



# Widows: Seven Ways to Plan a Secure Retirement

**Women — especially widows — often want a trusted partner to help navigate retirement decisions. Here are some key tips to keep in mind when looking for a financial professional.**

As the baby boomer generation ages and the number of widows grows, there's a real need for widows to connect on their terms with financial professionals.

The U.S. Census Bureau reports that by 2030, all baby boomers will be over the age of 65, with women making up the majority.<sup>1</sup>

Women are also three times more likely than men to be widowed, making thoughtful retirement and income planning even more important.

## Financial Professionals Understand Widows' Unique Needs

It's imperative to understand that women, especially widows, have unique financial needs. A Government Accountability Office (GAO) report on retirement security found that older women perceive their retirement security to be influenced by an unpredictable future.<sup>2</sup> Women in 14 focus groups said they felt uncertainty or fear about meeting future expenses, suggesting a sense of fragility around retirement security.

A financial professional can help educate you on your financial needs and address concerns you may have about managing income and expenses in retirement.

### 1. Plan for Your Longevity

On average, women live longer than men, so you'll need financial resources that last longer. In the United States, life expectancy for women who are age 65 is 86, according to the Organisation for Economic Co-operation and Development.<sup>3</sup> That's an average, so about half of women can expect to live longer.

Women in the GAO report focus groups said there is a common expectation that men handle the finances during marriage. Many also said they have gaps in basic financial knowledge, including how to prepare for a financial shift from a two-person household to a one-person household.

<sup>1</sup> Source: [2023 Profile of Older Americans, The Administration for Community Living, May 2024.](#)

<sup>2</sup> Source: [Retirement Security: Older Women Report Facing a Financially Uncertain Future, GAO-20-435, U.S. Government Accountability Office, July 2020.](#)

<sup>3</sup> Source: [Life Expectancy at 65, Organisation for Economic Co-operation and Development, 2023.](#)

## 2. Understand How Social Security and Medicare Work for Widows

The death of a spouse can create financial challenges, in part because household expenses often don't decline as much as Social Security benefits may after a spouse dies.

A financial professional can educate you on how Social Security works for widows, how to manage claiming your benefit or survivor benefits, and the importance of understanding Medicare benefits, deadlines, and hidden income penalties for some higher tax brackets.

## 3. Ideally, Talk to a Financial Professional Before Widowhood

Women often feel unheard and alienated by the financial services industry, says Suzanne Norman, CIMA, CPCPC, a financial literacy expert, and Fellow at the LIMRA Retirement Income Institute. That's the case for both married women and for widows.

It's important that you and your spouse meet with a financial professional together to help ensure that you're comfortable and involved in the financial planning if your spouse were to pass away.

## 4. Address the Importance of Values and Goals

Financial planning isn't all about numbers. Your values, goals, and plans for living a full life going forward are equally important. These topics are key to ensuring your happiness and staying on track.

Looking back on your life, what things did you do that made your life feel purposeful? Looking forward, what are your aspirations as you get older? These are questions that a financial professional can help you answer.

One way to bring this conversation up with a financial professional is to tell them about your needs, wants, and wishes. They can help you align your income sources with your spending priorities.

## 5. Understand the Importance of Income Planning

Once you've established your needs, wants, and wishes, a financial professional can help you determine what income you need to live the life you want. That means that you need to have a plan for cash flow to ensure that your savings can generate enough reliable income to meet your goals.

## 6. Understand How Market Risk Can Affect Your Income Plan

Now is the time to address any investment risks and determine how much of your savings are exposed to market volatility. If your income plan involves taking a "systematic withdrawal" approach from your portfolio, you're accepting the risks of the markets. You hope your money will last for 30-plus years, and that can be risky. On the other extreme, many widows are prone to leaving a substantial percentage of their assets in cash and at risk of a loss of purchasing power via inflation.

## 7. Learn About the Importance of the "Safety-First" Approach

Introducing a safety-first approach to your income planning can help address your fears of running out of money. First, you'll need to work with a financial professional to establish a plan to safely fund your essential needs — and perhaps some of your wants — with protected lifetime income. That can come from Social Security, a pension, and/or annuities. Having that floor of protected lifetime income is akin to having your feet on solid ground, knowing that your basics are covered no matter how the markets perform. Then you can focus on pursuing passions and living a full life. The other part of your portfolio that provides potential income derived from market growth covers the rest of your wants and wishes.

## Explore Protected Lifetime Income

The safety-first approach often includes using an annuity to create protected lifetime income. That removes a portion of the risk of running out of money in retirement. "Knowing that there's a 'paycheck' coming in every month provides security," says Norman. "There's a lot to be said for the psychological and emotional aspect of that."

If you're feeling uneasy about retirement or that you may not be able to do all the things you hoped you could, an annuity could give you the confidence that you will have enough protected lifetime income to do what you want.

Protected income to cover your basic needs can serve as the foundation of a retirement plan while leaving room for other investments to support your wants and wishes.

A financial professional can help you establish what portion of your portfolio will generate protected lifetime income versus potential income.

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