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Family Risk

ISSUE BRIEF 02

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Part 6: Jackson National/Greenwald Research/CRR Project

Are Individuals Prepared for Family Risk to Retirement Security?

By Siyan Liu and Gal Wettstein

Issue Brief #2



Both authors are with the Center for Retirement Research at Boston College (CRR). Siyan Liu is a research economist and Gal Wettstein is the associate director of health and insurance. The authors thank Oliver Shih for excellent research assistance. The CRR gratefully acknowledges Jackson National Life Insurance Company for supporting this research and the helpful insights provided by Greenwald Research. Any opinions expressed herein are those of the authors and do not necessarily represent the views of the Jackson National Life Insurance Company, Greenwald Research, or Boston College. Greenwald Research, the CRR, Siyan Liu, and Gal Wettstein are not affiliated with Jackson National Life Distributors LLC.

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Introduction

Families often help each other through financial setbacks, but family ties also pose two types of risk to retirement security. First, family structure changes – in the form of divorce and the death of a spouse – can seriously disrupt a household's finances. Second, financial support to family members, such as helping an adult child after a job loss or an aging parent pay for care, can draw down resources that would otherwise go toward retirement. Preparing for these disparate risks involves different tools and strategies.

This *brief* is the second drawn from a recent study of how well people anticipate and prepare for family risks, based on a new survey of Americans ages 45-80 fielded in March 2026 and developed in collaboration with Jackson National Life Insurance and Greenwald Research.[1] The first *brief* found that adults from middle age through retirement age have reasonable perceptions of the risks of divorce, widowhood, and aid to parents but substantially underestimate the likelihood of supporting adult children. This second *brief* turns to how well-prepared individuals are to handle these risks.

The discussion proceeds as follows. The first section describes existing research on preparedness for family risk. The second section explains the new survey. The third examines whether people feel prepared and whether they have discussed these risks with their spouse. The fourth turns to concrete planning for family structure changes, and the fifth to how individuals have paid, and expect to pay, for family financial support. The final section concludes that helping individuals turn awareness into action – and ensuring they have the resources to do so – may be as important as helping them recognize the risks to begin with.

Background

The existing research on preparation for family risk finds that individuals have access to a range of tools that could mitigate such risks, primarily those pertaining to family structure changes: wills and trusts, powers of attorney, healthcare advance directives, life insurance, pension survivor benefits, beneficiary designations, and prenuptial agreements. Yet, adoption of these tools is uneven and generally low.[2] Fewer than half of U.S. adults over age 50 have a will, with significant racial gaps.[3] Forty-five percent have a durable power of attorney, and only 46

[1] Liu and Wettstein (2026).
[2] Aubry, Munnell, and Wettstein (2023) and Trust & Will (2026).
[3] Aubry, Munnell, and Wettstein (2023) and Lurie (2025).

percent of adults ages 50-80 have completed any advance care planning document.[4] Among retirees with defined-benefit pensions, 28 percent of men and 67 percent of women forgo survivor protection by choosing single-life annuities.[5] Beneficiary designations, which override wills, are frequently outdated – naming ex-spouses, or omitting contingent beneficiaries.[6] Prenuptial agreements appear in roughly 20 percent of remarriages, a population at elevated risk of divorce.[7] One exception is life insurance, which is held more widely than lifecycle models predict, likely reflecting cash value and inertia.[8] However, life insurance payouts appear to do little to cushion the financial impact of premature death.[9]

Research on preparation for family financial support is much more limited. Generally, households seem to be ill-prepared for large financial outlays for long-term care, or for emergency expenses more broadly.[10] This difference in the available evidence reflects a difference in the nature of the two risks. Individuals generally predict the likelihood of family structure changes accurately, and these events can be prepared for well in advance with legal and financial arrangements.[11] Financial support to family members, by contrast, is episodic, its likelihood is often underestimated, and it is harder to plan for with legal arrangements.[12] Preparation for it largely means having resources available when a need arises, so that individuals do not have to borrow or tap retirement savings.

This *brief* therefore asks a different question of each risk. For family structure changes, the question is whether households have concrete plans in place for events they see coming. For family financial support, it is whether households have set aside resources for such contingencies in ways that do not put their retirement security at risk.

