The Impact of Divorce on Finances in India

A Ground-Level Analysis Based on a Survey of Impacted Individuals

Divorce in India carries heavy emotional and social costs, but its financial consequences are often the most enduring and least discussed. This report explores how divorce affects financial well-being through each phase: post-marriage adjustments, legal proceedings and life after separation. Using detailed survey data from individuals who experienced divorce, we highlight key trends in income loss, alimony obligations, legal costs and asset division.

STUDY OBJECTIVES

The objectives of this study are to:

- **The role of finances** in marital dissolutions.
- **Understand the financial costs and challenges faced by individuals of both genders** during different phases, from marriage to divorce and
- **Recommend the importance of having transparent conversations before marriage,** early-stage divorce financial planning and awareness around relevant legal provisions to reduce the financial impact of marital dissolutions.

EXECUTIVE SUMMARY

Divorce imposes substantial financial burdens on males as well as females. From income disruption and relocation costs to long-term challenges beyond legal proceedings.

This report presents a structured breakdown of how it is financially affected across three critical stages of the divorce process.

STAGE 1 After marriage but before filing for divorce

STAGE 2 During divorce proceedings

STAGE 3 After completion of divorce

SAMPLE SIZE, COVERAGE AND METHODOLOGY

1,258 **Individuals covered**

The study covered over 1,258 divorced individuals or those undergoing a divorce across Tier 1 and Tier 2 cities, with balanced representation of both male and female respondents.

The sample includes individuals from diverse professional backgrounds, age groups (20 to 45+), education levels and family structures.

A mix of telephonic and in-person interviews was used to collect the responses from the respondents.

KEY FINDINGS

A. FINANCIAL DYNAMICS AND CONFLICTS WITHIN MARRIAGE

Had financial arguments at least once in 15 days:

75% Males

64% Females

selected financial disparity or disputes as one of the reasons for their divorce:

42% Males

43% Females

56% females fell in a lower income bracket than their husbands at the time of marriage

while only 2% of females fell in higher income brackets.

43% females reported that their husband managed all household expenses alone

while 50% managed expenses jointly.

46% of females either quit their jobs or reduced the intensity of their work after marriage.

B. FINANCIAL CONSEQUENCES OF A MARITAL DISSOLUTION

42% of males took a loan either for alimony payments or divorce proceedings

29% males who paid alimony even had negative net worth.

38% of the annual income of males, on average, went towards maintenance payments.

53% of females received more than 50% of their husband's net worth as alimony,

while 26% got more than 100%.

incurred divorce-related expenses of more than ₹5 lakh

49% Males

16% Females

FINANCIAL IMPACT OF DIVORCE IN INDIA – MALES AND FEMALES

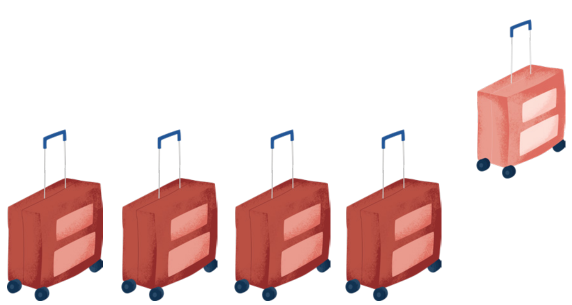
INTRODUCTION

While divorce in India is commonly viewed through legal, emotional or social lenses, its financial angle is often overlooked despite being among the most enduring and destabilising aspects of separation. This report focuses on the monetary impact of divorce on females as well as males, recognising that financial challenges affect individuals differently based on their roles, income structures and responsibilities within the marriage.

STAGE-WISE FINANCIAL IMPACT

Stage 1: After Marriage but Before Filing for Divorce

a. Relocation (change in city)



23% of females located to a different city after marriage.

Females who shift their cities for their marriages face a reduced access to familiar social networks and an increased financial dependency on the spouse.

b. Career Sacrifices: Change in job or intensity of work

Marriage often leads to career disruptions, causing both direct income loss and stalled professional growth.

Among female respondents, only **54% could continue with the same intensity of work.**

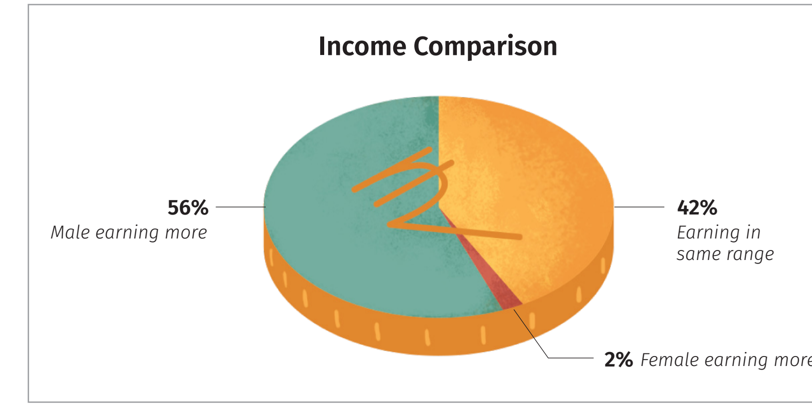
- 12% eventually left their jobs
- 18% left their job immediately
- 16% reduced their work intensity
- 54% could continue with the same intensity

Source: Survey by 1 Finance Magazine

c. Income comparison

Among females:

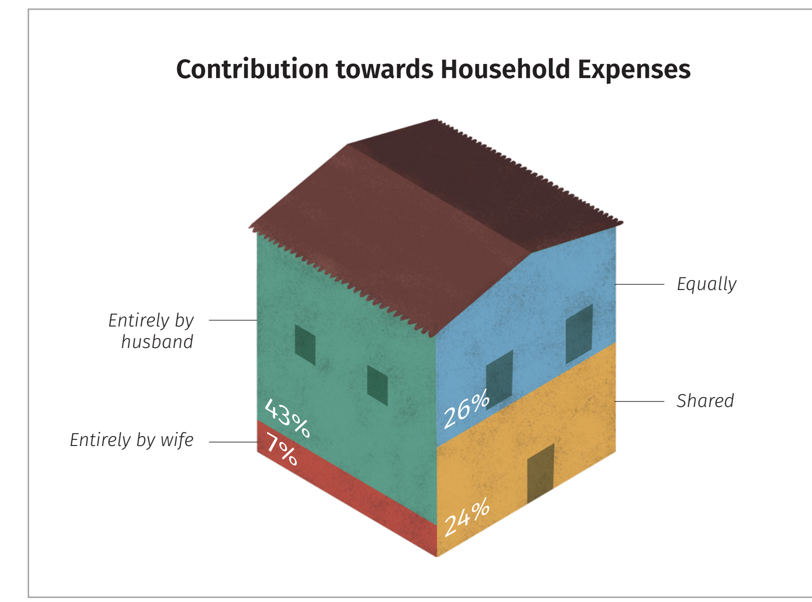
- 56% of females married males who fell in a higher income range
- 42% of females married males with the same income range
- 2% of females married males who fell in a lower income range



Source: Survey by 1 Finance Magazine

d. Contribution towards household expenses

- 43% said that their husband managed all household expenses alone.
- 26% said that expenses were shared equally between both partners.



