



## Family Structure and Financial Planning



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# Family Structure and Financial Planning

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## Introduction

- Financial planning is oriented toward the traditional family: a husband, wife, and children
- There are other family structures to plan for:
  - Cohabiting couples
  - Sandwich families
  - Single parents
  - Second marriage with step children
  - Grandparents raising grandchildren
- The purpose of this presentation is to discuss the financial implications of these non-traditional families to help financial planners and counselors think through points to give advice on





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# A Closer Look at Planning for Each Family

**Step Families - Recommendations**

- Have a practical agreement you can live on for the future before it's too late! Know the financial consequences of divorce
- Have a lawyer make it clear there's no possible way of "fixing" what other people do

**Step Families - Implications**

- Communication with spouse and with adult children is vital
- Whether you're a stepparent or a grandparent, you need to be clear about your role and responsibilities
- Working with the other parent is essential for the success of the stepfamily

**Step Families**

- Having a second marriage, the couple brings together children and financial concerns from their previous marriages

**Grandparents Raising Grandchildren - Implications**

- Young grandparents have to take time to think about their own needs and responsibilities for the grandchild
- Grandparents often have to deal with the legal implications of raising a grandchild
- Legal advice is often a necessity to ensure the best interests of the child

**Grandparents Raising Grandchildren**

- Grandparents often want to raise their children, but they need to be aware of the legal implications
- Grandparents often have to deal with the financial implications of raising a grandchild
- Grandparents often have to deal with the emotional implications of raising a grandchild

**Grandparents Raising Grandchildren - Recommendations**

- Get legal advice as soon as possible
- Get a will and a power of attorney
- Get a custody agreement
- Get a financial plan
- Get a communication plan

**Single Parents - Recommendations**

- Get legal advice as soon as possible
- Get a will and a power of attorney
- Get a custody agreement
- Get a financial plan
- Get a communication plan

**Single Parents**

- Some single parents have a lot of assets and need to make a will and get a power of attorney
- Some single parents have a lot of debts and need to get a financial plan
- Some single parents have a lot of children and need to get a custody agreement
- Some single parents have a lot of emotional issues and need to get a communication plan

**Divorcing Family**

- Divorcing families often have a lot of assets and need to make a will and get a power of attorney
- Divorcing families often have a lot of debts and need to get a financial plan
- Divorcing families often have a lot of children and need to get a custody agreement
- Divorcing families often have a lot of emotional issues and need to get a communication plan

**Cohabiting Couples**

- A couple lives together, but not legally married
- Some situations do give couples who are not married a legal status

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# Cohabiting Couples

- A couple lives together, but not legally married
- Same situation for gay couples who are not recognized as legally married\*

\*(Black, Sanders, & Taylor, 2007)