[4] AARP (2000) and National Poll on Healthy Aging (2021).
[5] Johnson, Uccello, and Goldwyn (2005), AARP (2000), and Perumalswami et al. (2021).
[6] Designations never updated after a divorce or remarriage are the most common problem that plan administrators report (U.S. Department of Labor 2012).
[7] Mahar (2003).
[8] Brown (2001) and Coe and Belbase (2015).
[9] Harris and Yelowitz (2018). The authors suggest that a possible explanation for this result is that surviving spouses spend the large financial windfall from life insurance very quickly, and they indicate that large lump-sum life insurance payouts may be less effective than annuitized payouts.
[10] Chen, Munnell, and Wettstein (2025), Chen and Gok (2026), and Rao and Chen (2026).
[11] Liu and Wettstein (2026).
[12] McGarry (2016) and Liu and Wettstein (2026).

Data

The analysis uses an online survey of 1,019 individuals ages 45-80, fielded in March 2026 in collaboration with Jackson National Life Insurance Company and Greenwald Research.[13] Respondents were asked about past family structure changes and whether they provided "significant" support to family members. "Significant" support is subjectively defined using the amount each respondent says would begin to significantly burden their finances, with a minimum threshold of $2,500 used for the analysis. About half place their burden threshold at $5,000 or less. The survey also asks how prepared respondents feel for each family risk, which planning steps they have taken or plan to take, how likely they are to provide significant support in the future, and how they would fund a hypothetical request for such support.

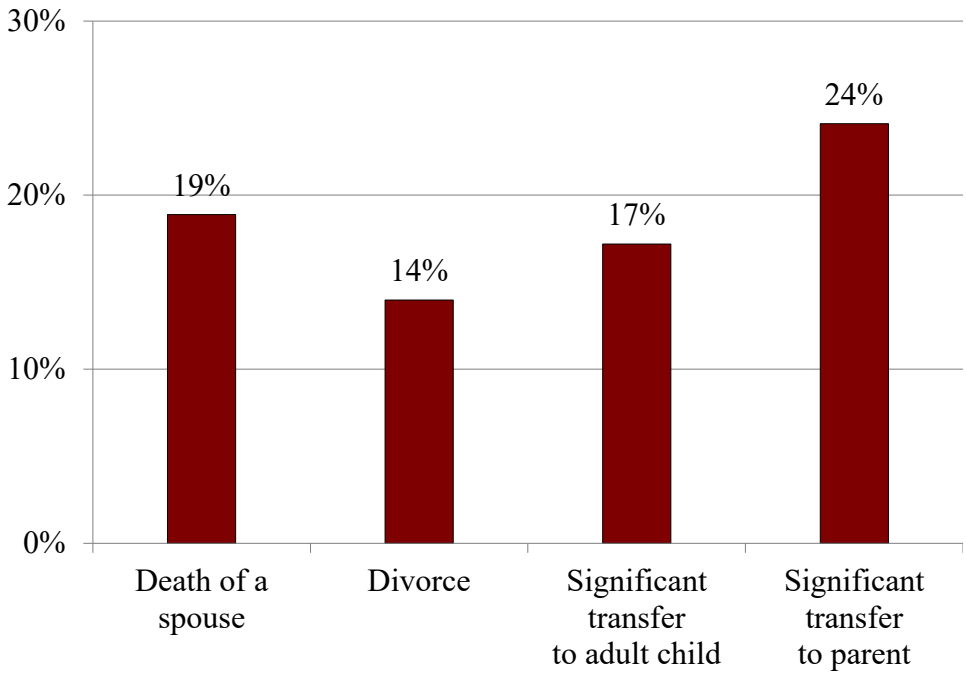
Do Households Feel Prepared for Family Risks?

As the first *brief* showed, family structure changes and family financial support are common and often costly, yet few households feel financially prepared for them.[14] Only 19 percent of married respondents feel prepared for the financial impact of widowhood, and 14 percent for divorce. Preparedness is similarly low for support to adult children and parents (see Figure 1).

[13] Interviews took place March 24-31, 2026. The sample excludes individuals who were unmarried and had no living children, parents, or stepparents.