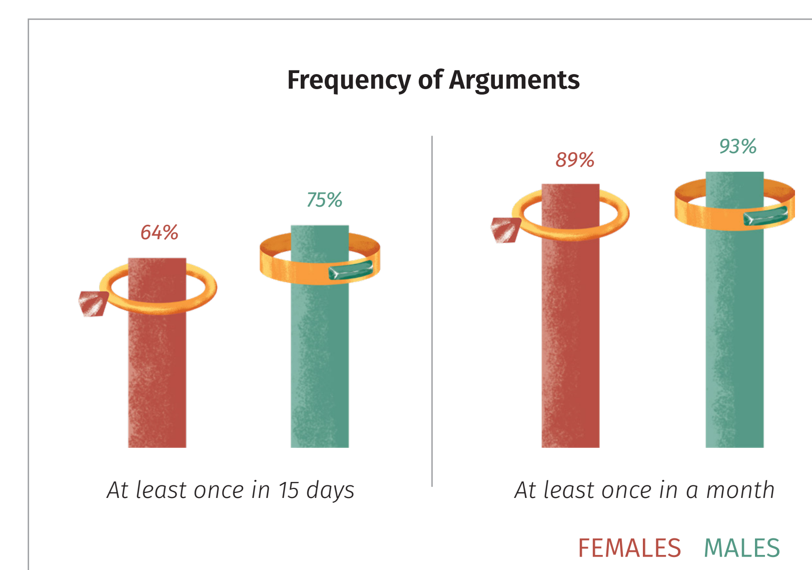
Source: Survey by 1 Finance Magazine

e. Arguments about finances

67% of both males and females had financial arguments. The frequencies of financial arguments are as follows:

i. Females: 64% reported having financial arguments at least once in 15 days, while 89% had financial arguments at least once in a month.

ii. Males: 75% reported having financial arguments at least once in 15 days, while 93% had financial arguments at least once in a month.



Source: Survey by 1 Finance Magazine

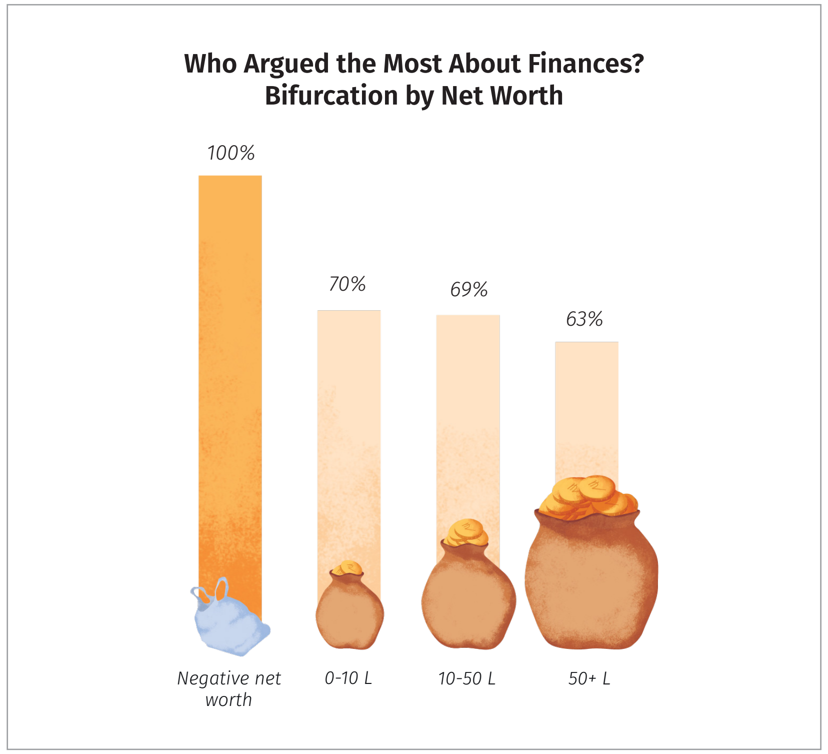
f. Net worth and its impact over financial arguments

The data highlights a clear link between financial stability and the frequency of financial arguments in relationships.

Couples in which the husband's net worth is low or negative tend to experience more financial stress, which often leads to increased conflict.

- 100% of couples with a negative net worth reported financial arguments.
- Conflict drops to 70% in the ₹0–10 lakh net worth group.
- Further decreases are seen in the ₹10–50 lakh (69%) and ₹50 lakh+ (63%) brackets.

This trend suggests that financial security helps reduce tension induced due to money.



Source: Survey by 1 Finance Magazine

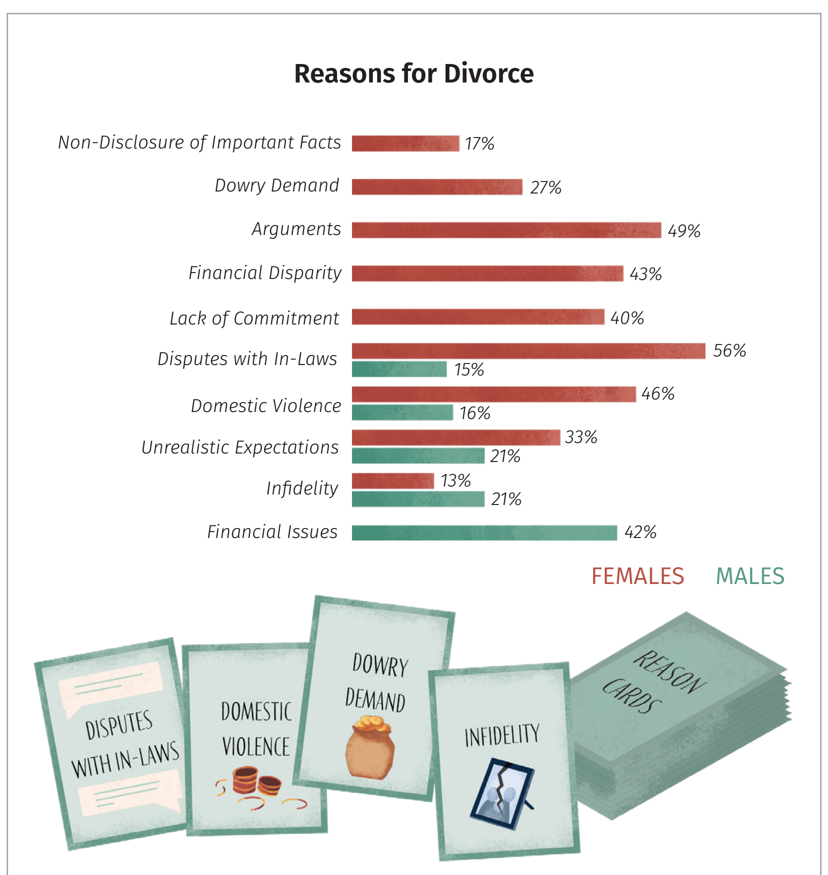
Stage 2: During divorce proceedings:

