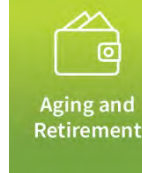


Impact of Family Structure on Aspects of Retirement: A Collection of Essays

APRIL | 2026





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A Collection of Essays

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Caveat and Disclaimer

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Impact of Family Structure on Aspects of Retirement

A Collection of Essays

Introduction and Acknowledgments

INTRODUCTION

The Society of Actuaries Aging and Retirement Strategic Research Program issued a call for essays to explore the impact of family structure on retirement. The objective was to gather a variety of perspectives and experiences as to how different family structures may impact retirement planning, financial arrangements and risks that may be encountered in retirement. A primary goal of this collection is to spur thoughts for future research and set the stage for upcoming efforts.

Two essays from all submissions were chosen for awards based on their creativity, originality, and promotion of further thought in this area:

Award Winner **Beyond Going Nuclear: How Family Structure Shapes Retirement**
Syed Danish Ali, CSPA

Award Winner **The New Math of Retirement: Four Modern Dilemmas**
Stefanos Orfanos, FSA, Ph.D.

THE CALL FOR ESSAYS

At the Society of Actuaries Research Institute, calls for essays are substantively different from calls for short research papers. Research Institute research papers are required to be fact-based and objective and to avoid advocacy, especially with respect to public policy. Research papers published by the Research Institute may inform readers about public policy topics but must refrain from taking a position on or advocating for a public policy issue.

Essays that the Research Institute published may be fact-based, short research papers. Alternatively, they may be more experiential in nature as a means of highlighting issues or calling for change, although they must refrain from advocating for or taking a position on a specific legislative or regulatory initiative. Both types of essays were invited in this call for essays, and both types of essays are included in this collection.

For context, the two sections of the call for essays that outline the subject matter request are replicated below.

BACKGROUND AND OVERVIEW

Over the past few decades, family structure in the US has become more differentiated through a number of factors including current trends in marriage, partnerships, divorce and living arrangements. Growing numbers of families with structures that differ from what has been considered a “nuclear family” (father, mother and biological children in the same house) may face an added layer of complexity to many of the

challenges and decisions that families need to address. In addition, the reduction in fertility rates has reduced the number of children per family and increased the number of childless families.

Some examples of differing family structures include:

- Multigenerational households
- Older adults with roommates
- Single adult households
- Single parent households
- Same-sex marriage households, with or without children
- Dual-income, no kids (DINK) households
- Blended family households
- Families of choice

Among the issues that families often face is how to plan for and achieve a secure retirement for family members that may be approaching retirement or are already in retirement, as well as addressing other aspects of retirement. Often there are gaps in planning that can lead to less than desirable outcomes. As part of this, family members may take on different roles and responsibilities, or none at all.

Given the trends in differing family structures and living arrangements, the Society of Actuaries Aging and Retirement Strategic Research Program (ARSRP) is interested in an examination of the dynamics at play in how various aspects of retirement and resource sharing are considered among the different structures. The ARSRP is issuing this call for essays with the goal of publishing a collection of essays that represent a broad range of perspectives in this area.

Authors may wish to familiarize themselves with previous work of the SOA Research Institute including the following summary report [Family is Important for Retirement Security \(soa.org\)](https://www.soa.org/Research-and-Statistics/Research-Institute/Retirement-Risk-Survey/Post-Retirement-Needs-and-Risks/) and previous iterations of the biennial Retirement Risk Survey [Post-Retirement Needs and Risks | SOA](https://www.soa.org/Research-and-Statistics/Research-Institute/Retirement-Risk-Survey/Post-Retirement-Needs-and-Risks/). A desired aspect of this effort is to further expand the work of the SOA Research Institute in this important area.

ESSAY CONTENTS

The ARSRP is seeking essays that address the impact of family structure on various aspects of retirement. This invitation has been deliberately written broadly to allow respondents the flexibility to address this topic from one or more perspectives and approaches. Respondents are free to choose from one or more of the following sample topics below or consider others that fall within the scope of this call for essays as described in the above section. The sponsors are interested in the impact of these issues for a variety of stakeholders.

Case studies and personal experiences on any of these topics are welcome.

Please note that the list below is not meant to be exhaustive but merely examples of proposed topics that may be considered.

Sample topics include:

- To what extent do members in different family structures, such as extended families, pool their resources for retirement purposes?
- How do longer times until marriage and lower marriage rates impact family structure, family size, and planning for retirement?
- What is the nature of resource sharing with regard to retirement across generations, and how does it differ among family structures? What is expected and what is actually happening with regard to children helping parents and parents helping children?

- To what extent do families of choice support each other in retirement and how? For instance, do they plan together? What data and information exists about how and whether they share retirement resources and manage them in retirement?
- What specific retirement issues arise based on the geographic location of immediate and extended family members, i.e., members that live close to each other vs. members living far apart?
- How will smaller family sizes affect the number of available family caregivers and level of support in retirement?
- What are retirement issues that arise for blended families, which include children from previous and current marriages/partnerships?
- What approaches are there for encouraging retirement planning by families? How would it differ for various family structures?
- Are parents of adult "boomerang children" (children who have returned to live with parents after reaching adulthood) facing additional challenges or delays in achieving their retirement goals?
- Are single adult households less prepared for retirement? Does the analysis change if they have roommates?
- Are high costs (e.g. housing, childcare) preventing single-parent households from meeting retirement goals?
- Are DINK (dual-income, no kids) households better prepared for retirement than the general population? Do these families have distinct retirement goals?

