



## **Prepare Now for the Loss of a Spouse**

By Robyn M. Young

Debra\*, a Vermonter in her mid-50's was secure and happy. Both she and her husband were healthy and had good jobs. Rich paid all the bills, balanced the checkbook, and took care of the family finances. One November evening Rich went to play basketball. Debra was not concerned; he played regularly. That night Rich suffered a heart attack. Unexpectedly, Debra was a widow.

Although Debra was grieving, the bills still arrived. Debra had no choice but to struggle through her finances.

Like most people, Debra and Rich had not prepared for Debra managing their daily monetary affairs. Often people do not want to think about their own or their spouse's mortality. It is too easy to ignore, especially when you plan for many more years together. Sometimes it is simpler just to let one spouse manage the money details. Other people, often women, fear numbers. "I'm not good at math," is a common belief that keeps people from becoming familiar with their finances.

It may not be the death of a spouse that forces the other into this role. Unanticipated illnesses or disabilities are also possibilities.

Regardless of the situation, it is essential that couples prepare for the absence of the partner who handles the day-to-day financial affairs. Decisions will need to be made. While there are many qualified professionals who are available to help, they need accurate financial information to advise the surviving spouse. Knowing in advance what bills are paid each month, how much money one has, and where documents are located will be one less burden at a time of extreme grief and stress.

How can you prepare?

Begin with your spouse. Let him or her know that you would like to understand your family's finances should you ever need to take over that role.

For everyday finances, there are several details to collect. Record the information in a three-ring binder. If you use computers, you can put the

information on a CD or flash drive. Store your records in a secure place to which both partners have access. Including a bill or statement for each account will make recording these details easier. Be sure to update your binder annually.

Here is the key information to gather:

- Bank accounts: For each account you need to know the type of account and ownership, bank name, account number, and location of statements.
- Income: For all income sources, record the amount and frequency of payment, whether the payment is by check or direct deposit, and into which account the money is deposited. Copies of paycheck stubs will also give information on deductions and benefits.
- Bills: Make a list of every expected bill and how often it is paid. A perusal though last year's checkbook register will help recall bills that are paid infrequently. Are bills paid by check, on-line, or by automatic withdrawal from a bank account?
- Loans: List all loans, the name and contact information for the lenders, amount of the payments, and total amounts due. Note how and when each loan is paid. Include all credit card accounts and lines of credit.
- Passwords: If your partner uses the computer to check balances and pay bills, record the "User ID" and "Passwords" for each on-line account. Many companies have security questions and randomly require correct answers in order to access the account. Note all this information and store it in a very secure place.
- Tax information: Learn where documents are kept for the upcoming tax return, and the location of past years' returns.

Debra was lucky. Her husband kept organized and detailed records. She was able to quickly locate the information she needed. With the help of her husband's files, good advisors, and a daily money manager, Debra was able to quickly get a grasp of her daily finances.

In today's complex financial world, there are many details to know. Immediately following the death of a spouse is not the best time to be searching for information. By taking time now to record vital financial data, you will have a ready-made guide to assist you at a time when you need to focus on other things.

*\*The names of the individuals in this article have been changed to protect their privacy.*