Widows and Widowhood

What Women Need to Know

Widowhood is often associated with unexpected loss in income support. Women often find that after their husband dies, they are overwhelmed by their emotional loss and their new responsibility for handling the family finances.

Married women share their husbands’ income that may be lost when he dies, but proper planning will help replace the lost income. Life insurance policies, annuities and/or retirement accounts are just a few safety nets available to secure a strong financial future for widows.

Basic Questions for Widows:

- **Are you prepared to handle your finances?** These are life-long decisions and choices that will have an impact on your future. Take your time so you can plan as you transition into this new situation.

- **Did the family have a Financial Advisor or accountant?** If not, find someone else you can trust to help you. That person should have a fiduciary obligation to help you in your current situation.

- **Do you have a list of relevant financial information?** Create a financial inventory of your bank accounts, life insurance policies, retirement plans, real estate, brokerage accounts, mutual funds and business interests (partnership & corporation).

  The first step to understanding your financial situation is getting organized. Remember do not make quick decisions about significant purchases or investments until you have the complete financial picture.

- **Have you notified your insurance companies, financial institutions, and the Social Security Administration about the death of your spouse?** Ask the funeral director for about 15-20 death certificates to use as proof of death. This document will enable you to access accounts in your deceased spouse’s name. Also, it is important to contact the Social Security Administration immediately. You may be eligible for the Social Security Survivor benefit, but that too is another big lifetime decision. See WISER's Feature Article, *The Case of the Growing Social Security Benefit*, for more information about claiming your benefits.

- **Do you have access to a “liquid savings” account?** You will need access to cash to pay your household and other expenses. If your bank account is in your husband’s name, you will not have access to the account until your spouse’s financial affairs are settled.
Risks of Widowhood:

- The span of widowhood is longer than people may typically expect: many women spend 15+ years as widows.
- Women are 4X more likely than men to outlive their spouses.
- The average Social Security benefit for widows is $1,281.
- Household income declines by one-third if a couples Social Security benefits are based on 1 person’s work history, and up to fifty percent if based on both.
- Realize you will be the sole decision maker at some point – have a relationship with the family financial advisor now.

In Addition:

- *Surviving Divorced Spouses* may also lose access to resources and be compensated by survivor benefits from Social Security or pensions based on a deceased ex-husband’s work.
- *Common Law or Non-married Partners* may lose access to income and resources without a legal right to survivor benefits from Social Security or pensions.