

# **Divorce: The Economic Consequences to the “Village” that Raised the Child**

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There is a familiar ancient African proverb that states: “It takes a village to raise a child.” This refers to the idea that it takes family, extended family, neighborhoods, communities, and even governments to provide the positive influences and healthy environment necessary for a child to become a competent, contributing member of society. This proverb, however, may end prematurely, as it does not allude to the marriage and struggles that this child may experience, even if he/she is raised in the best of “villages.” This paper focuses on some of the economic consequences that this “village” incurs if this child’s marriage ends in divorce. Specifically, it analyzes some of the economic consequences of divorce to the state of Utah and estimates the possible cost to the United States of America.

In recent years, the prevalence and ramifications of marital instability and divorce in the United States have produced a flurry of interest from a host of public and private sectors, including religious organizations, policy makers, scholars, educators, women’s associations, fatherhood associations, and various government organizations among others. Existing research primarily focused on several negative outcomes of divorce on couples and children. Two decades of research on the effects of divorce revealed that members of divorced families have relatively lower levels of education and earnings (Jeynes, 2000; Keith, & Finlay, 1988). Perhaps worse, divorced parents often pass the prospect of poor incomes and family insecurity on to their children, thus continuing the expanding cycle of generational economic distress (Ross & Mirowsky, 1999). Other research centered on areas such as the consequences of divorce on children’s adjustment and well being (Amato & Booth, 1996; Axinn & Thornton, 1996; Emery, 1988; Wallerstein & Kelly, 1990) and the intergenerational transmission of divorce, as parental divorce increases the likelihood of offspring divorce (Amato, 1996). Less is known, however, about the economic fallout of divorce on the community of the divorcing family and on government-sponsored support programs.

Oklahoma became the first state to use federal funds to develop an initiative aimed at reducing divorce and improving marriage. A significant justification for this marriage initiative was the financial burden to the state that the high divorce rate was producing, not only on those directly involved with the divorce, but also the economic ripple effect it had on other governmental support programs, such as food stamps and medical insurance (see <http://www.okmarriage.org>). Oklahoma’s emphasis on the economic consequences of divorce beyond the divorcing couple spurred this research.

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

Thus, the estimation of the economic costs society bears is both overwhelming and complicated due to the seemingly endless concealed and confounding variables. It is a daunting task to unravel and estimate the direct and, often more difficult, hidden indirect costs. Some precedent for attempting such estimates, however, does exist. Just as Teicher (2003) calculated the economic costs to society stemming from people's alcohol problems (lost productivity, costs of sick days and additional health care expenses, it is possible to estimate the costs of many of the broad, social consequences of divorce.

### **Study Purpose**

The purpose of this paper is to identify and estimate, where possible, the financial impact divorce has on the broader society by identifying the sectors that play a role in helping many of those involved when a marriage ends in divorce. Estimates of the economic costs of divorce for the United States are provided at the conclusion of this report. These estimates are actually extrapolations from a specific study on divorces in the state of Utah. Thus, the first objective of this paper is to present an estimate of the financial costs of divorce to the couples, the community and the state government in Utah, and the financial impact on the federal government. The information presented here is not an absolute reflection of the economic costs associated with divorce. The goal, rather, was to gather the known information and present it in the context of societal costs. Estimates were used where solid dollar figures were missing or unknown.

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

1. Direct personal costs to the couple associated with the divorce in the year it occurred (legal fees, relocation, lost productivity, etc.).
2. Costs to the community that are implied but difficult to estimate (charities, bankruptcy).
3. Direct costs to the state government of Utah that were related to the divorce aftermath (Medicaid, food stamps, CHIP, courts, etc.).
4. Direct costs to the federal government that are associated with divorce (Medicaid, TANF, WIC, food stamps, etc.).
5. Indirect estimated costs to state and federal governments that are related to divorce but cannot easily be quantified (crime, reform institutions, etc.).