ACKNOWLEDGMENTS

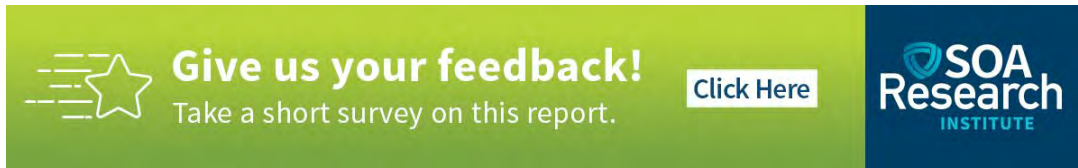
The SOA Research Institute Aging & Retirement Strategic Research Program thanks the Project Oversight Group (POG) for their careful review and judging of the submitted essays. Any views and ideas expressed in the essays are the authors' alone may not reflect the POG's views and ideas nor those of their employers, the authors' employers, the Society of Actuaries, the Society of Actuaries Research Institute, nor Society of Actuaries members.

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Andrea Sellars, FSA, MAAA



The banner features a green-to-blue gradient background. On the left, there is a white star icon with horizontal lines extending from its left side. To the right of the star, the text "Give us your feedback!" is written in a bold, white, sans-serif font. Below this, in a smaller white font, is the text "Take a short survey on this report." To the right of this text is a white rectangular button with the text "Click Here" in a blue, sans-serif font. On the far right of the banner, the SOA Research Institute logo is displayed, consisting of a blue shield icon with a white star inside, followed by the text "SOA Research" in white and "INSTITUTE" in a smaller white font below it.



Award Winner

Beyond Going Nuclear: How Family Structure Shapes Retirement

Syed Danish Ali, CSPA

Any views and ideas expressed in the essay are the author's alone and may not reflect the views and ideas of the Society of Actuaries, the Society of Actuaries Research Institute, Society of Actuaries members, nor the author's employer.

A HOUSE BUILT ON BONDS AND YEARS

Retirement is not only a financial calculation or a matter of technical policy. It is a story lived in households, shaped by webs of kinship that support or strain people over many decades. For much of the twentieth century in the United States, planning and regulation were built around one dominant idea, the nuclear family. Father, mother, and biological children under one roof were treated as the standard unit from which savings, caregiving, and intergenerational transfers would flow. Pension rules, survivor benefits, and even the tone of retirement advice assumed a two-adult household with a stable division of roles.

The world has changed. Marriage is later and less universal. Divorce and remarriage are common. Fertility has fallen drastically. People live longer and spend more years managing health conditions that require coordination and care. Housing costs and mobility reshape who can live near whom. The result is a mismatch between systems designed for a single-family template and a population that now lives in arrangements that are fluid. Multigenerational households, single adult households, blended families, dual income no kids (DINK) households, same-sex families, and boomerang children all shift the math of later life.

Work from the Society of Actuaries Research Institute underscores these realities. The Understanding and Managing Post-Retirement Risks report, "Family is Important for Retirement Security,"¹ describes how caregiving, housing, and informal transfers differ by household type. The 2024 Retirement Risk Survey report, "Family Support and Retirement,"² shows how perceptions of longevity, health costs, inflation, loss of a spouse, and market shocks shift with family context and lived experience. This essay builds on those themes. It offers deep dives into three structures that increasingly drive retirement outcomes, then draws shorter lessons from other patterns and from global experience. The aim is practical: if family is the architecture that holds retirement together, actuaries and planners need designs that reflect the homes where people actually live.

THE LONG TABLE: MULTIGENERATIONAL HOUSEHOLDS IN TRANSITION

Multigenerational households were once treated as cultural outliers in the United States. They declined through the mid twentieth century as suburbanization and rising wages allowed nuclear arrangements to dominate. In recent years they have returned. Housing costs, student debt, caregiving needs, immigration, and lengthening lifespans

¹ <https://www.soa.org/491bb5/globalassets/assets/files/resources/research-report/2020/family-retirement-security.pdf>

² <https://www.soa.org/4a12eb/globalassets/assets/files/resources/research-report/2025/2025-retirement-risk-family-report.pdf>

have brought for many three or more generations back under one roof. That change is not only a social fact but a financial force.

For retirement, the implications are significant. On one side, multigenerational living can buffer shocks. Retired parents provide housing and childcare, which frees middle aged children to maintain earnings and savings. Adult children share mortgage payments or rent and offer informal long-term care that delays or replaces paid services. A pooled household budget stretches further when pensions or Social Security combine with wages from younger workers. Meals, transportation, and appliances are shared. The household can function like a small mutual aid network that reduces waste and buys time during disruption.

On the other side, the risks of dependency multiply. Financial strain is not eliminated, it is shifted and sometimes hidden. Adult children may delay their own saving to help with parental expenses or to subsidize the household. Retired parents may see resources drained by grandchildren or by medical bills that the family feels obliged to shoulder. Asset illiquidity becomes acute when many people depend on a single home. Downsizing to fund retirement can be impossible. Borrowing against the house may help cash flow but raises risk if payments cannot be sustained.

