12 Guidelines for Widows, and Suggestions for Husbands

By Karen Altfest

Article Highlights

- These 12 guidelines can help a widow (or widower) avoid common mistakes and gain control of her (or his) finances following the loss of a spouse.
- Postpone making major decisions until new short- and long-term goals are developed and a plan is prepared. Taking one small step at a time will keep you from feeling overwhelmed.
- Properly titling accounts, creating and maintaining a list of important financial information, and involving your spouse in financial decisions as they are made can smooth the eventual transition.

The death of a husband affects many areas of the widow's life. If the deceased spouse was also the one who handled the family's finances, the challenges and the potential pitfalls increase. In this follow-up to my article "Life After a Loss: 6 Smart Steps for Coping with Widowhood" (July 2016 *AAII Journal*), I give guidelines for widows to follow after the death of a spouse as well as suggestions for husbands and a list of a few helpful resources. Though this article is oriented toward widows, the same guidance applies to widowers, including those who were in households where the late spouse handled the finances.

Six Mistakes to Avoid

Everyone makes mistakes, especially when they experience a big life change. Here are six mistakes widows make and why you should take steps to avoid them.

1. Trying to Assume the Role of Both Parents

For widows with young children, the urge to attend all school, sport, and social functions, run a home, and work can be both demanding and exhausting.

Trying to compensate children for the loss of a parent with more vacations than the family can afford, and other tangible gifts, can be unwise.

2. Making Major Changes in Your Job, Your Lifestyle or Your Family Too Quickly

A recent widow I met told me how within her first year of widowhood she had almost sold the family business to a competitor at a great discount and had considered marriage to a man she met on a plane. She felt that both moves would have been disastrous for her, but that she was very vulnerable and listened to all comers.

Assume that an offer that is good for you will stand the test of time.

3. Treating Each Meeting With a Professional as an Isolated Event

It's best to choose advisers you can keep for the long term. Find advisers who can interact well as a team when it is necessary.

Think about whether arranging a meeting with your accountant, your attorney, the attorney for your late spouse's estate and your financial planner can add benefit to the planning you are undertaking or your decision-making process.

4. Assuming You Cannot Manage or at Least Supervise the Management of Your Own Investments

Over time and with education, you can grow into doing some of this management yourself. If you need to, have annual check-ups with an investment professional who can explain concepts and teach you to grow into a take-charge investor.

You don't need to do it alone or do it all. Learn to be a partner in your financial decisions.

5. Leaving the Portfolio the Way Your Spouse Had It

Even if your husband had a great record as an investor, chances are that he would rebalance the portfolio annually

Helpful Online Resources for Surviving Spouses

Karen Altfest suggests the following websites for widows (and widowers) who seek further information and guidance.

Financial Planning Association
www.plannersearch.org

This database allows to you screen certified financial planners by geographic area, specialties, compensation type and professional certifications.

Internal Revenue Service
www.irs.gov

The IRS' website has a large number of forms and publications to help you file estate taxes and manage your own individual taxes.

Social Security Administration
www.ssa.gov

Provides information about your personal benefits, your surviving spouse benefits, dependent benefits and related information. Also allows you to apply online for and manage your benefits.

National Association of Personal Financial Advisors
findanadvisor.napfa.org/Home.aspx

The NAPFA's search tool can allow you to not only located advisers near you, but also narrow your search to professionals with particular fields of expertise.

U.S. Department of Labor Employee Benefits Security Administration
www.dol.gov/agencies/ebsa/workers-and-families/death-of-a-family-member

Offers publications, tools and videos about health and retirement benefits for widows and widowers who were covered under their late spouse's employer-sponsored health plan or where their late spouse had a workplace retirement plan.

U.S. Department of Veteran's Affairs
www.va.gov/opa/persona/dependent_survivor.asp

Lists information about the benefits and services available to the surviving spouses and children of deceased service members and veterans.

and make new choices on what to buy, sell or hold.

Keeping investments for sentimental reasons is a personal choice, but likely not the best financial decision.

6. Making Irreversible Decisions

Do not make changes in your lifestyle that cannot be reversed later on. I have seen widows make a major change without thinking things through and regret it for years.

Speak to someone who knows you well before taking sudden action.

Six Wise Things to Seek

One of your primary goals following the loss of a spouse should be to regain control. Here are six things that can help you run the financial aspect of your life more smoothly.

