



Financial Knowledge Can Help a Woman Cope With the Emotional Challenges

# Advice for a Recent Widow

by Alexandra Armstrong, CFP

**When I was 8 years old and my mother was 48, my father died and Mom became a widow — a widow with limited financial resources. Thus began my lifetime connection with widows and their concerns. According to the U.S. Census Bureau, in 2010 approximately 9 percent of adult women in the United States were widows. The death of your spouse is likely to be the most traumatic event of your life.**

If you're not a widow, there's a tendency to think of widows as all alike. In fact, they're very different. How a widow recovers from the death of her spouse depends on a variety of factors, including the age at which she's widowed (young versus old), the cause of her husband's death (sudden or lingering illness), her dependents (adults or minors), marital relationship (happy or unhappy), financial circumstances (sufficient money or not) and investment experience (extensive or limited).

In 1993, I co-authored *On Your Own — A Widow's Passage to Emotional & Financial Well Being* with Dr. Mary R. Donahue, a psychologist. Mary is a widow, a client and a friend. We wrote this book because of our professional and personal experiences with widows.

The purpose was and is to help widows cope better with the dramatic emotional and financial alterations that occur in their lives following the loss of their spouses.

We believe that there's a strong relationship between the widow's financial and psychological recovery.

If the widow isn't financially knowledgeable, that impedes her emotional progress; and if she's having trouble emotionally, she cannot deal with her financial situation in a competent manner.

We recently published the fifth edition of our book (379 pages), which updates prior information. As in previous editions, we explore not only the initial stages of widowhood but also the subsequent years of recovery.

To help the widow identify more with our advice, we wove the story of four widows of different ages and circumstances through the book. (For instance, one of the widows joins an investment club as a way of learning more about investments.)

After the first editions of this book were published, we found that we had a much wider audience than we'd anticipated.

Many adult women have read the book as a way of learning the basics of investing and financial planning. Ideally, you'd have this knowledge before you were in the crisis situation of losing your spouse.

Obviously, the space of this short column doesn't permit me to go into all the different issues a new widow must face, but here are a few pieces of advice we'd give to her.

## Don't Make Important, Irrevocable Decisions in the First Few Months of Widowhood

This is a piece of advice that's repeatedly given and just as often ignored by the widow to her regret. Actually, this is easy to understand. A widow feels initially adrift, since her life has just been thrown into turmoil owing to circumstances beyond her control. There's a natural tendency for the widow to want to take action to demonstrate that she's in control. Some examples of initial decisions to avoid are: paying off her mortgage, buying an expensive car, taking an expensive vacation, selling her home and moving to another area of the country to be near her children.

If the widow doesn't have to make a decision, particularly an irrevocable one, we recommend trying to postpone it for a few months. In the initial stages of widowhood, we find that widows and even those around her may think she's thinking rationally, but most widows aren't — they're still in a state of shock.

Obviously, some widows are more financially knowledgeable than others. But the sooner the widow can find out whether she has sufficient income to support her previous lifestyle, the sooner she'll be able to focus on coping with this traumatic loss of her spouse. Below, we've listed steps we suggest a widow take to gain control of her financial situation as soon as she can. If the widow has difficulty getting organized, ask a knowledgeable family member or friend to help.

## Determine Your Financial Situation as Soon as You Can

Locate your important financial papers such as the will, marriage certificate, Social Security numbers, etc.

Set up a work area that'll be used exclusively for organizing and working on your financial papers.

Divide the financial files into those pertaining to your life before your spouse's death that'll be needed for settling the estate and those that pertain to your future life.

Start recording your income and expenses, being careful to divide them into those made before your husband's death and those made after his death.

Organize and pay appropriate bills. If in doubt whether a bill is legitimate or not, seek professional help. If you're concerned about whether you can afford to pay all the bills immediately, send a form letter to all creditors and tell them of your current situation, asking for time to sort out your financial situation.

Buy a 5-by-7 inch notebook to use as your financial diary. Write down everything pertaining to your financial situation so that you can refer back to it at a later date. Keeping the notebook relatively small enables you to easily put it in your purse and carry it with you to meetings.

### See Your Key Advisers

Assuming you and your husband had key advisers, contact them. If not, ask family and friends for recommendations. See your lawyer so that he/she can interpret the will or trust, assuming one was set up. The process of settling an estate isn't an easy process even for a simple estate. See your accountant. There'll be income tax and estate tax returns to be filed on the federal and state level. See your financial adviser (financial planner, stockbroker, money manager and/or trust officer). Any and all of these people should be able to help you find out what assets you have.

### Contact Other Agencies and Resource People

Contact your bank to establish accounts in your own name, as well as in the estate name. Ask for the current balances in accounts in joint and your husband's name, including checking, savings and certificates of deposit, as well as retirement accounts. If you and/or your husband had a safe deposit box, access it. Contact your life insurance agent to determine what coverage your husband had. Hopefully, the policies are in your files. Contact the human resources department of any company your husband worked for to determine any available retirement and/or widow's benefits. Contact the Social Security Administration and Veterans Benefits Administration (if applicable) to find out your benefits.

### Develop a Preliminary Budget

At this point, from the above sources of information you should have some idea of how much income you can expect. By reviewing your checkbook you should be able to approximate what your future expenses might be. If you previously paid the household bills, this may be simple. If you haven't been involved, this process may be more difficult but it's key to determining your financial health. Be sure that you include income taxes in this budget!

### Calculate Your Net Worth

This statement is a list of what you own and what you owe.

### Put It All Together

At this point, you should have a better idea of your financial situation. In most cases, widows have enough available cash to pay current bills, but it's important to keep in mind that you need sufficient income not only to meet today's expenses but also future expenses.

### Seek Professional Financial Advice

Now that you have a good idea of your current financial situation, you may have to make some changes. For instance, a financial planner or accountant should review your overall situation to make sure that your budget is realistic. You want a professional investment adviser (who may be your financial planner) to make sure your investments are appropriate to your current circumstances. You want a lawyer to review your legal documents to make sure they reflect your current wishes. Your insurance (auto, household, life, health, disability, long-term care) should be examined to make sure it's adequate. If you don't have sufficient income to cover expenses, you might have to think about moving to a smaller home or taking in boarders. You may have to look for a job or if you're working, you may have to look for a higher-paying job. A career counselor may be of assistance with this task.

### Seek Professional Emotional Advice

Just as you sought financial advice and information from experts, we think it's important to seek professional emotional guidance. Family and friends are a great help, but the objective advice offered by professionals not involved in your family can often make it easier for you to make the right decisions. This would include spiritual counselors, psychological advisers, widow support groups and medical doctors.

### Take Care of Your Health

During this initial stage of grieving, don't neglect your health, which is all too easy to do. Some kind of exercise routine — even if it's a daily walk — can help ease your emotional stress.

Forcing yourself to eat sensibly, although it may not be appealing, can help move the healing process forward. Making yourself see other people even if you don't want to helps prevent isolation and depression.

Eleanor Roosevelt once said: "You can gain strength, courage and confidence by every experience in which you really stop to look fear in the face .... You must do the thing which you think you cannot do."

### Achieving a Financially Solid Future

A widow's passage to emotional and financial recovery has its ups and downs. With your own determination and help from friends, family and professional advisers, however, you'll be able to overcome your tragic loss. This doesn't mean you'll forget your husband — he'll always be with you in your thoughts. But you should be able to build a future for yourself that's emotionally and financially stable. **B**

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