Caregiving is the hinge for these households. Informal care can be a gift that maintains dignity and connection. It can also exhaust caregivers through lost wages, sleep deprivation, and emotional load. The difference often comes down to planning. Financial plans that ignore caregiver capacity underestimate the need for respite, paid aides, or adapted housing. Plans that recognize the role of caregivers can budget for short stays in a facility after hospital discharge, for adult day services that free a worker during business hours, and for transportation that prevents missed appointments. When caregivers are supported, multigenerational living becomes more durable. When they are stretched beyond capacity, stress compounds and savings erode.

Globally, multigenerational living is common rather than novel. In South and East Asia, supporting parents is a social expectation. In parts of Latin America, co-residence and remittances underpin older age security where pensions are limited. In many migrant families, flows of money and care run in both directions as elders support grandchildren and adult children support parents. There are huge expectations such as parents framing their sacrifices for children by thinking that the children will support them in every way when they get old. Joint family means less pressure on real estate because living separately for some families versus pooling by living together is much cheaper. This is not often a conscious choice; it's a practical necessity due to low purchasing power and massive poverty prevalent across many of the developing countries. It's common to see people shifting to separate living when their purchasing power and earnings start increasing enough.

Retirement outcomes are shaped not only by family structure but also by strategy, and ambitious individuals can tilt the arc in their favor by choosing a clear path. Some pursue FIRE (Financial Independence Retire Early), compressing decades of saving into a short working window through high savings rates, simple diversified portfolios, careful spending, and sometimes location choices that lower costs, with the payoff of optional work and more control over time. Others adopt a die with nothing philosophy, planning to spend down assets purposefully to maximize life experiences and well-timed gifts, often pairing a safety floor of guaranteed income with a disciplined decumulation plan so longevity and health shocks do not derail the journey. Both approaches demand rigor, from stress testing sequence risk and healthcare costs to aligning housing, caregiving, and inheritance intentions, and both work best when calibrated to the realities of the household, whether single, multigenerational, blended, or somewhere in between.

In practice, multigenerational households show both resilience and fragility. They cushion shocks through shared effort, and they expose people to interdependencies that can undermine autonomy. Insurance penetration as well as banking service penetration are very low in developing countries, but a lot of these protection elements are provided by the family like loans, money for health emergencies, contribution for purchasing new assets, and so on.

Revolving committees (also called Rotating Savings and Credit Associations or ROSCAs) are the informal form of rotating savings that operate between family members. Funds for investing in a family member's business are common as well as working for the same family's business. In rural settings, this is a factor in the high number of children because parents bore them with expectations of providing farmhand labor in the future in the form of their children.

In such settings, we can utilize actuarial models and technology to create digital ROSCA platforms for savings. Another factor that can help in saving for retirement is not directly for retirement itself. In my experience in many developing countries, it's very difficult to convince people to think of the very long term when survival is the main priority. So, to increase savings culture, the step should not be to go from zero to the 20–40-year horizon directly but to look for the middle ground. Focus on saving for less long-term considerations first like 5-10 years only. Create payouts once every three years like anticipated endowments to make people see the result of their saving efforts regularly and in a shorter time period. Focus on small items like school education, saving for house renovations, buying items like bikes, a new refrigerator, or a new paintjob around the house. Once the people get an appetite for saving, their timeframe can gradually increase for the long term. It won't happen overnight, so we need to be patient and long-term oriented ourselves. Simple adjustments can go a long way; such as no hefty surrender charges for the first few years' premium to be flexible, since most people do not have fixed monthly salaries coming in. Premium can be monthly instead of annual to unlock premium financing and so on.

ALONE TOGETHER: THE RISE OF SINGLE ADULT HOUSEHOLDS

If multigenerational households represent pooling, single adult households embody solitude. The rise of singlehood is one of the most striking demographic changes of recent decades. Marriage is less universal. Cohabitation is common. Divorce remains prevalent, and widowhood is an enduring late life reality. The outcome is a growing share of older adults living alone by choice or by circumstance.

For retirement, singlehood compounds risk. Without a spouse, there is no shared pension, no dual income, and no built-in caregiver. Fixed costs such as housing are not divided. Survivorship benefits may not apply, and economies of scale in daily living are limited. Surveys of retiree perceptions, including the Retirement Risk Survey series, show that single retirees are more likely to fear outliving assets and are less confident about covering health costs, especially long-term care.

Roommates, co-housing, and chosen support networks can mitigate some of these risks, but they often lack the formal obligations of kinship. A friend can move away. A roommate may not provide care during illness. A neighbor may carry groceries but may not manage a complex discharge plan. The pooling that benefits nuclear or multigenerational households is less reliable. Loneliness also intersects with financial risk. Social isolation is linked with higher health care utilization and with mortality, which feeds back into the adequacy of retirement savings through higher expenses and shortened planning horizons.

Internationally, the challenge is widely recognized. Japan has grappled with an increase in older adults living alone and with deaths that go unnoticed for days. Cities across Europe have experimented with senior living models that combine private apartments with shared services, staff on site, and community space that reduces isolation. Actuaries cannot treat singlehood as a marginal deviation. It is central to the modern retirement landscape and requires products and policies designed for individuals rather than for couples.

