

Women and Bankruptcy

Today more single mothers file bankruptcy than ever before. The numbers alone are staggering. Harvard law professor Elizabeth Warren found in a recent study that almost 1 million women filed for bankruptcy in the year 2001. Warren found in this same study that single women made up 40% of all bankruptcy filings.

According to Warren, divorce is one of the biggest reasons behind this steadily escalating trend. When a couple separates, the mother often gains primary custody of the children. The now-single mother must now support her children on only one income, and this arrangement can become even more problematic if she does not have an education or job skills to fall back on.

Child support is not always a safe fallback for divorce, either. Warren notes that the United States Office of Child Support Enforcement found only 51% of custodial parents were paid full child support in 1997. 25% of custodial parents received no child support at all.

A new widow may face many of the same problems supporting her children if her husband dies unexpectedly. Additionally, both divorced mothers and single mothers may find themselves in financial trouble if they were uninvolved in financial matters during marriage. In this case, single mothers could find themselves in unexpected amounts of debt after a divorce or death of a spouse.

If you are a mother in the process of a divorce, brace yourself for the financial consequences. You might have to scale back on your lifestyle considerably in order to pay your bills and support your children on your own.

If you are a married woman, you should get involved with financial decisions- even if you are happily married. Your husband would want you to take care of yourself if something ever happened to him. Educating yourself on how to handle financial matters is something everyone should do. I know it's easier to just "let my husband do it," but that is not the best approach to avoid financial disaster in the event something unexpected happens. Both of you will know how to run the household finances.

There are other benefits to sharing this responsibility. Each of you will know your bank balances. This helps prevent frivolous spending by either of you. I know, sometimes taking the "ignorant bliss" approach

is easier, but it's definitely not the financially responsible approach to take. Another benefit of sharing the bill-paying responsibility is that it reduces the stress on the partner who "normally" does the bill paying. The financial "stress" can be shared and hopefully you then work together to relieve the stress.

Working together also allows you to spend time together. I know, it's not like going out to dinner or enjoying a movie together, but it is important time you can spend together discussing hopes and dreams. You each can have input and help plan your family's finances. Sharing the responsibility promotes communication and can help you learn how to work together to solve problems. These are important skills to deal with any family problems, not just finances.

Ultimately, all of these suggestions can be incorporated into any area of family life. The goal is to lead to more successful marriages and the suggestions discussed here in relation to finances apply to all aspects of your life. Communication, spending time together, sharing hopes and dreams, sharing responsibility for family finances, and sharing decision-making are all important cornerstones of healthy finances and more importantly, healthy relationships.

Conclusion

If you are in debt and would like to find out more about the options available to you, give Amicus Curia a call at **(360)427-3599**.