

Beyond the Numbers: Providing Empathetic Financial Guidance for Widowed Clients



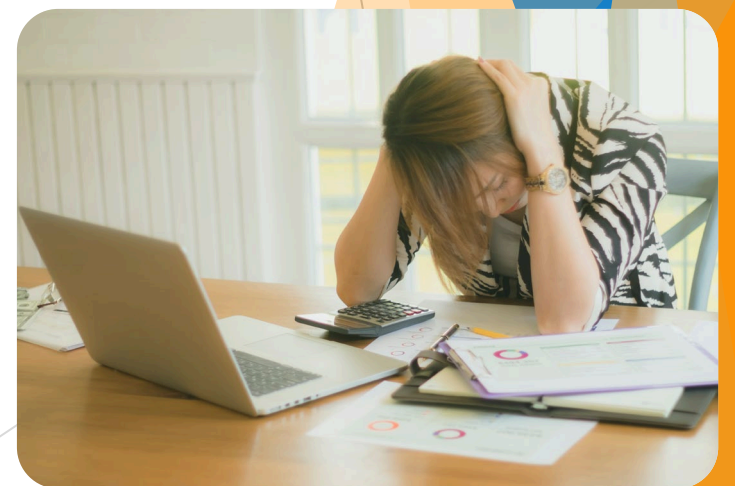
Chris Bentley, CFP[®], CLU[®], CRPC[®], BFA[™], MBA
Wings for Widows, Founder & CEO
Author | Veteran | Widow Advocate

FPA Central Ohio
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WINGS FOR WIDOWS
Guiding Widows to Financial Wellness.™

"In an industry focused on figures and forecasts, we often overlook the profound emotional and financial turmoil faced by newly widowed clients. Today, I challenge each of you to embrace a transformative approach in your practice, recognizing that true client satisfaction and retention are achieved through empathy and understanding, not just numbers."



Objectives

- Understanding widowhood
- Unique challenges for the newly widowed
- Financial impact of loss
- Getting it right - the advisor's role and approach
- Why it's important



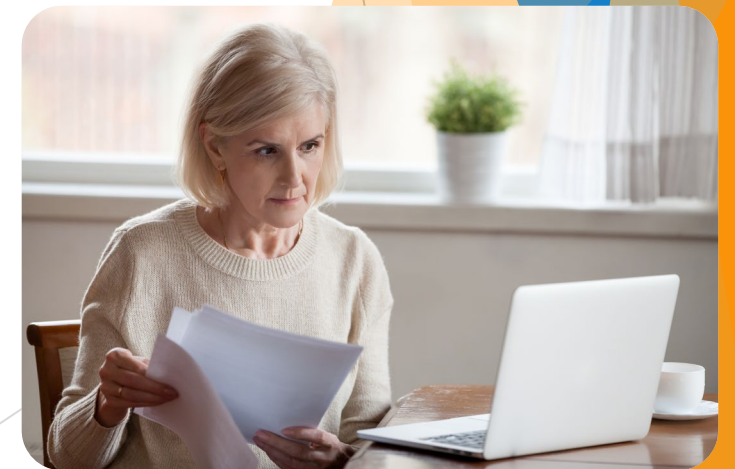
Maria's Story



“ I couldn't grieve, because I had Jake to worry about. I had many things to do, but I just didn't have the energy. I knew I couldn't keep up with the mortgage, but I didn't know what to do about it. I didn't have the answers and had nowhere to turn for help. ”

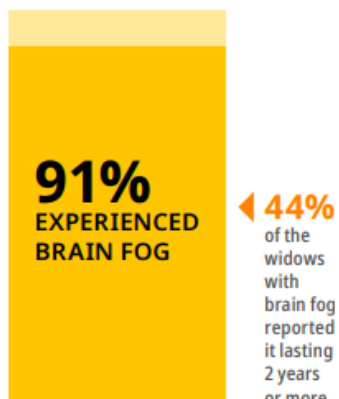
Widowhood is the “Club” Nobody Wants to Join

- Approximately 3,000 women become widowed every day in the U.S.
- 70% of all married women will face widowhood
- The average age of a widow is 59 and they live 15 years longer than their late husbands, on average
- Widows outnumber widowers 4:1
- Almost half of all widows earn less than \$25,000 a year; widowhood is often a ticket to poverty
- About 60% of elderly poor women are widows