i. Major reasons for divorce

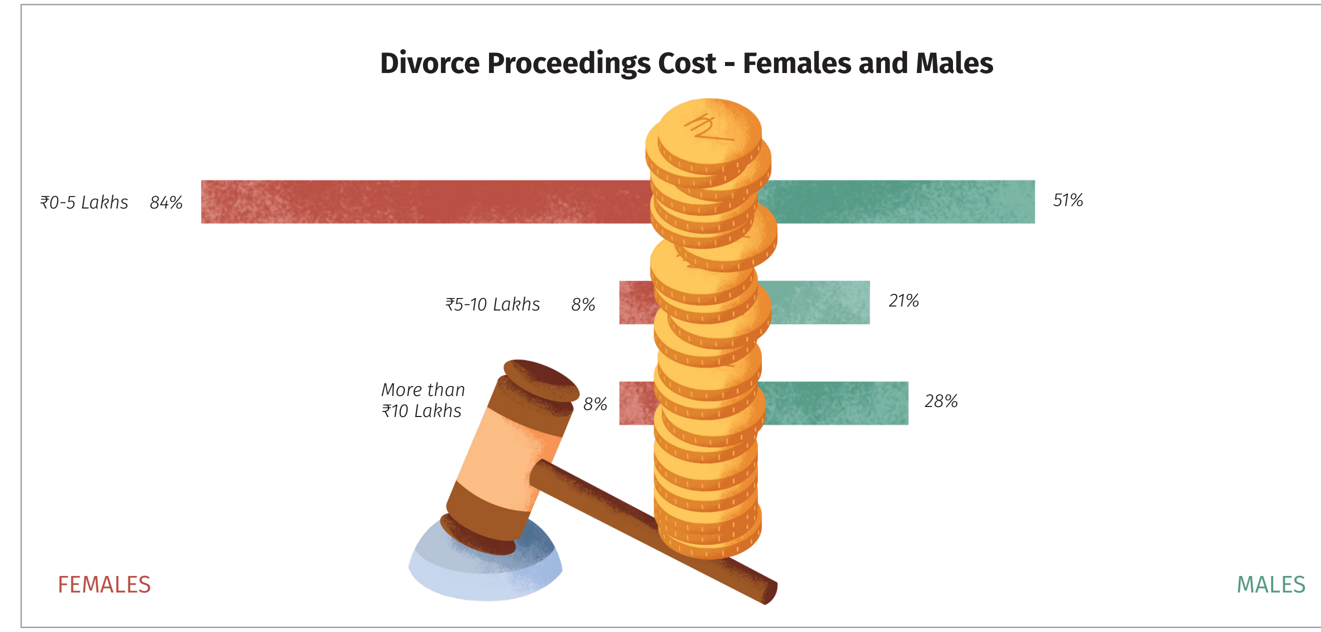
Financial issues are a core contributor to marital dissolution, though not the only one.

Among females, they reported: The most cited reason was disputes with in-laws (56%), while 43% of divorces were due to financial issues.

Males reported: 42% of divorces were due to financial issues, while 21% each were due to infidelity and incompatibility.



Source: Survey by 1 Finance Magazine



Source: Survey by 1 Finance Magazine

ii. Cost of divorce proceedings

Divorce-related expenses included attorney's fees, transit expenses, interim maintenance and mental health.

It varied widely, but the majority of females (84%) spent within the ₹0–5 lakh range.

Among males, 51% spent within the ₹0–5 lakh range on divorce proceeding costs.

While 16% of females spent more than ₹5 lakhs on divorce proceedings, a significant 49% of males spent more than ₹5 lakhs.

iii. Impact on net worth and alimony:

49% of females saw an increase in their net worth after divorce.

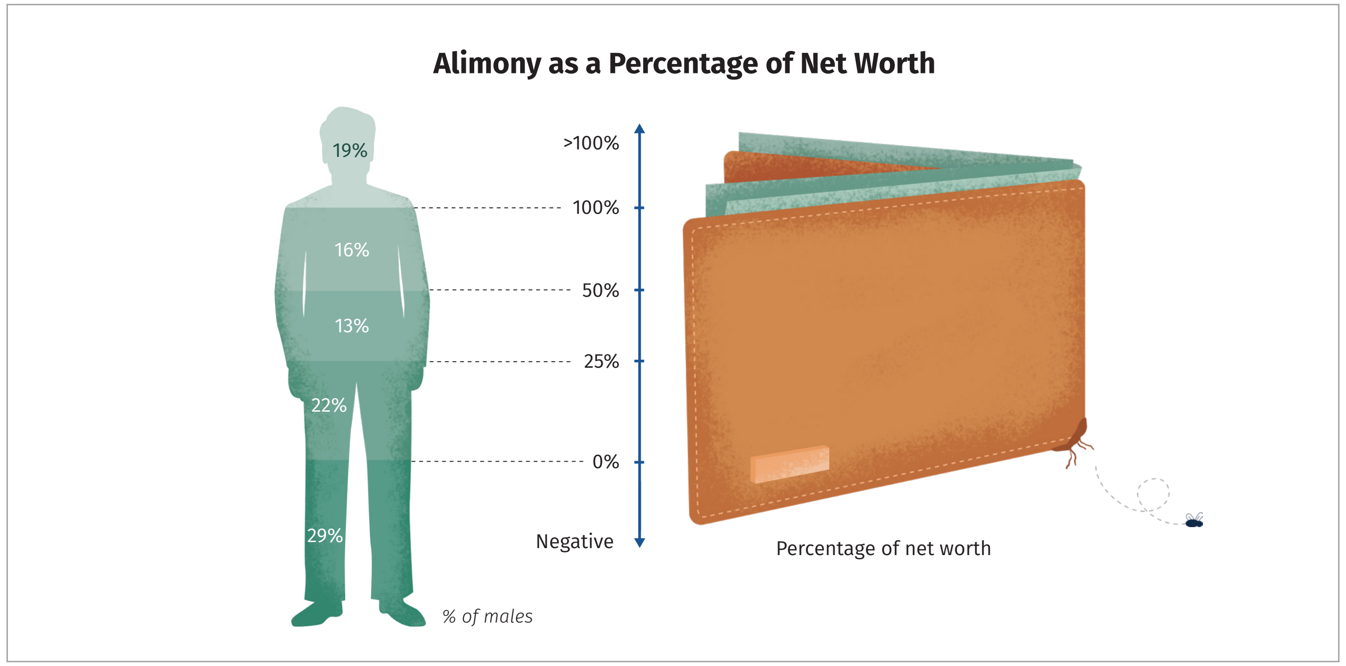
49% of females saw an increase in their net worth

iv. Loan taken for alimony and alimony as a percentage of net worth

42% of males took a loan either for alimony payments or divorce proceedings.

