

From down payments to tuition, later-in-life divorces affecting plans to support adult children

LAURA HENSLEY

SPECIAL TO THE GLOBE AND MAIL

PUBLISHED OCTOBER 1, 2025



CHARDAY PENN/ISTOCKPHOTO / GETTY IMAGES

After decades of building a life, accumulating assets and planning for retirement together, more married Canadians over the age of 50 have been calling it quits in

plans to help adult children financially.

According to Statistics Canada, the divorce rate among people aged 50 and up rose by 26 per cent between 1991 and 2006. While the rate has levelled off since, the average age of divorce has steadily climbed. In 1980, the average was 36, whereas it hit 46 in 2020, partly because Canadians are living longer.

Meanwhile, for many Canadians, setting aside money for their children – from tuition and down payments, to inheritance – is typically a key part of financial plans. A 2023 Globe survey found that nine in 10 parents were helping their grown kids, whether through groceries, rent, mortgage payments or other expenses. What's more, an increasing number of retirees are turning to reverse mortgages to help their kids with down payments

Older divorcees often have to grapple with the fact that they can no longer provide for their offspring children the way they once wished.

What to do when a midlife divorce derails your retirement planning

“You basically have to rerun the financial planning projections,” Chris Merrick, a fee-only financial planner in Toronto, said of postdivorce life. “Often ... kids are going to get less, or [parents] can't give [money] to them right now because it knocks their margin of safety down.”

When heading toward divorce, it's wise to seek legal counsel as soon as possible, said Christopher Yu, a partner at law firm Shulman & Partners in Toronto.

Because assets accumulated during the marriage – such as property, investments and retirement plans – are divisible in a divorce, it's important to understand what impact that will have on you. One party may also be entitled to spousal support, Mr. Yu added.

Anne Ferguson of Milton, Ont., went through a divorce at age 69, shortly after she retired. The split hurt her financial circumstances as she was living on a pension and

After going through a divorce late in life, she advises others to make sure they have a professional advocating for them so assets are divided fairly.

"I'd also recommend that you have a trusted friend or family member with you for lawyer and mediator appointments," said Ms. Ferguson, who went to the appointments alone. "I thought I'd be brave and have regretted it in hindsight."

Opinion: When parents divorce, RESP saving can get tricky

Laura Stassi, creator and host of the podcast *Dating While Gray*, echoes this advice, and said stay-at-home mothers may have their contributions to the household minimized during divorce proceedings, and may therefore get shortchanged.

This can make it extra difficult to be able to help adult kids later in life.

"If you aren't really schooled in what it means from a financial aspect to get divorced, it's worth it to pay for advice," said Ms. Stassi, who went through a divorce in 2015 after nearly 30 years of marriage.

Once you understand how assets may be split, you'll want to create a financial plan around your new reality. Moving from a double-income household where expenses were split, to a single-income household where bills are now all on one person, can be quite an adjustment, financial planner Mr. Merrick said.

Toronto-based certified financial planner Francine Dick said if giving money to your child is important, run the numbers to see what is possible. She stresses that divorcees need to "put on their own oxygen mask first."

"Maybe you've managed to save some money, but you're now going to be carrying a mortgage and need some of those assets for your own standard of living," Ms. Dick said. "It may be that you're not in a position to give \$50,000 for a wedding, or \$100,000 for a down payment on a house."

Plus, helping adult kids doesn't need to happen now; it can be planned for the future, Ms. Dick said. Updating a will and estate-planning documents can help ensure

Mr. Merrick added that life insurance policies can also be updated so money goes to the kids, and not the ex-spouse.

Tax season is even more complex for the recently divorced. Here are common mistakes to avoid

Some couples come to an agreement around allocating assets to their kids during the divorce process, Mr. Yu said.

A couple can decide if they want to help their adult child buy a house, for example. If they've been saving money in a joint account for that purpose, they can agree to give that money to their child instead of including it in their divorce proceedings.

Putting a portion of spousal support toward helping adult children is also a possibility, Mr. Yu said.

"I've had clients come to me and say, 'I don't really need \$10,000 a month. Let's give me \$8,000 and give \$2,000 to our child instead,'" Mr. Yu said.

Life after a grey divorce can be tough at first. Ms. Dick said it can bring uncertainty into a person's life, especially if they haven't had to worry about finances before. She has clients, often women, who are now unsure if they can retire. Her job is to help them find a path forward.

"If the most important thing is to leave an unhappy marriage, then you'll find a way to make it work," Ms. Dick said.

Sign up for our new Business Brief newsletter. A daily look at the most important business stories that are making news and moving markets, written by Chris Wilson-Smith

+ SIGN UP | EXPLORE NEWSLETTERS

Report an editorial error

Related stories

‘We’re in our mid-50s. Do we have enough money to retire comfortably in a decade?’

Having kids later in life likely means being an elderly grandparent, if at all

Inheritance gifts are creating a generation of haves and have nots

More from Investing

The best fixed and variable mortgage rates of the week

Here’s why stock bears are expected to stay in hibernation this coming week

TOP LINKS

Six Canadian stocks among RBC’s top 30 global ideas

ANALYSIS

Trump has his eye on Canadian forestry stocks. You should, too



Centennial reaps a good return on her 100th birthday any day now

STARS AND DOGS

The Globe's stars and dogs for the week

