



Aging and Retirement

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Family Structure, Roles and Dynamics Linked to Retirement Security

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Retirement Security and Blended Families

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There are a wide variety of family structures in the United States and some people have no family. Many couples are in second or later marriages for at least one of the partners, and many children are part of blended families. Same-sex marriages are increasingly accepted. Society of Actuaries research about retirees age 85 and over provides a lot of detail about how adult children help older family members. It appears that adult children commonly step in when parents need help, but they do not usually plan for such activities. I believe that, in addition to partners helping each other and children helping parents, people may help siblings and aunts and uncles. Society of Actuaries (SOA) research did not explore such help. The SOA research provides some insights but leaves open important questions with regard to blended families:

- Are blended families different? Will the children in blended families step up to help their stepparents?
- Which people in blended families are likely to help and which are not? When are they likely to help?

In this essay, I will explore blended families and how they may be different in retirement.

Views of Responsibility in Blended Families

In the Society of Actuaries study *Financial Perspectives on Aging and Retirement Across the Generations*,¹ individuals in five generations are asked for their views

on family obligations. In all the generations, there is a strong sense of obligation across generations. However, two questions were asked about whether there was a different obligation to stepchildren than natural born children, and about whether there was a different obligation to stepparents than your own parents.

When presented with the statement “Parents should not differentiate between stepchildren and ‘natural born’ children in the help they offer,” about two-thirds of the respondents agreed across all of the generations. The highest percentage was 69% of the millennials, and the lowest was 60% of the early and late boomers. In contrast to this, only half of the respondents agreed that “Stepchildren have the same obligation to their stepparents as ‘natural born’ children.” Again there was not very much difference between the generations. This is in contrast to 80% of the respondents who agreed with the statement “Adult children should make it a priority to help with tasks parents are no longer able to do.” Note that the Society of Actuaries questions on blended families did not distinguish between the circumstance when both partners are alive vs. when one partner has died. Some children may not continue the relationship with the surviving partner of their deceased parent.

In a Pew Research Center report on stepfamilies,² respondents were asked whether they have a stronger sense of obligation to their biological family members than to stepkin. About 85% of the respondents said they feel very obligated to a biological parent, and 56% said they feel very obligated to a stepparent. Almost 80% said they feel very obligated to a grown child and 62% said they feel very obligated to a grown stepchild. This is generally consistent with the findings in the Society of Actuaries (SOA) research.

It should be remembered that stepparents can have a large range of relationships with stepchildren. Some of these relationships were formed when the children were very young and the stepparents had a major role in raising them. Other relationships are formed when the children were adults but they continue over many years. Still others are formed when the relationship

1 Greenwald and Associates Inc. 2018. *Financial Perspectives on Aging and Retirement Across the Generations*. Society of Actuaries Study. <https://www.soa.org/Files/resources/research-report/2018/financial-perspectives-aging.pdf>.

2 Pew Research Center. A Portrait of Stepfamilies. *Social and Demographic Trends*, Jan. 13, 2011, <http://www.pewsocialtrends.org/2011/01/13/a-portrait-of-stepfamilies/>.

began much later in life, and then there may not be much connection with the children. The parent of the stepchild may form the new relationship after divorce or widowhood, and there may be difficulties early in the relationship in some cases. Some of these difficulties are ultimately resolved, but others persist.

Based on my experience, that of people I know, and reading on the topic, I conclude that:

- Where children are very young when the families join together, there is a greater chance that both parents will form good and enduring relationships with all of the children.
- When children are a little older when families join together, it often does not go that smoothly. Sometimes both sets of children feel that the other partners' children get treated better.
- If the children do not see themselves as treated equitably, that can lead to trouble, regardless of whether the family is blended. It can be challenging when two households join together in a limited space and each family is accustomed to somewhat different household practices.
- When couples form later in life, the adult children may well see the new partner as competition for a potential inheritance.
- There is a huge variation in the relationships of parents and adult children. Where there are multiple children, some may feel that others are favored (and they may be). This is true regardless of whether there is a blended family, but more likely with a blended family.
- In some blended families, children are always "his children" and "her children." I know one couple where both partners believe the other person's children get preferred treatment, and there is friction between each partner and the other person's children.