[14] Respondents rated how prepared they feel their household is to handle the financial impact of each situation on a five-point scale. Throughout this *brief,* respondents selecting the top two categories – "prepared" or "very prepared" – are classified as prepared, and all others as unprepared. The questions on widowhood and divorce were asked of married respondents, and those on supporting adult children or parents were asked of respondents with adult children or a living parent or parent-in-law, respectively, about requests above their burden threshold.

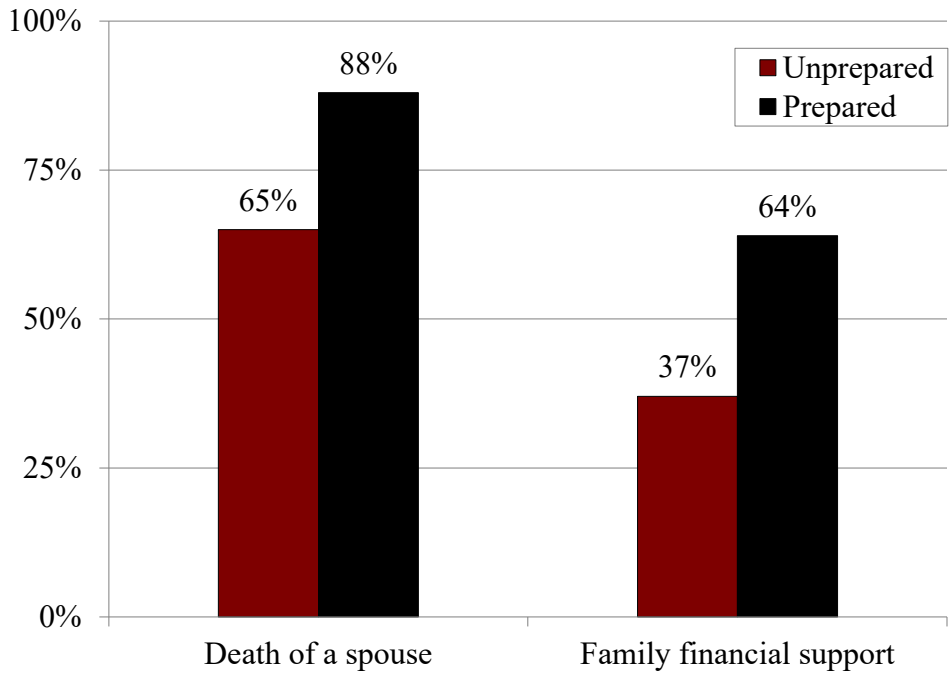
Figure 1. *Percentage of Respondents Who Feel Prepared for the Financial Impact of Family Risks*



Source: Authors' calculations from the 2026 Greenwald Research Investor Survey.

Beyond how prepared they feel, households can take concrete steps to brace for family risks, and these steps become less common as they become more demanding. The simplest is to talk about the risks with family, which many couples have done even when they feel financially unprepared. Among married respondents who feel unprepared for a family structure change, 65 percent have discussed survivor finances with their spouse, compared with 88 percent of those who feel prepared (see Figure 2). Discussions of significant family support are less common but follow the same pattern.

Figure 2. *Percentage of Married Respondents Who Have Discussed Survivor Finances or Family Support with Their Spouse, by Self-Reported Preparedness*