### **Incidence**

For the 12 months of the year 2001, there were 23,209 marriages and 9,735 divorces in Utah (National Center for Health Statistics, 2002). This incidence of 9,735 divorces was used to calculate aggregate costs. Estimates were derived separately for each section of the study. Estimates for state and federal costs of divorce were based on information provided by various Utah State welfare and social service agencies (agency reports and personal contacts). Indirect estimates were approximated from previous studies in other nations on the economic costs of divorce, such as crime and domestic violence (Walker, 2000). Other compiled and estimated expenditures and methods will be explained further in other areas of the study.

## Results

### Utah's Direct Personal Costs: \$178,419,038

#### *Legal Fees: \$68,145,000*

While no two divorces are alike, and no conclusive studies to date have been conducted on the “average” cost of attorney and legal fees, one conservative estimate of the legal expenditures to the average couple with children are \$3,500 per spouse, which equals \$7,000 per divorce (Hoge, 1998). This is an approximate estimate with a high degree of variability due to the varying circumstances of divorces. Arguably, this cost holds the highest degree of fluctuation.

#### *Divorce Filing Fee: \$798,270*

Every couple in Utah pays an \$82 filing fee to start the divorce process. Eighty dollars is the court's filing fee, and two dollars is the fee charged by vital statistics to update their records.

#### *Divorce Education Class: \$408,870*

In Utah, the law mandates that divorcing couples with children under 18 must take a divorce education class that focuses on the emotional well-being of the children and how to help them cope with their parents' divorce. The cost is \$35 per person (\$70 per couple). It is estimated that 60 percent of the divorces in Utah involve couples with children under the age of 18 (5,841 couples). (K. Prince, Education Program Coordinator for the Utah Judicial Institute Administrative Office of the Courts; Personal communication, July 31, 2002).

#### *Housing: \$24,783,363*

Most every divorce results in one geographic move. Thirty-five percent of divorces result in two geographic moves (McLanahan & Sandefur, 1994). The average housing costs for a couple living in the United States with at least one minor child in 1999 were \$15,590, including shelter, utilities, operations, supplies, and furnishing (U.S. Bureau of the Census, 2001, Table 655, 660). Before divorce, the average housing costs for a couple with a child is \$15,590 (U.S. Bureau of the Census, 2001, Table 655, 660). After divorce, the average housing costs for one person with at least one minor child is \$11,626 (U.S. Bureau of the Census, 2001, Table 655, 660). The average housing costs for one person is \$8,207 (U.S. Bureau of the Census, 2001, Table 660). The average housing costs *after* divorce is \$19,833 (\$11,626 + \$8,207). Thus, the net additional housing costs (to former couples) equal \$4,243 due to divorce (\$19,833 - \$15,590 = \$4,243). This assumes that every divorce leads to only one geographic move, and costs are solely those due to lost economies of scale. However, as noted earlier, only an estimated 60 percent of divorcing couples in Utah have children under 18 years of age. Thus, the formula for Utah would look like this: 5,841 couples (60% of total) multiplied by \$4,243 equals \$24,783,363. These figures, once again, are representative of national housing figures, with expected degrees of variability.

#### *Lost Productivity: \$22,589,678*

Research suggests that marital distress and disruption directly influence work productivity. One study reports that family crisis is the number one workplace problem, followed by stress and depression (National Mental Health Association and Employee Assistance Professionals Association, 1996). Specifically, one research investigation estimates that work loss associated with marital

problems translates into a loss of approximately \$6.8 billion per year in the United States (Forthofer, Markman, Cox, Stanley, & Kessler, 1996). Gottman (1998) estimates that for the United States, roughly 30 percent of sick time is due to family conflict. In other research, depression, which has been related to divorce (Keyes, 2002), costs the U.S. economy \$43.7 billion annually (Greenberg, Stiglin, Finkelstein, & Berndt, 1993). Further, decreased work productivity, lost work days, and other indirect costs accounted for roughly 72% (\$31.3 billion) of the costly toll.

