

The confidence gap

From uncertainty to financial clarity, the journey to rebuilding wealth after divorce.



No matter how it occurs, divorce is almost always emotionally and financially challenging. But new research has found that the financial confidence of high net worth (HNW) women throughout the divorce process depends greatly on their level of involvement in managing household wealth while married.

In April 2025, BMO Wealth Management worked with Schmidt Market Research to better understand HNW women's financial journeys throughout the divorce process. The findings for this study are based on the views of 362 women, all of whom had investible assets of more than \$1 million and got divorced within the last five years. The study also examined the role attorneys and advisors have in helping women improve their financial confidence.

The results indicate that women whose spouses made the wealth decisions at home often experience the steepest drop in confidence, leading to scaled-back lifestyles and underwhelming settlements. In addition, women who lack financial confidence can experience more tension in their relationship with their divorce attorneys, requiring extra guidance and support to achieve fair outcomes. But the study also points to new possibilities and opportunities for those who seek out the right advice – especially from financial advisors. Working with financial advisors, the study found, helped divorced women regain confidence and establish long-term financial stability.

Financial confidence throughout divorce is impacted greatly by the **level of involvement in wealth decisions** during the marriage.

Taking the wheel

A major life change like divorce can open the door to new possibilities, although the path forward may be marked by moments of uncertainty. It's important to take stock of your finances during the divorce process and rethink expenditures in light of your new situation. Yet for many women, particularly those who left critical financial decisions to their spouse, divorce can feel like taking the wheel of a car midway through a journey without a map.

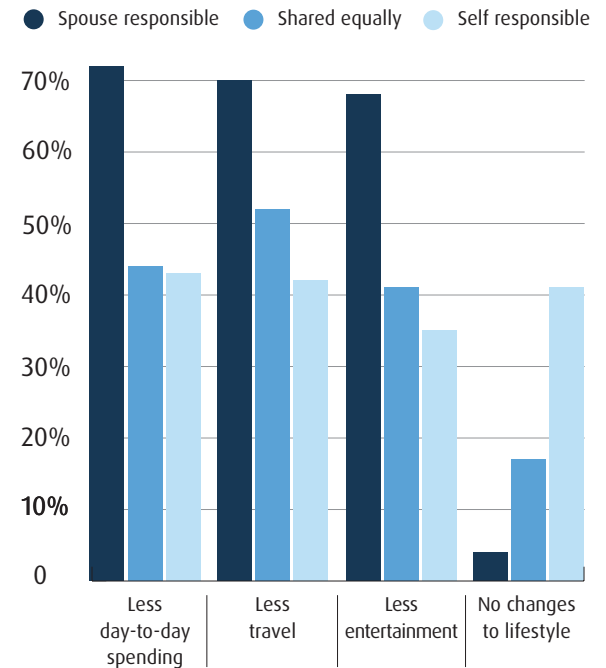
This study shows that divorce can cause women to question their ability to fight for what's theirs and to withdraw from the things they want to do. Those who previously left financial decisions to their spouse were more than twice as likely to feel they lacked the money to litigate the divorce.

While all survey respondents pulled back on their spending to some degree, women who let their spouse handle all the finances cut back the most – 70% of this cohort reduced their entertainment, travel and day-to-day spending.

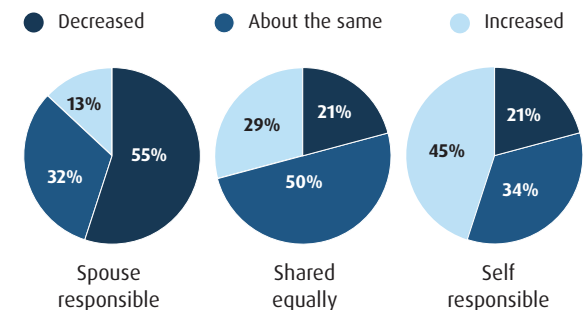
By comparison, women who were equally or solely responsible for wealth during their marriage experienced quite different outcomes. While many said their confidence declined after divorce, more said their confidence increased post-separation. As well, two out of five women who were responsible for household wealth said the divorce had no bearing on their lifestyle.

