

Your Family Is Not One-Size-Fits-All; Your Estate Plan Shouldn't Be, Either

What comes to mind when you think of the typical American family?

Today's families take many different forms: Some are blended through divorce and remarriage while others are built through long-term partnerships, adoption, or fostering. Families may include same-sex or opposite-sex couples; married or unmarried partners; or children from different relationships or no children. Many households also juggle the needs of aging parents or relatives with disabilities.

You can probably picture many other family arrangements. As today's modern families evolve and become more diverse, so too must the estate planning strategies that protect them.

Blended Families

The term *stepfamily* has largely given way to *blended family* (or *bonus family*). However, these terms describe the same thing: a family that forms when partners bring children from previous relationships into a new household, possibly alongside children they have together.¹ And the issues these families face, both in maintaining family harmony and in planning their estate, can be complex, no matter what you call them.

Potential planning goals: Provide for your surviving spouse while also ensuring that your children from a previous relationship receive an inheritance. Some parents in blended families may also want to provide for stepchildren. However, this goal requires purposeful planning because state law does not automatically provide for them.

Strategies: A revocable living trust is often the most effective estate planning tool for parents in blended families. With a trust, you can provide for your surviving spouse for their lifetime—for example, by allowing them to receive income from your trust (and possibly principal as well, under conditions you set)—while still preserving the remaining balance for your children from a prior relationship. This approach helps prevent the unintentional (or intentional) disinheritance that may occur if everything is left outright to your spouse.

Trusts can also include detailed instructions about how money and property should be used and what happens to any remainder. The key is finding the right balance of fairness and protection within the unique dynamics of a blended family where emotions and relationships may be complex and solutions often require flexibility and nuance.

Unmarried Partners

The number of unmarried couples living together has steadily increased, more than doubling from 3.7 percent in 1996 to 9.1 percent in 2023.²

¹ blended family, Oxford Learner's Dictionaries, <https://www.oxfordlearnersdictionaries.com/us/definition/english/blended-family>.

² *Change in American Families: Favoring Cohabitation over Marriage*, Penn Wharton Budget Model (Feb. 19, 2025), <https://budgetmodel.wharton.upenn.edu/issues/2025/2/19/change-in-american-families-favoring-cohabitation-over-marriage>.

Whether couples choose not to marry for personal, financial, or other reasons, the main planning challenge with unmarried partners is that default inheritance laws still favor spouses and blood relatives, despite the uptick in cohabitating partners.

Potential planning goals: Ensuring that your surviving partner is financially secure; can remain in your shared home (regardless of whether you own it in your sole name or the two of you own it jointly); and has the legal authority to make medical or financial decisions if you become incapacitated. You may also want to provide for children from your current relationship or from prior relationships and avoid disputes with extended family members who stand to inherit from you under state law.

Strategies: Because unmarried partners have no automatic inheritance rights and lack many legal protections from which married couples benefit by default, forward-looking estate planning is a must. You can provide immediate or ongoing support for your partner in a will or a trust, although only a trust avoids the public, and often costly, probate process. Some forms of joint ownership of property or carefully structured beneficiary designations (such as transfer-on-death deeds or beneficiary designations on retirement accounts) can also help ensure that your accounts and property pass directly to your partner when you pass away.

Advance healthcare directives and financial powers of attorney are also necessary to give your partner decision-making authority in emergencies or while you cannot manage your own affairs. Without such strategies, you and your partner risk being treated as legal strangers, and family members will likely be the ones making financial and medical decisions for you.

Loved Ones with Special Needs

Special needs is a broad term that refers to a variety of situations where a person may require some form of specialized services or support to manage everyday life.

An individual with special needs may have been born with a physical or cognitive disability, may require a wheelchair due to an accident, or may struggle significantly with depression or anxiety. In some cases, their condition may qualify them for means-tested government benefits, which could be at risk if they were to receive a large inheritance outright. Whatever the situation, careful planning can protect them while still providing support.

Potential planning goals: Allow your loved one with special needs to receive an inheritance in a way that does not disqualify them from government benefits or put them at financial or personal risk.

Strategies: A *supplemental needs trust* can provide financial support without jeopardizing eligibility for programs such as Medicaid or Supplemental Security Income (SSI). This type of trust is designed to limit the beneficiary's direct access to the inheritance while ensuring that it is used for their needs. A trusted individual that you appoint (the *trustee*) makes distributions at their discretion.

For those without a functional disability but who otherwise may not do well with receiving a large sum of money all at once—for example, they struggle with money management or substance abuse—an *incentive trust* can be a helpful tool. This type of trust is not aimed at preserving

eligibility for certain government benefits; rather, it allows you to set conditions for inheritance distributions tied to employment, education, sobriety, or other goals and milestones to provide support and protection for the beneficiary.

Sandwich Generation

The term *sandwich generation* refers to adults who support their aging parents and their own children. According to a 2025 AARP research report, about 16 million US adults meet this criterion, and almost one-third of family caregivers in the US have children or grandchildren under age 18 living at home while they also care for an adult family member or friend.³

If you are “sandwiched” between these dual demands, your exact situation may vary depending on your age and family circumstances. Your child could be a minor under 18 or a young adult still working on gaining financial independence. Your parents may be entering retirement or well into their 80s or 90s. The different versions of the “sandwich” may carry different balancing acts in terms of time, finances, emotions, and planning strategies. They also require different estate planning considerations.

Potential planning goals: Protect yourself as the caregiver while ensuring that your parents and children are cared for and that there is a seamless transition of decision-making authority, guardianship, and financial support if something happens to you.

Strategies: If your children are still minors, one key part of your estate plan will be naming a guardian for them if something happens to you. You can make guardianship nominations through a will or a standalone document, depending on state law, so a judge is not choosing a guardian without your guidance or input.

You should also consider including a revocable living trust in your plan. A trust can do more than simply avoid probate; it can ensure that critical financial support for your parents and children continues even if you become incapacitated. After your death, distributions can be structured to provide for minors and young adult children in stages as they grow, while also supporting aging parents who may need assistance but should not have unrestricted access to the funds if they cannot manage their own affairs. Such flexibility allows you to protect everyone you care for in a way that balances their needs with responsible oversight.

There is no such thing as a typical family anymore, and yours is likely no exception. So why should your estate plan be typical? More than ever, estate planning should avoid an out-of-the-box, one-size-fits-all approach and individually and collectively address the unique needs of each family member, now and in the future. If you need to create an estate plan or update an existing one, call us to help ensure that the people you care about are fully protected.

³ *Caregiving in the US Research Report* at 2, 4, AARP (July 2025), <https://www.aarp.org/content/dam/aarp/ppi/topics/ltss/family-caregiving/caregiving-in-us-2025.doi.10.26419-2fppi.00373.001.pdf>.