



Women need to take an active role in money management

By [Jerri Stroud](#)

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Before a friend's husband died suddenly a year ago, she never had taken much interest in her family's financial affairs. After all, she married an accountant.

Her husband had talked about going over things with her, but they never quite got around to it. She had no idea how much insurance they had, how his business worked or the details of investments he'd made with clients.

She isn't alone. All too often, women — and some men — leave the money management to their spouses. When the unexpected happens — death, disability or divorce — the uninvolved spouse can be nearly clueless about his or her financial situation.

Suzanne Gellman, a consumer-economics specialist with University of Missouri Extension, said she has worked with many women who faced a financial mess when their husbands died or became disabled.

In most cases, the problem would have been much easier to manage if spouses talked about their finances. "I think communication is a key piece of this," she said.

The approach to a spouse who controls the family money can be tricky. "You don't want to make them feel that they're doing anything wrong," Gellman said.

One approach is to tell your spouse you need to know more about family finances in case something unexpected happens.

"Women need to take some responsibility in asking questions and at least showing an interest," Gellman said.

Dave Hinnenkamp, an accountant and wealth manager from Minneapolis, said nine out of 10 women will be solely responsible for their finances for a good part of their lives, either because they survive their husbands, they never marry, or they get divorced.

"It's actually more crucial for women to pay close attention to what's happening with their money," Gellman said. Women tend to earn less than men, and their income may be reduced after a spouse dies.

Gellman suggests that the spouse who manages the money make a gift to the other of a folder listing accounts, insurance policies, locations of wills, safe-deposit boxes and keys to the box or safe. The folder should be kept in a safe place — one that each spouse knows about. A listing of passwords for online accounts is a good idea, although it should be kept separate from the list of account numbers.

If the managing spouse is willing, the other spouse also should take a turn paying bills and balancing the checkbook from time to time, she said. Women also need to maintain a credit card and bank account in their own name.

Hinnenkamp said it's also a good idea to update the family's list of assets, debts and other obligations at least once a year. Both spouses should be familiar with the list. He also recommends that both spouses meet with any financial advisers. Each should ask questions about anything he or she doesn't understand.

If it's too late to ask the spouse, then it's time to get organized and get help. Friends often can refer you to sources of reliable advice. Gellman says it's important to check out several potential advisers before picking one. A local college, extension office or women's group also may sponsor money-management classes.

"You need to self-educate and at least understand a minimal amount," Gellman said.

It's important to ask how any adviser gets paid for helping you. Is it a flat fee, a percentage of your assets or a commission on products you buy like insurance policies, stocks, bonds or mutual funds? Hinnenkamp said an adviser who profits from the purchase or sale of products could have a conflict of interest.

Gellman said it's a mistake to try doing everything at once. "The most important part is not to get overwhelmed," she said.

The first step is finding out what bills need to be paid and the income available to pay them. Collect bills as they come in every month, and take a look at bank statements to see when funds like Social Security, a salary or pension payments come in.

If there are investments, the surviving spouse should meet with the family broker or financial adviser. After one spouse dies, often the strategy for investing or drawing on assets will change.

A surviving spouse also needs to find out whether benefits continue or change upon the spouse's death. My friend was surprised to learn that she could collect Social Security at age 60 after her husband died.

Suzanne Lagomarcino, project manager of the Midwest Pension Rights Project, has helped collect more than \$12 million in pensions, often from employers who have gone out of business or been sold to another firm.

"Most of it is in little bitty amounts," Lagomarcino said. Whether it's in a lump sum or in monthly payments, the pension can make a difference in making ends meet after a spouse dies.

Karen Wallensak, director of Catholic Charities Housing Resource Center, said she has worked with many widowed and single women struggling to get a handle on their finances through the Gateway to Financial Fitness, a basic money-management course offered by Missouri Extension. Many participants come from families who have never talked about money or written down financial goals.

"It's so exciting to see people grasp this information and use it to make a difference in their lives," Wallensak said.

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