

William Blair

Private Wealth Management

Financial Planning for Individuals and Couples Without Children



Financial planning often revolves around family-centric goals such as funding a child's education, safeguarding dependents, and ensuring a smooth transfer of wealth to the next generation. However, for individuals and couples who do not have children, whether by intention or circumstance, these conventional priorities may hold less relevance, calling for a more personalized and purpose-driven approach to managing wealth.

This paper explores the importance of financial planning for those without children, focusing on five key areas: retirement planning, estate planning, preparing for healthcare and long-term care, life and disability insurance, and charitable/legacy planning.

Retirement Planning

For individuals and couples without children, retirement planning is often shaped by distinct financial and lifestyle priorities. Without the financial responsibilities associated with raising children—such as childcare and education—planning may place greater emphasis on flexibility and long-term independence. These differences can lead to unique retirement structures and spending strategies that reflect a more individualized approach to retirement.

The retirement timeline may reflect earlier wealth-building benchmarks and more frequent evaluations of work–life balance. Some individuals and couples may pursue a lifestyle centered on achieving financial independence earlier where work becomes optional, or choosing to engage in work that aligns with personal passions rather than financial necessity. Some may opt for nonlinear career paths, including sabbaticals or immersive cultural experiences throughout their working years. And for others, the path may look entirely different. Retirement may phase in with part-time work or consulting roles extended into later years—or even redefined entirely as they continue to find fulfillment in professional or entrepreneurial pursuits. Retirement age becomes a fluid concept, shaped more by personal goals than traditional milestones.

Retirement Spending

Instead of adhering to traditional objectives that seek to preserve capital for future generations, the emphasis often shifts to maximizing the utility of wealth during one's lifetime. The retirement plan may center on optimized spending, gifting, and investing in passions and experiences, while ensuring long-term sustainability. This calls for customized strategic financial planning. The approach may involve more aggressive drawdown strategies, and a focus on liquidity and income generation to support retirement goals. However, careful planning is essential to avoid the risk of depleting resources prematurely, particularly given the absence of immediate family members who might otherwise provide financial or caregiving support later in life.

Cash flow planning that factors in flexibility, liquidity, and future financial independence along with a reliable income stream that can accommodate multiple retirement scenarios and lifestyle decisions is key.

Structuring Your Retirement Income

A well-structured retirement income plan should incorporate a diverse mix of sources of income tailored to your risk tolerance, liquidity needs, and lifestyle goals. Social Security optimization becomes particularly valuable, as delaying benefits can enhance lifetime income without the constraints of coordinating with family legacy objectives. Investment portfolios may shift toward income-generating assets such as dividend-paying equities, which offer inflation-adjusted growth; bond ladders, which provide predictable cash flow; or real estate holdings, which can deliver rental income and diversification.

In addition to income generation, managing spending and maintaining appropriate financial guardrails are essential. Some couples may adopt a bucket strategy, segmenting assets into short-term spending, medium-term growth, and long-term security. Others may prefer a dynamic withdrawal approach, adjusting spending based on market performance and end-of-life asset targets. For example, a couple may aim to retain a specific cushion—such as \$1 million—at the end of their plan, using that benchmark to guide annual spending decisions.

Scenario-based modeling, including stress testing and probability-driven planning tools, can help define sustainable spending ranges and provide confidence in the plan's resilience. While spending simulations are useful, the emphasis should be on flexibility and adaptability rather than achieving a fixed success rate. The inherent agility of the childfree lifestyle allows for more responsive adjustments to spending and investment strategies, particularly in response to market volatility or changing personal priorities.

Ultimately, retirement income planning for childfree couples should be personalized, aligning financial resources with values, aspirations, and an evolving definition of a fulfilling retirement.

Estate Planning

Estate planning is just as crucial for childfree individuals as it is for those with children, perhaps even more so. Without obvious next-of-kin heirs, decisions about who will inherit assets, handle financial affairs, and manage healthcare and medical decision-making in the event of incapacity or death require deliberate planning.