PATCHWORK LIVES: BLENDED FAMILIES AND RETIREMENT UNCERTAINTY

Blended families created by divorce, remarriage, and stepchildren introduce complexity that traditional retirement templates struggle to accommodate. Planning is complicated not only by numbers but by loyalties and by law. The questions are sensitive and consequential. Whose education costs come first? Who inherits the family home? Are

retirement accounts shared or kept separate? Will stepchildren provide care, or will responsibilities fall mainly on biological children? Every answer shifts the distribution of money and of emotional commitment.

Financial planning is often reactive. Divorce settlements can divide pensions or require support payments well into retirement years. Remarriage can reset beneficiary designations in ways that leave children excluded or create disputes. Blended families may show both pooling and fragmentation, depending on whether relationships are cooperative or contested. Volatility is common and can produce surprises that undermine careful plans.

The actuarial implications are substantial. Mortality protection through life insurance may be unevenly allocated when ownership and beneficiary choices follow old patterns rather than current intentions. Long-term care expectations may falter if stepchildren feel little obligation to provide hands-on help. Asset division can create inefficiencies that erode security. While nuclear households often rely on implicit assumptions of joint planning, blended families require a more dynamic model with explicit agreements and regular review. Beneficiary designations, titling, and coordinated estate planning matter as much as asset mix. Absent clarity, the best investment strategy can still produce poor outcomes.

Globally, blended families are not new. Societies with longstanding norms around divorce and remarriage have clearer expectations about step relationships and inheritance. In settings where the nuclear ideal dominated for generations, financial products and retirement systems have been slower to adjust. Recognizing blended households as a standard category rather than an exception is essential to fair and workable strategies. Model assumptions that treat a second marriage as equivalent to a first marriage may fail. The actuarial profession can learn from this environment. Retirement systems should not assume a single template. They must adapt to household structures as they actually exist and must be stress tested for the ways those structures shift risk between generations and across borders.

PRACTICAL IMPLICATIONS FOR ACTUARIES AND PLANNERS

A family centered lens reshapes the practical toolkit for retirement work. Risk identification should be household specific. A single homeowner needs a different long term care strategy than a multigenerational renter. A blended family may prioritize legal clarity over maximum return. Cash flow modeling should incorporate informal transfers. Deposits to adult children, shared utility bills with parents, or remittance obligations abroad all change savings trajectories and decumulation paths. Stress tests that add and remove these flows reveal how fragile a plan may be.

Housing is both an asset and a liability. In multigenerational living it is a productive asset that substitutes for paid care and rent, but it is also illiquid and subject to conflicting claims. In single households, maintenance capacity and neighborhood support matter as much as loan terms. Caregiving capacity is a risk factor in its own right. Families that can provide care may need fewer liquid assets but more respite services. Families that cannot provide care need larger reserves or insurance that target long-term care explicitly.

In professional work I have seen family structure predict vulnerability more than portfolio design. A widow with modest savings but strong family support can fare better than a couple with higher assets and fractured relationships. A single client with a solid retirement account can still struggle without someone to advocate during illness. Numbers matter, but the shape of family around those numbers matters just as much.

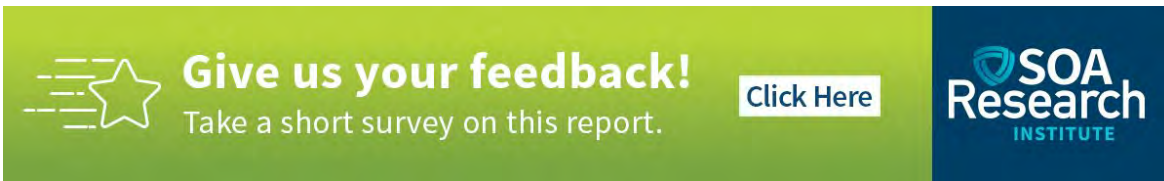
THE FUTURE HEARTH: BEYOND GOING NUCLEAR

Retirement security in the twenty-first century will not be achieved by clinging to a single ideal. Multigenerational households, single adults, same-sex families, blended families, DINK couples, and boomerang children each reshape the dynamics of later life. They change who gives care, who pays, and who inherits. They alter the balance between public and private support. They complicate actuarial assumptions, and they enrich them, because they offer multiple pathways to resilience.

Going nuclear is not the only option. It is one option among many. The task for actuaries, policy makers, and families is to recognize diversity not as deviation but as the new normal and to design retirement systems that fit the homes where people actually live. In the end, retirement is built not only on savings and pensions but on the living architecture of family, and that architecture continues to evolve in full view.

* * * * *

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Award Winner

The New Math of Retirement: Four Modern Dilemmas

Stefanos Orfanos, FSA, Ph.D.

Any views and ideas expressed in the essay are the author's alone and may not reflect the views and ideas of the Society of Actuaries, the Society of Actuaries Research Institute, Society of Actuaries members, nor the author's employer.

THE MORTALITY PARADOX

Dorothy Kowalski spent three months creating spreadsheets before her husband Alan understood what she was really calculating. Not their retirement income or investment returns, but the price of her likely widowhood.