42% of males took a loan.

Alimony can significantly impact an individual's financial stability, especially in cases where net worth is modest or negative.

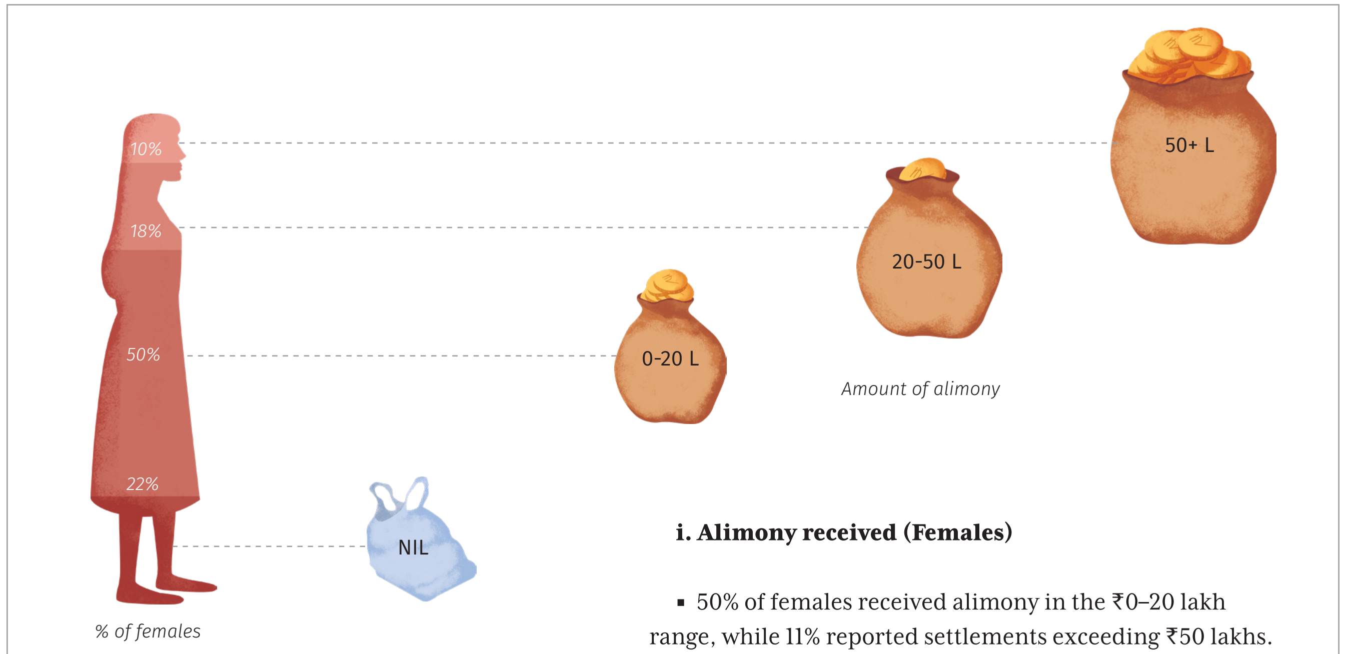


Source: Survey by 1 Finance Magazine

For individuals with lower assets, even a relatively small alimony amount may represent a substantial financial burden.

- 29% of males with negative net worth paid alimony.
- 35% of males paid more than 50% of their net worth as alimony.

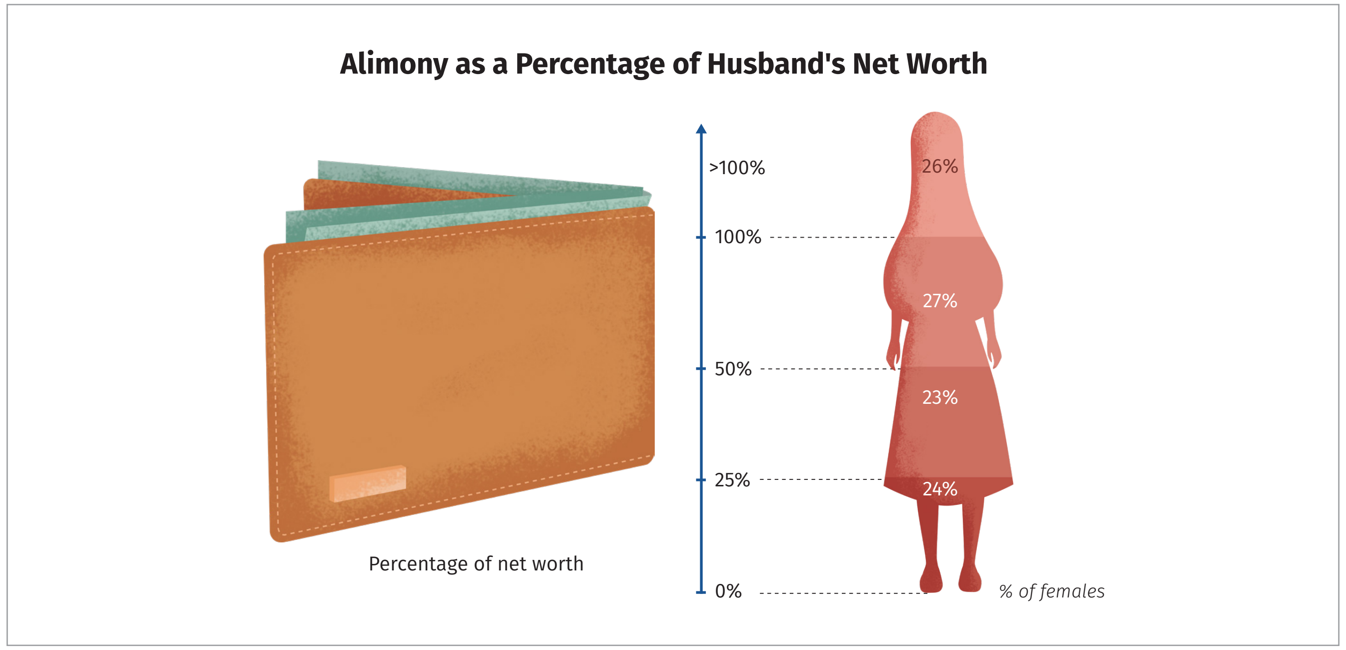
Stage 3: Post-divorce financial impact



i. Alimony received (Females)

- 50% of females received alimony in the ₹0–20 lakh range, while 11% reported settlements exceeding ₹50 lakhs.
- 53% received more than 50% of the husband's net worth as alimony, while 26% got more than 100%.