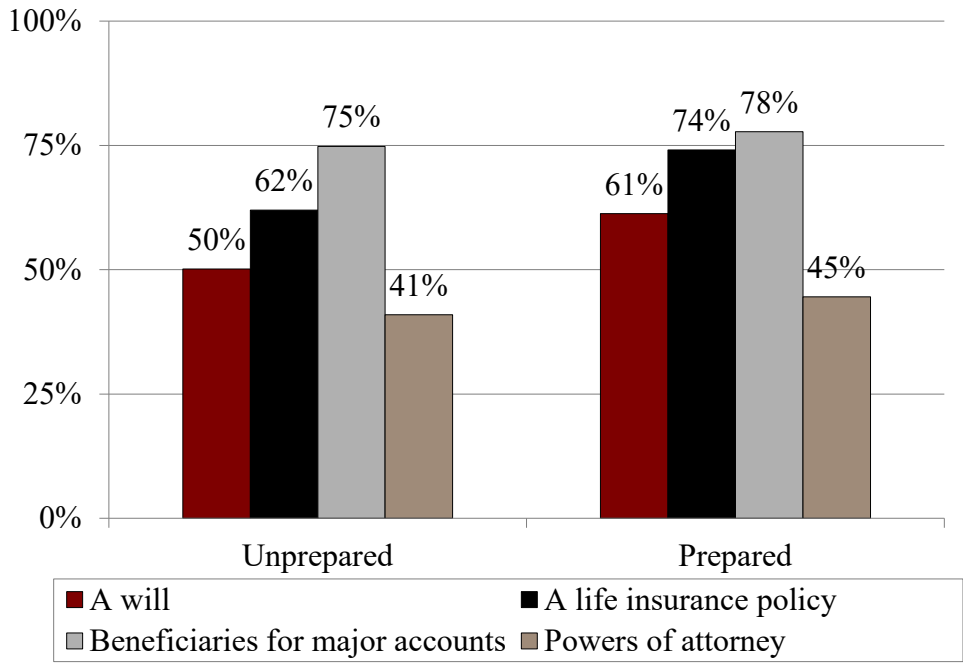
Source: Authors' calculations from the 2026 Greenwald Research Investor Survey.

These conversations may help households understand their obligations and the resources they could draw on, but talking about a risk does not mean a household has a plan to cover it. The next two sections ask whether households have gone further: by putting concrete plans in place for family structure changes, and having the resources to meet requests for family financial support.

Have Households Planned for Family Structure Changes?

Family structure changes are the risk that respondents anticipate well, and the one for which concrete planning tools exist. However, adoption of these tools is far from universal, even among households that feel prepared. Respondents who feel prepared for a family structure change are more likely to have a will or a life insurance policy (see Figure 3). Yet, even in this group, more than a third lack a will and more than half lack powers of attorney.

Figure 3. *Percentage of Respondents Who Have Estate Planning Documents, by Self-Reported Preparedness for a Family Structure Change*

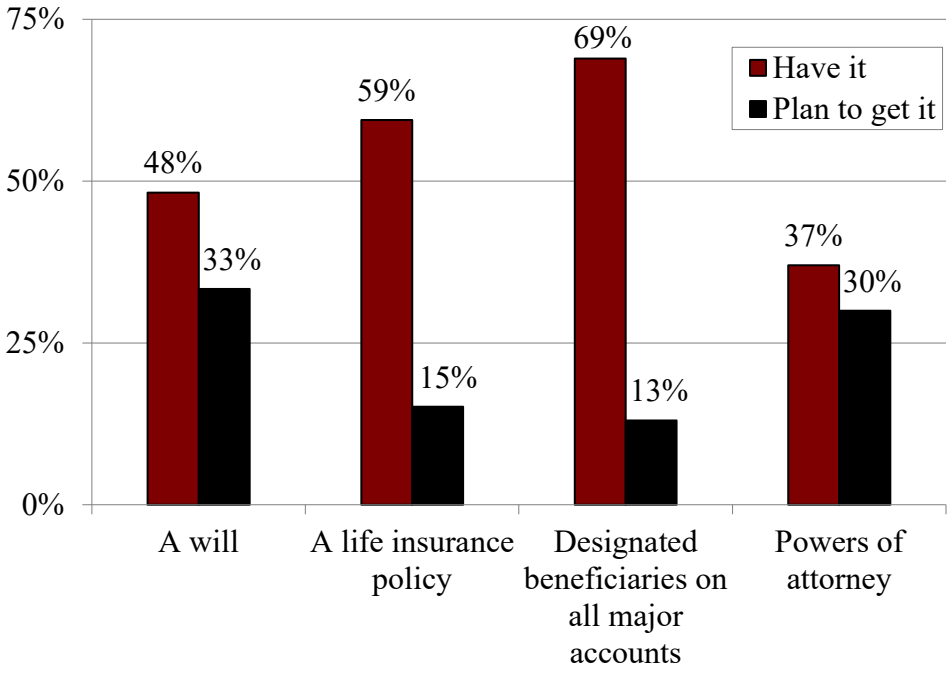


Source: Authors' calculations from the 2026 Greenwald Research Investor Survey.

