



Retirement Estate Assets Protection Planning

WIDOWHOOD AND MONEY: RESILIENCY, RESPONSIBILITY, AND EMPOWERMENT

Provided by Pat Baxter, Registered Financial Advisor

The life stage of widowhood is understudied and underserved. Widows need and want help, especially with their finances, but often in their own time after they've dealt with immediate items such as funeral arrangements. Widowhood is a life stage defined by the loss of a spouse — whether anticipated or not; gradual or sudden. Losing a spouse can happen to anyone at any time. For those who marry, widowhood is a certainty if they stay married, yet few prepare for it. Our study is an empathetic and respectful look into their complex journey from married life to their next chapter — often a balance between honoring the past and moving forward.

Who Are Widows?

Widows can be:

- Young or old
- Recently married or married for decades
- Affluent or financially stressed
- Grandparents, parents or childless

(We use the term “widow” to refer to both men and women who have lost spouses.)

Currently there are 20 million Americans who have ever been widowed and 5 million of those have re-partnered. Each year 1.4 million Americans become widowed — and women are 2.5 times as likely to become widowed.

Significant Adjustments

Seventy-eight percent of widows say that becoming a widow is the single hardest thing they've been through. It's a profound shift, where the surviving spouse must navigate a new life on their own and

decide whether to remain in the same home, whether work status must change, how family/friend relationships evolve, a financial plan for the future and more. There is a significant period of adjustment and widows can experience lasting powerful emotions for a long period of time.

The Journey

Widows go through a journey, starting with grief and shock to building resiliency and eventually recalibrating to start a new chapter. Initially, while widows are faced with intense grief, they are also bound by obligations such as funeral or memorial arrangements, the closing of accounts, completing paperwork, cleaning the closet, and informing people about their spouse's death.

Over time, however, some widows begin to stabilize and rebuild, with some moving to new homes or neighborhoods, and others finding ways to remain in the same place and reassess and begin to rebuild. Eventually most widows report that they find some stability and can start a new chapter. For some, the new chapter may include new relationships. Dating, companionship and increased strong ties to family and friends are all new waters for many widows to tread.

Widowhood is most importantly about losing the person who was your closest ally and confidant. There are emotional, spiritual, physical and psychological ramifications that, for many, supersede concerns about managing money. Many widows cannot even begin to think about practical matters, and yet the financial implications of widowhood are massive — and sometimes feel time sensitive.

Financial Considerations

Widowhood is a time of money in motion and widows often feel financial stress. What goals and decisions to prioritize, and when, depends on what the widow is comfortable with, and what they were involved with prior to their spouse passing away. Widows are not only forced to adopt to a new reality without their spouse, but also thrust into the immediate needs of paperwork and decision making that occurs when someone dies.

- Sixty-nine percent of widows say that the hardest financial challenge in widowhood is becoming the sole decision maker, followed by adjusting to a loss in income (67%) and navigating financial and legal paperwork (66%).
- Only 14% of widows say that they were making financial decisions by themselves before their spouse died. Now, 86% report having to do so alone.

- At the same time that widows are having to make financial and legal decisions and pay for expenses such as funeral or end of life costs, widows are also receiving assets.
- Eighty-two percent of widow's report that they have received some sort of inflow of assets, most commonly Survivor's Social Security (69%) and Life Insurance (63%). The median amount that widows received from any of their spouses' accounts was \$28,000.

Methodology

This research, fielded in February 2018, was conducted by Merrill Lynch in partnership with Age Wave and executed by Kantar TNS utilizing the Kantar Lightspeed Panel, along with selected panel participants. The sample includes 2,638 respondents who are age 18+, in the U.S., and who have ever been widowed, both women and men, regardless of current marital status.

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**Main Office: 1901 Harrison Street, Suite 1100, Oakland, CA 94612 Walnut Creek office: 2121
N. California Blvd., Suite 290 94596
(510) 409-0086 phone
(877) 409-0086 fax
Pat@REAPLegacy.com
<https://www.reaplegacy.com/>**

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