At 55, Dorothy came from a line of women who routinely lived into their nineties. Alan, 57, descended from men who rarely saw seventy-five. His father died at 71 on a factory floor, his grandfather at 68, his uncles before they could collect Social Security. After almost forty years of working construction and becoming an expert electrician, Alan was ready to retire. His scarred hands—two fingers slightly bent from old breaks—shook as he filled out the IBEW pension form that offered a cruel arithmetic: \$3,830 monthly if benefits ended at his death, or \$3,100 if Dorothy received 75% as his survivor.

IF ALAN DIES FIRST	WITH SURVIVOR BENEFIT
SOCIAL SECURITY \$ 1,100	SOCIAL SECURITY \$ 1,100
SAVINGS DRAWDOWN \$ 300	PENSION \$ 3,325
TOTAL \$ 1,400	TOTAL \$ 3,425

Electric bill same for one person.
Property tax same.
Where does the \$700 shortage come from each month?

For months, they fought over that \$730 difference. Alan saw it as money stolen from their present for a future they wouldn't enjoy together. Dorothy saw it as the difference between dignity and destitution in her probable decades alone. She had watched their neighbor, widowed at 74, stretch Social Security checks that never quite reached the end of the month, forcing her to survive on a diet of potatoes and watered down milk.

Dorothy's calculations eventually led her to map out the minimum monthly income necessary to avoid choosing between paying the electric bill and buying groceries. Without survivor benefits, she would fall \$700 short of the \$2,100 needed each month. With them, she would have a \$1,325 cushion. But the true insight went deeper: *The survivor benefit decision has to do with more than just money—it's about how we value the years we'll live apart versus the years we'll live together.*

Standard retirement planning approaches this choice as a true/false answer, or the analytical solution to an optimization problem that involves running scenarios about investment returns and life expectancies. But the

Kowalskis discovered that the real question was philosophical: Should they maximize the happiness of the couple as a unit, or protect the probable survivor? The answer depends on how each partner weighs present pleasure against future security and whether they can find peace with valuing both lives equally, even when one will likely outlast the other by decades.

Three weeks after they finally chose the 75% survivor option, Dorothy found Alan in the garage at dusk, doing pull-ups on the beam he'd installed twenty years earlier. "To get by with less money," he grunted between reps, "we better make sure we stay healthy."

THE SYNCHRONIZATION PROBLEM

Brian Nguyen's retirement began with a carefully planned celebration and ended with him alphabetizing spices by country of origin at 10:47 on a Tuesday morning. Six months into his new freedom, the 65-year-old former lab director had reorganized every closet, built garden beds for plants he didn't want to grow, and created a daily schedule remarkable mainly for its blank spaces.

Brian's schedule	
6:30 AM	Kira leaves
7:00 AM	Coffee + WSJ
8:00 AM	Gym
9:30 AM	Home
10:00 AM	???
11:00 PM	Lunch (alone)
1:00-6 PM	???
7:00 PM	Kira home
8:00 PM	(exhausted)
9:30 PM	She reads CDC reports in bed
9:30 PM	She's asleep
	Vietnamese cinnamon, Thai basil, Mexican oregano – at least the spices can be neighbors

His wife Kira, at 53, was hitting her professional stride at the CDC, tracking viral mutations with the intensity of someone who knew their work mattered. Their twelve-year age gap, once a charming dinner party anecdote, had become a daily negotiation between Brian's thirst for companionship and Kira's desire for purpose.

The conventional wisdom suggests staggered retirements make financial sense—one spouse keeps earning and maintains benefits while the other begins drawing down savings. The math supports this approach. A couple with a significant age gap can optimize Social Security late claiming strategies, maintain health insurance coverage, and reduce risk by keeping one income flowing.

Yet Brian's daily reality painted a different picture: *Retirement isn't just an economic event—it's an identity transition that may happen at different speeds for different people.* While his former colleagues bragged about grandchildren and golf handicaps, Kira published papers and led emergency response teams. He measured days in coffee spoons; she barely noticed weeks passing.

The age gap, Brian realized, created an opportunity disguised as a problem. He took a part-time consulting role—not for the modest income but for the Tuesday morning arguments about laboratory protocols. He didn't need to match Kira's schedule; he needed his own rhythm that complemented rather than competed with hers. Their marriage found new balance through tempo rather than finances: In age-gap relationships, retirement must be choreographed like a dance where partners move to different beats while sharing the same song.

Six weeks later, Kira found him at his laptop, engaged in a heated video conference. "You look ten years younger when you're arguing about science," she said. He muted himself long enough to reply: "Turns out I didn't retire from being right. Just from doing it full-time."

THE EQUITY EQUATION

Steven Marshall kept a legal pad tracking every dollar spent on each child in his blended family, until his second wife Danielle showed him what he was really documenting: the impossibility of being exactly fair.

Between them, they had five children spanning different life stages, success levels, and relationships to money. Steven's daughter Lauren had become a lawyer, married another lawyer, and vacationed in places Steven had only seen in magazines. Danielle's son Jake lived in her basement between opportunities, his presence marked by the trail of Red Bull cans and resignation letters. Tyler ran a food truck that was either the next big thing or a money pit, depending on the week and the weather.

The most common approach to blended family financial planning involves complex structures—separate accounts, detailed beneficiary designations, extensive prenuptial agreements. Steven had all of these, plus his yellow pad with its meticulous accounting. Lauren's honeymoon gift: \$25,000. Tyler's business loan: \$30,000. Jake's car repairs: \$8,000. The numbers never quite balanced.