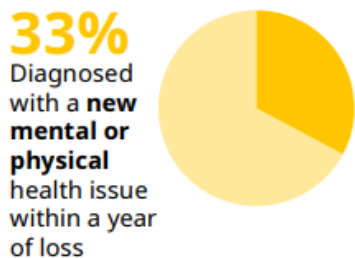


CHALLENGES WIDOWS FACE EVEN YEARS AFTER LOSS

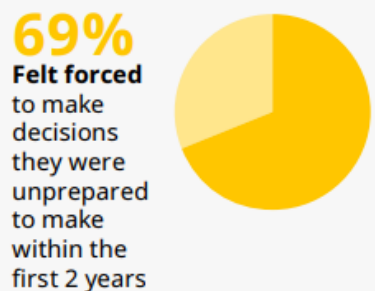
HEALTH



(Brain Fog affects mental processes, such as memory and concentration)



HOUSEHOLD



17% of widows currently care for senior family members

EMPLOYMENT

WORKING OUTSIDE THE HOME WHEN WIDOWHOOD OCCURRED



29%
Had to start working after widowhood

75%
Brain fog impacted them at work

83%
Change in employment other than working less

INSURANCE

15%
LOST their health insurance

▲ **20%** of those widows had children living at home

18% of widows had a change in health insurance

LEGAL

44%
Sought legal help

▲ nearly **18%** of those widows had estates that took over 2 years to resolve

SPIRITUAL / COMMUNITY

70%
Had a place to worship

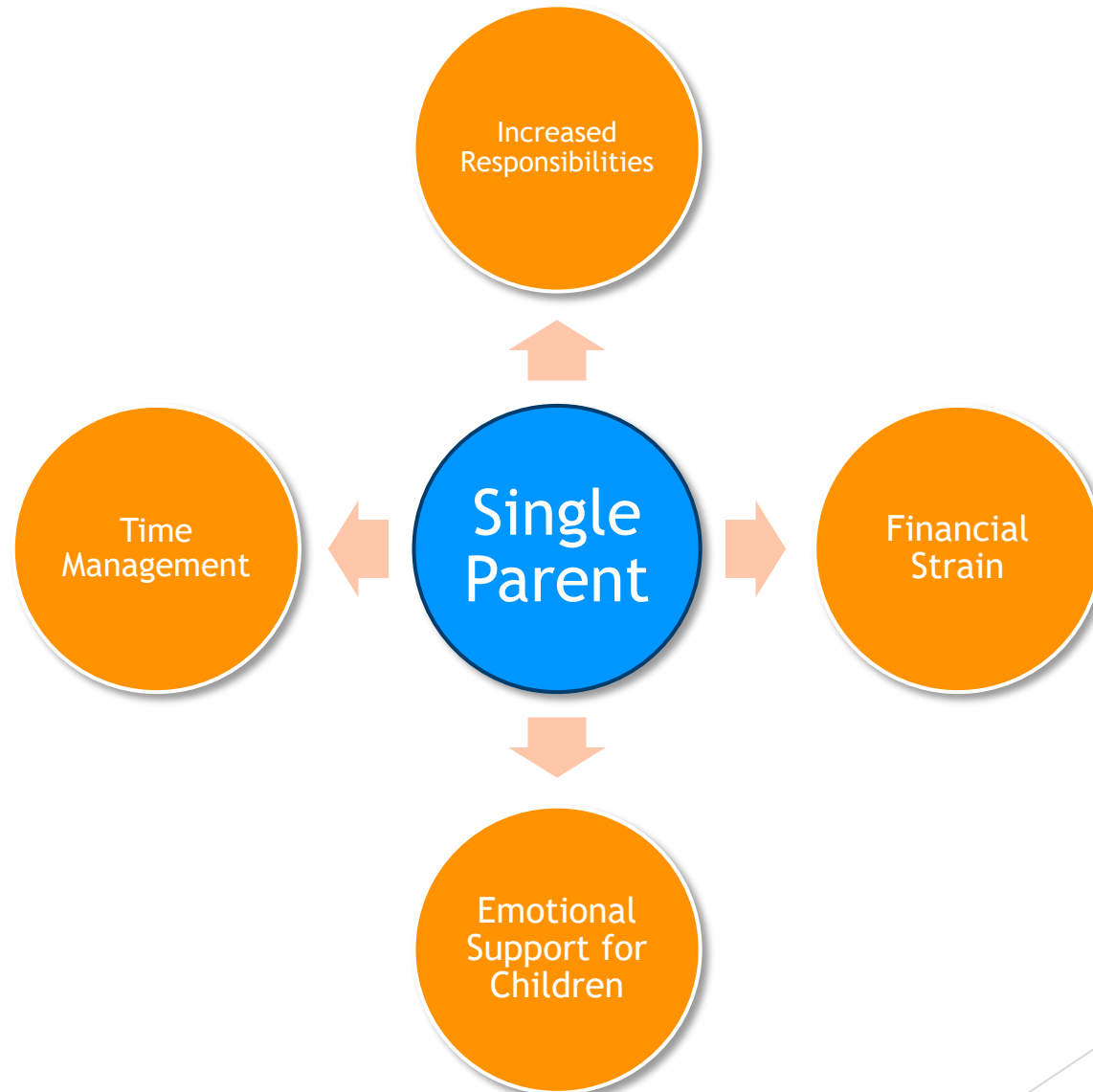
◀ **49%** of those widows felt support was insufficient

