



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 year<sup>1</sup>

Women are **3.5x** more likely to become widows, but men still represent **22%** of the widow population<sup>2</sup>

**Two in three** become widowed at or after age 65<sup>3</sup>

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

**46%** of married women say they've never thought about who would live longer<sup>4</sup>

**53%** of widows say that they and their spouse did not have a plan for what would happen if one of them died<sup>4</sup>

## Widowhood can be difficult to navigate

**78%** of widows say that becoming a widow is the single hardest thing they've been through<sup>4</sup>

**66%** of widows say that they had so many things to deal with, they didn't know where to start<sup>4</sup>

**Six in ten** feel burdened by immediate expenses<sup>4</sup>



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.

## Family

### 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.<sup>4</sup>
- 46% of widows say they were their spouse's primary caregiver.<sup>4</sup>
- Half of widows under the age of 45 live with a child.<sup>4</sup>

### 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.<sup>4</sup>
- 80% of widows say they take better care of their health after their spouse passes away.<sup>4</sup>
- 47% of widows have an advanced healthcare directive, as opposed to only 20% of married couples.<sup>4</sup>

### 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.<sup>4</sup>
- 34% of those who move choose to be closer to family and friends.<sup>4</sup>
- 99% of widows have received or will receive control of the estate.<sup>4</sup>

### 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

 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.<sup>5</sup>
- 67% say that adjusting to a loss in income is a financial challenge.<sup>4</sup>
- Two in ten widows are currently employed.<sup>4</sup>

**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.<sup>4</sup>
- 72% say their top financial priority is being able to afford the lifestyle they want.<sup>4</sup>

**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.<sup>6</sup>
- Half of widows 55+ give away part of their estate, especially to charities.<sup>4</sup>

**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.<sup>4</sup>
- 66% say that navigating financial and legal paperwork is a top challenge.<sup>4</sup>
- 76% of married retirees say they would not be financially prepared for retirement if their spouse died.<sup>7</sup>
- 72% of widows say they consider themselves more financially savvy than other people their age.<sup>4</sup>

**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.







## Endnotes

<sup>1</sup> Census Bureau, 2015

<sup>2</sup> Census Bureau, 2017

<sup>3</sup> Age Wave calculation based off of 2016 ACS & Census Bureau, Marital Events of Americans: 2009

<sup>4</sup> Merrill/Age Wave Widowhood Research, 2018

<sup>5</sup> WISER, Survey of Recent Widows, 2013. Base: Women widowed in past 5 years, ages 70 and under

<sup>6</sup> <https://www.ml.com/articles/why-make-your-heirs-wait.html#financial-goals-and-priorities>

<sup>7</sup> Age Wave/Merrill, 2013, Family & Retirement: The Elephant in the Room

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