What Do I Do Now?

A Financial Guide to Widowhood

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First Things First

If you are a surviving spouse holding this pamphlet, you may be feeling overwhelmed, exhausted, and unsure of where to begin in getting a handle on your financial affairs. In my experience that is quite normal. Fortunately, you do not need to do everything at once. In fact, planning out the tasks and tackling them one at a time will allow you to more quickly experience a feeling of accomplishment and peace of mind as you cross completed items off the list.

Family, friends and loved ones have likely been a great support as you dealt with the immediate funeral matters. But now you are left to deal with your financial future alone. **So here is a short list of first steps to accomplish:**

- Request several certified copies of the death certificate from the Funeral Home
- Notify Social Security of the death by calling 1-800-772-1213. Return any payments received for the current and future months to Social Security.

- Determine your immediately available funds from checking, savings, your paycheck versus current monthly bills.
- Locate any estate planning documents, to include a Will and trust documents, deeds and title documents for your home, autos and other assets. Also locate any marriage certificate, birth or adoption certificates of your children and any military discharge papers.
- Contact your spouse's employer to inquire about any salary, vacation or sick pay owed. Also, make inquiries about continuing health insurance and other survivors' benefits for spouse and children.
- Locate insurance policies, which could include individual and group life policies, mortgage insurance, auto credit life insurance, accidental death and dismemberment, credit card insurance, and annuities.

You Are Not Alone

I don’t need to tell you that losing a spouse changes your life in profound ways – emotionally and financially. It’s like being in a spinning room with the weight of the world on your shoulders.

I developed this guide to help you navigate the financial challenges you are now facing, perhaps for the first time. Many in your situation feel embarrassed and even angry about not participating enough in financial affairs during their marriage.

It’s ok -- multiple studies have determined that more than 2/3 of couples have one spouse primarily responsible for household finances.

If you were not handling the financial affairs, take comfort that you do not need to become a financial expert overnight, or ever! With sound professional guidance to educate and help you accomplish important steps along the way, what seems like an ominous mountain of learning and work will become a series of small hills you’ve successfully ascended.

Fear Not the Decision-Making Process

While there are many tasks and choices to be made, when managing your financial future, you should not feel rushed into making decisions. And importantly, do not make decisions about matters you do not understand. There is an old adage about investing – if you don't understand the terms of a financial product, you should stay away from it. *Let that be your guide!*

Do Fear Advice from Those Unfamiliar with the Details of Your Financial Situation

Well-meaning loved ones, friends, and others will likely overwhelm you by suggesting actions you need to take or goals you will no longer be able to accomplish. No two financial profiles are alike. Yours has just changed dramatically and will likely change further as you realign goals to reflect *your individual aspirations*. Tune out, "You'll need to sell the house." type advice until you have a complete picture of your resources and your goals for the rest of your life.

What’s Next?

Often the first small hill is the volume of paperwork, including digital, flowing into the household. You’ll want to keep it organized so it doesn’t overwhelm you. If need be, utilize the dining room table for a while. *Seriously!*

Unfortunately, in the beginning, even spam mail may provide clues as to the existence or location of financial assets or obligations. For example, financial service companies providing only digital statements will often send ‘special offers’ by snail mail, which can tip you off to the existence of that digital relationship. Or a letter from an unfamiliar Insurance Company may, upon inspection, be a notice of a Return of Premium clause from a forgotten Long Term Care Policy.

If you’ve fallen behind on this, or any of the ***First Things First*** *document location steps, enlist the aid of someone you trust to help.*

File Benefit Claims

Once you've made a first pass at locating any estate planning, insurance and pension documents and have the tide of incoming mail organized you can begin to file claims. It may seem counterintuitive to have not started this process one at a time as you identified things. In my experience, it's usually easier to deal with like tasks together – *remember small hills*.

You should be all set by now with any survivor Social Security benefits for yourself or school age children from your **First Things First** call.

Brace yourself, however, as the process for other benefits is draining -- with long call hold times and conflicting client service information. Even if you have a financial advisor to spearhead the calls, you need to be present to provide consent for the benefit administrator to speak with your advisor. Each claim form is different but the financial service firms need much the same documentation, such as death and marriage certificates, account and personal identification numbers, and sometimes notarized signatures.

Understand Your Ongoing Cash Flow Needs

Among the first things you accomplished was to determine your immediately available funds and recurring bills. Now you want to expand that to a more inclusive longer-term cash flow analysis or budget. Don’t forget irregular sources of income, like annual bonuses or transactional commissions. Also, include known future expenses, such as tuition payments, trips to see the grandkids or seasonal rental payments, etc.