Source: Survey by 1 Finance Magazine



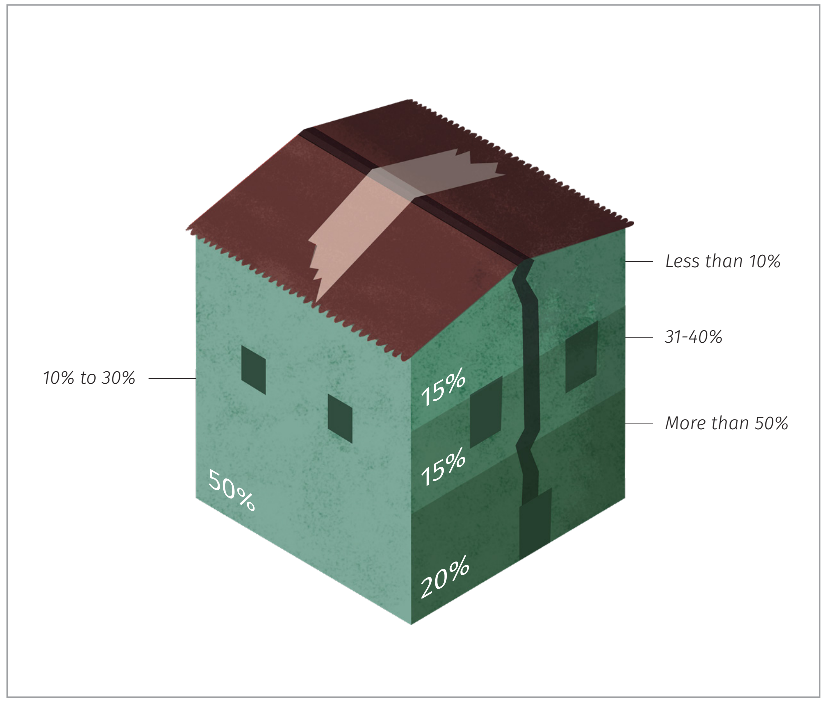
Source: Survey by 1 Finance Magazine

ii. Payment of maintenance as a percentage of income:

Evaluating maintenance payments had deeper financial implications beyond just the amount paid. For many, particularly those in the middle-income bracket, maintenance can account for a disproportionately high percentage of monthly earnings, effectively reducing disposable income and financial flexibility.

This often leads to long-term strain, impacting not only day-to-day expenses but also the ability to invest, save, or service debts.

- **50% of males** paid between 10% to 30% of their income towards maintenance.
- The average percentage of income **spent on maintenance was 38%**



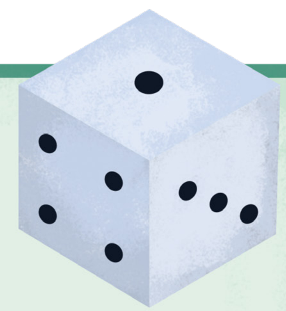
Source: Survey by 1 Finance Magazine

CONCLUSION

Divorce is not just the end of a relationship; it often marks the end of years of career sacrifices and financial compromises.

These long-term financial consequences highlight a critical gap—that most couples enter marriage without aligning on key money matters.

Financial transparency is foundational. Discussions around lifestyle expectations, income stability, debt responsibilities, co-borrowing, family obligations and parental support must become non-negotiable parts of premarital conversations. When lifestyle disparities exist, these dialogues become even more vital.



KNOW YOUR PARTNER

Couples should discuss and agree on questions like:

- **Who will support ageing parents of both the husband and the wife?**
- **How will existing loans or debts be handled?**
- **What are our shared financial goals, like buying a house, a car, funding children's education, etc., and how will we save towards them?**
- **What is our acceptable lifestyle standard and monthly budget?**
- **How will we manage income volatility, if any? Is our acceptable lifestyle factoring in our acceptable lifestyle standard?**
- **Who will take responsibility for financial planning and long-term investments?**

Clear answers to these questions can strengthen the foundation of a relationship and help avoid future financial distress.

QUOTES FROM EXPERTS

Animesh Hardia

Senior Vice President, Quantitative Research, 1 Finance

"We mistakenly believe that financial conflicts in a marriage are about a lack of money. More often, they're about a clash of values.

Each of us carries a unique 'money story' shaped by our inherent nature and life experiences. A partner raised in financial scarcity might prioritise saving for tomorrow, while someone from abundance might be comfortable spending freely today. Neither is wrong, but incompatible personalities create predictable friction.

When these deeply personal stories clash without understanding or empathy, it can sow seeds of resentment and conflict. True intimacy in a marriage is built on shared love and values, and how you both view and manage money is one of the most important values you will share."

Ms. Deepika Narayan Bhardwaj

Founder - Ekam Nyaay Foundation, an NGO

"Marriage is no longer a union of seven lives and the sooner people realise it, the better. Especially Men. People are now marrying for myriad other reasons than just love and commitment for a life forever. Money is playing a major role now in marriages, and things are also falling apart very soon because of it. Alimony demands are now going through the roof. This research has shown some real dark realities of marriages today. I hope this research reaches the maximum number of people so that they understand the stakes in a marriage today."

Aditi Mohoni

Divorce & Matrimonial Lawyer, Bombay High Court and Family Court, Mumbai

"Divorce isn't just emotional; it's financial too. Career breaks, lost income and alimony/maintenance can strain stability for years.

1) Before marriage: first steps

Set clear money rules and document them. Determine how income will be shared (fixed or proportional) via a joint account, pay common expenses from it and – if one partner isn't earning – build assets or insurance in their name to recognise unpaid work and protect security.

