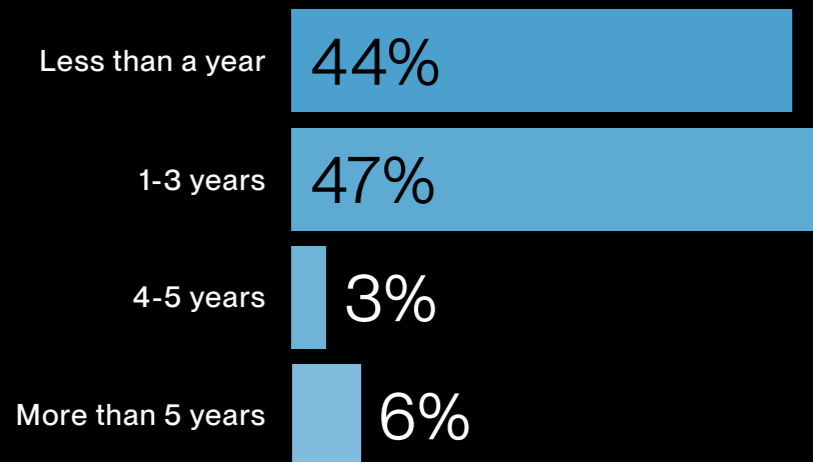
Ethnicity



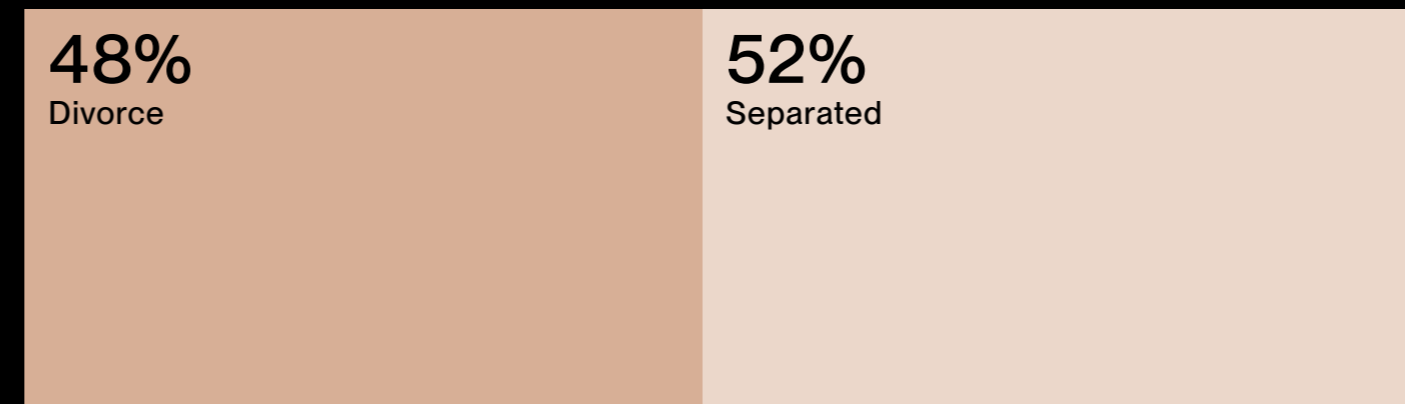
Q. How old are you?
 Q. Which gender do you most closely identify as?
 Q. Which ethnic group(s) do you identify with?
 Q. Which part of the country do you live in?
 Base: n=155

