

## Widows Need Help with Financial Management

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A newly widowed woman—or man—has to deal with many complex estate and financial matters. It can be overwhelming, particularly if the spouse was the primary financial manager and decision maker. There are some aspects of financial management that many struggle with in particular.

- *Administer estate and get immediate access to money.* Settling the estate can be anywhere from a six- to eighteen-month process. Widows usually need help to understand the legal process and terminology, the complex paperwork involved, and the steps needed to get accounts and assets re-titled and set up so they're easy to manage. Accessing funds during his process can be tricky, depending on how well the original estate plan was drafted.
- *Revise cash-flow projections.* The widow may no longer receive pension payment, but sometimes will receive a survivor pension or death benefits. Social Security payments may decline. Her new tax status as a single person may affect her cash flow. Expenses often change. Sometimes the widow will move to a smaller home. All these items must be calculated.
- *Revisit investments.* The widow may have received insurance money that needs to be invested. She may have new beneficiaries and different cash-flow needs that may suggest a more conservative or more aggressive investment approach.
- *Revise estate plan—a little or a lot.* Depending on how the original plan was created, a widow may or may not need a substantial revision. Usually, at least beneficiary designations need to be changed and new contingent beneficiaries named. New powers of attorney usually are necessary since there is no longer a spouse. A widow should typically designate someone else to act on her behalf in case she has an emergency and can't manage her own affairs, either temporarily or permanently.
- *Financial education.* Often, a recent widow will also need general financial education if her husband had handled the family's money.

Competent, honest advice can be hard to find. A financial salesperson who's only out to sell a widow mutual funds, annuities or insurance may seem like your friend but will probably make matters worse. And some who sincerely want to help are in over their heads. I recommend choosing a fee-only advisor—one who's paid by the client, much like a CPA or lawyer, instead of one who earns commissions by selling products. The advisor also should have the Certified Financial Planner (CFP®) designation.

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