

Single Again: Four Financial Tips for Managing the Loss of a Spouse

Written by Todd Hoffman who is a Founding Partner, Executive Managing Director and Wealth Manager at Steward Partners Global Advisor

Whether by divorce, death, or some other type of event, the loss of a spouse is never easy. Those dealing with such a calamity must manage not only their grief but also the added burden of re-organizing their finances around such a dramatic change. While everyone's experience is different, here are a few common topics to keep in mind:

1. **Income:** The loss of income from a spouse's wages or Social Security, or the reduction of income from pension or investment income, can be a scary problem for both the widowed and divorced. Income can easily fall below what is needed to meet one's expenses, and that's without accounting for how a single person's fixed living expenses can be close to that of a couple!
2. **Moving:** After a divorce or death, many consider moving from a personal residence. Moving may be required as part of a marital settlement, a need to reduce cost, a desire to downsize, or a wish to move closer to family and friends. Unless financially necessary, we suggest clients try not to make major life changes, including big moves, for at least 6 months to a year. Often while in crisis mode, options seem limited, but in time, new options may emerge. People may decide to change jobs, pursue new interests, hobbies, or move to a completely new area, offering an entirely new range of paths to pursue.
3. **Emotional Support:** The transition to being single and wholly responsible for one's own finances can be difficult and overwhelming after years of joint finances and shared income. While some see a stigma around sharing financial details with family members and friends, leaning on them for assistance can be helpful in managing this change.
4. **Professional Advising:** People may also find that having an experienced financial planner or advisor can help make the transition smoother and simpler. Professionals can guide clients through the process of getting their finances organized and understanding where their finances stand. Once clients see what their new normal looks like, financial planners and advisors can help them create a comprehensive financial plan, revisit their income and liquidity needs, tax situation and plan for longer-term goals. This includes a thorough review of their investments to make sure they are well balanced and still have enough income with a reasonable level of growth and safety.

The loss of a spouse raises a myriad of questions to consider and arrangements to be made. Key to handling this sea change is knowing what things to examine, what timelines to follow, and how best to structure the process to minimize undue stress. While by no means exhaustive, these are just some of the top factors to keep in mind when managing such a change.

The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee that it is accurate or complete, it is not a statement of all available data necessary for making an investment decision, and it does not constitute a recommendation. Any opinions are those of Todd Hoffman and not necessarily those of Raymond James.