Estate Plan and Legal Documents

A clear estate plan and proper documentation ensures that your wishes are properly executed. Without them, state laws and the probate court may dictate a direction that does not reflect your intentions. It's important to have a clear and updated estate plan with all supporting documents in place. Documents include:

- **Trusts:** Help to manage and distribute assets efficiently, avoid probate, and provide privacy. Trusts can also provide continuity in managing your assets if you become incapacitated.
- **Will (Last Will and Testament):** Specifies how your assets should be distributed after your death. A will is a foundational document in most estate plans and helps ensure your wishes are legally recognized.
- **Advance Directives/Living Wills:** Outlines specific instructions regarding your medical care, including treatments you may wish to approve or refuse and how to handle end-of-life care
- **Healthcare Power of Attorney:** Identifies who will make important healthcare decisions if you are unable to communicate your wishes
- **Financial and Durable Powers of Attorney:** Identifies who will make important financial decisions if you are unable to do so
- **Pet Trusts:** Ensures care for your pets if you are unable to do so
- **Funeral Plans:** Documents your wishes for final arrangements
- **Digital Asset Planning:** Addresses access and management of online accounts and digital property

Who Is Appointed to Handle Your Affairs?

If you are married, many choose their spouse, followed by a sibling, or an extended or more distant family member, close friend, or neighbor. You will want someone you trust to act as your legal advocate and respect your wishes, particularly in the roles of healthcare proxy or durable

financial power of attorney. Without these instructions in place, a probate court might choose a conservator or guardian for you if you become incapacitated.

Paying a professional to act in the capacity of a trustee, executor, power of attorney, or medical proxy can be a useful option. Many choose to use doctors, estate-planning attorneys, and financial advisors, among others. Each state has its own guidelines on who can be a medical or healthcare proxy, but paying a professional may be a good way to ensure your wishes are followed.

Regardless of whom you designate, it is essential to communicate clearly with all parties involved, so they understand their roles and responsibilities. Initiating these conversations well in advance allows for thoughtful planning and alignment. Discussions may encompass a range of priorities, including support for philanthropic initiatives, care for siblings or family members such as nieces and nephews, or even provisions for pets. Early and transparent dialogue ensures that your intentions are honored and that those entrusted are prepared to act accordingly.

Check Your Beneficiaries

Failing to name beneficiaries or neglecting to update them can lead to unintended consequences in estate and retirement planning. If no beneficiary is designated on financial accounts such as retirement plans and life insurance policies, the assets may be subject to probate. This process can be time-consuming and costly and may result in distributions that do not align with your intentions.

For childfree individuals and couples, this risk is particularly significant. Without direct heirs, assets could default to distant relatives or be distributed according to state intestacy laws, which may not reflect personal relationships or philanthropic goals. In addition, the lack of clear designations can create confusion or conflict among surviving family members or trusted contacts.

Legacy Planning

For individuals and couples without children, legacy planning often takes a more personalized and purpose-driven shape. Rather than focusing on preserving wealth for future generations, many choose to be intentional with their assets during their lifetime—embracing philosophies such as the “Die with Zero” approach. This mindset prioritizes spending or gifting wealth during lifetime in meaningful ways, whether through experiences, charitable giving, or support for extended family, while ensuring sufficient resources remain to cover lifetime needs, including long-term care and potential incapacity.

Financial planning tools such as cash flow modeling and scenario analysis can help distinguish between core and surplus wealth—where core wealth represents the assets necessary to sustain your lifestyle and meet essential goals, while surplus wealth refers to the capital that exceeds those needs and can be used for discretionary purposes such as gifting, legacy planning, or impact investing. This distinction enables more confident decision-making and supports the maintenance of a secure financial cushion.

For those with philanthropic goals, they may wish to have a charitable component to their estate plan. Others may choose to leave bequests to siblings, nieces, nephews, or close friends, often using tailored structures such as trusts to ensure their wishes are respected.

Trusts can also play a vital role in more specialized planning. For example, a trust may be designed to provide for a family member during the owner’s lifetime, with remaining assets directed to a charitable organization upon their passing. Similarly, pet trusts can ensure that beloved animals are cared for according to specific instructions, with funding allocated to cover their long-term expenses and select who will care for them. Ultimately, estate planning without traditional heirs offers the opportunity to align wealth with values, relationships, and impact—creating a lasting and intentional legacy.



Healthcare/Long-Term Care Planning

For the childfree population who do not have children to care for them, planning for long-term care may require financial planning and formal care arrangements well in advance.

