

# Going Alone: After Loss of a Spouse or Partner

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| SPEAKER           | TRANSCRIPTION   |
|-------------------|---|
| DORETTA THOMPSON: | <b>[00:00:11.08]</b>  |
|                   | Hi. You're listening to Mastering Money, where we explore the many aspects of good financial decision making. I'm Doretta Thompson, financial literacy leader for Chartered Professional Accountants of Canada. We provide no cost programs and free online resources that help Canadians own their finances and learn the language of money.   |
|                   | <b>[00:00:30.47]</b>  |
|                   | This season, we're focusing on women and money. Why? Because numerous studies in Canada and around the world have shown a consistent gender gap in financial literacy. But recent studies have also shown that confidence plays a significant role. That women in fact know more than they think they do, and that financial literacy education makes a big difference.   |
|                   | <b>[00:00:53.33]</b>  |
|                   | It has never been more important for women to understand and take charge of their financial futures. Women live longer than men, and over their lifetimes, make less money and accumulate less wealth. And COVID has disproportionately driven women from the workforce. Financial decisions matter at every stage of a woman's life. And this season, we'll be taking a closer look at those decisions, and how women confidently can prepare themselves to own their financial futures. |
|                   | <b>[00:01:23.69]</b>  |
|                   | Today, we're joined by Kimberly Short, a portfolio manager, certified financial planner, and trust and estate practitioner at Short Financial in St. John's, Newfoundland. Kimberly's qualifications and experience are wide and deep. And I'm grateful to have her here to give us some guideposts on what can be one of the most difficult times in a woman's life, widowhood. Kimberly, Thanks so much for being here today.   |
| KIMBERLY SHORT:   | <b>[00:01:48.84]</b><br><br>It's really my pleasure, Doretta. Thank you so much for having me.  |

**SPEAKER****TRANSCRIPTION**

DORETTA THOMPSON:

**[00:01:52.46]**

So before we begin, tell us a little bit about and your career.

KIMBERLY SHORT:

**[00:01:57.42]**

Well, like I think so many great second careers that Generation Xers have, I didn't mean to land here. And I'm so grateful that I did. I am a business owner of our wealth management business here at Short Financial. And I am very blessed to be able to choose the clients that we serve. And we do it as a team, as a portfolio management team, providing holistic wealth management services, including the trust and estate planning that we do.

**[00:02:28.77]**

It's been 16 years since I joined my husband in his practice, and then decided that I really, really loved the industry, and wanted to start to become credentials to my own right. And now, serving women clients specifically and looking at those challenges that women have is extremely gratifying. And it's just a great second career that I've chosen.

DORETTA THOMPSON:

**[00:02:57.36]**

That's wonderful. What was your first career?

KIMBERLY SHORT:

**[00:02:59.52]**

In philanthropy. So one of my many designations is I'm a master financial advisor in philanthropy because that was my background when I switched over. And as you've just said, you know, Doretta, women are often taking a leave of absence from the workforce for things like, well, now it's COVID. But when I had my son. And didn't really mean to take the leave I took, but did. And then thought, well, you know what? I think I'd like to change my career path. And here I am.

DORETTA THOMPSON:

**[00:03:31.11]**

Interesting. And such a wonderful way to make a difference in the lives of women and of your clients in general. So today, we're going to be talking about widowhood and the impact that has on women, how in some cases, women need to prepare for it. How some are really struck by it very, very suddenly.

**[00:03:49.95]**

According to the 2019 Canadian census, 75% of married women will be widowed. And the average age of widowhood, and I have to say this really surprised me. The average age of widowhood is only 56 years old. How does that present as you're working with clients, with younger widows and with older widows?

KIMBERLY SHORT:

**[00:04:12.30]**

Yeah. That number just bowled me over. I really was very surprised by that. I will say that in our practice, I deal with a lot of women over the age of 60 when they're widowed. Certainly, the suddenness of the passing of their spouse, I guess, contributes to how they process, right?