1. An Adviser You Can Trust

As much as a competent adviser who puts their client's interests first can help any investor, widows need that supportive relationship more. You have just had a shock to the system and a major blow to your lifestyle, and you need to reevaluate your plans and goals for the future.

Take your time finding the right professional relationship for you; ask others in your position whom they are working with. Consider starting a new relationship with a small task that can help you evaluate the work of the professional and your comfort with that person.

Two organizations that can help you locate an adviser are the National Association of Personal Financial Advisors at findanadvisor.napfa.org and the Financial Planning Association at www.fpaforfinancialplanning.org.

2. A Professional Who Communicates Well

Communication skills are very important. That means you want a professional who listens more than he or she talks, asks questions to bring out feelings as well as facts, and shows patience when you are not ready to make a decision.

A willingness to explain things in understandable language and answer all manner of questions—and then answer them again when it turns out that you were distracted—can go far.

3. A Strong Team of Advisers Who Can Work Well Together

Sometimes an adviser you trust will make suitable recommendations for professionals you can meet who have expertise in various specialties.

4. Financial Education

Finance is a huge field. If your spouse had been the caretaker of your money, you might want to learn enough to be a good consumer, to be able to work with professionals, to ask the right questions, to understand what they are telling you and even to manage your own portfolio.

Education over a period of years through newsletters, personal discussions, question and answer sessions, books and articles and more formal educational seminars can be very helpful. You need to prepare for the rest of your life, gain confidence and develop the knowledge and skills to do so.

5. A Review of Your Goals

Your goals may depend on where you are in life, whether you have young children or aging parents, how important work is to your life and, of course, your own wishes.

Be aware that your goals for life as a widow may not be the same as they had been with your spouse. Develop both short- and long-term goals through conversations and creative thinking. Over time, prioritize your goals and set some aside for your wish list.

I worked with one widow who insisted on building an addition to her house because that's what she and her husband had planned to do. The contractor sent a proposal that was beyond her budget, she didn't think she would use the addition now that her husband was gone, and she might not live in that house in a year or two. She realized this wasn't where she wanted to spend her money and energy. I helped her examine her goals and substitute her passion, seasonal opera tickets, for work on the house.

6. An End to Uncertainty

Many widows end up second-guessing themselves on every decision. Preparing a plan, and taking one small step at a time will keep you from feeling overwhelmed. This will set the foundation for what you need to do to progress to financial independence at your own pace.

Developing a secure structure will enable you to have something concrete to guide you.

How a Husband Can Help His Spouse Before Disaster Strikes

Each year, a few men come to my office bringing along reluctant wives. They make requests such as "Tell me how to get my wife interested in our finances" or they ask "'Who will help my wife if something should happen to me?"

Very often, the man is at retirement age or older. Sometimes he has not been well, has seen friends become ill or feels he lacks the focus to continue making financial decisions.

I consider this an act of love. The person who in the past has made the financial decisions is preparing his spouse to take over if that need arises.

When this preparation has occurred, in cases where something does happen to the husband, the transition to the widow as the one in charge of the finances is very smooth because things are in place and the widow is somewhat prepared for her new role.

Here are some ideas about how husbands can help their spouse in case she is forced to take over the family's finances:

- See that accounts are titled properly and that your wife has knowledge of and access to account information.
- Complete a list of assets, liabilities, insurance, advisers and institutions that you do business with, and update it once a year. Make sure your wife knows where you keep your lists.
- Encourage your wife to sit alongside you when you pay the bills or make investment choices. Discuss financial decisions with her as you do in other areas of your life together.
- Bring your wife with you to meetings with professionals. Make sure to have her contribute her goals, concerns and questions. Observe whether your professional includes your wife and her ideas in your family's planning. If not, speak to your professional explicitly about improving this relationship.
- Be patient and don't expect too much progress from your spouse at once. Don't be critical.
- Encourage your wife to focus on items that are meaningful to her: the family bills, planning the next vacation, reducing credit card balances or the grandchildren's education. Better yet, ask your spouse to select an area she would like to supervise.
- Don't lead your wife to think your financial decisions are forever. Let her know how frequently you review your choices and make changes and that—in the future as the world changes and her situation evolves—you expect her to make changes too.
- Tell her specifically to visit someone within one year who can help with her investments. ➤

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