

Equal inheritance growing less common, study finds

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Anyone counting on an inheritance should be aware that in recent years, parents have become increasingly likely to divide their estates unequally, suggests a new study co-authored by an economist at Washington

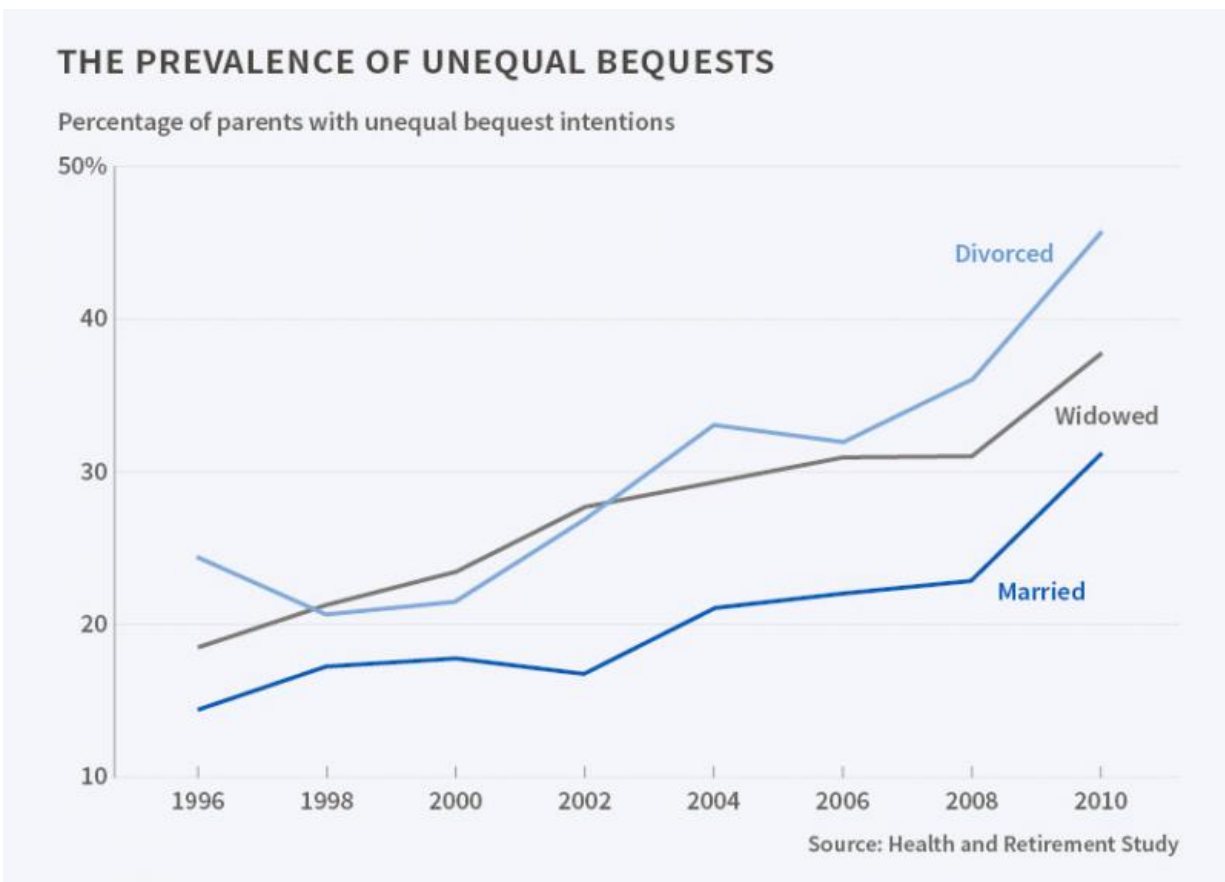
University in St. Louis.

"In [nuclear families](#), you see more equal bequests. But now that the number of complex, blended families is growing, there is a shift toward unequal bequests," said study co-author Robert A. Pollak, PhD, the Hernreich Distinguished Professor of Economics at Olin Business School and in Arts & Sciences at Washington University.

"Parents with stepchildren are much less likely than those with just genetic children to include all children in their wills and plan equal bequests," he said.

In a paper titled "Unequal Bequests" published by the *National Bureau of Economic Research*, Pollak and co-authors Marco Francesconi and Domenico Tabasso analyzed a nationally representative sample of [parents](#) in the Health and Retirement Study from 1995-2010. The survey contacted more than 26,000 Americans, interviewing them at two-year intervals. Of these, 21,140 had more than one child, and 5,082 had both genetic children and stepchildren.

Among parents over 50 who reported having wills, the fraction treating their children unequally rose from 16 percent to 35 percent over this period. Parents with stepchildren were about 30 percentage points more likely to be planning unequal bequests than those with genetic children only. The overall trend away from equal inheritances appears to be driven in part by the increasing prevalence of parents with stepchildren.



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Among those with genetic children only, contact matters. Parents who have had no contact with at least one of their genetic children for more than a year are roughly 40 percentage points less likely to intend equal bequests than parents who have remained in contact with all of their genetic offspring.

The researchers note several factors that are associated with an increase in the estate share parents intend to leave to a stepchild. If the relationship with a stepchild has lasted longer than seven to 10 years, the

stepchild is as likely to be included in a will as a genetic child. This is the case regardless of the age of the child when the relationship began.

If the stepparent reports having cared for the stepchild's children, the stepchild is about seven percentage points more likely to be included in the will. A trend, the study notes that may reflect "trust and bonding."

The study also found that parents in blended families are more likely to include stepchildren in their wills if the predicted income of those children is less than that of their genetic offspring.

The researchers caution that 2-out-of-5 survey respondents with children reported they had not made a will and "the presence of stepchildren does not affect the probability of writing a will." In the absence of a will, estates would be divided equally among genetic and adopted children, but stepchildren wouldn't inherit anything. The researchers suspect that the absence of wills "reflects the disutility of making wills (and contemplating death) rather than preferences for the distribution mandated by intestacy law."

Although the research focused on parents 50 and older, Pollak said he expects to see more [inheritance](#) inequity moving forward, as younger parents make their estate plans.

"The data we used for our analysis is representative of parents over 50, but younger parents have experienced higher rates of non-marital childbearing and higher divorce rates," Pollak said. "When these younger parents write their wills, I expect that they will be even more likely than those in the previous generation to plan to leave unequal bequests."

More information: Unequal Bequests. [DOI: 10.3386/w21692](https://doi.org/10.3386/w21692) , www.nber.org/papers/w21692

Provided by Washington University in St. Louis

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