The relatively low share of individuals with planning documents in place does not appear to reflect a lack of awareness, but may instead indicate how difficult the paperwork is to complete. About a third of respondents plan to get a will (33 percent) or a power of attorney (30 percent) but have not yet done so (see Figure 4). Designated beneficiaries on major accounts, a far simpler step than wills, are far more common. Life insurance, also, is much more commonly held, possibly because it is often offered as a workplace benefit by employers. These patterns suggests that the cost and administrative burden of paperwork may be what holds households back from executing these protective legal documents. This gap between intention and action is consistent with the cost and complexity barriers identified in the estate planning literature.[15]

[15] Lurie (2025) and Trust & Will (2026).

Figure 4. *Percentage of Respondents Who Have or Plan to Get Estate Planning Documents*



Source: Authors' calculations from the 2026 Greenwald Research Investor Survey.

These results suggest that recognizing the risk of family structure changes is not enough to provide adequate protection, and that help with completing documents could allow households to carry out plans they already want to make. The next section turns to family financial support, which poses a different challenge.

Do People Pay for Family Financial Support in Costly Ways?

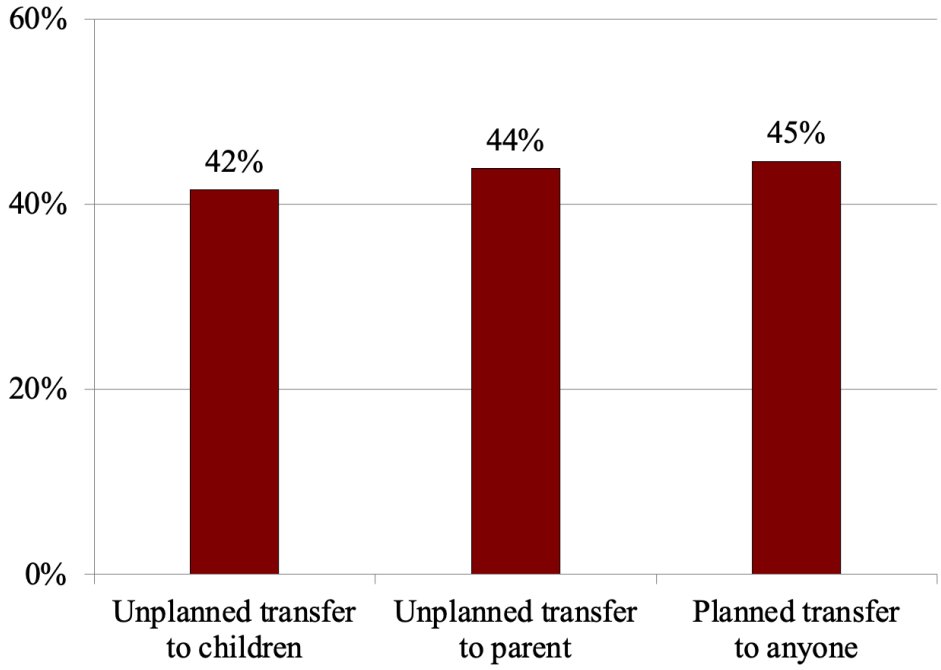
Unlike family structure changes, significant support to adult children is a risk that our survey respondents underestimate, and support tends to respond to life events as they occur rather than on a schedule. What matters most, therefore, is how people pay for such assistance when it is needed.

Over the previous decade, 41 percent of respondents with adult children provided support large enough to meet their own burden threshold, as did 28 percent of those with a living parent or parent-in-law.[16] Not surprisingly, such support often required adjustments to the support provider's finances: about two in five took at least one of the actions we consider costly, such as

[16] See Liu and Wettstein (2026).

holding credit card debt, drawing on a home equity line of credit, taking out a personal loan, or withdrawing from a retirement account before retiring (see Figure 5). These actions can add debt or reduce retirement resources. Notably, seeing a need for support coming did not appear to help much: planned support, such as help with wedding or education costs, was funded in these ways about as often as unplanned support, such as job loss or health costs.

