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October 11, 2012

Boomer Moms, Here's A Radical Idea

Research shows that when children leave the nest, married couples spend 50 percent more on [discretionary spending](#) like eating out and vacations. But whether you're ready or not, retirement is bearing down hardest on women.

Here's a radical concept for moms whose children have suddenly grown up: focus on your own financial needs. Women usually out-live their husbands and need to be on top of the situation. So getting a handle on your financial priorities should be at the top of your list.

Squared Away interviewed financial experts to come up with five priorities for baby boomer women whose kids have flown the coop.

Get Smart. If you haven't had time to pay attention to the household finances, start simple. Financial expert Wendy Weiss, on her blog, [Hot Flash Financial](#), said the first thing to do is track down and inventory the types of accounts and the financial institutions that hold your money: savings, retirement plans, insurance documents, your *and your husband's* latest [Social Security](#) statements – add them up and determine what you've got. Then get a handle on the size of the credit card debts and mortgage.

"Just find out what you have," Weiss says. "There are questions you can ask later."

Talk to Your Kids. You've poured your heart into nurturing your offspring. So turn the tables and ask them to have a conversation about your needs once you retire.

Financial advisers swear by these wide-ranging discussions, the content of which reflects the diversity in families. The children will be reassured if you've saved enough or will share your concern if you haven't. Perhaps they'll have opinions about whether you should purchase [long-term care insurance](#). They should also know the beneficiaries on your financial and pension accounts and insurance.

"A lot of people make assumptions about what the kids think or what the parents think," said Rawson Hubbell, a senior vice president of wealth management at Boston Private Bank & Trust Company. "The point of the discussion is to break down those assumptions."

Pay Down Debt. It's okay to take that trip or do the kitchen renovation you've been postponing – it's well deserved. But when the fun's over, Chicago financial coach Kelley Long advises, "It's time to pay off the credit cards."

Wives are more likely to run up card balances for the kids' tennis shoes and college supplies, according to the Finra

Investor Education Foundation. Long said that \$15,000 in credit balances is common among couples, but some have \$80,000 or more – “enough that if you wanted to pay them off it would cause some pain.” So get started.

Boomers may also want to pay off their mortgage, eliminating their single largest expense before entering retirement. But in this low interest rate environment, that's a complex [decision](#).

Get Involved. Various surveys have found that as many as half of all wives leave financial planning to their husbands. Advisers said they feel disconnected and have a desire to feel more in control of the situation but don't always know what to do.

When wives do become engaged, some discover that “the person who they assumed was on top of things wasn't as on top as they might've thought,” said Rand Spero, president of Street Smart Financial in Lexington.

One wife he advises was completely in the dark about her household finances. She finally admitted this to her husband, Spero says. “He said, ‘I'd be happy to share. It's no secret.’” Isn't it always about communication?

Hire Someone. Do you need more income for your retirement? If you're like most Americans, the answer is yes. So you need a plan.

If you want to hire a financial adviser, find one you can trust – it may be a certified financial planner or accountant. Before hiring anyone, find out exactly how they earn their money – that's key to the trust issue. It's probably not a [stock broker](#), who earns commissions by selling you stocks and bonds.

Then make sure that they're looking at the big picture: your life and goals. At this age, it's a mistake to focus too much on your *wealth* and financial assets. What is important for women who outlive their husbands and single or divorced women is their retirement *income*. Will you have enough to live on and to pay [medical bills](#)?

Here's how Weiss defines financial *insecurity*: “You don't have enough money to dye your hair and your house is falling apart, and you can't go to dinner with your friends.”

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6 Responses to *Boomer Moms, Here's A Radical Idea*



[Decide.Create.Share](#) says:

October 12, 2012 at 4:36 pm

We love this post. Women really don't focus on themselves enough, especially when it comes to planning for their future! For more help taking those first steps to get started, visit <http://www.aarp.org/decide> for free resources and tools.

[Reply](#)



[Jarl Kubat](#) says:

October 12, 2012 at 11:48 pm

Your article seems to be talking down to baby boomer (retired) moms. I think moms are more intelligent than your article gives them credit for.

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[Melissa](#) says:

October 15, 2012 at 12:36 pm

Helpful advice and thanks for including singletons even in this context. When did it become taboo to talk about “mothers” and instead substitute this cloying and ubiquitous term “moms?”

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[Tom](#) says:

October 16, 2012 at 3:02 pm

Amusing to consider how a stock broker earns money, while recommending a financial adviser...

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[Nelson Obando - Tarjetas Personales](#) says:

October 24, 2012 at 12:01 pm