I did not specifically find outside research on stepparents and help in retirement, but I found an

article on stepmothers and estate fights.³ The author says that about 50% of the active disputed-estate litigated cases involve differences between stepmothers and their stepchildren. This article also claims that only about 20% of adult stepchildren feel close to their stepmoms and that short-term marriages are more likely to lead to disputes. I know of one very nice person whose adult child had not spoken to her for years since she divorced his father and remarried. I know of other situations where there was trouble early on but later it healed.

Some Real-Life Stories

I personally know of three families where the father had remarried but there was trouble when health problems began at high ages. In two of them, the stepmother left once care was needed. In these cases, the children managed the care of their fathers and the fathers ultimately went to a nursing home and a memory care facility. In the third situation, the parent and the stepmother both developed problems and there were struggles about how the care would be paid for and managed. The stepmother refused to have her assets pay for her care. The couple split and the stepmother was taken to live with her daughter, who took over managing her mother's situation. The father's situation was managed by his children. Legal help was required in the third case.

I also found websites⁴ for widowed individuals and the conversations indicated situations where stepparents relationships with their stepchildren ended with the death of their natural parent. Two quotes offer examples:

It's different with stepparents. We don't share one drop of blood. Our only familial link is our spouse, and when he's gone, then what? I guess it depends on what kind of relationship you've established over the years. If you have developed a close-knit family, you will remain in each other's lives. If not, you may drift apart. In my case, we'll see, but I fear it's going to be the latter.⁵

3 Hackard, Michael. Stepmothers: The Cause of So Many Estate Fights. *Next Avenue*, Jan. 23, 2018, <https://www.nextavenue.org/stepmothers-cause-many-estate-fights/>. Hackard is the author of *The Wolf at the Door: Undue Influence and Elder Financial Abuse* (Mather, CA: Hackard Global Media LLC, 2017).

4 Two examples of such websites where there are conversations or blogs are *Childless by Marriage*, <https://childlessbymarriageblog.com/>, and *Soaring Spirits International: Widowed Village*, <http://widowedvillage.org/>.

5 Lick, Sue Fagalde. What Am I to my Stepchildren Now That my Husband has Died? *Childless by Marriage* (blog), June 6, 2011, <https://childlessbymarriageblog.com/2011/06/06/what-am-i-to-my-stepchildren-now-that-my-husband-has-died/>.

I tragically lost my beloved husband of 20 years in 2010. My adult stepdaughter (who was 9 years old when we married) came to me just days after we removed our precious loved one from life support inquiring about his will. I was devastated; I just lost my husband and was in no way prepared for her inquiry. I was in shock and she is asking me about his will, just days after we lost him. Stumbling for the words, I, delicately as possible, explained to her that at this point in time as she was an established adult, secure with a home and career, her father and I left everything for each other and that she would receive what was coming to her when I was no longer living. I have no biological children, having always wanted a family I have treated her as my own; I love her. We have been emotionally supportive as we love her and were generous, paying for her \$80K+ college education 10 years ago. Immediately after she asked about the will our relationship became very strained (over two years ago) and then just days later she would not speak to me, my family nor my husband's family. . . . It has been more challenging than I could have ever conceived to lose the love of my life but then to add this too. . . . I've lost my husband and my stepdaughter; I've lost my family.⁶

The Blended Family Today

The Pew Research Center provides insights into how common blended families are in the U.S.⁷ The Pew survey indicated that 42% of adults have at least one step relative. About 30% have a step or half-sibling, 18% have a living stepparent and 13% have a stepchild. There was a wide variation in the results by age. Of those age 18 to 29, 52% had at least one step relative, and this dropped to 34% by age 65 and above. Of respondents age 65 and above, 22% had at least one stepchild. Younger adults were most likely to have a stepparent, with 33% of respondents age 18 to 29 having a stepparent.