Challenges Unique to Newly Widowed People

- Emotional turmoil
- Inexperience with finances
- Sudden change in financial status
- Navigating benefits
- Estate and legal complications
- Long-term financial security concerns
- Adjusting to new roles and responsibilities
- Insurance changes
- Vulnerability to financial exploitation
- New estate planning needs
- Family dynamics and expectations
- Rebuilding a support network
- Learning financial independence



Implications When There Are Minor Children



The Financial Impact of Loss



Income for survivors drops an average of 37% in the three years after a spouse's death compared with the three years prior.¹



¹Federal Reserve Bank of Chicago, May 2020

The Widow Tax

- Meet Roberto and Dorothy, retirees
- Four adult children
- Residence: Florida
- Roberto: 74
- Dorothy: 70
- Roberto passed away in December 2019

Description	2019
Filing Status	Joint
Income from IRAs	\$100,000
Roberto's Social Security benefit	\$30,000
Dorothy's Social Security benefit	\$20,000
Total Income	\$150,000
Total Federal Tax	\$17,700



The Widow Tax

Description	2019	2020
Filing Status	Joint	Single
Income from IRAs	\$100,000	\$100,000
Roberto's Social Security benefit	\$30,000	\$0
Dorothy's Social Security benefit	\$20,000	\$30,000
Total Income	\$150,000	\$130,000
Total Federal Tax	\$17,700	\$21,300

- **Loss of income: \$20,000**
- **Increase in taxes: \$3,600**



The Building Blocks of a New Approach

Adjusting
Communications
& Meetings

Educating
without
Overwhelming

Building Trust

Comprehensive
Support

Patience

Empathy

Being Widow Sensitive Means Avoiding Platitudes & Comparisons

- I understand how you feel.
- He/she is in a better place.
- It is all a part of God's plan.
- Trust God, He won't give you more than you can bear.
- You're much better off than other widows I talk to.
- Don't worry - you'll get over this.
- You are young; you'll find someone new.



Combining Crisis Planning and Financial Planning Offers the Best Strategy

Urgent

Cash Flow & Immediate Needs

Bills, Debts & Creditors

Social Security & Benefits

Decedent's Will & Probate

Updating Bank Accounts

Less Urgent

Investments & Retirement Accounts

Ownership Transfer

Update Legal Docs

Insurance

Taxes

Download Our Free eBook



Navigating New Beginnings: A Financial Advisor's Guide to Supporting Widowed Clients

Discover the essential skills and compassionate approaches needed to guide widowed clients through their financial and emotional journey, fostering resilience and stronger advisor-client relationships in the process.