2) Planning to end a marriage: first steps

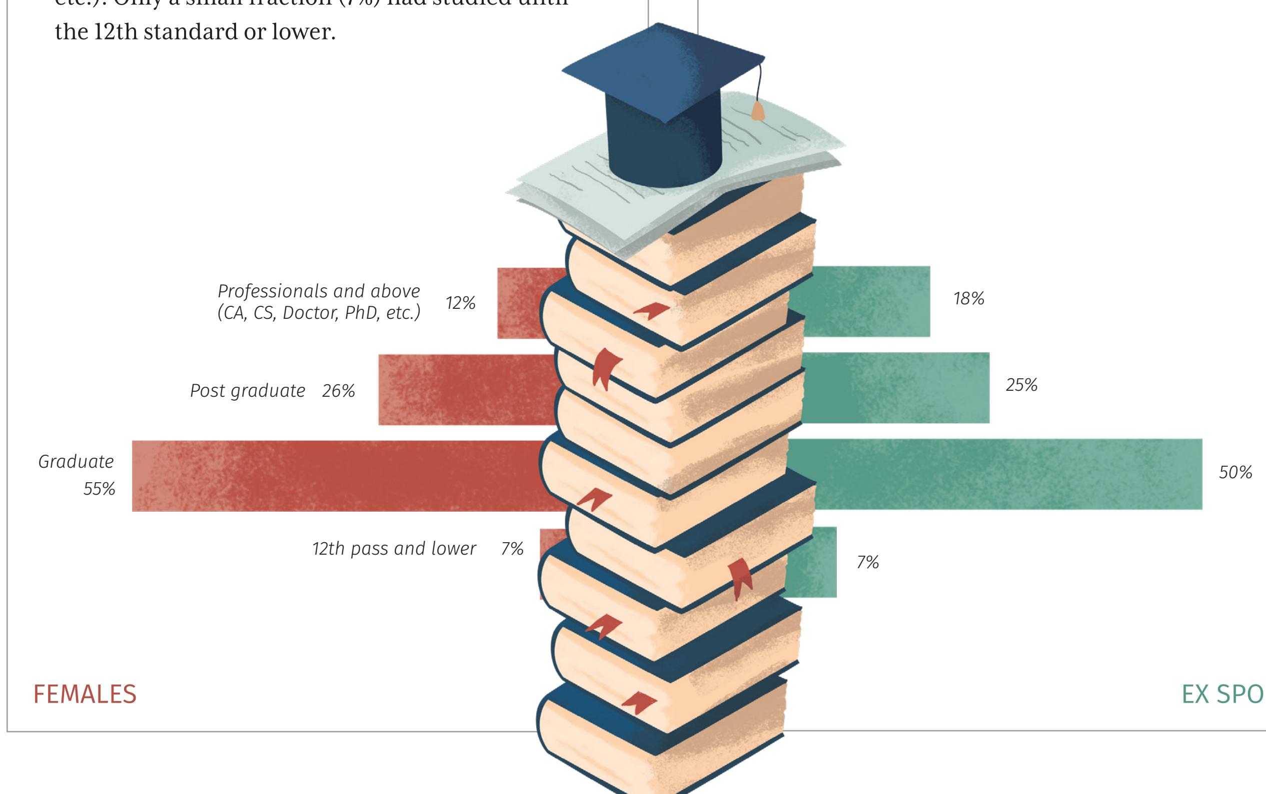
Take information of assets, debts, income and potential alimony/child maintenance; secure copies of key records. Get early advice from a family lawyer and a financial planner to protect rights and to plan cashflows for a smoother transition."

DEMOGRAPHIC PROFILE OF RESPONDENTS – FEMALES

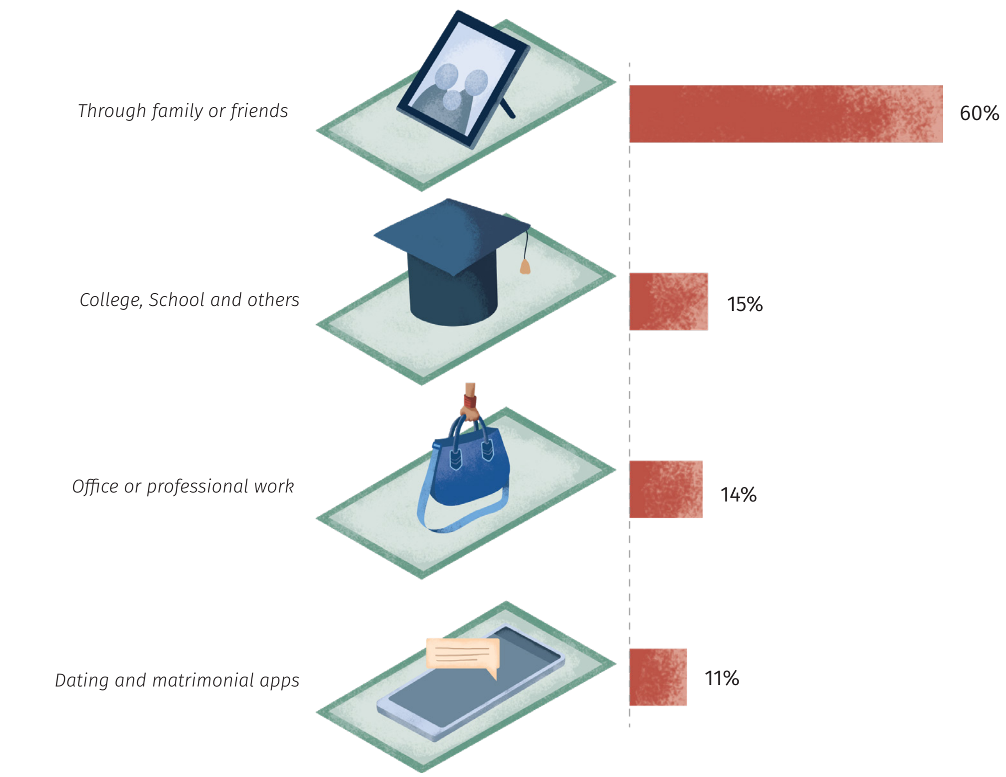
a. Age distribution
60% were from the 30–40 age group range. This reflects the typical timeframe when financial responsibilities such as home loans, childcare and career building are most relevant.

b. Educational qualification
A majority of respondents held formal academic degrees, with over half being graduates (55%). Postgraduates accounted for 26% and 12% were professionally qualified (CA, CS, doctor, PhD, etc.). Only a small fraction (7%) had studied until the 12th standard or lower.

c. Educational qualification of ex-spouse
Among ex-husbands, 50% were graduates, while 25% were postgraduates. An additional 18% had professional qualifications. Notably, 7% had education levels below 12th grade.



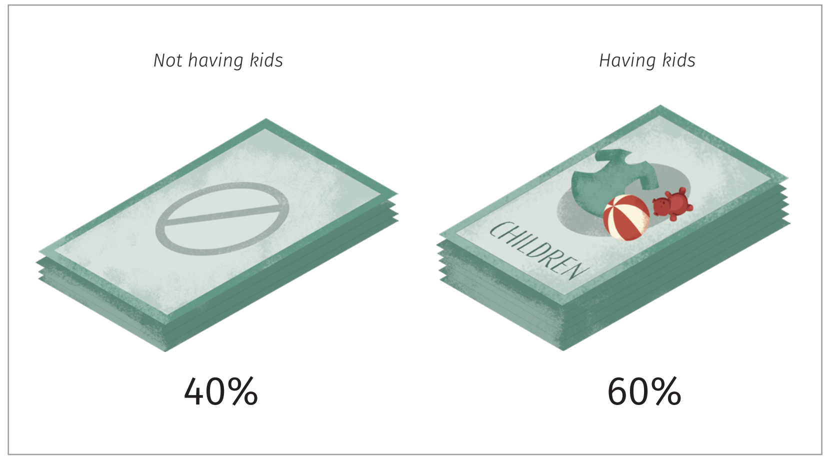
d. Where they met their ex-spouse
Social introductions played a dominant role, with 60% meeting their ex-partners through family or friends.