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

Recent research in other nations also focused on marital disruption, sickness and disability. Hallberg and Mattsson (as cited in Eriksen, Natvig, & Bruusgaard, 1999) studied a group of divorced Swedish men and discovered that short-term absence due to sickness increased during the first years following a divorce (1992). Similarly, Eriksen, Natvig, & Bruusgaard (1999) conducted a four-year longitudinal study and found a strong association between long-term work disability and separation or divorce, even after adjusting for eleven variables such as work characteristics, job satisfaction, and emotional problems. They suggest that a detrimental separation or divorce process likely caused the health problems or perhaps reduced the individuals' ability to cope with the health problems.

#### *Additional Direct Personal Costs*

Other factors that are difficult to calculate include personal loss of income, particularly for women who stayed at home and/or were unemployed prior to the divorce. It is well recognized that the immediate impact of divorce typically lowers the living standards of the former wife and children if the wife is the custodial parent. One study reports that economic well-being (as assessed by income relative to needs) declines by about 36 percent for mothers (Bianchi, Subaiya, & Kahn, 1999). Hoffman and Duncan (1988) report a decline of 30 percent in income for divorced women during the first year after the divorce. Wallerstein and Kelly (1990) report that even 18 months after divorce, two-fifths of the men in their sample experienced a substantial decline in their standard of living as a result of divorce. For both the man and the woman, the declines were most serious for those already in lower socioeconomic status levels, with women being more likely to experience a heavier drop financially. However, decreases in income depended largely on whether the husband or wife was previously in the paid labor force (McKeever & Wolfinger, 2001). Waite and Gallagher (2000) summarize the situation this way: "Each year spent unmarried decrease[s] total wealth by 3.5 percent" (p. 120).

Another factor for parents receiving child support is the possibility of the spouse failing to pay some or even any support. This typically adds a greater burden to the already financially struggling spouse. According to the Current Population Survey (CPS), of the 7.9 million parents with child support agreements, 41 percent received full payment, 27 percent received partial payment, and the remaining 32 percent received no payment at all (U.S. Bureau of the Census, 1999). This factor may lead a parent, likely the mother, to return to court, if she can financially do so, and seek adjustments or enforcement of the child support. These are real costs that are difficult to estimate.

Other factors include, but are not limited to, occupational and/or educational training—particularly for the custodial spouse of the children who may need to return to school as a result of the

divorce, childcare, commute costs for visitation if children are involved, marriage counseling, and possible partial loss of retirement benefits. These are real costs that many divorced persons encounter, but vary widely among couples. Aggregate direct personal costs are outlined in Appendix A.

### **Utah Divorce Costs to the Community**

*Charities: \$10,800,000*

While marriage is often believed to be a private institution between two people, the consequences of a marriage ending in divorce can have a large and extensive impact. Many divorces likely invoke a costly consequence that may be absorbed by immediate and extended family, local community, food banks, charity, and church congregations. One study found that 83 percent of married or widowed respondents contributed annually to charities, compared to 62 percent of the divorced/separated respondents and 62 percent of those who have never married (Allen, Vogt, & Cordes, 2001). For many divorced persons, budgets typically tighten up and the excess amounts of money that were available for the Salvation Army, the United Way, or other charitable or fund-raising organizations are now spent on rent, paying legal costs, and trying to support children.

Furthermore, family and extended family members, particularly those who live in the same community, are also likely to extend a “financial helping hand” to those experiencing a divorce. Cross-sectional studies, for instance, suggest that divorced adults are more likely to live with their parents than married children or older, never married children (Lawton, Silverstein, & Bengston, 1994). While these housing arrangements may be temporary, they nevertheless reveal a situation that may strain both parties financially and emotionally.

According to the American Association of Fundraising Counsel (AAFRC) (2002), Americans gave \$212 billion to charities during the year 2001. Utah’s total charitable contributions reached more than \$1.8 billion in 1999 (IRS Statistics of Income Bulletin, 2001). A large portion of this giving comes from members of the Church of Jesus Christ of Latter-day Saints in the form of tithing and other church welfare programs. The beneficiaries of these donations would likely include couples and the children who may be in need of housing, shelter, food, clothing, and other physical needs. Assuming that only one percent of these donations would go to help the divorced population produces a figure of \$10.8 million that charities contribute to help the divorced population and their families.