But the breakthrough came during that Thanksgiving dinner when, after some wine and following years of careful scorekeeping, the family drafted what they called a constitution. Not a legal document but a statement of principles, signed by all five children with varying degrees of sobriety and seriousness. The exercise exposed a fundamental truth: *In blended families, the pursuit of mathematical fairness often undermines the emotional equity that actually matters.*

Steven's ledger had been an attempt to prove his love through equal distribution, but love doesn't divide neatly by five. Lauren didn't need money; she needed to know she hadn't lost her father to his new family. Jake needed more financial help but less enabling. Tyler needed business advice more than business loans.

The constitution didn't solve these tensions but acknowledged them, replacing the unsuitable standard of splitting funds equally with the achievable goal of being caring and transparent.

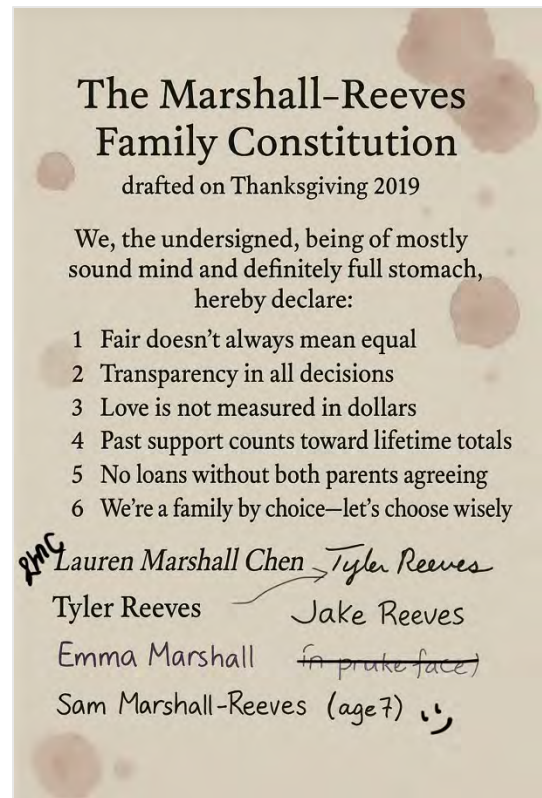
The insight extends beyond blended families to any complex financial relationship: Perfect fairness is an abstract concept that rarely maps onto human needs. The best financial plans acknowledge this, building in flexibility for the reality that different people need different things at different times, and that love is measured not in dollars distributed but in needs recognized and met.

THE GEOGRAPHY OF BELONGING

Rosa and Eduardo Villareal discovered that retirement planning becomes exponentially complex when your heart exists in two countries. They had spent thirty-four years building a landscaping business in Chicago, with retirement savings of \$750,000—modest by American standards but magnificent by Mexican ones. The colonial house they dreamed of in Guanajuato cost \$150,000. Healthcare there ran 70% less. Their dollars would be valued a lot more just across the border.

But their grandchildren called them Lita and Lalo in accent-free English. Their daughter Cristina had married a teacher from Oak Park who made terrible tamales with endearing enthusiasm. Medicare, their safety net, ended at the border. The heart attack Eduardo survived three years ago would have eaten up their savings without American insurance—the bill before insurance showed \$127,000 for five days in a local hospital.

The traditional approach to cross-border retirement focuses on financial arbitrage—live where your dollars go furthest. Countless articles tout the benefits of geographic arbitrage, showing how retirees can upgrade their



lifestyle by moving to lower-cost countries. The math is seductive: the same income that provides a basic retirement in the Midwest could fund a cushy one in Guanajuato.

As the Villareals weighed their options, they came to understand that arbitrage calculations overlook crucial factors: *Retirement security isn't just financial—it's also social, medical, and cultural, and these forms of security often exist in different places.* Their money was worth more in Mexico, but their Medicare was worth nothing. Their house would be grander in Guanajuato, but their grandchildren would become voices on screens. They could afford better restaurants there but would miss Mia's kindergarten plays here.

Modern technology and transportation opened a path they hadn't initially considered: retirement as migration rather than relocation. They bought the house in Guanajuato but kept a small apartment in West Chicago. January through March, when Chicago froze, they lived in their Mexican paradise. The rest of the year, they remained in their American life. Like birds following seasons, they discovered that home didn't have to be singular.

Their decision reveals a larger truth about modern retirement: The binary choices that defined previous generations—work or retire, stay or go, optimize for money or meaning—are often too rigid in today's world. Technology, longevity, and changing family structures have created space for hybrid solutions that previous generations couldn't imagine.

