

Suddenly alone

Recent widows are emotionally vulnerable and at risk of making costly, impulsive decisions. You can provide the advice and moral support they need

BY WENDY CUTHBERT

AFTER JANE BLAUFUS RECEIVED the devastating news that her husband had just been killed in a plane crash, she made three phone calls: the first was to her mother, the second was to her husband's brother and the third was to her financial advisor.

This was in 1999. Blaufus, then a chartered life underwriter who worked in the insurance industry in Ontario, was affected by her husband's death in ways she couldn't have anticipated.

"I foolishly thought that because I was in the business, I would be fine," says Blaufus, now an author and speaker based in Ancaster, Ont. "But I was wrong. I was hit by a tsunami afterwards."

For months after her husband died, Blaufus writes in her book, *With the Stroke of a Pen: Claim your Life*, she was so crippled by grief that she had trouble making everyday decisions as simple as whether to have peas or carrots for dinner.

Her financial advisor played an important role in guiding Blaufus through those early months, helping her to fill out cheques and driving her on errands.

"I relied on this man," she says, "for everything."

Today, Blaufus's adult daughter and second husband are clients of that same advisor. "To this day," Blaufus writes, "I don't make a fi-

nancial move without him."

Unfortunately, Blaufus's experience is uncommon among widows. Seventy per cent of widows leave their financial advisors within a year of their husband's death, according to a study conducted in 2011 by Fidelity Advisor Solutions of Boston. This statistic, Blaufus says, is strong evidence that many advisors are not adequately serving their female clients — both married and widowed.

Rebecca Horwood, director of wealth management and portfolio manager with Richardson GMP Ltd. in Toronto, says the problem begins with couples in which the husband makes financial decisions on behalf of the couple and the advisor makes no effort to bring the wife into the decision-making process. Should the husband die, the widow has little knowledge of the family finances and no relationship with the advisor.

Horwood recommends cultivating a rapport with both partners from the start.

"We want a relationship with both spouses," she says. "We want the wife or partner in on every portfolio review or planning session. They're part of the planning process."

Horwood worked closely with widows shortly after she started in the industry in the early 1980s. Now, she holds client events specif-

ically for the female halves of client couples aimed at ensuring these women are getting the information they need. Horwood also addresses delicate topics that are specific to women, such as the fear that many women have that they will be alone and poor in their old age.

Karin Mizgala, CEO of **Money Coaches Canada Inc.** in Vancouver, also is a strong believer that advisors should be encouraging both members of client couples to participate in their financial planning so they will be better prepared when tragedy strikes. Mizgala believes that even in cases in which the advisor had involved the woman in financial decisions, women leave their advisors soon after becoming widowed because their advisors fail to address their emotional needs. Mizgala has widowed clients who came to her for that reason.

"Most advisors are not equipped to deal with the emotional issues that come up," Mizgala says.

Women, and therefore women advisors, she adds, are more "hard-wired" to listen — a crucial skill in dealing with clients in crisis. Women also are generally more patient and sensitive than men in dealing with clients who are experiencing such emotions as fear, anger and intense grief.

If you are going to focus on women as clients, Mizgala says, you



have to ask yourself whether you have the patience and the desire to engage with your clients on an emotional level.

Cindy Conger, a financial planner with **Conger Wealth Management** in Little Rock, Ark., says about 15% of her client book is made up of widows. Conger began serving this group because her first financial planning client, back in the early 1980s, was a widow.

“She was very bright and very analytical,” Conger says. “But for two years, she just basically fell apart. I learned so much [about working with grieving widows] by working with her.”

Jennifer Black, an advisor with **Dedicated Financial Solutions** in Mississauga, Ont., admits that it’s not necessarily easy to sit across from someone whose life partner has just died. However, she says, it can be one of the more rewarding areas of her work.

Black, co-author (with Janet Baccarani) of the book *Managing Alone*, has launched a free online resource for widowed Canadians (*widowed.ca*). Black saw a need for such a resource when she found out that a good friend of hers who had lost her husband was not receiving the government benefits to which she was entitled.

Dealing with a grieving widow takes tact and skill. When Black meets a new client who has been widowed recently, Black asks the client to tell her about the deceased spouse. In the client’s mind, Black says, the memory of her husband still influences her decisions.

“People still need to talk about the person they’ve lost,” agrees Blaufus.

Acknowledging your client’s feelings about her deceased husband helps your client become more comfortable about dealing with you as her advisor and can help to build trust.

Not everyone deals with loss in the same way, Blaufus says. But there are some universal truths that you should note when working with this group of women:

- **THEY NEED MORE TIME**

For the first month or so after a client’s spouse dies, don’t assign regular-length appointments. Most clients in this situation will need more of your time for meetings — sometimes twice as much as usual.