The process in overview

Full process duration



Proportion of Separated vs Divorced respondents answered about



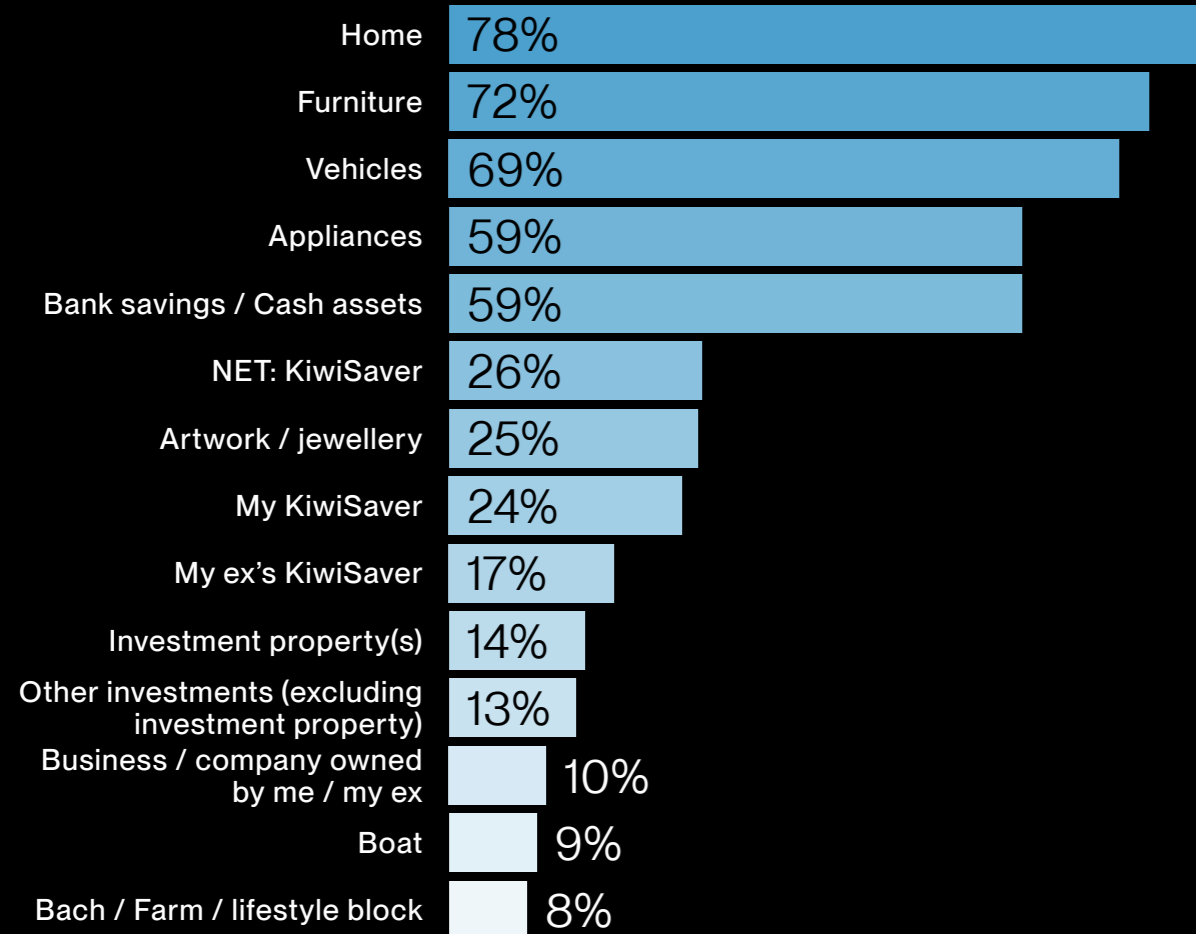
Value of total assets*

\$143,000

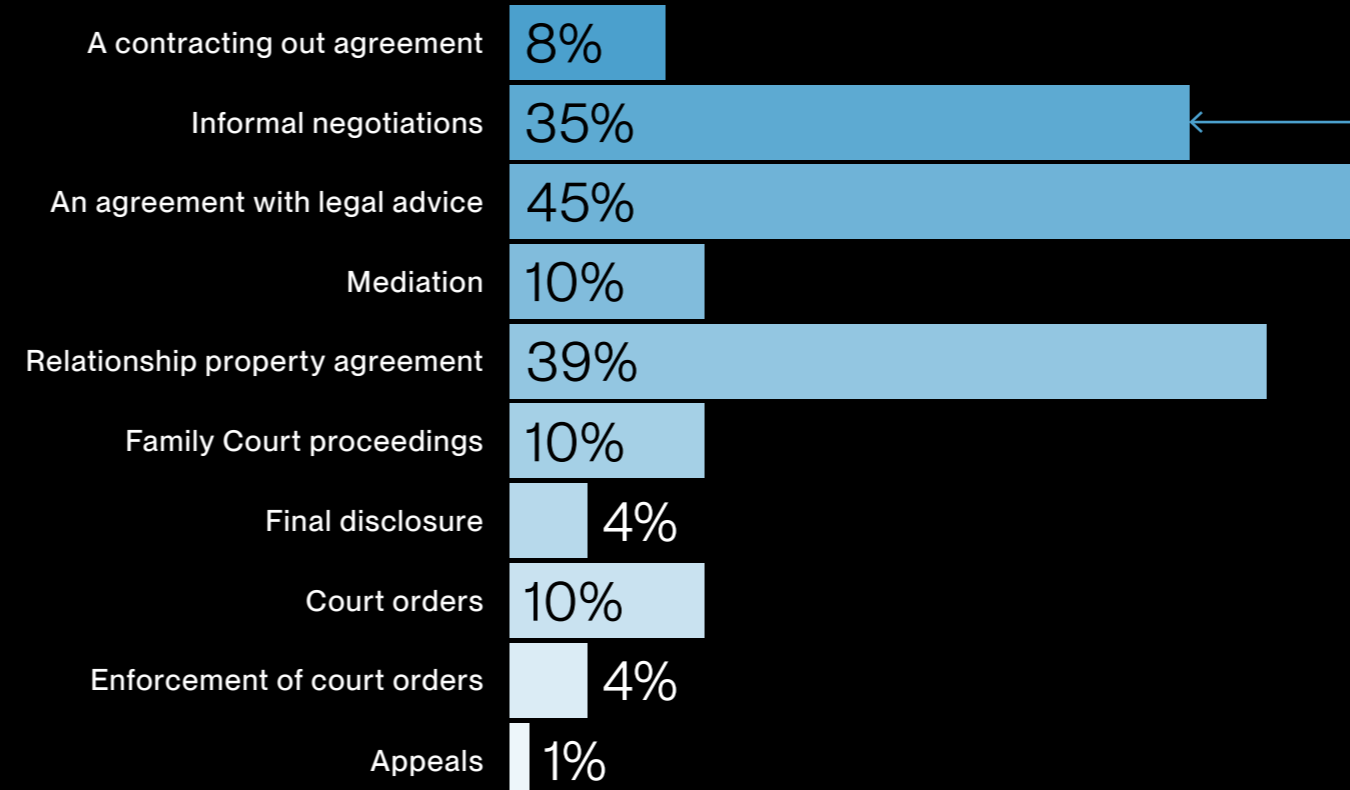
Proportion that considered KiwiSaver in the division

26%

Assets Included



Methods used throughout process



19% only selected informal negotiations and nothing else.

*Q. What was the total monetary value of all the relationship property that had to be divided?
 Note: not everyone could recall or were willing to provide this response, only half did. Base: n=75
 Q. Overall, how long did the entire process take?
 Note: rather not say excluded. Base n=154
 Q. Have you experienced any of the following in the last 7 years?
 Q. When having to divide your relationship property, which of the following was included?
 Q. Thinking about your recent divorce / separation which of the following methods did you use/engage in?
 Base: n=155

The process by gender

Process Duration	Male	Female	Total
Less than a year	59%	35%	44%
1 - 3 years	39%	52%	47%
4 - 5 years	0%	5%	3%
More than 5 years	2%	8%	6%

Proportion of divorced vs separated	Male	Female	Total
Divorce	40%	53%	48%
Separation	60%	47%	52%

Assets included (top 5)	Male	Female	Total
Home	74%	81%	78%
Furniture	74%	70%	72%
Vehicles	75%	65%	69%
Appliances	58%	60%	59%
Bank savings / Cash assets	61%	57%	59%

