

Help for the recently widowed

Every year, 70,000 women become widowed in Canada, but many advisors stumble when it comes to helping them deal with their new responsibilities as heirs. Your role is to provide both financial advice and emotional support

BY JOANNE SOMMERS

A LISTENING EAR, RESPECT AND genuine interest. Those are the qualities widows are looking for in their financial advisors.

Unfortunately, many advisors fail to measure up. How else to explain the fact that an estimated 70% of women change their advisors within three years of being widowed? That statistic is the startling conclusion of a 2009 study by the New York-based asset-management firm **Neuberger Berman Group LLC**.

One reason so many widows fire their advisors is that many financial professionals fail to establish working relationships with these women while their spouses are still alive, says Rhonda Latreille, founder of **Age-Friendly Business** in Burnaby, B.C. Given that there are an estimated 70,000 new widows in Canada annually — almost 1.3 million in total — and the resulting inter-spousal transfer of wealth, that approach is extremely short-sighted, she adds: “There’s no excuse for not taking time to build a relationship with both members of a couple. If you have to start from scratch with a new widow, you’re operating at a huge disadvantage.”

An existing relationship is no guarantee of success, however. Many people in the financial services industry are uncomfortable with grief and loss, and don’t know how to work effectively with the bereaved, Latreille says. “People think they have to say something profound and comforting when they’re talking,” she says, “but there’s really no way to make [the bereaved] feel better.

Avoid saying things such as: “He’s in a better place now” or “I understand just

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how you feel.” Instead, Latreille advises, say: “I’m here for you” or “This must really hurt.” And invite your client to talk about the deceased.

“Provide a safe place for them to laugh, cry, scream or whatever they need to do,” she says. “And if they lash out at you, don’t get upset or defensive. Just let them get it out because it will pass.”

Women typically experience fatigue, confusion and a feeling of being overwhelmed when they’re widowed, says Susan Bradley, a certified financial planner and founder of the **Sudden Money Institute** in Palm Beach Gardens, Fla.

“In the midst of grief and stress, a person’s IQ can temporarily drop by as much as 20%,” Bradley says. “Widows are usually aware of their diminished capabilities and frightened by them. They’re afraid to make a mistake and have no idea when their normal coping skills will return, so they feel vulnerable and often paralyzed.”

Grieving styles vary, she adds: “Some widows retreat into a cocoon because they feel crushed emotionally, and only emerge for brief periods. In such cases, the advisor must try to conduct productive, albeit short conversations with them during the times when they have capacity.”

Other people, Bradley says, want to deal with everything immediately. “It’s a way to control things and self-medicate,” she says. “Neither style is right or wrong, and the advisor needs to be sensitive about picking up cues.”

Whatever the widow’s emotional response, she needs someone who is supportive and cares about more than her money.

Complicating matters is the fact that women have very different expectations of their relationships than do men. Research shows that women communicate to create relationships and make connections, while men communicate to obtain information, establish their status and show independence. “Advisors should ask questions that allow the widow to articulate her concerns and identify her needs,” says Linda Cartier, president of Sudbury, Ont.-based **Financial Decisions Inc.** “And that needs to be done at her speed, which is often quite slow. It takes patience and sensitivity, but it’s worth it.”

Listen carefully to your client, Cartier adds, in order to understand her personal communication style.

Begin by asking how she likes to be communicated with in a professional setting — beyond her preference for email vs phone calls. Some women want a lot of information that they can take home and mull over;

others want to get to the bottom line quickly and make decisions during the meeting.

Jennifer Black, a principal with Mississauga, Ont.-based **Widowed.ca**, says the biggest mistake financial advisors can make with widowed clients is pushing them to make decisions before they’re ready. “Advisors often don’t realize how much is going through the person’s mind at such times,” says Black. “It’s an enormous transition, and it’s often difficult to make decisions because of the fear of making mistakes.”

If a decision must be made quickly, acknowledge that it’s a difficult time and indicate the date by which the decision needs to be made. Give your client as much lead time as possible and outline the small steps that must be taken in the meantime. Take over as many of the administrative details as possible and offer to assist in whatever other ways you can.

“Don’t expect a newly widowed client to keep track of dates,” says Latreille. “Give them deadlines and call to remind them when they’re approaching.”

Remember that while women are more demanding in their interactions with professionals and less forgiving of poor service than men, they are also more likely to promote those who perform well, making recommendations to their circle of friends and acquaintances.

“If you do a good job, it can be great for business development,” says Latreille. “A lot of widows will be looking for financial advisors in the years ahead, and you can position yourself to benefit from that opportunity.”