



# MOVING *FORWARD*

The death of a partner can unleash a multitude of financial responsibilities for the surviving spouse. Here are some tips to help.

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Despite eating well, exercising and living life to its fullest, Jeanette's husband, Gary, was diagnosed with stomach cancer at 42.

"His diagnosis was an absolute shock," she remembers. "We all think that it will happen to someone else, and then all of a sudden, it happened to us. The decisions we had to make in such a short order of time were very overwhelming."

After 6 months, he succumbed to the disease, leaving Jeanette and her two young children wondering how to carry on. After the funeral was over, life was no less overwhelming. It was all she could do to get out of bed and tend to her children. Making decisions about finances was the last thing she wanted to do.

"I'd never paid bills; I'd never looked after our investments," recalls Jeanette. "That was something my husband had a passion for doing, as he was a banker. It wasn't conscious; it really was just a division of duties in our marriage."

For Jeanette, trying to learn about investments, bill-paying and estate planning—all at once—felt disabling. "That was scary. All of a sudden, while grieving, I had to think about that practical side, which I'd never had to do before."

**56**

Average age of a widow in Canada<sup>iii</sup>

As of 2015, there over 1.7 Million widows in Canada, according to Statistics Canada<sup>i</sup>. Yet a survey conducted for the Women's Institute for Secure Retirement tells a worrying story of widows who have difficulties in performing even routine financial tasks after their spouses die. Almost two-thirds of widows had difficulties just filing their income tax<sup>ii</sup>. "For many Baby Boomer women, this is the first time they'll live alone and the very first time they'll manage their finances alone," says Vanessa Iarocci, Director of the Women's Investor Strategy at TD. "It's a time in their lives that can be intimidating, but it can also

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**Vanessa Iarocci**

Director, Women's Investor Strategy, TD

be empowering."

For those who have lost a partner, Iarocci offers these tips to help them get through this difficult time.

**1. Don't Do Anything Drastic**

"Widows may find themselves on a spectrum from being frozen—quite literally not being able to make decisions—all the way to frantic," relays Iarocci. "Some find themselves in a situation where they want to make sweeping changes in their life." While the feelings are normal, many don't recognize that it's a coping mechanism and a transient state-of-mind.

Iarocci recommends waiting until you feel more grounded to make big financial decisions. For example, don't sell your house right away; it may just be a reaction to fear of not having enough money to meet your needs. Instead, focus on reviewing your cash-flow, creating a budget, paying bills on time, and filing for any death benefits or insurance claims. Keep any cash in an interest-bearing account for now, and put off big investment decisions until you understand your whole financial picture.

**2. Get Professional Help**

"Don't go it alone, especially for the first year following the passing of your spouse," says Iarocci. "There are

two kinds of support networks that you should have in place—a support network of family and friends, who can help counsel you as you make financial decisions, and a professional advisor who can help you through some of the more complex decisions, and more importantly, provide you with a roadmap of what needs to be done versus what can wait."

Jeanette recalls one of the most heartwarming gestures she received after her husband's death. Her employer arranged for a financial planner to come to her home and help her organize her finances. "It was such a relief," she says.

**3. Take Stock of Finances**

Having all the right financial information is crucial to creating a roadmap for your financial future. "You really need to know what you own, what you owe, what you earn, and what you spend," says Iarocci. "You can't make decisions about the future without knowing where you are today."

Start by making a list of all of your assets such as bank accounts and investments, and any debt. Make note of their balances. If you have life insurance, annuity contracts, or retirement plans, initiate the claim. Find out if you are eligible for government survivor benefits. A financial advisor can help you with these tasks along the way.

## 4. Start Seeing your Future

Jeanette remembers she could not clearly see her future after her husband's passing. "It was a year and a half before I realized that I didn't know what my retirement would look like," she recalls. "I know what it looked like with my husband. Without him I had no idea as to what to do about it."

Iarocci reiterates that you don't have to do everything at once, but it's important to start plan for your life. "It's a new beginning, so you need to take time to develop your own vision for the future," says Iarocci. "It really is the beginning of healing in many ways. A lot of advisors tell me that when widows actually put a pen to paper to start planning the future, it's a turning point for them."

According to Census Canada, the average age of widowhood in Canada is

just 56<sup>iii</sup>. That means that widows may still have many years ahead of them. They may continue to work, care for children, taking care of aging parents, as well as preparing for their own retirement.

## 5. Look out for Those Who May Take Advantage

A word of caution: while leaning on people in this trying time is necessary and natural, be wary of providing too many intimate financial details to anyone. For example, professional scammers run frauds promising to release life-insurance money if money is sent to "bring an account up to date", or widows are threatened with financial ruin if they don't pay up on their deceased spouse's "debts". Even people you know may try to take advantage; some may feign concern and then ask for financial

support believing that you have newly found money. While you might want to be giving and supportive at this time, particularly to family members, it's important that you understand your own financial needs first.

## A Happy Ending

After 10 years, and a steep learning curve, Jeanette is now taking care of her finances with confidence. A financial advisor helped her through the darkest time in her life, and enabled her to see the light at the end of the tunnel. And just when she least expected it, she found happiness again. A few years ago she reconnected with an old friend and she recently remarried. "Life's not fair," she says with a smile, "but it can still be good." - *Written by Denise O'Connell, Money Talk Life*

<sup>i</sup> Statistics Canada. Population by Marital Status and Sex. 2015

<sup>ii</sup> American Council of Life Insurers. Survey of Recent Widows. October 25, 2013

<sup>iii</sup> Statistics Canada. 2011 Census of Population. Statistics Canada Catalogue no.98-312-xcb2011041

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