Green = significantly higher than the other gender
 Red = significantly lower than the other gender

Total assets	Male	Female	Total
Value of total assets*	\$ 172,000	\$ 120,000	\$ 143,000

Method used throughout the process	Male	Female	Total
A contracting out agreement	11%	6%	8%
Informal negotiations	33%	36%	35%
An agreement with legal advice	46%	44%	45%
Mediation	16%	7%	10%
Relationship property agreement	32%	44%	39%
Family Court Proceedings	14%	8%	10%
Final disclosure	5%	3%	4%
Court orders	11%	9%	10%
Enforcement of court orders	2%	5%	4%
Appeals	2%	0%	1%
Other	4%	4%	4%

*Q. What was the total monetary value of all the relationship property that had to be divided?
 Note: not everyone could recall or were willing to provide this response, only half did. Base: n=75
 Q. Overall, how long did the entire process take? Note: rather not say excluded. Base n=154
 Q. Have you experienced any of the following in the last 7 years?
 Q. When having to divide your relationship property, which of the following was included?
 Q. Thinking about your recent divorce / separation which of the following methods did you use/engage in?
 Base: Males n=57, Females n=98, Total n=155

Impact on retirement

	Male	Female	Total
Total Positive	14%	13%	14%
Made it a lot more positive	4%	5%	5%
Made it slightly more positive	11%	8%	9%
Made no difference	25%	17%	20%
Made it slightly more negative	25%	22%	23%
Made it a lot more negative	37%	42%	40%
Total Negative	61%	64%	63%
I haven't thought about it	0%	5%	3%

Green = significantly higher than the other gender
 Red = significantly lower than the other gender

Asset Split

		Male	Female	Total
Home	I received it	24%	22%	22%
	My ex received it	24%	5%	12%
	We co-own or still share it	7%	3%	4%
	We split it	19%	9%	12%
	We gave it away / disposed of it	0%	0%	0%
	We sold and then split the money	21%	37%	31%
	Other agreement	5%	25%	18%
	Base n	n=42	n=79	n=121
Vehicles	I received it	14%	22%	19%
	My ex received it	23%	9%	15%
	We co-own or still share it	7%	3%	5%
	We split it	33%	36%	35%
	We gave it away / disposed of it	0%	0%	0%
	We sold and then split the money	5%	3%	4%
	Other agreement	19%	27%	23%
	Base n	n=43	n=64	n=107
Furniture	I received it	7%	17%	14%
	My ex received it	26%	10%	16%
	We co-own or still share it	2%	1%	2%
	We split it	45%	59%	54%
	We gave it away / disposed of it	0%	0%	0%
	We sold and then split the money	7%	1%	4%
	Other agreement	12%	10%	11%
	Base n	n=42	n=69	n=111

Here most cases show Females buying out their ex-partner so they could keep the house.

Green = significantly higher than the other gender
Red = significantly lower than the other gender

Asset Split

		Male	Female	Total
Appliances	I received it	15%	32%	26%
	My ex received it	36%	7%	17%
	We co-own or still share it	3%	0%	1%
	We split it	39%	49%	46%
	We gave it away / disposed of it	0%	0%	0%
	We sold and then split the money	3%	7%	5%
	Other agreement	3%	5%	4%
	Column n	n=33	n=59	n=92
Bank Savings	I received it	3%	4%	3%
	My ex received it	9%	4%	5%
	We co-own or still share it	6%	4%	4%
	We split it	69%	73%	71%
	We gave it away / disposed of it	0%	0%	0%
	We sold and then split the money	6%	2%	3%
	Other agreement	9%	14%	12%
	Column n	n=35	n=56	n=91

Green = significantly higher than the other gender
 Red = significantly lower than the other gender

Q. Thinking about the relationship property that was divided, who received the [insert asset]?
 If you had more than one here, please answer based on how the total amount was split.

