



# Kobe Bryant's Death Reminds Wives to Prepare

## *Widows have special considerations when planning their financial future*

The world lost one of its greatest and most accomplished basketball players on Sunday, January 26, 2020. Early in the morning, Los Angeles Lakers legend Kobe Bryant and his 13-year old daughter, along with seven others, died when the helicopter they were in crashed amidst foggy conditions in the hills of Calabasas, California. Kobe was 41.

Losing a husband brings grieving and heartache enough without the unanticipated leap into the deep end of personal financial management. And Kobe's death reminds us that if your husband were to die, you now have special considerations when planning your financial future.

### **Most Surviving Spouses are Women**

Most women understand too well the odds that later life might find them alone financially. Among baby boomers, for example, an estimated 7 out of 10 wives will outlive their husbands. If you're one of these women, how do you prepare?

Research shows that the average American woman lives almost five years longer than the average U.S. man. According to the Women's Institute for a Secure Retirement, half of all widows become so by age 65. Vanessa Bryant became a widow at the age of 37.

More than 700,000 American women are widowed every year, according to the latest U.S. Census data,

and widows are more likely than their male counterparts to lose income after a spouse's death.

When your husband dies, you must dive into dealing with the murky waters of probate to validate a will, as well as many other legal and financial issues. In many marriages, the husband handles tax and financial issues – and understanding these new and confusing challenges can be overwhelming.

Some women manage family finances better than men and are equipped to confidently handle money. Often, however, women acknowledge a persistent fear of financial literacy and many are not prepared to meet long-term financial responsibilities.

Acquiring enough financial knowledge to make money decisions confidently goes a long way toward easing the transition to widowhood. Here's what to know if you become a widow.

### **Plan and Re-Evaluate**

Even when a death causes no new considerations for the surviving spouse, personal finances can still be a jigsaw puzzle difficult to fit together. Dealing with the death of a spouse can be overwhelming but itself usually occasions no need to make urgent money decisions.

Read that again: there is usually no need to make urgent money decisions.

## Think Logically About Priorities

Before you put together the puzzle, look at the picture on the box and understand what you must build. What does your financial plan look like?

Re-evaluate what you value, what's important to you, the purpose of your money. You might change your goals or timelines for what you and your deceased spouse planned. You might also reconsider how and where you want to live.

A written financial plan gives you a basis to correct course if life or your preferences evolve unexpectedly. Your financial plan can evaluate not just what you possess now but what you need to cover for many more years of financial security.

This reset of your goals and how you want to deploy your money also helps you think of what-if scenarios to identify where you enjoy financial flexibility or where your long-term planning has stress points.

## Analyze Cash Flow

Address changes to your income and budget before you consider more complex investment, insurance and tax issues.

Widows need to understand changes to their Social Security income and possibly survivor pension payments and if either relate to expenses. With month-to-month basics understood, you can then explore rules for inheriting investment accounts or insurance proceeds, and how to put these resources to work smartly.

## Review your Investment Strategy

Men often tolerate significantly higher risk than women when managing money in individual retirement or brokerage accounts. Maybe your investment objective differs enough going forward that you must revise investments to fit your new plan.

## Think Ahead

Not just wives but even husbands who feel they have a good handle on finances should document plans or establish relationships with trusted advisors before any emotional turmoil. This insurance can bring a lot of peace of mind at a time when it's needed most.