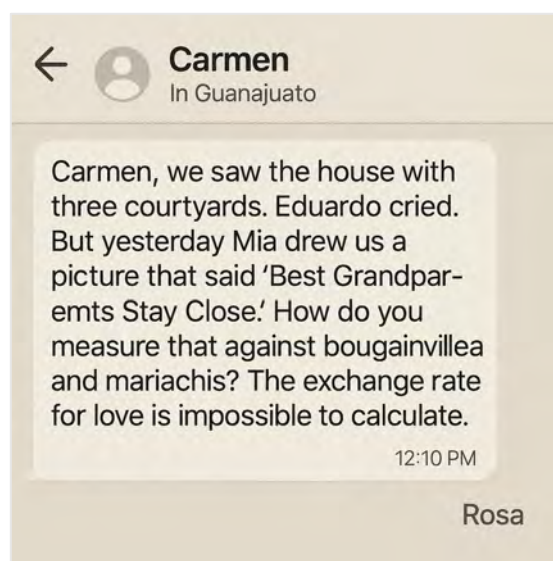
THE NEW RETIREMENT MATHEMATICS

These four families illuminate how retirement planning has evolved beyond the elegant simplicity of the three-legged stool—pension, Social Security, and savings. Modern retirement involves calculating not just financial sustainability but emotional resilience, not just individual needs but complex family systems, not just single locations but multiple geographies of the heart.

The Kowalskis learned that survivor benefits are really about how we value lives of different expected lengths. The Nguyens discovered that age gaps create out-of-step challenges requiring choreography, not just calculation. The Marshall-Reeves family found that theoretical fairness often undermines emotional equity. The Villareals proved that retirement security exists in multiple dimensions that rarely align in a single location.

Each insight points toward a larger truth: The traditional retirement planning framework assumes a simplicity that no longer exists. Modern families require models that can accommodate competing timelines, conflicting obligations, and multiple definitions of home. The math still matters—sustainable withdrawal rates, tax-efficient distributions, longevity risk—but it must flex around human complexity rather than forcing lives into predetermined formulas.

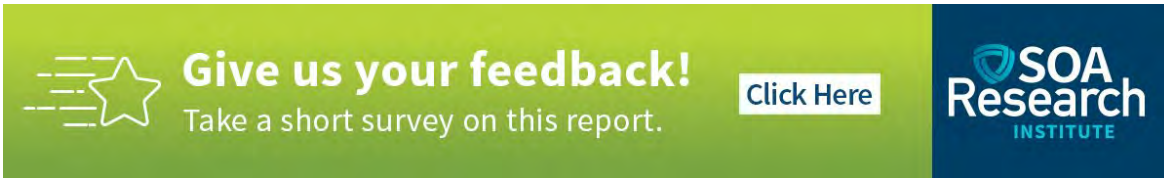
Perhaps the ultimate insight is that there is no ultimate insight, no single optimization that solves the retirement equation for modern families. Instead, there are multiple partial solutions, each addressing different aspects of security and meaning. The best retirement plans acknowledge this complexity, building in flexibility for lives that refuse to follow actuarial assumptions. They plan not for best outcomes but for robust ones—arrangements that can bend without breaking when life delivers its inevitable surprises.



In the end, retirement planning for modern families requires a new mathematics—one that can solve for love as rigorously as it solves for money.



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Struggles of Single-Person Households in a Family-Centric System

Sathiya Livingston

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INTRODUCTION

This essay explores the growing demographic of single-person households—commonly referred to as “Solo Agers”—who face retirement in a system largely designed for traditional families. With nearly a third of older Americans living alone, current financial and caregiving models may fall short of addressing their unique vulnerabilities. This paper outlines the systemic gaps in retirement planning, housing, healthcare, and emotional support for those aging without spouses or children. Through analysis, storytelling, and global insights, it offers recommendations for policy, financial innovation, and social reform. Recognizing and planning for solo agers is no longer optional, it is a necessity for building an inclusive retirement future.

BACKGROUND

Retirement in the United States has long been envisioned through a traditional lens: a married couple aging gracefully, supported by adult children, extended family, and a secure financial cushion built on dual incomes. But that picture is rapidly fading. Today, nearly 28% of U.S. households consist of single individuals living alone, and this number is growing steadily.¹ Behind this shift lies a demographic transformation marked by declining marriage rates, rising divorce, postponed parenthood, and the increasing normalization of remaining childfree. As this new reality takes hold, the American retirement system—which assumes family-based financial interdependence and caregiving—may need to adapt.

The "Solo Ager," once seen as a statistical outlier, is now becoming a defining feature of the retirement landscape. These individuals, who enter later life without a spouse or children, may face vulnerabilities that go beyond financial planning. Emotional isolation, a lack of caregiving support, increased housing and healthcare costs, and other macro factors may be barriers to a secure retirement for those aging alone.

This rest of this essay explores the rise of solo aging, identifies systemic gaps in financial and caregiving support, and proposes a shift toward individual-first retirement planning. As we move into a future where family is no longer a given, retirement systems can evolve to better recognize and support aging Americans.

¹ US Census Bureau. (2023, June). “More than a Quarter of All Households Have one Person.” *U.S. Census Bureau*. <https://www.census.gov/library/stories/2023/06/more-than-a-quarter-all-households-have-one-person.html?utm>

THE RISE OF THE SOLO AGER

Aging alone is no longer a rarity. The United States Census Bureau reports that nearly one-third of Americans over the age of 65 now live alone, with women comprising the majority.² This trend is even more pronounced among older adults without children or those who are widowed, divorced, or never married. As society evolves, so do household structures. Fertility rates have fallen below replacement levels, and more adults are delaying or forgoing marriage altogether.

