

Suddenly Single

*Facing Financial Challenges as a
Woman in Transition*

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SUCCESSFUL
RESOURCE
MANAGEMENT, LTD.
FINANCIAL EDUCATION, PRODUCTS & SERVICES

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AFTER LOSING A LOVED ONE

Losing a spouse is devastating on many levels. Women who find themselves unexpectedly single - whether widowed or divorced - are forced to grapple with an overwhelming sense of grief, confusion, and loss of identity. And beyond dealing with the emotional fallout from losing their spouse, women may be faced with a series of financial, legal, and even domestic challenges that can be quite perplexing. Worry and uncertainty about how things will work out can cause additional stress during an already emotional and exhausting time. This may be especially true for women who were not the primary financial decision-makers in their relationships. Many couples work as a team to make important financial decisions, and the longer a couple is together, the more dependent each person becomes on the other for advice and direction. A widow or divorcee - a woman in transition -- may be left with little knowledge of how her family's financial house is constructed and suddenly become responsible for financial decision making on her own for the first time in her life.

This white paper addresses issues that may be top of mind for you as a woman in transition, including locating and organizing your financial assets, bridging the gap to retirement, and developing new key relationships with professionals that can help you navigate your new path in life. It also discusses the benefits of enlisting a wealth advisor to be your personal "chief financial officer" - helping you cope with the financial aspects of the new situation you find yourself in -- and how to choose a wealth advisor that will prove to be a trusted guide and friend.

FINANCIAL ELEMENT OF DEATH

For many women in transition, a primary concern is how to cover day-to-day expenses, while also saving money for the future. When a woman suddenly becomes single, the period of time after a spouse's paycheck or alimony benefits run out and before qualification for retirement Social Security and other retirement benefits can be especially scary. Even if you are financially healthy, you may be fearful that someday the money may run out. If you did not have a career outside the home or didn't earn a significant income you may be faced with working for the first time in your life, making a career change, or perhaps finding a way to finance further education in an effort to attain a higher-paying position. Some women may worry about whether or not they should continue to live in their home. This is a time when you may need to determine whether you want to maintain your current residence or think about downsizing. Sometimes it is just the realization, and perhaps shock, that you may no longer be able to live the lifestyle to which you are accustomed, especially if that lifestyle didn't include a specific budget or spending limits. All of these concerns are warranted, but most often need not be the cause of additional anxiety with careful financial analysis and planning.

Sometimes the first task to conquer when a spouse dies or a divorce is filed is not deciding what to do with the money, but simply locating it. Financial assets may fall into a number of categories beyond just investments and savings. Ideally, your financial details will be well organized so any records or documents can be easily located. If this is not the case, you may need to seek help to set up and maintain your financial records.

To help you get a better understanding of your entire financial picture, you will need to gather information for each of your financial assets, which may include the following:

Budget - Find out the specifics about your household budget. Where does your money come from? What are your daily, monthly, and/or quarterly expenses?

Investments - Locate paperwork for all pension funds, IRAs, annuities, stock and bond holdings, mutual funds, and alternative investments. You may need to settle accounts, change beneficiaries, and/or transfer accounts in your name.

Insurance plans - Locate any policies and contact information for insurance agents for all personal and group life, health, property and casualty, long-term care, and business insurance.

Real estate - You will need to locate deeds and abstracts for your personal residence and any vacation properties, business properties, and properties acquired for investment purposes.

Bank accounts - You will need account numbers and - if relevant - access codes for savings, checking, or credit union accounts and cash management accounts.

Safe-deposit box - You will need to know the location(s) of any safety-deposit boxes and how to access them.

Other information that will be pertinent during this time of discovery and organization may include tax records, including copies of tax returns for the last seven years and income records, and loan and debt information - credit-card balances, auto loans, mortgages, and other liabilities.

HOW A WEALTH ADVISOR CAN HELP

The aftermath of a major life change such as the loss of a spouse not only brings about an unimaginable emotional challenge, but also often leaves a widow or divorcee with a deluge of paperwork and information that may leave you feeling a bit bewildered. Having a trusted advisor to help sift through, sort and make sense of everything can provide tremendous relief during this difficult time. Just as a chief financial officer helps a company make smart financial decisions, a wealth advisor can act as your personal CFO and help guide you to make the best choices for your financial future. A case in point is Sandy* who found that establishing a relationship with a wealth advisor was a very important task when she became a widow at age 29. "It's tough because you're a widow and you get all this money, but what the heck do you do with it? It's huge to be able to trust another person to know what to do with that money."