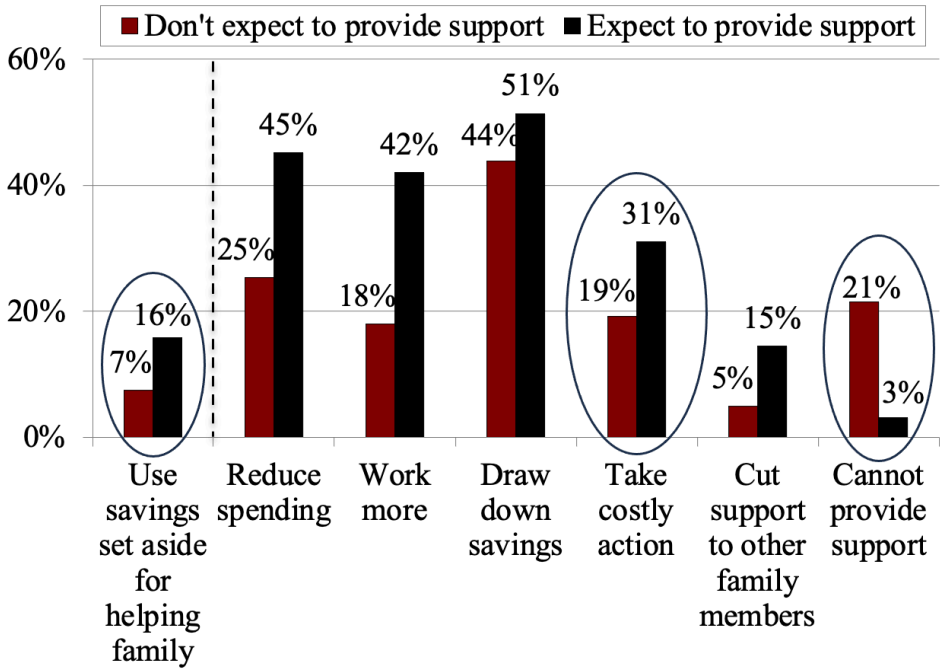
Figure 5. *Percentage of Support Providers Who Took Costly Actions to Fund Family Support, by Recipient and Nature of Support*



Note: Costly actions include withdrawing money from a retirement account (if not retired), using credit card debt, taking a home equity line of credit, or taking out a personal loan.
Source: Authors' calculations from the 2026 Greenwald Research Investor Survey.

Expectations about future support tell a similar story. Respondents rated how likely they were to provide significant support to a family member in the future, and then reported how they would meet a hypothetical request for such support. Those who expect to provide significant support are more likely than others to say they would use savings set aside for that purpose, but even in this group less than 20 percent say so (see Figure 6). In other words, earmarked savings for family financial support are uncommon.

Figure 6. *Percentage of Respondents Using Various Approaches to Fund Significant Family Financial Support, by Whether They Expect to Provide Support*



Note: Costly actions include withdrawing money from a retirement account (if not retired), using credit card debt, taking a home equity line of credit, or taking out a personal loan. Respondents could select more than one action.
Source: Authors' calculations from the 2026 Greenwald Research Retirement Investor Survey.

Instead, respondents expecting to provide support anticipate larger adjustments to their own finances. They are more likely than others to say they would cut spending or work more and cut assistance to other family members, and notably, to take a costly funding action (31 versus 19 percent). On the positive side, those expecting to make a transfer are much less likely to simply throw up their hands and say they are incapable of providing the required support (3 percent versus 21 percent among those who do not expect to make a family transfer). Taken together, these results suggest that, even when respondents see a request coming, many lack the resources to prepare for it and may instead make sacrifices that undermine their retirement security.

Conclusion

Family structure changes and family financial support pose different challenges for retirement planning. Few households feel prepared for either, although many of our survey respondents discussed these risks with a spouse. For family structure changes – which

households anticipate well and for which planning tools exist – conversations and intentions frequently fall short of concrete preparation. Many households lack a will or powers of attorney, including many who feel prepared for retirement or plan to get these documents.

For family financial support, which respondents tend to underestimate when it comes to adult children, the concern is how it is paid for. About two in five past providers funded that support in ways that add debt or reduce retirement resources, and planned support was funded this way about as often as unplanned support. And respondents expecting future transfers foresee substantial adjustments to their own finances, including taking costly steps, rather than drawing on dedicated savings.

As such, recognizing family risks is not enough. For structural changes, help completing legal documents could turn intentions into action. For financial support, improving awareness – especially of support to adult children – may help, but households also need the resources to meet requests without compromising their own retirement security.

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