Health Savings Accounts (HSAs)

HSAs are a triple tax-advantaged savings vehicle. Contributions are made pre-tax, funds grow tax-free, and withdrawals for qualified health care expenses are also tax-free. While they are often used for payment of current healthcare expenses, if left untapped and viewed as a long-term investment strategy, they have the potential to grow to the point where they can serve as a significant resource for healthcare costs later in retirement.

Long-Term Healthcare Insurance

Long-term-care insurance is designed to cover services not typically included under Medicare, such as extended assistance with daily living or nursing care. While policies are available for early purchase (e.g., in your 50s) often at lower premiums and with better insurability, many individuals find them expensive and limited in scope. Coverage may not fully address the range or duration of care needs, particularly in later stages of life.

Newer hybrid policies offer added flexibility, such as death benefits or cash value components, but they still require careful evaluation to determine whether the cost aligns with the potential benefit.

Dedicated Savings for Future Healthcare Needs

For many, the alternative of self-funding long-term care, essentially saving enough to pay for either professionals in the home or nursing home care when the time comes, can be equally burdensome. According to the Peterson-KFF Health System Tracker, medical care costs have risen 121.3% since 2000, far outpacing the 86.1% increase in general consumer prices. Given these realities, long-term care planning should be approached as part of a broader financial strategy, with a focus on maintaining liquidity and preparing for the possibility of extended care needs without relying solely on insurance solutions.

Healthcare Documents

As discussed earlier, it is important to have legal documents such as living wills and healthcare powers of attorney in place to ensure that care instructions and preferences are followed.



Life Insurance and Disability Insurance

Insurance plays a critical role in comprehensive financial and estate planning, but its purpose and relevance can shift significantly for individuals and couples without children. Without the need to provide for dependents or facilitate generational wealth transfer, the focus often moves from income replacement to protecting independence, preserving lifestyle, and managing long-term risks.

Life insurance is traditionally used to replace income for surviving family members or cover estate taxes and may be less essential for those without heirs. However, it can still serve a purpose, such as covering final expenses or supporting a surviving partner. A periodic review of existing life insurance policies is recommended to ensure the purpose and intent are still relevant.

In contrast, disability insurance often takes on greater importance. For childfree individuals, a disability could mean a complete loss of income and independence, with limited family support to fall back on. Evaluating employer-provided coverage, supplementing with private policies, and ensuring adequate protection against long-term income disruption are key components of a resilient financial plan.



Charitable Planning

For individuals and couples without children, philanthropy often becomes a central pillar of legacy planning. Without the need to preserve wealth for generational transfer, many choose to direct their assets toward causes and organizations that reflect their values, passions, and long-term vision. This opens a wide range of giving strategies, both during life and through estate planning.

Many opt to make charitable gifts during their lifetime to experience the social impact of their generosity firsthand. Lifetime giving can be deeply fulfilling and strategically beneficial, offering opportunities to engage with organizations, shape initiatives, and receive immediate tax advantages. Others prefer testamentary gifts—those made through a will or trust—to leave a legacy without compromising financial flexibility during retirement. A blended approach is common, allowing donors to balance personal financial security with meaningful philanthropic engagement.

Legacy Planning and Giving

Legacy planning can take many forms. Some choose to establish scholarships or endowments that support education, research, or community development. Others may fund charitable vehicles such as donor-advised funds (DAFs), private foundations, or charitable remainder trusts (CRTs), which offer greater control and long-term impact. CRTs allow donors to receive income from the trust for a set period or for life, with the remainder passing to a designated charity. Structured giving not only creates lasting impact, but also can offer income and estate tax advantages, making it a powerful tool for aligning wealth with purpose.

For those seeking simplicity, naming a charity as the beneficiary of a retirement account or allocating a percentage of the estate to nonprofit organizations can be an effective and straightforward way to give.

By integrating charitable planning into the broader financial strategy, childfree individuals can ensure their wealth serves a purpose beyond themselves—supporting causes they care about and leaving a legacy defined by values, not just assets.

Conclusion

A significant portion of the population does not have children, and careful wealth planning for these individuals and couples requires a clear understanding of their goals, ambitions, and intentions. At William Blair, our wealth advisors are dedicated to helping you navigate these decisions with clarity and confidence, crafting strategies that align your resources with what matters most to you.

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