For women taking on a leading role in their finances for the first time, there's reason for optimism. The study revealed one powerful common thread: access to sound legal and financial advice freed women to live life on their own terms.

Women who scaled back their lifestyles in divorce
by responsibility for who managed wealth in marriage



How the financial confidence of women changed between marriage and divorce
by responsibility for who managed wealth in marriage



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When women are going through a divorce, there's so much uncertainty in their new world that they often can overcorrect from a budgeting standpoint, perhaps **pulling back more than they need to because they just don't have that clear confidence.**"

– Amy Hale, Regional President, BMO Wealth Management

HNW women whose spouse handled money decisions during marriage are less likely to have an advisor or a financial plan after getting divorced.

For many, divorce will shake their confidence, causing them to cut back on the things they enjoy in life, including travel and entertainment.

But there's reason for optimism:

Having a professional in their corner empowered women to reclaim control over their lives.

97%

of those with a financial advisor said their advisor has had a **positive impact on their financial confidence.**



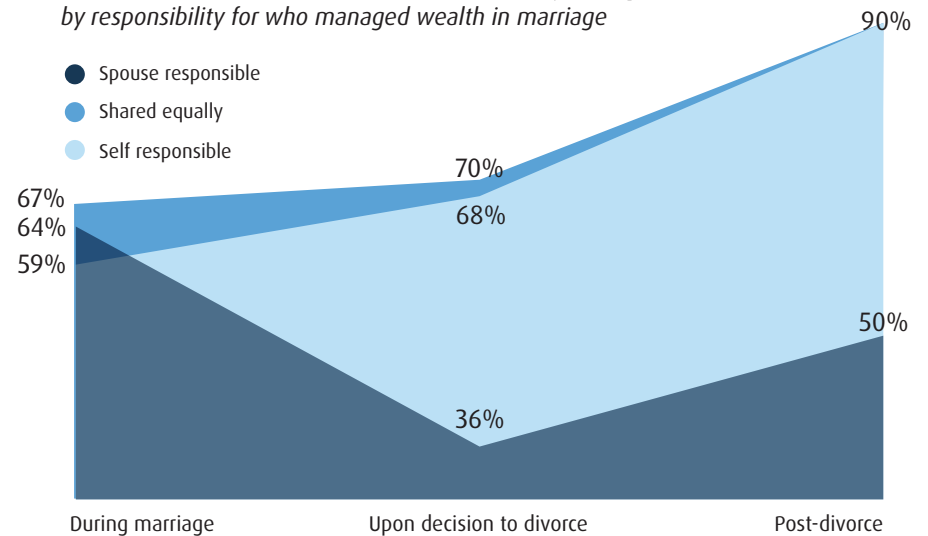
Restoring confidence

If anyone has doubts about the power of advice, look no further than the difference it can make on the outcome of a divorce. Simply having someone on your side, like a lawyer or an advisor, can boost your confidence, even if you were not the primary financial decision maker in the relationship. Women who deferred financial decisions to their spouses were more likely to say they experienced a steep decline in financial confidence during divorce. In contrast, those who jointly managed their wealth with their partner, with the support of an advisor, tended to navigate divorce with greater confidence and achieve better outcomes.

Women who were responsible for wealth decisions in their marriage were the most comfortable with their financial picture. Roughly a third of these women said they were fully confident in their finances immediately after the settlement and could take on whatever the world threw at them, with that figure rising to roughly two-thirds less than 12 months out. By comparison, only a quarter of those who shared wealth decisions with their partner felt the same. As for those who did not actively participate in financial decisions during their marriage, just 12% said they were confident about their finances. Women in this group often took two years or longer to regain their financial confidence.

Without a clear picture of their resources, many women struggled to know whether they could afford to litigate, leaving them at a disadvantage in negotiations. As a result, these women were more likely to see the process stretch out longer than expected and were four times more likely to be disappointed with their settlement.