### *Bankruptcy*

The United States leads the world in both divorce and bankruptcy. Since 1990, non-business bankruptcies have doubled in the United States, for a total of 1,452,030 filings in 2001 (American Bankruptcy Institute, 2002). Utah, which leads the nation in bankruptcy filings per household, had a total of 18,936 non-business bankruptcies in 2001 (2002). Of these, 65 percent (12,232) were filings under Chapter 7 (2002). It is unknown how many of these occurred as a result of divorce, as well as how much debt owed to businesses and/or individuals were discharged in the bankruptcy. However, Sullivan, Warren, and Westbrook (2000) concluded that divorce and the increase in the number of single parent families may be one of the causes of bankruptcy. The bankruptcy of one ex-spouse can trigger the bankruptcy of the former spouse. This often occurs when an ex-husband files for bankruptcy, and lenders subsequently pursue collection of unsecured marital debts from the ex-husband *and* the former spouse, causing the former spouse to file for bankruptcy as well (Sullivan, Warren, and Westbrook, 2000). While there is no economic estimate tied to bankruptcy provided in this report, it is recognized that bankruptcy often takes a financial toll on many businesses and individuals.

**Direct Costs to the State of Utah: \$77,173,796**

The direct divorce costs to the state of Utah were essentially divided into five central categories: costs associated with the Utah Department of Workforce Services, costs associated with the Utah Department of Health, costs associated with child support enforcement, utility assistance costs, and costs associated with the court system. These are outlined in sequential order below.

*The Utah Department of Workforce Services: \$11,317,983* (Estimate of 30 percent of the state's appropriated budget associated with divorce)

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

*The Utah Department of Health: \$22,096,000* (Estimate of 10 percent of the state's appropriated budget associated with divorce)

National figures suggest that welfare receipt increases from 5 percent to 20 percent by 20 months after the divorce occurs. Furthermore, food stamp receipt increases from 9.4 percent to 24.1 percent during that same time period (Bianchi, & McArthur, 1991). These statistics provide further evidence that divorce directly affects costs associated with governmental assistance.

The Department of Health and Human Services is primarily responsible for assisting those with medical and insurance needs. While nearly 70 percent of the appropriated budget flows from federal funds, the state supplies approximately 30 percent of the funds. O. Fuller, an information program analyst for the Department of Health, indicated that nearly 10 percent of the Medicaid and Children's Health Insurance Plan's (CHIP) participants were divorce related clients (personal communication, September 19, 2002). Hence, the estimated 10 percent figure will be utilized throughout this report for both state and federal funds pertaining to medical assistance and other healthcare costs, unless otherwise indicated.

*Child Support Enforcement: \$33,159,744*

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

*Home Electric Lifeline Program (HELP, utility rate assistance): \$99,204*

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

*Court Costs: Estimate \$10,000,000*

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

### **Utah Direct Costs to the Federal Government: \$121,476,026**

The Utah Department of Workforce Services annual report (2000) was used to obtain the appropriated federal funding that was to be used in 2001 for the following areas: TANF, Food Stamps, Food Stamps Administration, and Child Care. The aforementioned estimate of 30 percent was used for these calculations. Furthermore, the Department of Health data were obtained from the State of Utah Fiscal Focus (2001) annual report to estimate divorce-related expenditures for Medicaid and CHIP. Energy assistance appropriations, distributed by Utah's HEAT program, were obtained from the National Energy Assistance Directors' Association (NEADA) (2001) and were based on regular appropriations while excluding allotted emergency funds. The Utah Department of Health's Women, Infants and Children (WIC) Program expenditures were obtained from S. Knight, a Department of Health employee, and divorce-related costs were estimated at five percent (personal communication, April 4, 2003). This conservative estimate excludes administration operations, which totaled nearly \$9 million in 2001. The subsidized childcare and school lunch information was obtained from a report from the Utah State Office of Education (2002), which estimated related divorce costs to be 10 percent. Finally, the Utah Department of Community and Economic Development receives federal funds from the United States Department of Housing and Urban Development (HUD). S. Link, a program analyst for the regional HUD office in Colorado reported that Utah received over \$62 million for Public Assistance Housing and Section 8 Rental Assistance (personal communication, April 10, 2003). It was estimated that 10 percent of these funds were used to support divorce-related individuals. Additional