**SPEAKER****TRANSCRIPTION**

KIMBERLY SHORT:

**[00:04:34.86]**

If someone has had some time to prepare for that passing, it makes it a little bit easier at least to understand what's coming, and what preparations need to be made, and what shoes need to be filled. I think that, as you said, during COVID, there's been a suddenness to a lot of things. And with people passing, and sometimes, not even just directly from COVID, but from being housebound or other comorbidity risks, being isolated has certainly caused some of those said passings. And it leads to the last woman standing, as I like to say, having to deal with some unique challenges if she in fact doesn't have that level of financial literacy to be really well equipped.

DORETTA THOMPSON:

**[00:05:21.90]**

We know that grief really affects decision making. And of course, it will affect financial decision making. How can a woman who, for example, has a very ill husband who is expected to be widowed in the short to medium term. What kinds of steps can she be taking now, understanding that she's dealing with some very difficult emotional things. But are there steps she can take now that will make that time a little easier to manage from a financial perspective?

KIMBERLY SHORT:

**[00:05:51.36]**

Yeah. This is a great question. Finding the supports to put them in place in advance of that passing is so very important. So that there are trusted people in her life that she can turn to after the widowhood occurs is so very important. You don't want to be looking for the resources at the time you need them.

**[00:06:15.78]**

As a very important person in my life likes to say, you want to be looking at the solution. Not looking for it at the time. And that is also the case for people, like advisors, or even just a trusted family member. Be it an adult child, or perhaps it's a sibling that one is close to. To be able to say, I haven't been involved in my family's financial affairs, and I know I'm going to soon have to step into those shoes. Will you help me along the way to put it all together?

DORETTA THOMPSON:

**[00:06:49.12]**

I think that's wonderful advice. When you're working with someone in this situation, how do you help them do that? What kinds of sort of gentle questions do you ask them to help them understand their financial position? We know many women, particularly older women, may not in fact, understand. They may be very good day to day money managers, managing their household budgets, et cetera. But they may not have that big financial picture.

KIMBERLY SHORT:

[00:07:14.88]

That's exactly right, Doretta. What we see is that women, by and large, are very knowledgeable about the day to day, month to month, shall I say, household finance management. So they know what those bills generally look like. What they may not be aware of is water the funding mechanisms for paying those bills?

[00:07:36.09]

And so the first thing that we would do is ask what is the goal for the understanding? What level do they want to understand? Because some women want to have a great level of financial expertise at a very macro level. And others would like to get to the granular level. And then over what time period would they like to achieve that? Because there's only so much of it can do in a certain time period. But I think it's about really understanding the objectives for the individual and what supports can be put in place to achieve the objectives.

DORETTA THOMPSON:

[00:08:12.33]

Right. And what about with younger widows or widows who are very suddenly confronted with the death of a spouse? This is sadly the experience in my own family. My father died very suddenly in an accident. And I was just a teenager. And just watching the stress that that created. It was unbelievable.

KIMBERLY SHORT:

[00:08:31.47]

Well, absolutely. And if we think about the life stage in which that occurs, that is a completely different type of consideration. So when we look at the census number of the average age of widowhood at age 56, well, most people are not finished accumulating their retirement savings at 56.

[00:08:49.74]

And so it means that they're still needing to be in the workforce, bringing in the income, and putting away the savings to fund their own retirement. At the same time, they may have those obligations for continuing to raise the children, and whatever expenses those are, and launch adult children out to the world.

[00:09:10.36]

And so I think that is where we really see some of our best manifestations of what I call the motherhood bias. And what I mean by that is women of this generation, whether we're talking about late boomers, and early Xers, and in that general generation, are in that awkward position of perhaps having to deal with caring for parents, caring for children. And then in this case that we're talking about now, maybe being suddenly widowed. And so the motherhood bias presents itself in that we're taking the food out of our own beaks to put in the beaks of all those in the nest with us.

[00:09:51.16]

And so I think preparedness comes in the form of developing lifelong financial literacy. But in a sudden disaster circumstance, that's not an option. So the first advice I give is the same advice given to new mothers. Which is please make sure you have enough worms in your own beak to nourish yourself, so you have enough to give to those around you that are leaning on you for supports.

