

Social and Health Outcomes around Divorce: Evidence from New Zealand

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The research project

Research project in a nutshell—Background

- ▶ *Background:* Family structure is a strong predictor of economic and social outcomes, for both parents and their children.
- ▶ *Knowledge gap:* life outcomes (labor market, health, crime) around divorce remain poorly understood
- ▶ *This research:* how does separation/divorce reshape individual outcomes
- ▶ *Design:* matching divorcing couples with similar couples who remain married.
- ▶ *Data:* wide-ranging administrative records
- ▶ *Identification:* strong similarities and parallel pre-trends suggest these matched couples provide credible counterfactual outcomes for the dynamics of divorcing families in the absence of family breakdown

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Research project in a nutshell—Findings

1. Parents' mental health deteriorates in the lead-up.
2. Parents:
 - ▶ Men's employment falls while women's rises
 - ▶ Women become much more likely to receive government benefits
 - ▶ Men temporarily double their criminal offending; about a third of the increase is domestic disputes. Both parents become more likely to be the victim of non-domestic crime as well.
 - ▶ Parents become more anxious and depressed at separation, and these remain elevated well after the couple has parted.
3. Their children face increased risks after separation: anxiety, depression, school absenteeism, and crime victimization all rise.

Introduction

Background

- ▶ Family structure is a strong predictor of economic and social outcomes, for both parents and their children.
- ▶ Married people live longer (Gardner & Oswald, 2004), have better mental health (Kravdal et al., 2023), earn more (Korenman & Neumark, 1991), and are less likely to be arrested (Massenkoff & Rose, 2024).
- ▶ For children, having married parents and living in neighborhoods with higher marriage rates are associated with better educational and behavioral outcomes (Kearney & Levine, 2017; Chetty et al., 2018).
- ▶ However: life outcomes (labor market, health, crime) around divorce remain poorly understood → separation/divorce reshape individual outcomes

Institutional Background

Marriage and Divorce Law

- ▶ The Marriage Act of 1955 establishes the legal framework
- ▶ Law requires couples to demonstrate “irreconcilable breakdown”
→ living separately for a minimum of two years before filing for dissolution
- ▶ Couples can file jointly or individually for divorce with the Family Court, with dissolution taking effect one month after an uncontested order.
- ▶ When children under 16 are involved, parents must establish care arrangements

Institutional Background

Child and Spousal Support after Divorce

- ▶ ‘Spousal maintenance’ → one party cannot meet a recommended standard of living after separation.
- ▶ Courts expect recipients of spousal maintenance to become self-supporting within a reasonable timeframe.
- ▶ Child Support Act 1991 → child support system:
 1. Formula assessment calculated by IR;
 2. A voluntary agreement registered with IR;
 3. A private agreement managed entirely between parents.

Institutional Background

Government Supports for Single Parents

- ▶ Domestic Purpose Benefit (1973) → renamed Sole Parent Support (2013)
- ▶ To facilitate employment, the system provides childcare subsidies and an In-Work Tax Credit
- ▶ Working for Families Tax Credits
- ▶ Unsupported Child's Benefit

Data and Sample Construction

The Integrated Data Infrastructure

- ▶ IDI → Integrated Data Infrastructure
- ▶ Research database
- ▶ Hosted by Statistics New Zealand (StatsNZ)

Data and Sample Construction

Sample Construction

- ▶ Department of Internal Affairs (DIA) marriage register → married prior to March 2018
- ▶ *Treatment group*: divorced between 2019 and 2021
- ▶ *Control group*: no divorce record through March 2024
- ▶ Link to 2018 Census: couples cohabiting at the same address where both adults confirm being in a relationship with the other.
- ▶ Limit the sample to couples with at least one child born before the divorce date, where both adults are listed as parents.
- ▶ 2,583 divorced couples and 4,632 children in the treatment group.

Data and Sample Construction

Key datasets

1. IRD tax records
2. Ministry of Social Development (MSD)
3. Pharmaceutical dataset (Pharmac)
4. Police records
5. Ministry of Education school attendance data
6. Child, Youth and Family (CYF) abuse data
7. Programme for Integration of Mental Health Data (PRIMHD)
8. Public hospital discharge data

Methods

Matched difference-in-difference

- ▶ Matched dynamic difference-in-differences approach
- ▶ Examining pre-divorce trends allows us to assess the suitability of our matched control group as a counterfactual
- ▶ We pair each divorcing couple with non-divorcing couples
- ▶ We create separate matching weights for mothers, fathers, and children

Methods

Matched difference-in-difference—Mothers

For each divorcing mother, we identify an always-married mother with the same:

- ▶ birth year, birth year of last child born before divorce,
- ▶ mental health prescription status for anxiety/depression/emotional problems (2012–14, binary), mental health referral status (2012–14, binary), STI testing history (2012–14, binary),
- ▶ Ministry of Social Development (MSD) hardship assistance receipt (2012–14, binary), and
- ▶ income classification (whether mean wages and salaries in 2012–14 falls in the bottom quartile).