Method why by methods used

	Informal negotiations	An agreement with legal advice	Relationship property agreement	Total
Advice from family / friends	15%	14%	20%	14%
My own past experiences	22%	13%	15%	13%
Professional recommendations	9%	23%	31%	19%
Cost efficiency	41%	23%	25%	24%
Speed of process	19%	22%	15%	17%
Ease of process	48%	35%	25%	31%
My ex was being difficult	22%	36%	43%	36%
My ex was easy / co-operative	56%	39%	26%	36%
We could not come to an agreement	7%	13%	20%	15%
My ex insisted / I didn't have a choice	6%	13%	8%	11%
Other	6%	3%	3%	5%
Total	100%	100%	100%	100%
Base n	n=54	n=69	n=61	n=151

Q. Thinking about your recent separation/divorce, which of the following methods did you use/engage in?
 Q. What made you use/engage in this method(s)?

Female Post position by process duration

	Less than a year	1 - 3 years	4 - 5 years	More than 5 years	Total Female
Very comfortable - money wasn't an issue, and we/I could afford the nicer things in life	6%	4%	-	-	4%
Comfortable - money wasn't an issue, but we/I did try and save money when we/I could	35%	22%	-	-	27%
Uncomfortable - money was an issue, but we/I got by day to day	50%	57%	-	-	52%
Very uncomfortable - money was an issue and we/I struggled to get by day to day	9%	18%	-	-	17%
Base n	n=34	n=51	n=5	n=8	n=98

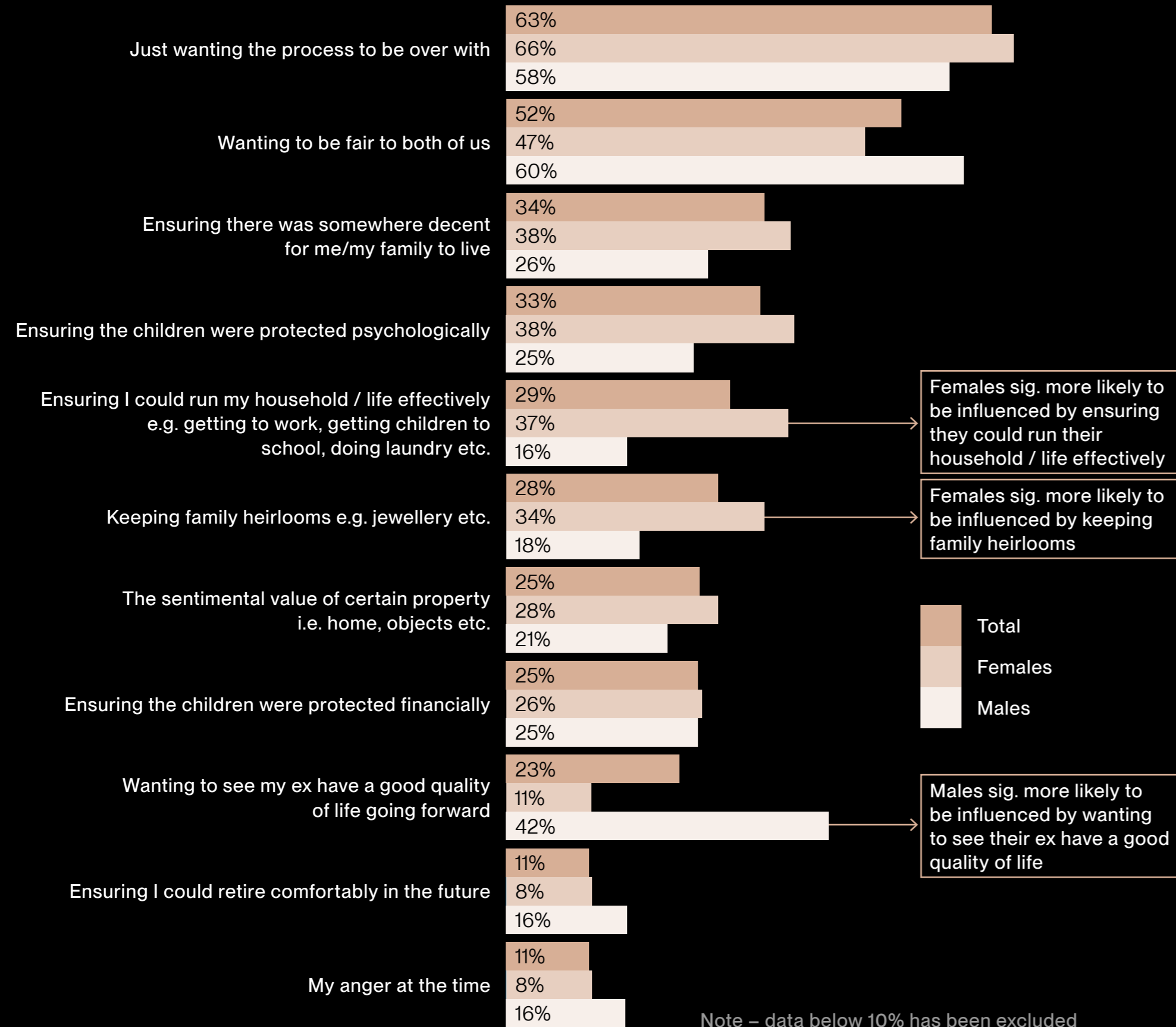
Q. And how would you describe your household's financial situation after the separation/divorce?
 Q. Overall, how long did the entire process take?