Another Pew study provides insights into how families have changed over time and what families in the U.S. looked like recently.⁸ That report analyzed the 1960 and

1980 U.S. Census and the 2014 American Community Survey. The report indicated that in 1960, 73% of children were living with two parents in a first marriage, but in 2014, only 46% of children were living with two parents in a first marriage. The percentage living with two parents who were either cohabiting or in a remarriage increased from 14% in 1960 to 22% in 2014. The percentage living with a single parent increased from 9% in 1960 to 26% in 2014.

Dealing With Multiple Children

There are challenges in dealing with multiple children, whether the family is blended or not. Where there are several children, it is not unusual for one to have more problems than the others. Parents can easily be faced with the question of treating adult children equally vs. helping one child in need. My parent's philosophy was to help children and grandchildren when it was possible to have a positive impact on their lives. They looked at need before equality but preserved equality in their estate plans. But equality becomes tricky when the family is blended and both have children. Suppose Partner A has four children and Partner B has one child. Is it fair that each child should be treated equally? Is it fair that Partner A's children get a share of that Partner B's assets and Partner B's child gets Partner A's assets? Does the answer change if one or two of the children got substantial help while the parents were still alive? Does the answer change if the partners were in very different financial positions when they entered the relationship? Some of the children maintain good relationships with their parents and some do not. Some are more helpful when others in the family need help. How do the parents balance these issues? There are no right answers to these questions.

Blending Families if There are Assets, Debts and/or Children

Regardless of how they start out, many couples will break up and many marriages end in divorce. It is common for people to have multiple serious long-term relationships during their adulthood. When couples get together when they have substantial assets or debts, and/or children, it becomes more important that they reach some agreement about

6 Missing my love, "Anyone experiencing challenges with adult step children?" *Soaring Spirits International: Widowed Village*, Aug. 31, 2012, <http://widowedvillage.org/forum/topics/anyone-experiencing-challenges-with-adult-step-children>.

7 Pew Research Center. A Portrait of Stepfamilies.

8 Pew Research Center. The American Family Today. *Parenting in America*, Dec. 15, 2015, <https://www.pewsocialtrends.org/2015/12/17/1-the-american-family-today/>.

what belongs to each person and how they will view the children. This is true for opposite- and same-sex couples. Going forward, the members of the couple may be faced with questions of who pays which household bills and what belong to a specific partner vs. the couple. An agreement setting some of this forth is a very good idea.⁹

Family Issues, Cognitive Decline and Paying for Long-Term Care

In a recent Society of Actuaries Committee on Post-Retirement Needs and Risks discussion¹⁰ on cognitive decline and long-term care, older adults expressed concern that their adult children would not want to spend money for their own long-term care because it could reduce their inheritance. That concern was given as a reason for buying long-term care insurance. The concerns may be particularly important in blended families.

Conclusions

Families are an important part of retirement security for many people. It is unclear whether things will work for blended families in the same way they do for first marriages.

What happens to assets after death and how they are divided between the surviving spouse and children

can be a challenge in any family. It is a bigger challenge in a blended family.

Some blended families do a very rational job of sorting out the economics of the family and reach agreement about the treatment of children from both sides. It is smart to do planning for family economics as the relationship is forming. That also sets the stage for dissolving the relationship if it does not work out.

Many children will help their parent and stepparent while the relationship is active. I do not know what the difference is between a situation where their natural parent dies vs. divorces.

Spouses in blended families should be cautious about planning for stepchildren to help them after they are widowed. Women are widowed more often. It seems clear that some stepchildren will discontinue the relationship with their stepparent when the natural parent dies. Some may continue the relationship as before, but others will choose to not help as much. So while some will help, others will not.

When couples with children get divorced, there are issues of equity involving the couple but also the children. The management of the divorce can potentially affect the partners and their children as they form new relationships.

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⁹ See Allen, Gemma, Michele Lowrance and Terry Savage. 2013. *The New Love Deal: What You Must Know Before Marrying, Moving In, or Moving On!* Chicago: The New Love Deal Inc. for information on how to manage these issues. Lowrance is a family court judge turned mediator, Allen, a family law attorney, and Savage, a financial writer.

¹⁰ See Rappaport, Anna. 2018. A Conversation on Dementia and Cognitive Decline. Society of Actuaries. <https://www.soa.org/research-reports/2018/cognitive-conversation/>.