

Estate Planning for Women

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FAST FACTS

- Women generally have longer life expectancies than men, so they need to save more for retirement.
- Many women generally spend fewer years in the workforce and earn less than men. These factors contribute to lower pension and Social Security benefits.
- Because women tend to outlive their husbands, women should examine the household financial and estate plan carefully to ensure that joint assets are sufficient to provide for them later in life.

Why prepare an article on estate planning for women and not men and women together? Well, men and women are similar in some ways but different in many other ways. These differences translate to different needs in estate planning and different reasons for needing estate planning.

Women are unique in that they tend to work fewer years outside of the home and on average earn 74% percent less than men. Also, women live approximately 5–7 years longer than men; thus, there are some very unique considerations when planning retirement and estate issues for women.

In most double-income households, as a result of the lesser earnings of women, it is the woman who often opts out of contributions to pension plans, deferred savings plans, and retirement plans. Also, women often have smaller pensions and Social Security benefits because often they interrupt their careers to care for children or elderly family members. In order for women to make up for differences in earnings and benefits, as well as longer retirement

years, women actually have to invest more money to fund their retirement, not less, which is the norm.

Although women have made great strides in business and politics, many still rely on men to handle their estate planning. It is unfortunately all too common that on the death of a spouse or a divorce, the wife is usually left much more unstable financially than the husband would be in the same situation. Thus, women need to become more involved in planning for their financial and retirement future.

Regardless of the woman's marital status, estate planning is necessary. By preparing estate documents, such as a will, health care proxy, and durable power of attorney, women make the decision as to whom they leave their assets and who will take care of their personal affairs and health care decisions in the event they are unable to do so themselves. Without these documents in place, state laws will dictate the division of assets at death and, in the case of disability, will appoint a guardian to handle personal and health affairs.

Both married and unmarried women have people who are financially dependent on them. It is appropriate to make arrangements in the estate plan for the guardian of children and to outline a care plan for those for whom the woman provides assistance. In the absence of these documents, the woman's wishes will not be known, and a court will make these decisions.

Frequently, the terms of the estate plan are dictated by the male spouse. A more appropriate approach to the planning is for both spouses to discuss how the death of one spouse will affect the life of the other. Since 80% percent of married women survive their spouse,

details about how the resources will be used to provide for her must be discussed. A woman's concerns and wishes need to be addressed.

Finally, the woman must understand her husband's retirement and financial planning as well as her own. Are there life insurance policies in place? What payout elections have been made on her husband's pension? How do these decisions affect the woman? Is there long-term care insurance for the husband and wife? If one spouse gets sick, will the assets be depleted caring for the sick spouse? Because it is likely that the wife will care for the husband, the answers to these questions determine how stable a woman's financial future will be. ■

About the Author



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Julie A. Dialessi-Lafley, Esquire, is a multifaceted attorney with the law firm of Bacon Wilson, P.C., who focuses her practice in business law, real estate, estate planning and administration, and family law. She is committed to community service, serves on

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