Asset type by valuation method

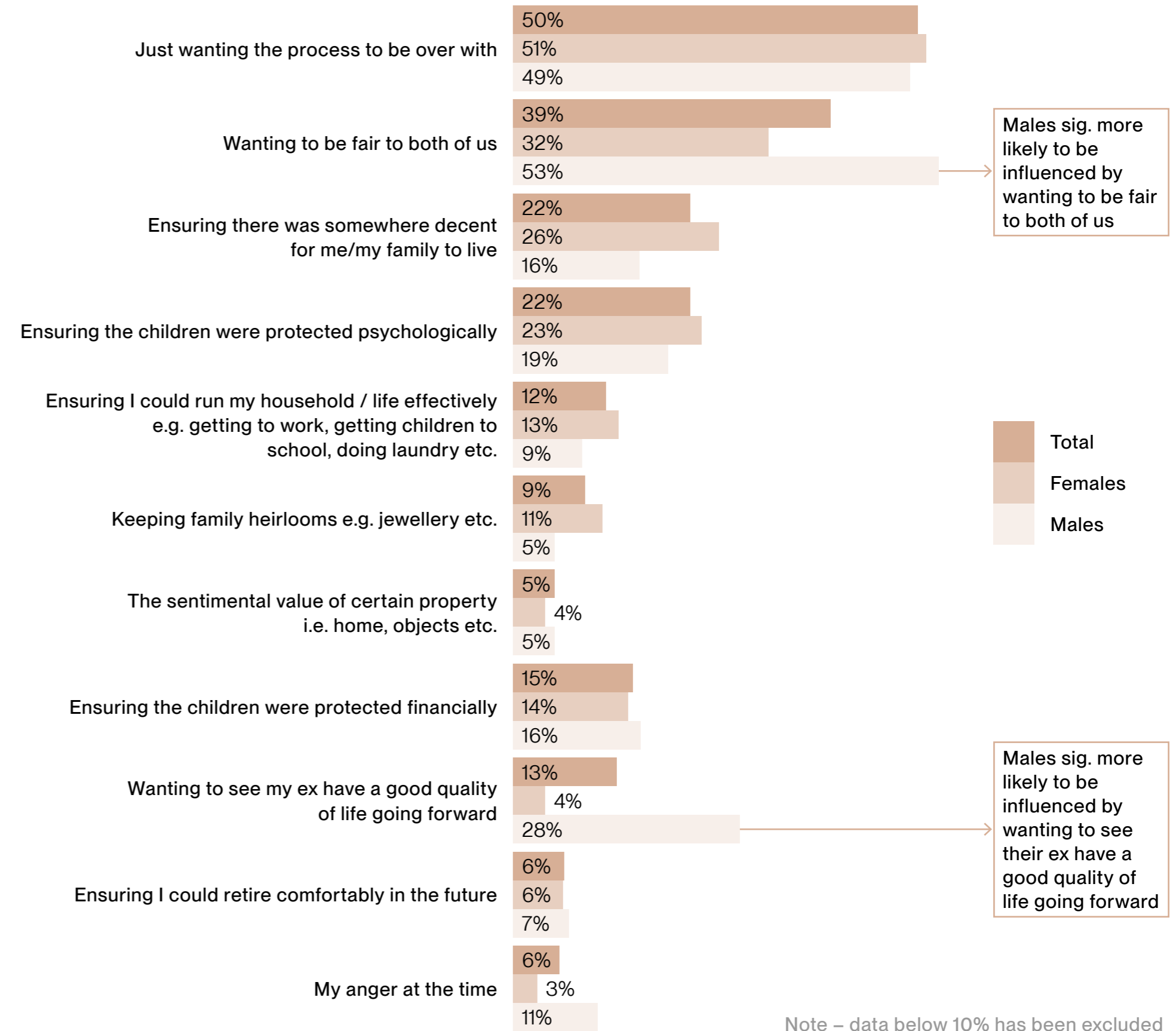
	We determined the value ourselves	We sought formal advice to value it	Total
Home	72%	93%	78%
Vehicles	69%	78%	69%
Furniture	76%	63%	72%
Artwork / jewellery	29%	22%	25%
Appliances	65%	50%	59%
Bank savings / Cash assets	58%	61%	59%
Bach / Farm / lifestyle block	6%	13%	8%
Boat	8%	13%	9%
Business / company owned by me / my ex	9%	11%	10%
Investment property(s)	8%	22%	14%
Other investments (excluding investment property)	10%	22%	13%
My KiwiSaver	20%	30%	24%
My ex's KiwiSaver	16%	20%	17%
My KiwiSaver + My ex's KiwiSaver	22%	33%	26%
Something else (please specify)	3%	7%	6%
Total	100%	100%	100%
Column n	n=89	n=46	n=155