A wealth advisor's first task is to give you support and encouragement that things can work out for you financially. First, your advisor will help you make arrangements for your short-term financial needs -- making sure there is enough money available to cover your immediate expenses -- by budgeting and helping set up a cash reserve account. This step enables you and your wealth advisor to develop a trust and rapport before long-term financial decisions must be made. A wealth advisor can help oversee new financial planning and create both short- and long-term strategies to ensure you will have enough money to live comfortably and enjoy both your retirement and the period of time leading up to it. Your wealth advisor can also help you understand financial rules and policies -- such as an IRA allowance which permits withdrawal from a retirement account prior to age 59 ½ without the 10 percent penalty -- this could help you make the most of your money.

The various financial services and strategies a wealth manager offers can help you as you are struggling with financial challenges after the loss of your spouse. The main area in which a wealth advisor can probably help is investments. These are funds that have been earmarked for long-term goals including education, home ownership, retirement, estate planning and charitable gifting. As a recent widow, you may be the beneficiary of a number of new financial assets, such as insurance payments or retirement benefits, which can introduce new challenges for long-term financial planning. In most cases, a couple's investments were carefully chosen to help reach goals determined for their joint long-term financial plan. Your first priority is to formulate two new plans; one plan will be needed to address immediate financial needs and cover the gap between current income and current expenses, and another to readdress long-term goals such as retirement, children's and grandchildren's education, and estate planning.

Insurance is another area in which a wealth advisor can help protect new assets and make the most of disbursement funds. As your chief financial officer, he can offer direction on how to invest such funds for both income and growth, as well as help you wisely use this influx of cash to help alleviate pressing current financial needs, such as daily expenses.

As a widow or divorcee, you may also be taking sole responsibility for home maintenance for the first time. Knowing when the roof will need to be replaced, how to take care of the lawn, or when the furnace needs maintenance, these items may not come easily to you at first. Not only can a wealth advisor be your chief financial officer, he or she may also be able to guide you as you tackle these types of domestic duties both now and in years to come.

** Last name omitted for privacy.*

SUDDENLY SINGLE

The stress of dealing with your domestic and financial responsibilities should never interfere with your grieving and healing process, but it can not be ignored. A trusted wealth advisor can significantly reduce this stress by offering reassurance that things *can* work out, helping set priorities and leading you through each decision-making process.

Many women in transition may be able to relate to Angie* (and what a wealth advisor could do for her), who lost her husband of 46 years, Don, when he died suddenly from a heart condition. For the most part, Don was responsible for the financial decisions for his family. "Whenever I would get concerned about something, Don would say 'Let me worry about that,' and I did," Angie said. He also took care of the yard work and home maintenance completely. After he passed, Angie found it hard to know when the house needed to be painted, or when to replace the roof. "I want to keep things nice, but don't want to do things that are unnecessary. I need to be conservative with my money." She did not want to run out of money. At first, family and friends were wonderful at helping out with financial decisions that needed to be made right away, but since Angie's grown children don't live in town; she needed someone else to help. Angie could have met with a wealth advisor after Don's death. The wealth advisor could have worked to help Angie settle all her accounts and prepare a new financial plan for her future. This could have included making her assets work for her to cover her budget or living expenses. Her wealth advisor could also have helped Angie with more day-to-day decisions, like trading in Don's seemingly large vehicle for something more comfortable for Angie. He/She should have been there for support and guidance after each of six times Angie was rear-ended during the following year. She could also discuss with her wealth advisor other challenges she's facing such as possibly buying a condo or moving closer to one of her children; dealing with the rising cost of living; how her investments are doing and if her money is going to last for her lifetime.

* *Last name omitted for privacy.*

FINDING A TEAM TO HELP RENOVATE YOUR FINANCIAL LIFE

The first people many recent widows or divorcees may turn to for financial guidance are friends or family members. While these people can provide the emotional support needed at this time, friends and family members may not be the best candidates to provide expert advice, as they are probably not familiar with current laws, market trends, and other important information you will need to make the best decisions for your financial future. They may also have trouble prioritizing the financial decision. Also, they may not know how to do budgeting and projections to make sure that the person they are trying to help does not run out of money. It may be more advisable to turn to a group of trusted professionals to help address all your new financial, legal, and even domestic responsibilities. Women in transition must usually contract with and manage a number of professionals, each specializing in a single area: an accountant to handle taxes, an attorney to help with amendment or creation of wills and estate planning, a realtor to facilitate property sale or transfer, an insurance agent to provide life insurance, a lawn service to take care of the yard work, a household maintenance provider to name a few. You may want to consider using a wealth advisor as your lead consultant to eliminate the added stress of finding and retaining quality professionals all by yourself. A wealth advisor has already done the legwork by locating competent, trusted professionals and developing relationships with them so he can provide you with their contact information when you need their services. Acting as your personal chief financial officer, your wealth advisor should work with professionals that may include some or all of the following:

Estate Planning Attorney – An attorney will work to reconfigure and/or create trusts; execute the will (in the case of death) and create a new estate plan to reflect the survivor's (or divorcee's) current status. Both types of women in transition will need to handle the re-title or transfer of assets – IRAs and other investment and retirement accounts – where appropriate. Divorcees will need a Qualified Domestic Relations Order (QDRO) to transfer interest in any qualified retirement plans. A widow may need to update her durable power of attorney, especially if her spouse was the principle named. A divorcee may need to create a brand new durable power of attorney that does not include her ex spouse.

Certified Public Accountant – An accountant will help sort through estate tax issues; filing returns for and paying estate taxes and – in the case of a death – filing the final income tax return. A wealth advisor also will work with the CPA to take advantage of tax savings when restructuring retirement accounts.

Life and Health Insurance and/or Property and Casualty Insurance Specialists – Insurance agents facilitate benefit disbursements, assign new beneficiaries to policies and help develop new goals to provide continued family and asset protection. A widow will need to settle any claims, while a divorcee may need to take out new policies in her name only.

Real Estate Agent – A real estate agent can help with the sale or transfer of any property including a personal residence, vacation properties, business properties, and any properties acquired for investment purposes.

Charitable Giving Specialist – This person can advise and facilitate charitable donations to private foundations, donor-advised funds, charitable remainder trusts and charitable lead trusts.

Mortgage Banker – A mortgage specialist can provide assistance with refinancing loans on a personal residence or other property. This could be especially beneficial if a woman in transition decides to buy a new property, a case in point may be downsizing the primary residence suitable for her current situation.

Valuation Specialist – A valuation specialist can appraise value of business or business property prior to sale or auction.

Wealth advisors who truly work to bring added value to their relationship with women in transition may also develop relationships with other relevant professionals such as:

Grief Support Specialists – A grief counselor or support group can introduce widows or divorcees to empathetic, sensitive individuals who are willing to listen.

Assisted Living Facility Managers – Women in transition may wish to enter an assisted living facility immediately or possibly years after losing their spouse. Knowing their wealth advisor has already helped others through these situations can ease the mind of a client making this important decision.

Home Maintenance Provider – These individuals can help with everything from small jobs around the home to replacing a roof or windows. A wealth advisor can provide the name(s) of individuals he feels are trustworthy and fair to help protect women in transition from being taken advantage of.

Computer Support Technician – Oftentimes, one of the most frustrating tasks for a woman who is suddenly alone is simply getting Internet access set up on her computer or troubleshooting a PC problem. A patient computer support technician can help address these issues.

FINDING YOUR WEALTH ADVISOR

Before the death of your spouse or divorce, your primary financial counsel was probably your husband, and after this loss you will need to find a new partner to help guide you through the financial issues you must now handle. When choosing a wealth advisor, you should look for a number of qualities to ensure you are choosing a trustworthy individual who will have your best interests – financial and otherwise – in mind.

A qualified wealth advisor should:

- Have at least 10 years or more experience as a wealth advisor.
- Have a network of strategic alliances with other professionals such as lawyers, accountants, insurance experts, business consultants, and others whose services may be required by clients.
- Specialize in working with identifiable niches – such as widows or divorcees – to become an expert in offering solutions to a specific group of clients with similar needs and challenges.
- Limit the number of clients he serves to ensure he will have enough time to build a personal relationship with each client, not only to be available to them, but to fully understand every client's unique situation.
- Work on a fee-only or commission basis, depending on the situation.
- Make it clear that he has the client's best interest in mind.

The last point is difficult to gauge, but you can help gain a better understanding of a wealth advisor's agenda by discussing the following issues during the initial interview.

Frequency of contact: How often does the advisor make contact with clients, either face to face, on the telephone or via e-mail?

Personal rapport: Do you feel you could develop a good working relationship with this individual that will last for years to come?