individual housing authorities receive federal funds exist, but were not included in these figures. The estimated direct costs to the federal government from Utah's divorces are detailed in Appendix A.

### **Indirect Estimated Costs of Divorce to the State and Federal Governments: \$100,000,000**

The divorce of parents not only produces direct financial costs, but great indirect costs accrue to Americans as well. Research suggests a strong relationship between family background and problems such as crime, abuse and neglect, and addictions (Fagan & Rector, 2000). From a divorce study conducted in the United Kingdom, Walker reports that one-fifth of the total costs of family breakdown were attributed to dealing with crime and domestic violence (2000). These indirect costs are absorbed by the government, the citizens, or both.

The economic consequences of crime in the United States are overpowering. Victims of crime in 1992 alone lost \$17.6 billion in direct costs, including losses from property theft or damage, medical expenses, cash losses and lost job time due to injuries (Larson, Larson, & Swyers, 1995). In addition, U.S. taxpayers shouldered a \$61 billion indirect cost burden in 1988, which include the costs of prosecuting, incarcerating, and following up on criminals after their release (U.S. Department of Justice, 1991). Furthermore, Larson and colleagues (1995) report the following statistics: 70 percent of juveniles in state reform institutions grew up with one or neither parent. Forty-three percent of adult inmates grew up in single-parent homes, mostly without fathers. More than 50 percent of women in prison were single mothers living on welfare. Among long-term prison inmates, 70 percent grew up without fathers, as did 60 percent of rapists and 75 percent of adolescents charged with murder. A 1987 study found that divorce, regardless of the economic status of the disrupted family, posed the strongest correlation with robbery rates in American cities with populations larger than 100,000 (Larson, Larson, & Swyers, 1995). These studies demonstrate a consistent connection between divorce and criminality. However, it is also recognized that many other factors are related to criminal behavior such as academic success, parental support, community environment and the age of the child at the time of divorce, among other contributing factors. While crime and incarceration account for a sizeable portion of indirect costs, other costs related to divorce are also included. These consist of physical abuse, drug abuse, higher dropout rates, out-of-wedlock childbirths, depression, addictions, neglect, and mental health.

It should be noted that the indirect costs to the state described here were significantly lower than estimates and projections from other studies. Specifically, both of the studies as reported by the United Kingdom (Walker, 2000) and Australia (Parliament of the Commonwealth of Australia, 1998) estimated that the indirect costs associated with divorce are likely just as high or higher than the direct costs. This study tends to the conservative side by simply estimating the indirect costs associated with divorce at \$100 million annually.

### **Conclusion and Discussion**

In summary, it is estimated that, in the state of Utah, divorce and its financial consequences total some \$300 million per year in direct and indirect costs of divorce to the state and federal government. This accounts neither for the \$178 million in personal expenditures, nor the immeasurable mental and emotional costs of the individuals, children, and families linked to the divorce. Taken together, the average cost of every divorce is approximately \$30,000 in direct and indirect state and federal costs. A conservative extrapolation of these costs can be estimated as follows: Divorce costs approximately \$125 million per one million in population pertaining to direct and indirect costs to the state and federal government. Further extrapolation of this estimate to the United States produces a total bill of roughly \$33.3 billion annually, which equates to \$312 per U.S. household (see Appendix A).