**SPEAKER****TRANSCRIPTION**

DORETTA THOMPSON:

**[00:10:19.05]**

What are some of the common, sort of unexpected expenses that come with things that women wouldn't expect to be able to deal with and are suddenly confronted with?

KIMBERLY SHORT:

**[00:10:28.89]**

Right. I mean, we have a checklist that we work with widows and widowers and developed by the provinces, depending on province of residency, they all have them, about what are the steps that need to happen and what are the bills that need to get paid. And largely, they're asset dependent, right? And so we think of the basic ones, like a funeral expense.

**[00:10:49.50]**

And that one in and of itself is awful because if those arrangements have been made, it's the decision-making paradigm you've got to enter into to do those final wishes for your loved one who's now parted. And then there's the expense of that. And I will never, s ever forget dealing with one widower who spent far too much on the funeral and the casket because he really believed that that was the best way to honor his loved one, right?

**[00:11:21.39]**

And we do see that. The funeral planning and that sort of thing is certainly one thing. But then getting beyond that to the larger more long term picture, I would say there's the process of administering the estate. And on the first spousal passing, we recognize that a lot of that can actually be a very simple rollover, and there's not a lot of taxation to deal with in most cases.

**[00:11:46.29]**

But still, it's a lot of crossing of T's and dotting of I's in terms of the level of administration that's required. And if you're navigating that through this fog of grief, it's a terrible thing to have to navigate on your own. And that goes back to my point, about having those trusted advisors and trusted people in your life to help navigate that landscape.

DORETTA THOMPSON:

**[00:12:07.09]**

What are some of the hardest decisions that you see that widows are faced with in terms that I know would be life stage-dependent, but things like their homes. They're needing to return to work or change their careers, et cetera.

KIMBERLY SHORT:

**[00:12:21.14]**

Right. And so you've just hit on the ones that are specific to the accumulation stage, right? And back to our statistic of younger widows who are still in that accumulation stage. Well, then, they've got to decide, is the home that they're living in still in affordable choice for them? What does the mortgage look like? What does life insurance in look like if there is any, right? And so it comes back to that nasty B word that nobody wants to talk about. The budget.

**SPEAKER****TRANSCRIPTION**

DORETTA THOMPSON:

**[00:12:48.00]**

I like to think of it as planning. I always talk about having a plan. Because people shy away from that B word. But plans are what make our goals come true, right?

KIMBERLY SHORT:

**[00:12:56.79]**

Absolutely. And so I think an empowering way to do it, instead of having the document with the B word on it, is to look back at previous expenditures. And almost with a forensic lens, to say, where have my dollars gone from my bank account? And how do I feel, and what do I think about those dollars?

**[00:13:17.53]**

So just using my own life. When I look at what I was spending at Starbucks in one particular year, and I look back at that, I had that moment of, you idiot. Are lattes worth it to that extent? We can all do that even in terrible times because you can bring a sense of levity to what are the things that mean something to you.

**[00:13:41.71]**

And we as mothers, we as the last woman standing, then have some decisions to make around valuing the dollars that we're spending, versus the joy we get out of how we spend it. And I believe that when that process is done correctly, it's our plan, we own it, and we're empowered by it.

DORETTA THOMPSON:

**[00:14:02.27]**

That is so important. What about the role of life insurance? How does that fit into the picture for widows?

KIMBERLY SHORT:

**[00:14:09.22]**

Well, I mean, it's a wonderful thing to have if in fact you're dealing with the payout at the time of grief, right? I never like delivering that check to our clients. And yet, I really love delivering that check to our clients. It's a bittersweet thing.

**[00:14:26.89]**

Often with life insurance, s the people who need it are the ones who can't afford it. So what I say about life insurance, and I am a life insurance agent, is when you're looking at what you have, or if you're looking at purchasing something new. Ask yourself what is it for? And what risk does it offset? Never be sold.

**[00:14:50.32]**

It goes back to what I was just saying about the Plan for spending. Make sure that the dollars leaving your bank account are ones that bring you joy in your purchase. And I'm not saying anybody gets joy out of paying x insurance company their premium. But I know that when I see dollars leave my bank account for something that I've really taken time to investigate and understand what I'm purchasing, I don't have any post-purchase dissonance.

