

LOSS OF A SPOUSE: STEPS TO ESTABLISHING FINANCIAL SECURITY

by Lisa Shelton & Gina Hughes, Senior Financial Advisors

There is perhaps nothing in life so devastating as the loss of a spouse. This is especially true if death comes suddenly, unexpectedly; but no amount of advance notice can fully prepare you emotionally for this painful life event.

There are, however, things you can do to be prepared financially that will make the difficult transitions smoother. And somewhat ironically, these steps can be a comfort to your spouse as well, knowing that his or her affairs (and yours!) are in order when the time comes. Both of you can be confident that during those first days and weeks, when life feels like sleepwalking, at least some of the big life decisions will already be made or important processes begun.

It's not surprising that the death of a spouse can affect women harder financially. A woman's current life expectancy in the US is 79, while a man's is 73. This means that statistically, more women than men will be widowed. Combine that with the fact that only 23% of have taken the lead in long-term financial planning, and it's clear that much of the stress will fall on women.

And while we're accustomed to thinking about the loss of a spouse for elderly people, did you know that 50% of married

women will be widowed before the age of 59? A woman who loses her husband in her 50s could easily live another 35-40 years, and many are unprepared financially to face those years.

Here are some possible scenarios that could affect the planning process:

- Both of you are working full time, and the death of your spouse creates a 50% loss of household income. This loss can be almost instantaneous, and yet your bills are all still due next month.
- You are both retired, drawing Social Security or other retirement income; again, the drop in monthly cash flow will be felt immediately.
- You have been a stay-at-home mom with a dad earning a significant income. His death means you will lose 100% of that income – with a mortgage payment still due on the 1st.

In some cases, there may be income other than employment, and many employers

also have plans in place to assist until life insurance or other benefits kick in. But many women aren't aware of their spouse's employer's practices, and it can take weeks if not months to sort it all out.

So let's begin thinking through the process. The first and probably the most consequential decisions you will make as you put a plan in place involve building your team. This should include:

- Family and trusted friends, including your executor
- Estate attorney
- Financial advisor

Next, you'll need to get organized:

- Checklist of "First things to do"
- List of life insurance policies
- List of bank and investment accounts
- Other important documents: wills, trusts, deeds

With these things in hand, it's time to create your plan for the future:

- A transition budget
- A plan to manage debt
- A long-term financial strategy

The steps can seem daunting, and that's why having a financial advisor is crucial. You need someone walking with you now who will be there when.

Here's how we can partner with you – both today and when the unthinkable happens. We will:

- Help you navigate the impact to income sources (Social Security, pensions, etc.).
- Advocate for your well-being and financial success.
- Help locate important information, such as bank statements, life

insurance policies, investment accounts.

- Help you understand your options and empower you to make financial decisions.
- Help you determine what actions should be taken on selling/keeping your family home.
- Attend important meetings with your attorney and CPA if you so desire.
- Advise you on next steps and things that need to be planned for.

Best of all, we'll keep reminding you that you're not alone. And sometimes, that's the most important knowledge of all. **D**



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Lisa and Gina are co-owners of Makers Wealth Management, based in San Antonio and specializing in walking with women through life transitions. For our readers, they have uploaded a Preparing for the Unexpected Checklist on their website under the "Resources" tab.

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