

## Will adoption and life events among older adults

Lance Palmer, Ph.D.<sup>a,\*</sup>, Vibha Bhargava,<sup>b</sup> Gong-Soog Hong, Ph.D.<sup>b</sup>

<sup>a</sup>*Department of Housing and Consumer Economics, University of Georgia, Athens, GA 30602-2622, USA*

<sup>b</sup>*Department of Consumer Sciences, Ohio State University, Columbus, OH 43210, USA*

---

### Abstract

This study examines the relation between life events and the adoption of wills among older adults using the 1996 and 2000 surveys of the Health and Retirement Study. The results suggest that the adoption of wills and trusts is associated with four life events (i.e., becoming a widow, being diagnosed with cancer, retiring, and having a positive change in assets). Older adults experiencing these events appear to be taking financial planning actions; therefore, appropriate educational and marketing efforts targeting these individuals may be more effective, readily accepted, and more cost efficient compared to general outreach and marketing campaigns. © 2006 Academy of Financial Services. All rights reserved.

*JEL classification:* D14

*Keywords:* Life events; Estate planning; Will; Cancer

---

### 1. Introduction

The United States population continues to age and how people plan for the inevitable consequences of mortality is important to them, their families, friends, and communities. The older population controls much of the wealth held by households in the United States. Weiss (2003) suggests that a minimum estimate of the wealth that will be transferred to younger generations over the next five decades ranges from \$10.4 trillion to \$41 trillion (Havens & Schervish, 2003).

A fundamental document in estate planning is a will. A will contains information concerning the transfer of property, the naming of an executor, and the appointment of

---

\* Corresponding author. Tel.: +1-706-542-4916; fax: +1-706-542-4397.

*E-mail address:* lpalmer@fcs.uga.edu (L. Palmer).

guardians for minor children (Bost, 2001). Through a will, an individual can ensure that when he or she dies, his or her wishes are carried out in a supervised manner.

For many, the transfer of personal belongings, facilitated through a will, represents a more significant transfer than large amounts of money. However, the non-financial possessions transferred are often highly valued and have the potential of creating significant and enduring conflict among family members (Stum, 2000; Stum & Goetting, 2002). When an individual dies without a will (also known as dying intestate) and has not made other arrangements, his or her estate is distributed according to his or her state's intestacy laws (Simon, Fellows & Rau, 1982).

Although a will is a basic estate-planning document, many current workers may not know the purpose of a will or feel that it is less important relative to other financial planning documents. Volpe, Chen & Liu (2006), using the results of a national survey of human resource and employee benefits administrators, found that among personal finance topics, estate planning topics were perceived as the least understood. However, respondents of the survey did identify a will as the most important estate-planning tool.

The lack of understanding about the importance of a will among the current workforce is reflected in the proportion of the population with a will. The proportion of the population with a current will varies significantly by age. The percentage of the total population that has a will ranges from approximately 42% to 46% and from less than 10% among young adults to more than 66% among those over 60 years old (Edwards, 1991; Lee, 2000; Schwartz, 1993; Simon et al., 1982; Rossi & Rossi, 1990). Lee (2000) also found that most of the older adults that did not have wills did not have will substitutes either, such as an established trust.

Several studies have examined the characteristics of those who have adopted wills. Previous studies on will adoption, however, have not examined how major life events that the individual experienced correlate with will adoption. The occurrence of stressful life events, or the anticipation of such events, may motivate the individual to take observable actions. Some stressful life events, such as being diagnosed with a terminal disease, may also cause the individual to anticipate additional end-of-life stressors. Some of these stressors may result from an uncertainty about how the individual's personal belongings and emotional artifacts will be distributed to others, or how the distribution of his or her belongings may lead to strife and conflict among family members and friends (Stum, 2000). A will could be used to manage the current and anticipated stressors associated with major life events.

This study adds to the current literature on will adoption by examining the relation between the occurrence of major life events and the decision to adopt a will using a nationally representative panel sample of older adults. Previous studies have used cross sectional data to estimate the likelihood of having a will, which often precludes the inclusion and timing of individual experiences in the model estimation. Rossi and Rossi (1990) observed that individuals adopt wills throughout the life cycle, rather than at one particular point in the life cycle. Therefore, a point-in-time examination of will holders using cross sectional data are limited in its ability to identify potential triggering events that spurred the individual into action. An understanding of how life events influences the adoption of wills may provide for a targeted strategy when marketing education and estate planning services to those individuals most likely to receive and implement the information. Identifying specific events when older adults may be more likely to adopt wills, that is, "teachable

moments,” may enhance marketing and outreach efforts to promote will adoption and consequently lead to higher proportions of the population engaging in estate planning. The specific objectives of this study are: (1) to compare characteristics of will adopters and those who do not adopt a will, (2) to examine how life events and other characteristics influence the likelihood of adopting a will, and (3) to draw recommendations for professionals working with older adults to increase the proportion of will holders among older adults.

