

Advising Families of Disabled Loved Ones: How to Integrate Special Needs Planning into Financial Strategy

Many famous figures have argued that how a society treats its most vulnerable members is a measure of its humanity and moral character. As Mahatma Gandhi famously observed, a society is ultimately judged not by its wealth or power but by how it uplifts those who need help the most.

The same principle may apply at the individual and family level: It is not how we treat the powerful and successful in our lives but how we treat those who struggle to secure life's basics—healthcare, housing, education, and employment—that reveals our true priorities and character.

Advisors work across the full gamut of clients, from high-net-worth individuals managing generational wealth to middle-class households optimizing modest means and lower-income families working to improve their financial footing. While some may be born with the proverbial silver spoon, others may have limited means, and many may be navigating a significant disability.

Different backgrounds and family dynamics call for different planning strategies, especially when traditional approaches could compromise key government benefits and special needs planning becomes necessary.

Advising clients with disabled loved ones demands not only sensitivity but also proactive, coordinated planning that anticipates risk, protects benefits, and balances long-term financial decisions with long-term care planning. While financial advisors may be limited in the disability-specific advice they can provide, they add meaningful value by coordinating communication across disciplines.

Step One: Recognizing When Special Needs Planning Is Necessary

The better advisors get to know their clients, the better they can serve them. We cannot advise on what we do not know. The necessity for special needs planning may emerge indirectly through offhand comments, financial work-arounds, or long-standing family arrangements that signal deeper caregiving or benefit-dependency issues, especially if families are hesitant to openly disclose concerns. To do our jobs effectively, we must read between the lines and pay attention to specific cues or comments that may indicate an often unrecognized need for special needs planning. These cues might look like the following:

- Ongoing financial support for an adult family member that appears permanent rather than transitional
- References to Supplemental Security Income (SSI), Medicaid, or income limits, even a casual mention in passing
- One family member acting as an informal caregiver without clear authority or documentation
- Uncertainty or hesitation around inheritances, gifts, or beneficiary designations
- Adult children who have never lived independently or who rely on family-provided housing or oversight

- Care-oriented language lacking labels, such as “We handle things for him” or “She needs extra help”

When such signals arise, it may be appropriate to become more direct—for example, confirming that the client has a disabled family member—and move on to the next step: initiating a special needs planning conversation.

Step Two: Starting the Conversation

If clients are forthright about a disabled loved one, or once it becomes clear that clients have a loved one with a significant disability, financial advisors can take meaningful steps to move from recognition to action.

If clients are hesitant, advisors may find it productive to frame the discussion around risk, unintended consequences, and continuity (instead of disability) by asking probing, forward-looking questions, such as how current support would function if something disrupted it.

Ideally, potential issues should be flagged early, before assets are transferred or beneficiaries are named in a client’s estate plan. The objective is not to offer special needs planning advice or legal advice but to serve as the central coordinator—the “hub” connecting the family with the estate planning attorney, life care planner, social worker, and other professionals involved.

Within this context, financial advisors can introduce and provide a high-level overview of the following planning topics:

- **Special needs planning structures.** Make sure the client is aware of special needs planning tools such as special, or supplemental, needs trusts (SNTs) and Achieving a Better Life Experience (ABLE) accounts. You can provide a rough overview with a clear handoff to legal counsel for further discussion and, ultimately, design and implementation.
- **The role of a professional care manager.** A care manager for individuals with disabilities or special needs is a professional (typically a nurse or social worker) who coordinates, advocates for, and manages all aspects of a person’s care. Identify situations where a care manager may be appropriate and how costs can be planned for over time.
- **Funding considerations.** Individuals with special needs may need extra support from family members in a way that will not reduce or eliminate their means-tested government benefits because a direct inheritance or entitlement to assets may jeopardize eligibility for benefits.

Again, the intent is not to advise on any one particular strategy but to broach funding considerations that touch on broad topics such as maximizing the effectiveness of beneficiary designations, life insurance, lifetime gifts, and strategic gifting to SNTs and ABLE accounts.

As the central hub in the special needs planning wheel, you are ideally situated to identify areas of concern and connect families with qualified professionals to do the heavy lifting. Even without providing technical solutions, that coordination alone delivers real value. It demonstrates foresight, care, and an understanding that families of individuals with special needs may require nonstandard planning approaches.

Step Three: Closing the Circle

How advisors document and communicate these issues is just as important as initially raising them.

Conversations around special needs planning may involve sensitive family dynamics, evolving care responsibilities, and decisions that may not be implemented—or take effect—right away. Careful documentation of what was discussed, in addition to clear notes on assumptions, limitations, and next steps, helps protect the client, the family, and the advisor while creating continuity as situations change.

Transparency and regular review are central to creating this circle of trust. Families' care needs, benefit eligibility, and support structures rarely remain static, and plans that work today may introduce risk tomorrow if they are not revisited and revised or if circumstances shift, whether at the individual or policy level.

Periodic check-ins and coordinated plan reviews that keep decisions aligned with a family's long-term prospects reinforce your role as not just an advisor but a trusted partner who has their priorities straight.

If you would like to discuss special needs-related issues in your client relationships or how to coordinate effectively with planning professionals, we are happy to continue the conversation.