KIMBERLY SHORT:

**[00:15:18.29]**

And so that's really important around life insurance because it is oversold. It's over purchased by people who don't necessarily need it based on sentiment. Instead ask yourself, what would I actually need if my spouse was no longer in the world? And so in that regard, wives should be the decision makers on their husband's life insurance policies and vice versa. Husbands should be the decision makers on their wife's life insurance policy because quite frankly, my life insurance policy is almost none of my business because I'm not going to be around to see it pay out.

DORETTA THOMPSON:

**[00:15:55.73]**

Interesting and so true. One of the things that you've mentioned is the importance of having a trusted person. And yet one of the things that we are aware of, particularly with elders, is the abuse of that position. And so what happens when someone who presents themselves as a trusted person perhaps does not deserve to be in that position of trust?

KIMBERLY SHORT:

**[00:16:23.12]**

That is such an issue that we're seeing brought to light recently. And like so many social issues, I am so glad to see us woken around them. And I'm so glad to see the resources being put in place from our local seniors resource centers, even by the various levels of government, around elder financial abuse.

**[00:16:44.93]**

And as trained professionals, as advisors, we do have training to guide us in this regard. But what I will say is we, as aging people, need to all take responsibility to appoint our trusted persons. And say, this is the person that's going to sit alongside of me. And if I'm no longer able to make my own decisions, I would like this person to make my decisions for me.

**[00:17:11.69]**

And it's good to have a contingent. So your spouse is most often your trusted person and/or your power of attorney. But it's important to have that contingent, so that if that spouse is not able to act or is already deceased, then there's another person who can sit at the table alongside of you and say, this is a good idea, or that is not.

**[00:17:35.39]**

Sometimes, the trusted person can find themselves at a conflict of interest. And we see that so much. And I'll go back to my motherhood bias example. We see it sometimes with adult children of the family that have not successfully financially launched in their own right, where perhaps they're conflicted that dad has passed. Mom is still in the world, but needs a little taking care of now. But maybe they feel conflicted because they're not launched financially, and they might actually like some inheritance after mom has gone.

**SPEAKER****TRANSCRIPTION**

KIMBERLY SHORT:

**[00:18:09.81]**

And so as professional advisors to these families, it's our job to recognize when that conflict exists and if in fact, we ought to plan for it by way of putting trusts in place, introducing other trusted persons in those clients' lives.

DORETTA THOMPSON:

**[00:18:26.96]**

Right. There was a recent study done in the US that was kind of interesting. And it suggested that some older women, who I guess are facing or anticipating widowhood, do seem to be actually stepping up and actively learning more about finances as they realize that they're going to have to take that kind of control. I was wondering if that was a trend that you're seeing in your own practice? And how you would work with a woman in that position?

KIMBERLY SHORT:

**[00:18:54.21]**

We encourage exactly that in our practice. And sometimes, a female client will prefer a female advisor, and sometimes not. And so if that's something that our clients have a gender preference towards, we try to recognize and honor it quickly. But promoting it, I can't promote it enough. And I've often said, if a male client presents, and he is presenting with his wife's portfolio, I will insist on meeting the wife and say, it's important for you to be at this table once a year.

**[00:19:28.20]**

We don't have to do a deep dive into what's a dividend yielding stock. But it's important for you to have some level of financial literacy. So that later on down the road, if you need it, you have that base level. And that we have a relationship. So that you can count on me and our practice as your trusted advisor go forth if anything untoward were to happen. That's generally a very productive conversation. And it's rare that we're declined for that request.

DORETTA THOMPSON:

**[00:19:59.33]**

Do you have conversations with your clients, maybe they're currently healthy et cetera, but what the positive steps are to protect our loved ones after we're gone? And do you have a checklist of where all the key papers are, so you know what to do something whatever happened to me, that kind of thing?