e. Profession of respondents
A large proportion (62%) were formally employed at the time of marriage.

f. Number of children from the marriage

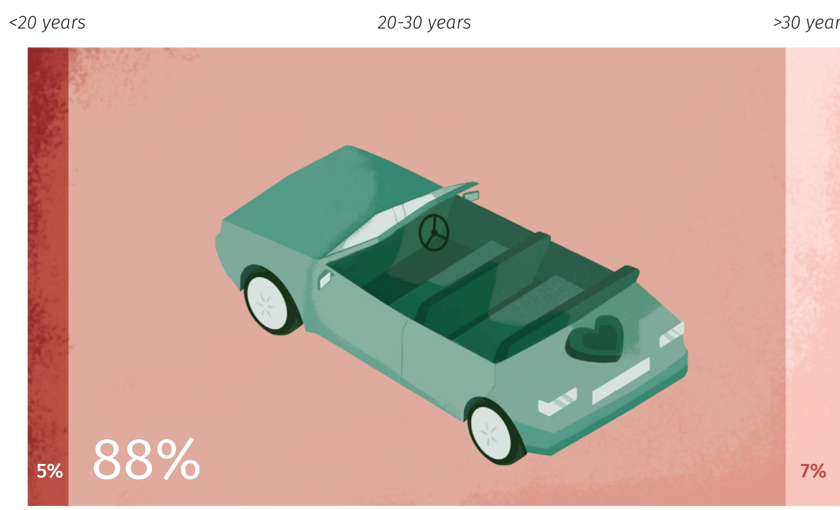
Nearly 40% of respondents reported having no children.



g. Age at different phases

i. Age at the time of marriage

Most respondents married between 20 and 30 years (88%), the typical age for financial beginnings like joint accounts, EMIs and asset co-ownership.



ii. Age at filing for divorce

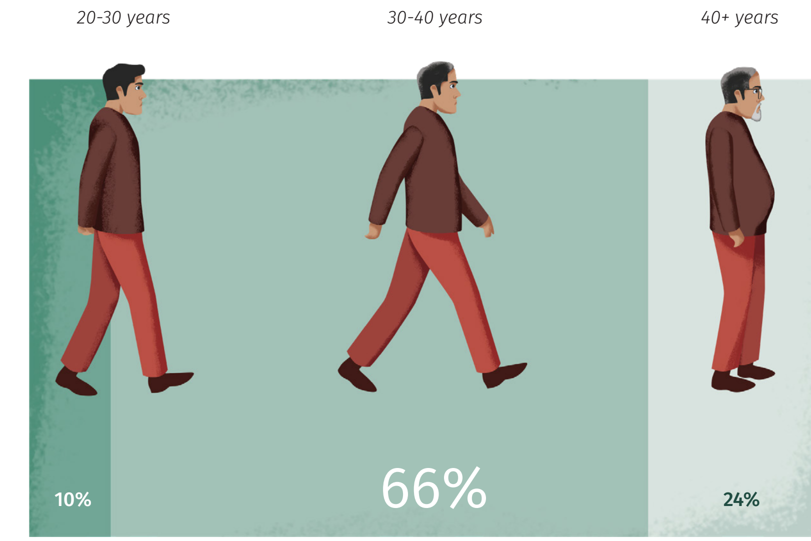
Divorce filings were most frequent between 20–30 years (39%) and 30–40 years (55%), aligning with early parenting years and peak financial dependencies.

DEMOGRAPHIC PROFILE OF RESPONDENTS - MALES

This section outlines the background characteristics of individuals surveyed for this study on the financial impact of divorce. The aim is to contextualise how factors like age, education, profession and family size shape financial vulnerabilities and outcomes across different phases of divorce. Percentages represent each category's share of total respondents.

a. Age distribution

The age profile reveals that divorce primarily affects individuals in their early to mid-career stages. The largest segment (66%) belonged to the 30–40 age group.