Financial confidence evolves over the divorce journey
by responsibility for who managed wealth in marriage



87%

of the survey respondents said their attorney worked in an efficient manner to finalize the divorce.

4x

more respondents who left financial matters to their spouse were unsatisfied with the settlement.

67%

of women who were responsible for key financial decisions regained their financial confidence within a year of a settlement.

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Women who are involved have more financial confidence going into the divorce and they recover quicker. They will also recover and rebound quicker post-divorce if they have more financial confidence going into it."

– Amy Hale, Regional President,
BMO Wealth Management



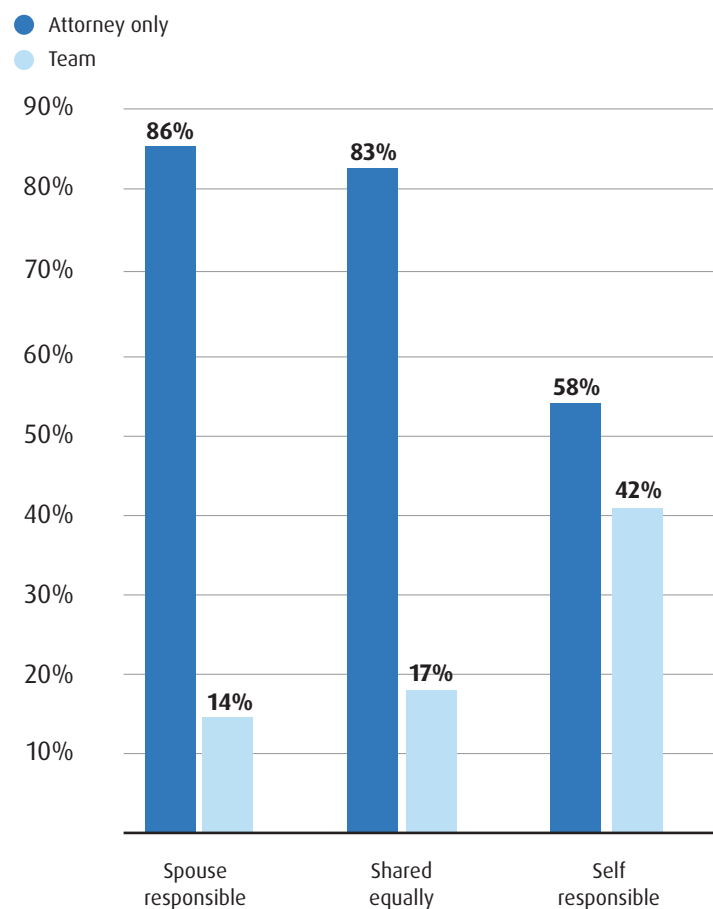
The attorney relationship

When a woman whose spouse managed the family's wealth begins the divorce process, it's only natural that she would look to her divorce attorney for financial advice – especially if there is no financial advisor involved. After all, many of those discussions revolve around money, whether it relates to a settlement, child support or spousal support.

For women without a financial advisor, family lawyers or divorce attorneys are often the ones who field financial questions to help their clients understand what life may be like after divorce. Almost 90% of the survey respondents said they received financial counseling from their lawyer. Still, women's level of involvement in household finances affected how much they relied on their attorney. Those who shared financial responsibility or whose partner oversaw the family finances were much more likely to rely on an attorney.

Although the majority of women who were solely responsible for wealth decisions during their marriage also worked with an attorney during divorce, nearly half also employed a broader team, often including financial advisors, trust advisors, accountants and even private investigators.

Women who work with an attorney only versus a team
by responsibility for who managed wealth in marriage





Regarding the divorce attorney-client relationship, the study found six factors that mattered most to women, overall:

- The way the attorney worked with them through the process
- Instilling trust
- Providing relevant information
- Being an effective communicator
- Ensuring the settlement was fair and satisfactory
- Representing their best interests

However, those priorities shift dramatically depending on a woman's involvement in managing household wealth. For women whose spouse managed the money during the marriage, it was most important for an attorney to make an effort to fully understand their financial needs during and after the divorce. For women who shared wealth responsibilities, the top factor in attorney performance was ensuring a fair and satisfactory outcome.