The concept of the "Solo Ager" has emerged to describe individuals who, whether by choice or circumstance, do not have a spouse or children to rely on in later life. Their ranks include never-married adults, childfree individuals, members of the LGBTQ+ community, widows and widowers, and divorcees whose family ties have loosened over time. Importantly, many of these individuals have led vibrant, fulfilling lives—building careers, friendships, and communities. But as they approach retirement age, the absence of traditional familial support presents a stark reality: they must prepare to age alone.

Cultural and other dynamics further shape the experience of solo aging. Older women, in particular, are more likely to live alone due to longer life expectancy and spousal age gaps. At the same time, social expectations in certain settings that value independence may deter them from seeking external help, compounding feelings of vulnerability.

EXAMPLES OF CHALLENGES IN RETIREMENT PLANNING

Despite the rise in single-person households, retirement policies and planning models may, at times, reflect assumptions rooted in mid-20th-century norms.

For instance, retirement calculators and planning software may assume dual-income households or factor in spousal support. Financial advisors may offer advice assuming the presence of a caregiving family or potential inheritance.

Housing is another area where there may be challenges. Some retirement communities may be more structured for couples, pricing out singles or requiring shared accommodations that may not appeal to those accustomed to independence. Additionally, housing costs for single adults can be proportionally higher, as they cannot share expenses like rent, utilities, and maintenance.

Healthcare planning, too, often assumes that someone—a spouse or adult child—will be available to accompany older adults to medical appointments, assist with medication, or make decisions in times of crisis. For solo agers, these support systems may not exist. In the absence of family, the burden of organizing long-term care, managing chronic conditions, or navigating insurance complexities needs to rely on other resources.

EMOTIONAL AND SOCIAL IMPACTS OF AGING ALONE

Beyond logistical and financial hurdles, solo agers may face emotional and psychological challenges. Social isolation and loneliness are not just emotional states; they are public health issues linked to increased risks of dementia, depression, cardiovascular disease, and even premature death.

Imagine this scenario: Sarah, 72, never married and spent her career as a teacher. She owns her home, has a modest retirement fund, and enjoys reading and gardening. But when she slips on her front steps and fractures her

² Appleby, J. (2023, June 14). "Going It Alone: Americans Aging by Themselves without Support Networks or Children." *KFF Health News*. <https://kffhealthnews.org/news/article/going-it-alone-americans-aging-by-themselves-support-networks-children/?utm> and US Census Bureau. (2024, May). "Living Arrangements." *U.S. Census Bureau*. <https://www.census.gov/library/stories/2024/05/living-arrangements.html?utm>

hip, there is no one to call. Her closest relative lives in another state, and her friends are dealing with their own health issues. Sarah ends up spending days alone in the hospital, anxious not only about her recovery but about returning to an empty house with no caregiver.

Stories like Sarah's are not rare. They highlight the emotional toll of solo aging—a reality that may be obscured in financial projections. The lack of immediate, trusted support increases anxiety, delays care, and undermines quality of life. While family cannot guarantee emotional well-being, its absence often exacerbates vulnerability.

POTENTIAL FINANCIAL PLANNING GAPS

Retirement readiness has long been measured by savings targets, pension coverage, and healthcare access. But for solo agers, these metrics may not provide insight into the full scope of challenges. For example, financial planning for single retirees could factor in potentially higher per-person costs, the need for professional caregiving services should it arise, and a greater reliance on community-based resources, if needed.

Given potential financial challenges, single individuals may need to save more aggressively, invest in long-term care insurance earlier, and establish legal frameworks (powers of attorney, healthcare proxies) sooner than their married peers. Without children or a spouse, they also need to think strategically about estate planning and housing decisions.

Additionally, further research on how race, gender, and socioeconomic status intersect with solo aging may be valuable. Some evidence suggests that women of color, LGBTQ+ seniors, and low-income individuals can experience different or heightened retirement-related vulnerabilities, particularly where access to resources and support systems varies. Understanding these nuances may help inform more inclusive, data-driven retirement planning and policy discussions.

INNOVATIONS AND POTENTIAL SOLUTIONS

Despite the challenges, innovative solutions are emerging. Some older adults are creating their own "families of choice," building support networks among friends and neighbors. Co-housing arrangements and elder villages allow individuals to live independently while sharing some responsibilities and resources.

Technology also offers promise. Remote monitoring tools, telehealth platforms, and AI-powered virtual assistants can provide a layer of security and companionship. Companies are developing services specifically for solo agers, such as geriatric care managers who coordinate medical, financial, and legal services.

Some employers are beginning to explore flexible benefit structures and financial-wellness programs that acknowledge the needs of single workers. Likewise, financial institutions and advisors are increasingly aware of the growing number of solo agers and may adapt planning tools to better reflect various household structures.

International models also provide inspiration. Nordic countries, for instance, have robust elder care systems that emphasize independence without relying on family. Japan's experience with aging alone has led to community-based solutions and technology integration. These examples show that cultural shifts can be met with thoughtful policy and planning.

CONCLUSION

The face of retirement is changing, and the rise of single-person households is one of its growing trends. Solo agers represent an increasingly growing demographic that can challenge traditional assumptions about family, support, and financial security.

To address these challenges, it is helpful to consider single-person households as a central part of the retirement landscape. This means designing policies that account for independence rather than interdependence, crafting financial tools that reflect solo trajectories, and creating communities that support aging with dignity and connection.



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