Although this research reports the heavy financial consequences for divorcees, communities, and government, it is of utmost importance that a critical element of this research be noted here. First, while focusing on the negative impact of divorce, it is imperative to be sensitive towards those who have chosen to terminate their relationship. Research suggests that roughly 30 percent of the divorces in the United States involve marital relationships with a high degree of conflict (Amato & Booth, 1997). Divorce in these situations is most often in the best interest of those involved. Thus, many of the costs outlined here enable couples to escape relationships that may be detrimental to their physical, mental, and emotional well-being.

While divorce is a major societal concern, the objective of this research is *not* to condemn divorce, but to provide an outlined estimate of the financial costs of divorce for individuals, communities, and governments. Although divorce rates are high, 9 out of 10 people still choose to marry sometime during their life (Kreider, & Fields, 2001). Family laws and policies pertaining to premarital, marital, and divorce education are likely to influence countless lives, and when structured correctly, may help to strengthen marriages and families around the world.

While there may be no completely accurate or scientific method of assessing the economic consequences of divorce to couples, communities and society as a whole, we do know the costs, both emotional and fiscal, can be enormous. Moreover, this legitimizes and calls for both community and government action to support and sustain marriages and families as the fundamental unit of society; an investment that pales in comparison to the economic and emotional costs of divorce. Perhaps the exact figures in this report are not of as much interest as the consciousness-raising of public education in thinking about what the various costs entail. Popenoe and Whitehead (2002) postulate a significant effect of divorce on American society and culture. They summarize the situation this way, “Beyond the negative consequences for the physical and mental health of the people involved, today’s high divorce rate seriously affects the broader social health of our nation. Divorce is not merely a personal event but, when extensive, can influence the character and tone of an entire culture” (p. 43). In summary, national and world governments would do well to implement policies that will strengthen healthy marriages for those who choose to marry. These marriage and family-friendly policies can be seen as an investment; an investment of paramount importance, for it is an investment for the betterment of future generations.

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## Appendix A: Breakdown of the Costs of Divorce for the State of Utah and the United States

<b>Aggregate Direct Personal Costs</b>	\$68,145,000 (legal fees)
	\$798,270 (divorce filing fees)
	\$408,870 (divorce education class)
	\$24,783,363 (housing)
	<u>\$22,589,678</u> (lost productivity)
Total	\$116,725,181

### Aggregate Direct Costs to the State

Medicaid (administrative costs)	\$408,950 (estimated at 30% total costs)
Child Care Match / MOE	\$696,321 (estimated at 30% total costs)
Food Stamps (administrative costs)	\$4,161,348 (estimated at 30% total costs)
TANF MOE	\$6,051,364 (estimated at 30% total costs)
CHIP	\$696,000 (estimated at 10% total costs)
Medicaid	\$21,400,000 (estimated at 10% total costs)
Utility rate assistance	\$99,204 (estimated at 10% total costs)
Child support enforcement	\$33,159,744
Courts	<u>\$10,000,000</u>
Total	\$76,672,931

### Aggregate Direct Federal Costs

TANF	\$22,888,563 (estimated at 30% of total costs)
Food Stamps	\$19,193,549 (estimated at 30% of total costs)
Food Stamps Administration	\$9,853,372 (estimated at 30% of total costs)
Child Care	\$3,284,457 (estimated at 30% of total costs)
Medicaid	\$52,398,000 (estimated at 10% of total costs)
CHIP	\$1,704,000 (estimated at 10% of total costs)
LIHEAP (HEAT)	\$1,024,400 (estimated at 10% of total costs)
WIC	\$1,556,332 (estimated at 5% of total costs, excluding administrative costs)
Subsidized child care/ lunch	\$3,338,843 (estimated at 10% of total costs)
Public housing assistance	<u>\$6,234,510</u> (estimated at 10% of total costs)
Total	\$121,476,026

**Aggregate Indirect State and Federal Costs** Total \$100,000,000

### Summary: For the United States of America (government costs)

- \$125 million per 1 million population = Direct and Indirect State and Federal Costs
- \$30,000 per divorce to state and federal government (direct and indirect costs)
- \$33.3 billion annually (direct and indirect costs) or \$312 per U.S. household