Planning for life after widowhood:
A guide to loss and finances
Why is preparing for the loss of a spouse important?

The death of a spouse can be a traumatic experience—one that has not only an emotional impact on families, but a financial one as well. However, planning for it ahead of time can be beneficial and help make the situation feel less overwhelming.

The realities of widowhood

There are 20 million widows in the U.S. and 1.4 million new widows every year¹.

Women are 3.5x more likely to become widows, but men still represent 22% of the widow population².

Two in three become widowed at or after age 65³.

Widowhood is a certainty, but not everyone is planning for it

46% of married women say they’ve never thought about who would live longer⁴.

53% of widows say that they and their spouse did not have a plan for what would happen if one of them died⁴.

Widowhood can be difficult to navigate

78% of widows say that becoming a widow is the single hardest thing they’ve been through⁴.

66% of widows say that they had so many things to deal with, they didn’t know where to start⁴.

Six in ten feel burdened by immediate expenses⁴.
Planning ahead can help avoid potential problems down the road should you lose your spouse.

Let’s talk about where you are right now.

How well do you understand your and your spouse’s full financial picture?

If you had to, could you find all of your and your spouse’s financial records and accounts?

How financially prepared would you be if you lost your spouse?

How comfortable would each of you be as the sole financial decision maker?

How do you think your lifestyle would have to change?
Exploring how widowhood affects your life priorities

Losing a loved one impacts all aspects of your life. Taking steps to create a plan, both practical and financial, can help make a very difficult situation easier on loved ones.

### Considerations:
- How would your family’s income change?
- Do you or your spouse have dependents other than children?
- Can you rely on other family members for financial or emotional support?
- Do you each have a list of each other’s bank/investment accounts, insurance policies and contact numbers for providers and advisors if something were to happen?

### Key facts:
- 60% of widows say that family is their top source of satisfaction.⁴
- 46% of widows say they were their spouse’s primary caregiver.⁴
- Half of widows under the age of 45 live with a child.⁴

### Goals:
- Understand your family’s full financial picture
- Identify current financial needs or goals for family members—such as college funding, retirement savings and elder and child care expenses
- Ensure that your legal documents reflect your wishes if something were to happen to you
- Identify a guardian and trustee for your children if they are minors
**Health**

**Considerations:**
- Would you have healthcare coverage if something were to happen?
- Do you have a healthcare directive?
- Do you have insurance for long-term care?
- If your spouse or someone else is your current caregiver, do you have other family members for support?

**Key facts:**
- 45% of widows say their greatest concern is health.⁴
- 80% of widows say they take better care of their health after their spouse passes away.⁴
- 47% of widows have an advanced healthcare directive, as opposed to only 20% of married couples.⁴

**Goals:**
- Understand sources of healthcare and plan for out-of-pocket healthcare expenses, such as premiums, co-pays and deductibles
- Plan for long-term healthcare costs
- Have the contact information of your and your spouse’s benefits administrator and healthcare provider available
- Identify a caregiver other than your spouse

**Home**

**Considerations:**
- If something were to happen, would you consider moving or think you may want to move to a different location?
- If you would move, would you consider downsizing?
- Would day-to-day expenses such as a mortgage be impacted?
- Are there other properties besides your home to consider?

**Key facts:**
- 43% of widows move homes.⁴
- 34% of those who move choose to be closer to family and friends.⁴
- 99% of widows have received or will receive control of the estate.⁴

**Goals:**
- Assess the value of your current properties
- Know the amount you may owe on any mortgages and the payoff dates
- Understand the current market conditions for selling your home, if it becomes necessary
**LIFE AFTER WIDOWHOOD**

### Work

**Considerations:**
- How would your household income be affected if you lost your spouse?
- If you are working, how would becoming the sole income earner in the household affect your work and life, particularly if you have young children?
- If you were not working, would you consider returning to the workforce?

**Key facts:**
- Half of widows experience an income decline of 50% or more.⁵
- 67% say that adjusting to a loss in income is a financial challenge.⁴
- Two in ten widows are currently employed.⁴

**Goals:**
- Review workplace policies around bereavement leave
- Assess your career options

### Leisure

**Considerations:**
- Would you be concerned about maintaining your lifestyle?
- What activities would you pursue to help you through the difficult time?

**Key facts:**
- 58% of widows turn to their friends for support.⁴
- 72% say their top financial priority is being able to afford the lifestyle they want.⁴

**Goals:**
- Be prepared to create a lifestyle spending plan
- Find ways to connect socially with friends and family
### Giving

**Considerations:**
- What are some ways to ensure that your spouse’s legacy is honored?
- Do you understand your spouse’s wishes?
- What are your personal wishes?

**Key facts:**
- 60% of people age 50 and older would prefer to give sooner rather than later, saying they want to be there and enjoy helping their children pursue their dreams.⁶
- Half of widows 55+ give away part of their estate, especially to charities.⁴

**Goals:**
- Set a legacy plan
- Identify opportunities for charitable giving

### Finances

**Considerations:**
- What financial and investment tasks are you responsible for versus your spouse?
- Do you know the current status and balance of all of your financial accounts (savings, investments, credit cards, mortgages, other debt, insurance)?
- What life insurance policies do you have?
- Have you reviewed account ownership/access and considered arranging for financial management assistance should you or your spouse become unable to manage your accounts?