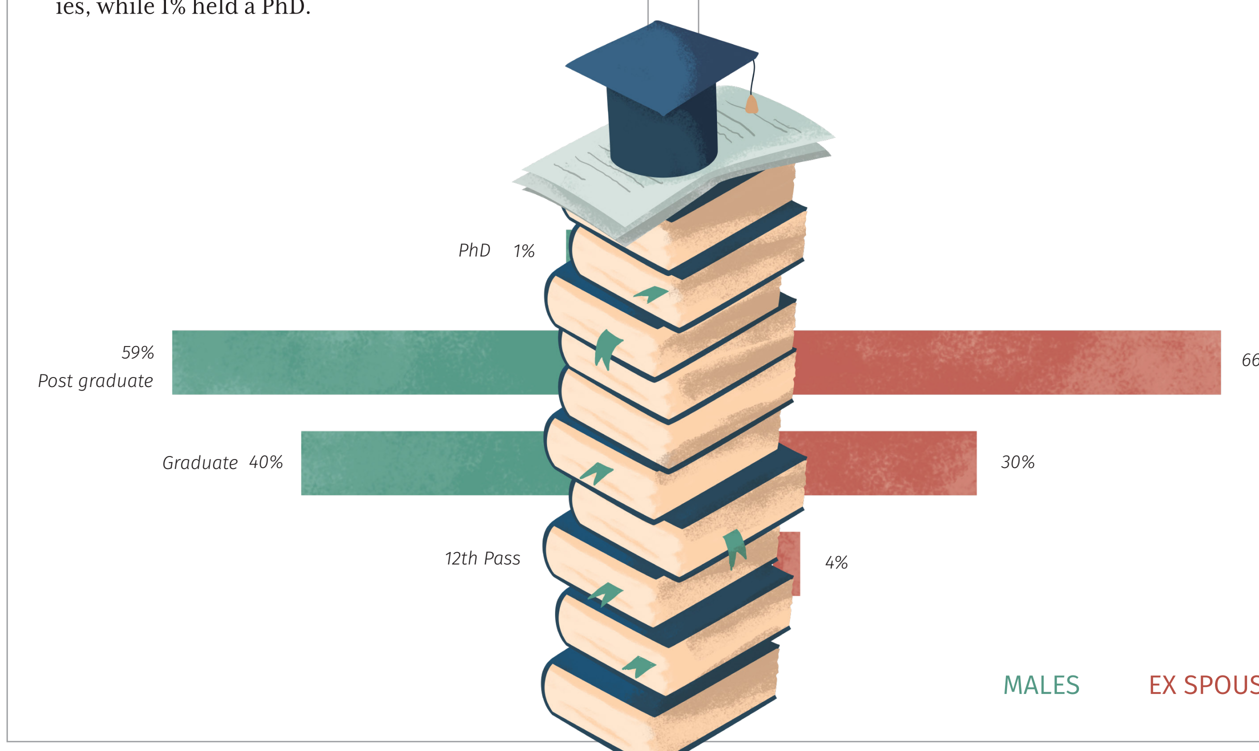


b. Educational Qualification

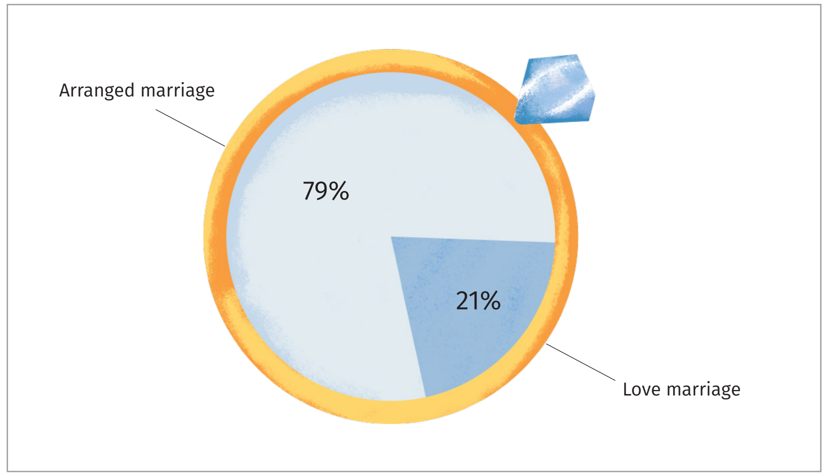
A majority of respondents were well-educated, with 40% holding a graduate degree. A significant portion, 59%, had completed post-graduate studies, while 1% held a PhD.

c. Educational Qualification of Ex-spouse

Among ex-wives, 30% were graduates, while 66% were postgraduates. 4% had completed 12th grade.



d. Where they met their ex-spouse: The majority of respondents (79%) met their ex-partners through arranged marriages, while 21% of respondents had a love marriage.

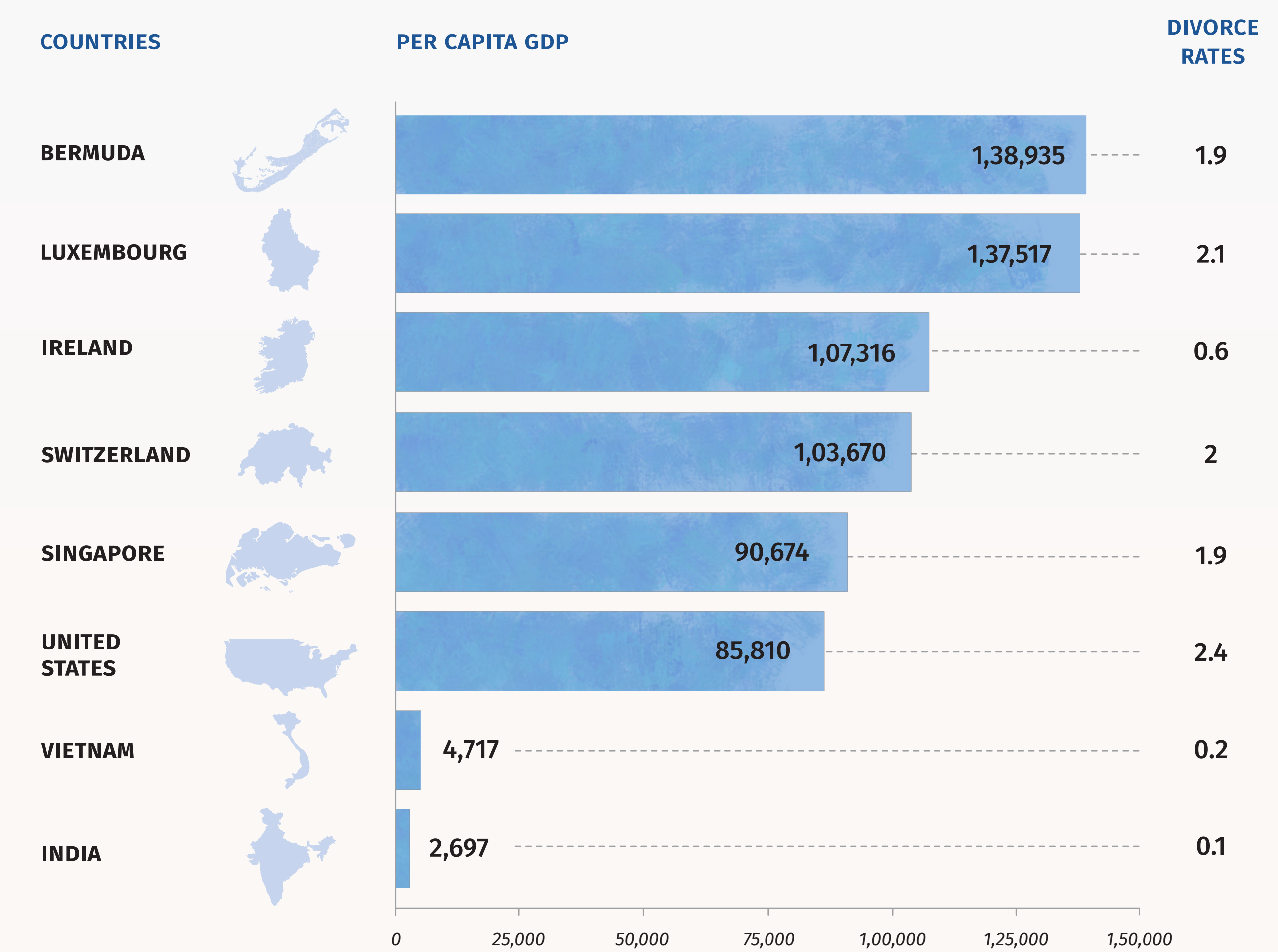


e. Age at the time of marriage: Most respondents married between the ages of 20-30 years (66%), with a significant portion also marrying in their early 30s. A smaller group married earlier, at 30-40 years (34%).

f. Age at the time of divorce: Divorce filings were most common between the ages of 30-40 years (66%), followed by 20-30 years (29%). Only 5% file for divorce after 40 years.

GDP Per Capita and the Affordability of Divorce

Economic prosperity changes how societies approach divorces. In high GDP per capita nations, individuals have the financial independence to leave unsatisfactory marriages. Bermuda, Luxembourg, Switzerland and Singapore, a few of the countries with the highest GDP per capita, show this link between high personal wealth coinciding with higher divorce rates.



Source: 1 Finance Magazine, World Population Review, Divorce.com
**Note: Statistics are as per the latest available data*

In low GDP per capita countries, marriage often remains an economic necessity, making divorce unattainable for most. India and Vietnam illustrate this, where low incomes align with some of the world's lowest divorce rates. Even unhappy marriages may persist because separation is financially impossible.

Where people can afford independence, divorce becomes a choice; where they cannot, economic dependence sustains marriages.