Q. When having to divide your relationship property, which of the following was included?
Q. How did you calculate the total monetary value of the relationship property?

Overall influencers in decision making



Most important influencers in decision making



Q. Now thinking about how the relationship property was divided, which of the following influenced your decisions?
 Q. And of these, what were the most important aspects that influenced your final decisions?
 Base: n=155

An important note: The guardrails for ensuring an equitable process of asset division late in life are easier to set much earlier in life.

While we aimed to understand how to help people arrive at more equitable outcomes as they are going through the process of asset division, our findings have important implications for financial education earlier in life:

Normalising that couples talk about their perceptions of financial fairness while the relationship is still thriving could prevent unnecessary misunderstandings and conflict when the relationship grows apart.

Lawyers and financial advisors could integrate advice about contracting out agreements at major financial milestones of a young couple and gently challenge the common idea that they are a sign of distrust or 'being fussy', but rather a reasonable way to prepare for all eventualities in life.

Contracting out agreements.

While it's too late at the point of asset division, many of our participants and the family lawyers we spoke to pointed to the benefits of coming to an agreement long before the relationship has deteriorated.

These agreements, often referred to as prenuptial or postnuptial agreements, allow couples to establish clear and agreed-upon terms for the division of property in the event of separation or divorce. By specifying asset ownership and distribution in advance, these agreements can help minimize potential disputes, reduce legal costs, and expedite the process of property division.

While they can be overruled if circumstances have substantially changed since the agreement was made, ideally, they are revisited throughout the relationship whenever the couple makes major financial decisions together and encourage conversation and reflections on fairness throughout the relationship.

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