**Key facts:**
- Becoming the sole financial decision maker is the top financial challenge for widows.⁴
- 66% say that navigating financial and legal paperwork is a top challenge.⁴
- 76% of married retirees say they would not be financially prepared for retirement if their spouse died.⁷
- 72% of widows say they consider themselves more financially savvy than other people their age.⁴

**Goals:**
- Keep track of your spouse’s documents and account information
- Think about potential income replacement strategies, such as life insurance
- Identify beneficiaries on financial accounts
- Consider strategies to obtain professional assistance with day-to-day financial management
- Set aside emergency funds to help with unexpected costs and provide sufficient funds to cover living expenses
Where to start.
Planning ahead

Taking steps now to protect yourself and your family can help you stay in control should you lose a loved one. Here’s what you can do right now.

**Key actions:**

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
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<tbody>
<tr>
<td>1.</td>
<td>Make sure you and your spouse both understand your full financial picture</td>
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<td>2.</td>
<td>Organize paperwork so you and your spouse know whom to contact and where to find important documents</td>
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<td>3.</td>
<td>Identify a guardian for any minor children</td>
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<td>4.</td>
<td>Record ownership of real estate, cars and other property</td>
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<td>5.</td>
<td>Review ownership/authority on accounts and consider placing assets in a revocable trust</td>
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<td>6.</td>
<td>Update your beneficiaries on your financial accounts</td>
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<td>7.</td>
<td>Assess the need for life insurance</td>
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<td>8.</td>
<td>Assess the need for long-term care insurance</td>
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<td>9.</td>
<td>Draft a will with your personal wishes and name an executor of your estate</td>
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<td>10.</td>
<td>Create a power of attorney to handle financial decisions if you cannot</td>
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<td>11.</td>
<td>Assign a healthcare proxy to make medical decisions on your behalf in the event that you are unable to do so</td>
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<tr>
<td>12.</td>
<td>Consider establishing a trust to manage your assets in the event you become incapacitated and for after your death</td>
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**Notes:**

Notes about each key action.
LIFE AFTER WIDOWHOOD

After a loss: Address immediately

After the death of a spouse, the financial and legal obligations can seem overwhelming. In fact, certain actions may have specific deadlines. Working with your financial advisor, attorney and tax advisor to prioritize and complete the required steps can help simplify the process and make the experience less stressful. Here are the steps you may need to take if something were to happen.

**Address immediately:**

- Gather and organize important documents such as birth, death and marriage certificates, wills, trusts, Social Security numbers, veterans’ discharge papers, insurance policies, property titles, bank and brokerage statements, retirement plan and pension statements, credit card and loan information, federal and state tax returns, employee benefits records and business partnership agreements.

- Request several copies of the death certificate.

- Speak with the executor of your spouse’s will (if it’s someone other than you) and your attorney to make sure you understand what the estate might owe and what you are likely to inherit.

- Ensure healthcare coverage for yourself and dependents if needed and call your spouse’s employer or the insurance company directly.

- Inform all financial institutions of the death and remove your spouse’s name from joint accounts, loan documents and credit cards.

- To simplify your expenses, consider setting up automatic payments where possible.

- Pursue veterans’ benefits such as lump-sum or monthly survivor benefits, educational assistance and medical care, and identify appropriate burial services if your spouse was a veteran.

- Contact your spouse’s current and former employers about any survivor benefits, final paychecks, deferred salary or bonuses, stock options, employer-sponsored life insurance, retirement plans or annuities.

- Contact insurance companies to initiate the death claim application process.

- Update your own estate plan, including revising your will and changing beneficiaries on your accounts.

- Work with your accountant to file and pay your spouse’s final tax returns.

**Notes:**

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After a loss: Address in a few months

After you’ve addressed the most pressing items, it may be a good time to think about a new financial picture—one that addresses your needs and goals.

### Address in a few months:

<table>
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<tr>
<th>Task</th>
<th>Notes</th>
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<tr>
<td>Join a support group or seek out grief counseling</td>
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<td>Take time off from work if needed</td>
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<td>Stay healthy and exercise</td>
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<td>Meet with your financial advisor to review your financial plan and determine what changes need to be made</td>
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<td>Calculate your net worth</td>
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<td>Consider whether you prefer to stay in your current home, relocate or downsize</td>
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<td>Determine if you need to restructure any debt, such as refinancing a mortgage or home equity loan to free up cash</td>
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<td>Determine your lifestyle expenses and set a spending plan</td>
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<td>See that the provisions of the estate plan are followed, including making any bequests</td>
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<td>File income and estate tax returns for the estate separate from your spouse’s final income tax returns</td>
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<td>Consider rolling over your spouse’s retirement accounts such as a 401(k) or IRA into an account in your name or contingent beneficiaries</td>
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<td>Recalculate your needs in retirement and try to maximize contributions to retirement plans, if appropriate</td>
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<td>Identify personal goals, such as travel, education, philanthropy and other pursuits</td>
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<td>Revise your investment strategy to reflect your own personal goals as an independent decision maker</td>
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</tbody>
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Endnotes

1 Census Bureau, 2015
2 Census Bureau, 2017
3 Age Wave calculation based off of 2016 ACS & Census Bureau, Marital Events of Americans: 2009
4 Merrill/Age Wave Widowhood Research, 2018
5 WISER, Survey of Recent Widows, 2013. Base: Women widowed in past 5 years, ages 70 and under
7 Age Wave/Merrill, 2013, Family & Retirement: The Elephant in the Room

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