Use a spreadsheet or just make a list to get thinking about your financial future started.

“If you don't know where you are going,
you'll end up someplace else.”
— Yogi Berra

Create a Financial Plan to Fit YOU!

Now is the time to engage the services of a Financial Planner. Be aware that does not necessarily mean turning to the individual that has been managing your investments or retirement savings. That job is important, but it is only *one element* in understanding where you are now and developing projections and a plan for your financial future.

Even if you and your spouse had a well prepared and insightful Financial Plan before your spouse passed, it is likely no longer relevant to *your* individual future.

For example, Boston College – Center for Retirement Research found that the average widow's income falls some 35% after her spouse passes. And Federal Reserve studies indicate the income of the survivor decreases by about 37% in the three years after a spouse passes. Loss of a Social Security benefit, employment compensation and/or Pension payments are among the most significant reasons.

Another example is your investment or retirement portfolio(s). The mix and balance of your portfolios should be adjusted to reflect, 1) this change in household income and, 2) your individual comfort level with investments – referred to as your *Investment Risk Tolerance*. Unfortunately, I've seen investment managers ignore this need for change following the death of a spouse. This may partially explain why about 70% of widows change financial advisors after their spouse passes.

If you do feel a need to make a change, look for someone who will commit to clearly explaining and educating you on aspects of your financial plan, one who displays empathy for your situation, one who is patient and one who will be responsive to *your needs as an individual*. And, importantly, one who acts as a fiduciary to you.

What's in a Financial Plan?

While each plan is different, in my view a comprehensive financial planning engagement should include the following:

- Obtain and document a deep understanding of your interests, important relationships, goals, concerns and values
- Perform an analysis of your present financial situation to include an inventory of your assets and other resources, your short and long-term obligations, your current and future income and earning

potential, your tax situation, your insurance policies and current Estate Plan

- Investment consulting to maximize the probability of achieving all that is important to you
    - Portfolio performance analysis
    - Risk evaluation
    - Asset allocation
    - Cost and tax assessment
- Advanced planning suggestions
    - Wealth enhancement
    - Wealth protection
    - Charitable giving
    - Wealth transfer (anticipating your eventual passing)
- Relationship management for your team
    - Guidance, coordination, and interpretation of advice from your other advisors – CPA, Estate Attorney, Insurance Agent, et al
    - Following up to ensure deliverables get delivered

In summary, a financial plan is a living roadmap guiding you on the mission to achieve your individual life of significance.

Modify or Create Your Estate Plan

If you already have an Estate Plan, it should still work in the short term. However, during the financial planning process you may have decided to modify certain components. You may wish to rewrite your will and there is a good chance your health care proxy and your durable power of attorney should be updated. If you and your spouse did not have a comprehensive Estate Plan, you're living through all the reasons why it's very important to fix that going forward.

The good news is that as part of the financial plan creation your planner should have briefed you on the typical components of an Estate Plan and provided you with a balance sheet showing all your assets and liabilities, which will be useful to your chosen Estate Planning Attorney.

Meet with Your Tax Professional

Again, using information gleaned by your financial planner, you and your planner will want to sit with your tax specialist CPA or Attorney to review your current situation and Federal and state specific tax filing obligations.

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Why I Care About This Work

I focus my financial services career on helping people navigate major life transitions---moments when life changes suddenly and unexpectedly and financial decisions feel overwhelming.

Many advisors focus only on Investments. I believe people deserve more than that. I believe they deserve more comprehensive guidance that honors their life, their fears, and their goals.

My role is that of a financial head coach -- coordinating the efforts of a client's accountants, attorneys and other professionals -- so my clients can focus on healing.

I created this guide to help surviving spouses understand the most common financial challenges. You may have questions, so I encourage you to obtain further advice from a professional you trust. We are happy to help in any way, including responding to your questions.

A Client's Perspective

Amazing. Very attentive and patient. Started with George at a time in my life of uncertainty. Although intelligent, this is not my wheelhouse. He has not only directed me on how to get my financial house in order but taught me to hold my head high and not sweat the small stuff. He is 100% worth the call. Loyal and honest!!

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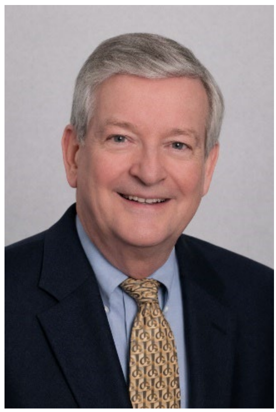
Tailoring Strategies to Manage Your Financial Future



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