When the respondent was the one driving the wealth decisions, the main priority for their attorney was to work well with the other party and their attorney. Here, the onus is on the attorney to ensure they engage both parties. The main takeaway, however, is that women who played a more active role in pre-divorce wealth management gave their attorneys better marks; those whose spouse managed the wealth scored attorneys lower.

The importance of financial advice

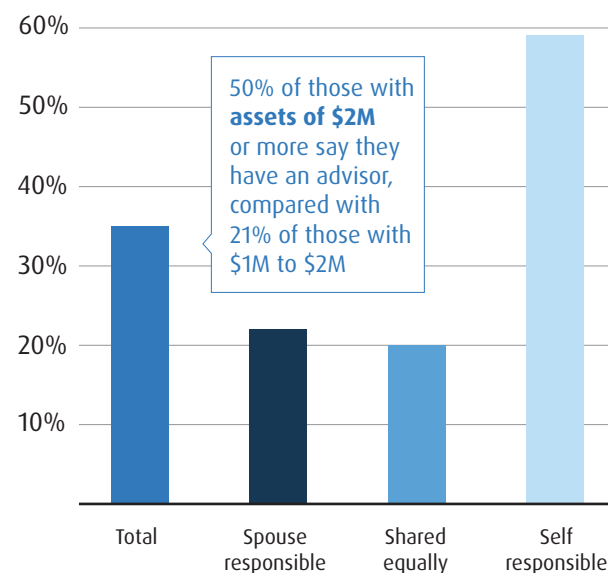
A key lesson from the study is that financial confidence is closely linked with financial knowledge and experience, and one of the best ways to increase that know-how is by working with a financial advisor.

Survey responses confirm that assertion: For women with the lowest confidence, only 28% of their spouses worked with a financial advisor during their marriage. For the partners who did have an advisor, 70% of them were the primary contact for their financial professional. By contrast, 64% of women who were responsible for managing the family's wealth had an advisor and 54% of them were the primary contact.

The numbers are similar post-divorce: Just over one in five who said their spouse managed their wealth now work with an advisor, while nearly three in five of those who were responsible themselves have an advisor.

What's encouraging, however, is that women across all categories are interested in learning more about money after their divorce. More than 80% of women without an advisor – both those whose spouse was responsible for the family wealth and those who shared the role equally – have tried to educate themselves, whether by searching online, talking to family and friends or reading books, and 70% of those responsible for the family wealth said the same. However, the women who took their education a step further and have a financial advisor are in the best position of all, with everyone reporting a much greater level of confidence.

Women working with an advisor after divorce
by responsibility for who managed wealth in marriage



Factors that impact womens' financial confidence





“Understanding my net worth is the most important thing I did for myself in the past few years.”

– Survey respondent

The takeaway:

Women must be at the financial table.

The study provides several lessons, for both women going through divorce and family law attorneys.

Women experiencing divorce

The key lesson is that women must work with a financial professional early and, ideally, be involved in the family finances prior to divorce. The data is clear: women who receive financial advice and are engaged in money-related decisions fare much better in a divorce than those who are not involved. Those who can connect with an advisor early, should, as their confidence will remain resilient during the divorce process. However, for the many women who do not have an advisor, finding one after the divorce is paramount to regaining confidence.

Family law attorneys

Given that lawyers are the professionals women speak with most during a divorce, it's no surprise they end up fielding most of the financial questions from their clients. However, lawyers can best help their clients by forging relationships with financial advisors. Consider bringing in advisors at the start of the process, both to help clients navigate the financial complexities of divorce and to increase their confidence for the long term. Understanding your clients' needs and recognizing when to offer a more personalized "white glove" service, supported by a team of financial advisors, trust advisors and accountants, will go a long way to boosting your client's confidence and increasing their likelihood of financial stability.

“There is a clear opportunity for financial advisors to assist high net worth divorced women in becoming **more financially confident** managing their wealth.”

– Amy Hale, Regional President, BMO Wealth Management

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