

# Forbes

6/25/2014 @ 1:59PM

## 5 Money Moves For Boomer Couples To Consider



Next Avenue, Contributor

**By Michelle Brennan Hall, Next Avenue Contributor**

As a financial adviser for more than two decades, I have found that many boomer couples have not prepared well for something they're likely to experience: The transfer of assets from the husband to the wife when the husband dies.

According to U.S. life expectancy rates, women live, on average, until age 81 while men live, on average, until age 76.

### **The Challenge That Many Widows Face**

The problem is, for many couples, throughout their marriage the husband has been responsible for major financial planning decisions while the wife has managed the household and the checkbook. As a result, many widows find themselves needing to handle financial assets for their livelihood when they have little experience doing so.

Not being engaged in money matters can expose wives to risks, such as having less monthly income than they expect, having more debt than they can handle or, worst of all, falling prey to unscrupulous investment scams.

I recommend couples take the following five steps to prepare for the potential shift of assets and for wives to gain financial prowess:

**1. Attend annual meetings with your financial advisers together.** I'm talking about ones with your CPA and your financial planner and estate lawyer, if you have them.

Both spouses will learn — among other things — where your money is invested, how much you pay in taxes and how your wills and trusts will impact your heirs.

**2. Wives should make their own investment decisions if they have money in their own names in accounts such as IRAs.** A financial adviser can present investment recommendations to consider. Women: Don't be shy about asking as many questions as necessary and do your own research if you need more information to make a decision.

Remember: When it comes to who's good at making financial decisions, there is no gender bias in the brain. Money is gender neutral.

**3. Understand how much life insurance you each own.** As you review assets annually, be sure go over the amount of life insurance on each spouse.

This is especially important for two reasons. First, if you own life insurance so the surviving spouse will get money to pay off debt, like the mortgage, maintaining proper amounts of coverage is key. Second, when a spouse retires, the amount of employer-provided life insurance often diminishes or disappears. Knowing whether that could happen is critical.

**4. Be aware of your household's debt situation.** Know how much each of you owe independently and jointly for the mortgage, auto loans, credit cards and any other outstanding debt.

Having debt in retirement can be crippling and it will impact the amount of monthly income the survivor will need to make the payments.

**5. Know what will happen to any guaranteed income payments if your spouse dies before you do.** Some pensions and Social Security benefits fall when the person receiving them dies. If that happens, it could create a serious gap between what a widow needs for income and the amount she'll receive.

### **Why Couples Should Make Money Decisions Jointly**

One last point:

It's best for both spouses to share the responsibility of financial decision-making, since both of you will benefit. And for the wives, there's a good chance you'll be managing your financial destiny one day. Why not start now?

*Note: This material is intended for informational purposes only and is not intended to be a substitute for specific individualized advice, as individual situations may vary. Securities offered through FSC Securities Corporation, member of FINRA/SIPC. Brennan Financial Services is not affiliated with FSC Securities Corporation or registered as a broker-dealer or investment advisor. Investment advisory services offered through Brennan Wealth Advisors, LLC, a registered investment advisor not affiliated with FSC Securities Corporation.*

*Michelle Brennan Hall is president and founder of Brennan Wealth Advisors, LLC. She has more than 25 years of experience guiding clients to anticipate risk while accumulating financial capital for all the stages of life.*

This article is available online at: <http://onforb.es/Vo66g0>

2014 Forbes.com LLC™ All Rights Reserved