Methods

Matched difference-in-difference—Fathers

For each divorcing father, we identify an always-married father with the same:

- ▶ birth year,
- ▶ mental health prescription status for anxiety/depression/emotional problems (2012–14, binary), mental health referral status (2012–14, binary),
- ▶ MSD hardship assistance receipt (2012–14, binary), and income classification (whether mean wages and salaries in 2012–14 falls in the bottom half).

Methods

Matched difference-in-difference—Children

For each child of divorcing parents, we identify a child of always-married parents with the same:

- ▶ birth year, mother's birth year,
- ▶ biological sex, parental socioeconomic status,
- ▶ parental mental health prescription status (2012–14, binary), child's mental health prescription status (2012–14, binary), child's mental health referral status (2012–14, binary), and
- ▶ Oranga Tamariki child abuse record status (2012–14, binary).

Methods

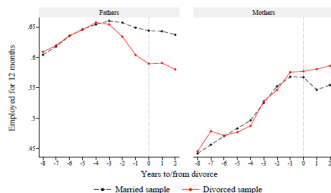
Descriptive statistics of parents 8 years before divorce

	Mothers			Fathers		
	Divorced	Married	<i>p</i> -values	Divorced	Married	<i>p</i> -values
Age	33.94	33.95	0.979	35.73	35.73	1.000
<i>Labor market markers</i>						
Employed for 12 months	0.446	0.442	0.732	0.609	0.604	0.630
Wages & Salaries (monthly, in NZ\$)	2225	2237	0.815	4095	4204	0.215
MSD (hardship)	0.041	0.043	0.689	0.008	0.008	0.925
MSD (unemployment)	0.044	0.047	0.611	0.043	0.043	0.987
<i>Health markers</i>						
Mental health prescriptions (anxiety/depression)	0.159	0.160	0.924	0.079	0.084	0.382
Mental health referral	0.019	0.019	0.880	0.016	0.019	0.364
STI test	0.221	0.217	0.643	0.043	0.041	0.611
Hospitalized for accident	0.012	0.012	0.821	0.024	0.024	0.995
<i>Crime markers</i>						
Police offense (any)	0.010	0.008	0.444	0.031	0.027	0.337
Police offense (family violence)	0.001	0.000	0.304	0.002	0.002	0.756
Police victim (any)	0.020	0.017	0.333	0.026	0.022	0.290
Police victim (family violence)	0.002	0.000	0.150	0.002	0.001	0.185
Child post divorce (dummy)	0.103	0.119	0.012	0.128	0.106	0.001
Unique individuals	2 583	106 059		2 583	160 683	

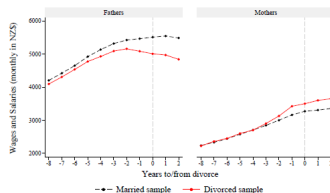
Notes: This table presents variable means for our matched parents (with weights applied) eight years before divorce. Indicators are measured 8 years before the actual/assigned divorce date, specifically from 8 years 11 months before the divorce until 8 years and 0 months before the divorce. It demonstrates that the matching procedure successfully balances differences between treatment and control groups, resulting in nearly identical average age, labor market outcomes, health outcomes, and crime outcomes. In all cases, *t*-tests fail to reject equality of means across the two groups. The reported *p*-values are from weighted regression with a constant and a treatment-group dummy. Variable definitions are given in [Appendix B](#). Source is IDI and authors' calculations.