By Chris Bentley, MBA, CFP[®], CRPC[®], CLU[®], BFA[™]



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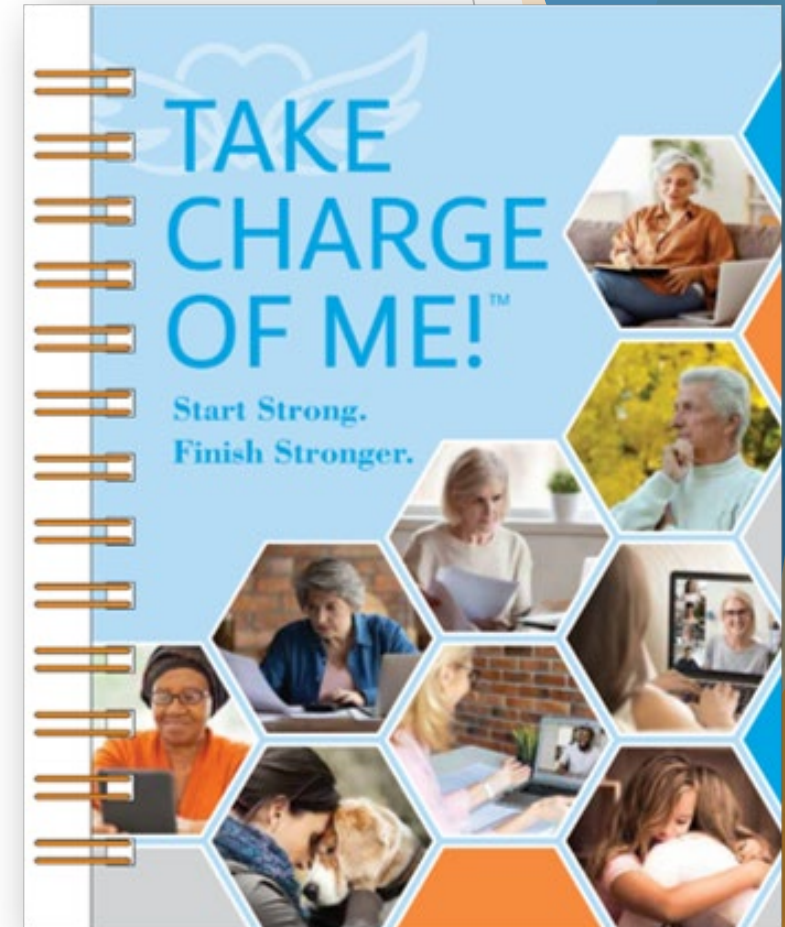
Pitfalls to Avoid: Guidance on What Not to Do

- Don't go it alone
- Don't pay their late spouse's bills
- Don't use their late spouse's credit or debit cards
- Don't sell their late spouse's property
- Don't close their late spouse's phone or email accounts
- Don't let mail and bills pile up
- Don't make large purchases or gift money



First Steps First: Get Organized

- **Get Organized**
 - Find and identify important documents
 - Create a filing system if one doesn't exist
 - Inventory the safe deposit box
 - Get the right documents to the right people
 - Find passwords
 - Keep a daily journal
 - Manage bills



Transparency in Credit: The Important of Reviewing Credit Reports

- The best resource for inventorying all accounts
 - Any “open and active” accounts that should be closed
 - Joint accounts that need to be changed
 - Check deceased’s status
 - Check for fraudulent activity
 - Rectify discrepancies
- 90 days after death ideal, when records update
- Pull from 2 of 3 agencies
- Educate and encourage client to perform regular checks
- Create comprehensive list of creditors to contact



Navigating Changes: Making Banking Adjustments

- Make Banking Adjustments
 - Joint Account(s)
 - Individual Account(s)
 - Probate Protection
 - Adding a Joint Signer
 - Adding POD
 - Funding a Trust
 - Estate Checking Account
 - EIN from IRS.gov
 - Credit Cards and ATM Cards



Maria's Story



“ I couldn't have done it without Don. Selling the property was such a hard decision, but he really helped me to see what I needed to do. The equestrian property was the dream for John and me. Now my new dream is to be financially stable. ”

Why It's Important

- Client's efficacy
- Gratefulness
- Trust and loyalty
- Deeper relationship
- Enduring friendship
- Rewarding experience
- Retention
- Referrals



Q&A

Become a Volunteer Coach & Earn CE

**THE PURPOSE OF
HUMAN LIFE IS TO
SERVE AND TO SHOW
COMPASSION AND THE
WILL TO HELP OTHERS.**

–Albert Schweitzer



**SCAN THE
CODE**