

Rethinking the Beneficiary Conversation for Clients Without Kids

One thing that almost every client shares, regardless of whether they have children, is a desire to pass down a legacy. That legacy can be anything the client wants it to be. But when children are not a part of the mix, beneficiaries may be less evident, demanding a more in-depth conversation about what the client values, how they want to pass down their legacy, and who should inherit their assets.

The Default “Estate” Problem in Estate Planning

Using the term *estate*, while legally accurate, can sometimes cause confusion because clients may assume that it implies a level of wealth they do not possess.

Explaining that estate planning is not just for the wealthy can help straighten out such misperceptions, but it still does not solve the default “estate” problem in some advisor-client discussions—and certain estate plans themselves.

Beneficiary designations can sometimes be an afterthought for clients who do not have children. A retirement account, life insurance policy, or bank account may still list a former spouse, a former partner, or a relative chosen years ago. If no valid beneficiary is named, these assets may pass by default to the client’s estate. This subjects the assets to probate and, in the absence of a valid will, to state intestacy laws.

This default outcome can be particularly problematic in cases where the legal heirs do not reflect, or perhaps do not even support, the client’s chosen relationships.

Fortunately, this is a relatively easy issue for an advisor to flag. A routine beneficiary review can reveal stale designations, missing information, or defaults that fail to reflect the client’s current wishes. This creates a natural opening to discuss whom or what the client actually wants to benefit.

How Childless Goals Can Differ—and Why That Reshapes the Planning Conversation

When a client has children, providing for their care and support typically takes center stage in planning discussions. In some ways, this simplifies the advisor’s role, as the client’s primary priorities and most cherished values are already clear.

Conversely, an estate plan for a client without children is often less concentrated on immediate family and instead more varied and highly intentional. These plans frequently include extended family members, such as nieces and nephews, as well as nonrelatives like close friends and mentors. Additionally, philanthropic goals often play a larger role, with charities and nonprofit organizations making up a significant portion of the beneficiary mix. These factors can open the door to the following planning strategies that may not play as large a role when children are the clear beneficiaries:

- Leaving assets directly to a favorite charity
- Supporting a cause through a donor-advised fund
- Using qualified charitable distributions from a retirement account during life as part of their giving strategy
- Providing for important people (or a beloved pet) in their life
- Creating a legacy around an institution, community, or cause that has personal meaning to them

These legacy choices can alter the planning conversation in fundamental ways and open the door to deeper conversations—and a deeper client-advisor relationship. And the better we get to know a client, the more we can personalize our offerings to them and build trust. Advisors, then, should flag the planning gaps that can arise when children are absent as a valuable opportunity to foster those conversations.

From Lending an Ear to Lending a Hand: Attorney-Advisor Teamwork

Advisors can sometimes learn more simply by listening to a client who may view an advisor's office as a safe space where they can discuss their preferences and plans with a professional who has their best interests in mind.

At some point, though, it is time to move from conversation to action. And some actions, including updating documents and drafting trusts, require that an attorney enter the chat.

Because clients without children may be operating from a more diverse, open-ended planning playbook, it might take multiple meetings to reach that stage. But once reached, we can help nurture their ideas and bring the plan to life.