Results

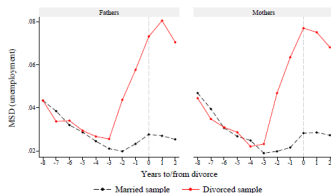
Economic outcomes for parents, raw averages



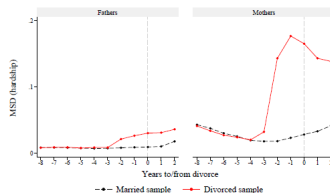
(a) Employment



(b) Income



(c) Unemployment

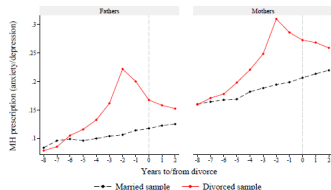


(d) Hardship

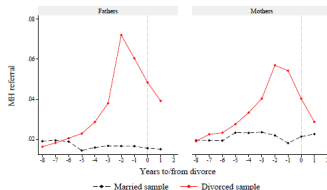
Notes: These figures show economic outcomes for divorcee parents (solid red line) and their matched controls (dashed black line). The vertical dotted line marks the year that the divorce was granted for the treatment group. By law, couples must separate two years before the divorce can be finalized, which corresponds to -2 in the x-axis. Source: IDI and authors calculations.

Results

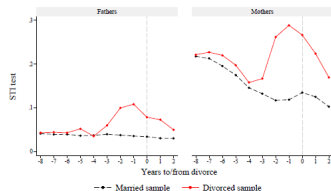
Health outcomes for parents, raw averages, raw averages



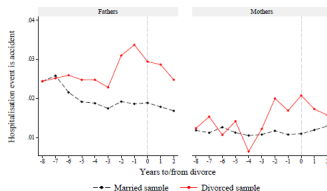
(a) Mental health prescriptions (anxiety/depression)



(b) Mental health referral



(c) STI test

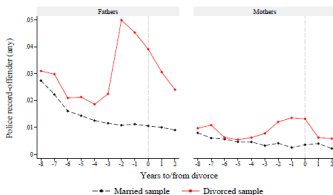


(d) Hospitalized for accident

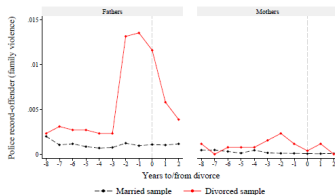
Notes: Figures show health-related outcomes for divorcee parents (red solid line) and their matched controls (dashed black line). The vertical dotted line marks the year that the divorce was granted for the treatment group. Panel (b) does not have an observation at 2 years after the divorce because mental health referral data availability. Source: IDI and authors calculations.

Results

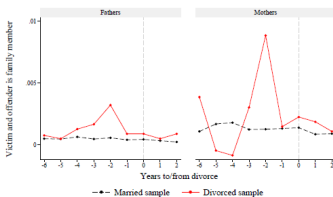
Police records for parents, raw averages



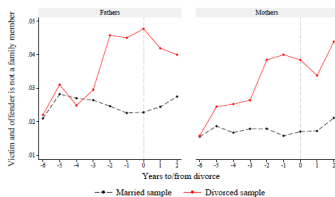
(a) Police offense



(b) Police offense, family violence



(c) Victimized by family & ex-spouses

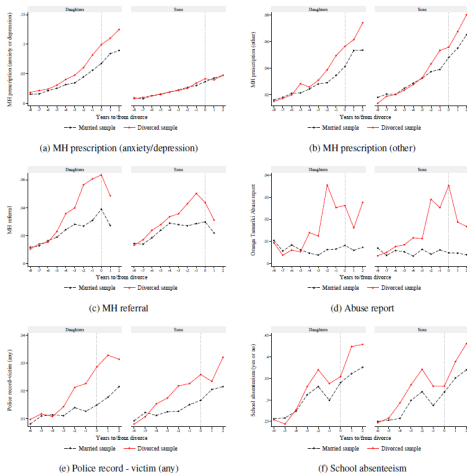


(d) Victimized by non-family

Notes: Figures show police record outcomes for divorcee parents (red solid line) and their matched controls (black dashed line). The vertical dotted line marks the year that the divorce was granted for the treatment group. Source: IDI and authors calculations.

Results

Child outcomes, raw averages



Notes: These figures show raw outcomes for children of divorcing parents (red solid line) and their matched controls (black dashed line). MH standard for mental health. Panel (c) does not have an observation at 2 years after the divorce because mental health referral data availability. Source is IDH and authors calculations.

Conclusion

Summary

1. Parents' mental health deteriorates in the lead-up.
2. Parents:
 - ▶ Men's employment falls while women's rises
 - ▶ Women become much more likely to receive government benefits
 - ▶ Men temporarily double their criminal offending; about a third of the increase is domestic disputes. Both parents become more likely to be the victim of non-domestic crime as well.
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Thank you for your attention

Feedback to: Alexander Plum