KIMBERLY SHORT:

**[00:20:15.06]**

We do. We very much do. And we call it the roadmap. And it's a roadmap of our client family's financial lives. And we have it like a checklist to walk together with our client families. And we repeat the process every five years just to make sure we still know, are there still gold bars that need to be dealt with. Or what are the idiosyncrasies that we all have in our lives?



KIMBERLY SHORT:

**[00:20:41.03]**

Because everybody's got their story. Whether it's grandmother's silver tea service or grandfather's hand carved canoe. There are those things that have so much sentimental value that go above and beyond the dollars. So yes. That is part more of our checklist. And we do bring it up.

**[00:20:57.58]**

And new client families will sometimes look at me and say, why in the world would you ask these questions? And I say, I'm not a nosy person. I'm just here to let you know that I'm doing an inventory of your financial life. And I'm here to be of service to you, and all these matters. And they do come to understand that is part of the service offering and recognize the value. But it is funny when we first embark on it. That can provide a little comedic relief to an often dreaded topic.

**[00:21:24.28]**

Because the topic is what's going to happen when we're sick and unable to care for ourselves or after we're gone from the world. Nobody wants to talk about that. And yet when we do, it's so much better for those left behind afterward.

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DORETTA THOMPSON:

**[00:21:37.09]**

It is, when you've had those conversations already. And as someone who's been in the position of having that health power of attorneys, et cetera and had to make decisions that were literally life and death decisions, having had those discussions and knowing what my loved one wanted made very difficult decisions so much-- it's not easy, but you do them with a clear conscience and the assurance that yes, we've talked about this. This was what they wanted.

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KIMBERLY SHORT:

**[00:22:06.48]**

Absolutely. I feel that every time we come through completing one of these due diligence processes, there's a sense of relief for all involved.

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DORETTA THOMPSON:

**[00:22:15.76]**

One thing I did want to ask you. Many people, widowed women in particular, have a strong interest in staying in their family home into old age, et cetera. And sometimes, there may not be the finances available immediately for them to stay in their home or the level of care that they want. How do they consider possible options there?

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KIMBERLY SHORT:

**[00:22:38.44]**

That is a really tricky one, Doretta. And I would say it really depends on things like province of residency, funding of care supports, and those sorts of assessments as well. But we have to honor, and I go back to my opening comments, about understanding financial goals and objectives.

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**SPEAKER****TRANSCRIPTION**

KIMBERLY SHORT:

**[00:22:57.43]**

When we as women are clear on what we want from our assets, then we are empowered to make better decisions around it. So what you've described around staying in the family home, I view as an endowment bias. Perhaps we have purchased the family home with our husband or a loved one. We've raised a family there. We have all these wonderful memories. And the idea of vacating it in our elder years is just truly not palatable whatsoever.

**[00:23:26.74]**

The question is what's it going to take financially to stay there and have the care delivered to us? Or even just supports around housekeeping, or structural changes around dealing with stairs, or bathing considerations, and those sorts of things, bathroom renos. All these things can cost major dollars.

**[00:23:46.87]**

So when we put the dollars and cents in place to look at what it would cost to stay in the family home, then we can start to really ask if that objective is worth that expenditure. And is there a next generation that is interested in possibly acquiring that family home. And what would it take for that financing to be put in place to make sure mom is cared for appropriately.

DORETTA THOMPSON:

**[00:24:11.32]**

Kimberly, it's a question we ask all our guests. If you could talk to your younger self, what kind of advice would you give your younger self about planning for the future, planning for the unexpected, or just general advice to help you into your future self?

KIMBERLY SHORT:

**[00:24:30.70]**

Really listening to our clients over the last 16 years has been a tremendous learning opportunity. I somehow believed at the beginning of my career that it had something to do with building credentials and learning all the technicalities of our business. And in fact, what I've been really very fortunate to have happen is learn through the experiences of other very wise and very kind and lovely people. So what I would tell myself is sit back, and listen, and learn because there is so much to learn from advising others.

DORETTA THOMPSON:

**[00:25:06.23]**

And that is a very wise and important observation. I'd like to thank Kimberly for her thoughtful guidance, knowledge, and experience in helping women think about what they can do in these challenging times.

**[00:25:20.32]**

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**[00:25:37.39]**

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