Time, patience and attention: Do you feel the advisor spends enough time with you to explain issues, answer questions and get to know you? Do you feel he listens to and values your concerns, goals and situation?

The first meeting with a wealth advisor – the discovery meeting – provides a time for both you and your wealth advisor to form first impressions and judge whether or not you think the relationship “clicks”. An emotional connection is of the utmost importance here. It is essential that you feel comfortable discussing personal issues with your wealth advisor, and feel that he is listening and understanding. These sensitive issues inevitably come up at this first meeting, so you can determine if you are at ease with your wealth advisor's response.

The discovery meeting also allows your wealth advisor to gain an understanding of your current situation and discuss your goals and how to achieve them. At the second meeting, your advisor will present his interpretation of your situation and offer potential solutions to achieve your goals.

SUDDENLY SINGLE

A third meeting may be scheduled after you have had ample time to review your wealth advisor's suggestions, at which time you can decide whether or not to make a commitment to put your wealth advisor's plan into action.

Your wealth advisor's job is to listen closely to your concerns and goals, then develop and implement plans tailored specifically for your situation. In turn, you must take responsibility to express your concerns, wishes, questions, and goals and work side by side with your wealth advisor to address them.

A FINAL WORD

After the loss of your spouse, you will face a number of challenges that will drain you physically and emotionally. You will still have an emotional connection to the hopes and dreams you shared with your husband which were closely tied to the financial aspects of your life together. After the initial period of grieving, you will eventually regain a sense of normalcy and control and start to think about your new future. Working with a wealth advisor can help you move through this arduous time in your life.

Suffering the loss of a spouse - whether to death or divorce - is one of the most difficult experiences a woman can face. It can leave you in shock, disoriented, and unable to picture the next day, let alone many years without your spouse. However, as hard as it may seem, this is also a time when you will need to make important, educated decisions about your financial future. It can be a comfort to know that there are experienced professionals available who you can trust to help you create a brighter future for yourself and your loved ones.

About the Author



Terry Vrieze is a wealth advisor and president of Successful Resource Management, Ltd. (SRM). With more than 30 years of experience in the financial industry, Terry is dedicated to providing clients with superior financial planning services. He specializes in helping women in transition make smart decisions about their money so they can spend more time doing whatever they love to do. Terry helps women in transition solve complex financial issues by acting as their personal chief financial officer on wealth management issues such as restructuring accounts and estate planning. Terry aims to give his clients and their families peace of mind by providing continuous education and counsel and using a disciplined, in-depth analysis that provides flexibility and choice for his clients. His personalized approach encompasses more than specific products and services, helping his clients prepare for the unexpected and their financial future.

Born and raised in Iowa, Terry was married to his first wife, Tracy, for nearly 34 for years before her sudden death in April 1999. He and Tracy had three children: Gerrit, Tracy Ann, and Thomas. Terry was remarried in 2000 to his current wife, Pat. Terry is a 26-year veteran of the United States Army and Army Reserves. His primary responsibilities as a Command Sergeant Major included training troops and helping them to succeed by providing morale and discipline. Terry values his family, church and community, and loves spending time with his wife, their children and grandchildren. Terry also volunteers for the Shrine Cripple Children Hospital. He enjoys the outdoors, taking daily walks and the occasional hunting trip.

Terry has a special understanding of the experiences many women in transition go through. Having himself lost a spouse, Terry knows first hand what it is like to lose the partner you had planned the rest of your life with, and how hard it can be to think about new plans to face the future on your own. Terry also faced a number of medical challenges after the death of his wife, having undergone carodic artery surgery twice and quadruple bypass surgery. He can relate to the medical challenges a widow and her spouse may have faced.

Terry has developed relationships with a network of professionals who can provide women in transition the assistance they need; Terry will help work with everyone from a lawyer who can help settle a spouse's estate to a handyman who can fix the roof. He limits his practice to serve and coach only 100 women in transition to whom he brings added value to the relationship between client and wealth advisor by providing personal attention and service beyond just the numbers.

About Successful Resource Management, Ltd.

Successful Resource Management has provided financial education, products and services for almost two decades. Our mission is to help clients and their families work toward their financial goals by developing and implementing conservative strategies that seek to increase the creation and preservation of intergenerational wealth. We understand that establishing a relationship with a trusted and knowledgeable company is an important decision, one that takes time and deserves careful consideration.

To see if Terry Vrieze is the right wealth advisor for you and your family, please call his assistant, Winnie Taylor, at SRM to schedule an appointment.



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