“Let them talk, just talk,” Blaufus says.

Grieving clients, she adds, may not even be making a lot of sense, but that doesn’t matter. In fact, Blaufus says, you should expect that very often nothing substantial will get done in the first meeting after a death.

“Go in with no expectations, except to be there, listen and answer questions,” Blaufus says. “Don’t try to overload her with [information]. You may cause undue concern and stress.”

At this stage, Conger says, widows often have difficulty concentrating. Conger makes it a rule to schedule extra meetings for these clients, breaking up the planning process into smaller, more manageable steps. A plan that usually takes eight weeks to create, she says, will take three to four months for widows.

The estate process itself already demands significant time from an advisor, Black says, particularly if the widow was in the dark about her husband’s finances. She has one client whose husband died in March 2012, yet was still trying to consolidate the family assets in December; the husband had nine accounts at various institutions, many of which his wife was unaware of.

“As statements would show up,” Black says, “she would find out there was more money somewhere.”

- **THEY MAY BE IMPULSIVE**

While your recently widowed client is in no shape to make major decisions or significant changes to her life at this stage, there are a number of practical steps you can help with, such as: helping her apply for Canada Pension Plan benefits; updating her net-worth statement; and transferring accounts in which she is named as her late husband’s beneficiary.

Big-picture decisions, such as selling the family home, Mizgala says, should be avoided for some time while the client is grieving.

“People sometimes feel a compulsion,” she says, “to make big decisions at this time.”

A grieving widow might feel a need to do something drastic as a way of dealing with the grief. But such actions are often regretted later. So, your role is to temper these impulses and encourage patience.

- **THEY NEED MORE PERSONAL SERVICE**

The massive amount of paperwork required after a death can be overwhelming for anyone, Conger says, especially someone who is grieving. That is where extra patience and more personal service on your part can be invaluable.

It’s not unusual for widows to say they are “fine,” but then demonstrate great difficulty in gathering the necessary documents in a timely manner. Conger has visited clients in their homes on many occasions in order to collect documents.

“Rather than asking them to bring their filing cabinet to me,” she says, “I go to the filing cabinet.”

Conger also has a plan for widowed clients who try to cure their grief with what she calls “retail therapy.” Many widows, she says, are in a hurry to redecorate their homes (often to eliminate the memory of the late husband’s illness). Or widowed clients might simply get into the habit of shopping to make themselves feel better. These women may be unaware of their financial limitations and may be in danger of spending more than they can afford.

One strategy Conger has used to help these clients control spending is to set up a separate “save to spend” account, into which the client must deposit money before making a purchase. This strategy prevents Conger’s clients from dipping directly into their savings and encourages sober second thought before making a major purchase.

- **THEY MAY NEED PROFESSIONAL COUNSELLING**

Some widowed clients may require the help of a psychologist or a counsellor for help in guiding them through the emotional challenges those clients are facing. That’s why you should keep a list of counsellors to whom you can refer your clients.

Horwood once worked with a client who had witnessed her husband’s drowning. This client had a very limited social circle to turn to for support, so Horwood made some calls and found a therapist who dealt with patients who had experienced this type of tragic event.

“Years later,” Horwood says, “the client said she didn’t know what she would have done without [that recommendation].”

- **THEY NEED A “DECISION PARTNER”**

One change a woman must adjust to after losing a spouse, Conger says, is the absence of someone who helped in assessing ideas and making decisions. “They no longer have that decision partner,” Conger says.

Conger recommends that advisors take on that role — but carefully. “I don’t try to give them the answers,” she says. “I try to frame the question and walk them through to find a solution.”

While you might say that is always an advisor’s job, widows might initially need help with decisions that advisors don’t traditionally address.

For example, Black tells her widowed clients that she is always available as a sounding board and that they can call her anytime if they have any questions or concerns, even on issues not directly related to their finances. One client recently took Conger up on this offer, calling her when a man came to her door to tell her that she had to replace her water heater. Black walked the client through that situation and helped her make a prudent decision.

A death sometimes brings greedy family members and friends out of the woodwork, Horwood notes, and a good advisor will stay alert to this possibility. One of Horwood’s clients shared too much information with a neighbour, who then started calling Horwood’s firm to suggest changes to that client’s estate plan. The firm acted quickly, sending a representative to visit the widow with another family member to remind the client that she should keep all documents private.

Working with widows takes extra time and effort, Black says, but the rewards can be hugely satisfying.

“You can see them grow through the process,” Black says. “You know they’re coming out of it when they’re not breaking down at every meeting. It’s uplifting.”

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