## 2. Literature review

### 2.1. *Individual and family reasons for adopting a will*

Rosenfeld (1992) found that 75% of will holders adopted their wills for the purpose of distributing their belongings to their families, either equally or unequally. Rossi and Rossi (1990) also identified wills as being the primary method of arranging for the transfer of personal belongings and treated wills as a tool for managing family and other relationships after death. Nuckols (1982) used a sample of recent widows. Eighty-six percent of widows whose spouses left wills reported that the wills were helpful in settling their spouses' estates, eliminating conflicts between beneficiaries, or giving guidance to the widows on their spouses' wishes. He also found that an equal proportion of widows whose spouses died intestate believed that a will would not have helped in the settling of their spouses' estates because there were few assets or the process went smoothly without a will. Although intestacy laws do provide for an orderly transfer of property without a will, research suggests that they are not viewed as substitutes for a will because most individuals are not sufficiently familiar with state intestacy laws (Edwards, 1991; Simon et al., 1982).

Rossi and Rossi (1990) found that the most common items transferred through wills were personal possessions. Thirty-seven percentage or more of the respondents in Rossi and Rossi's study received as beneficiaries photographs, books or paintings, jewelry, dishes and silverware, furniture, or a family bible or history. In comparison, 19% or fewer of the respondents had been beneficiaries of land or property, stocks or bonds, or vehicles.

In addition to delineating the distribution of personal property and belongings, Rosenfeld (1992) argues that changing demographics require older adults to also designate guardians of grandchildren who are in their custody, or to designate caregivers for older dependent children. These types of households represented 1.8% of all households in 1997 and had grown by 38.5% over the preceding 5 years (Bryson & Casper, 1999). Many older Americans will be the primary providers and caretakers of their grandchildren, underscoring the importance of having a current will for transfer of guardianship. Based on interviews with 315 people aged 65 or older who had already designated beneficiaries, Rosenfeld (1992) concluded that 14% of the will holders drafted their wills primarily to provide for continued care for minor or adult children.

Other researchers have found that the presence of children was positively associated with having a will whereas the number of children was negatively associated with having a will (Lee, 2000; Rossi & Rossi, 1990; Simon et al., 1982). One possible explanation, suggested by Rossi and Rossi, of the negative association between the number of children and having

a will is that the number of children was likely a proxy for lower socioeconomic status, which may be associated with not having a will.

### *2.2. Other factors influencing having a will*

Higher socioeconomic status is significantly related to having a will. Characteristics such as education, net worth, and income have been commonly observed characteristics of will holders (Goetting & Martin, 2001; Lee, 2000; O'Connor, 1996; Rossi & Rossi, 1990; Simon et al., 1982). Higher levels of education, net worth, and income are positively associated with having a will. Less consistent factors are age and race. Lee (2000), Rossi and Rossi (1990), and Simon et al. (1982) found a positive relation between age and having a will. However, Goetting and Martin (2001) included age in their model, which specifically focused on older adults, and found no significant relation between age and having a will. Similarly, O'Connor (1996), also using a sample of older adults, found that the proportion of will holders decreased slightly for those over the age of 86. Some of the inconsistency between findings is a result of the different samples used by the researchers. Rossi and Rossi used a representative sample of all adults from the Boston, MA area, whereas O'Connor used the first set of Asset and Health Dynamics among the Oldest Old (AHEAD) data, and Goetting and Martin used a subset of the first set of AHEAD data. Also inconsistent in the literature is the relationship between race and having a will. When a relation was observed, White individuals were more likely to have a will than individuals from other racial or ethnic groups (Goetting & Martin, 2001; Lee, 2000; O'Connor, 1996).

Other factors associated with having a will were marital status, gender, health, and altruism. Marital status was found to be a significant determinant by Rossi and Rossi (1990) and O'Connor (1996). Among ever married individuals, similar proportions of men and women held wills until the age of 60, after which the proportion of men holding wills continued to increase and the proportion of women holding wills decreased (Rossi & Rossi, 1990). They also found that 72% of widowed men had wills, whereas only 57% of widowed women had wills.

The relationship between health of the individual and will adoption was examined by Goetting and Martin (2001) and Lee (2000), and the results were inconsistent. Lee found that self-perceived health was positively associated with having a will, whereas Goetting and Martin found health to have no significant relation with having a will. Consistent with Goetting and Martin, Nuckols (1982) observed that terminal illness or being disabled were unrelated to the adoption of a will. Nuckols further noted that, “[t]he onset of a terminal illness or disability appeared to preclude further planning for widowhood with almost as much certainty as does sudden death” (p. 47). Lee (2000) also found that altruistic behavior (e.g., volunteering, making gifts, and charitable contributions) was positively associated with having a will.

### *2.3. Life events*

Sussman, Cares, and Smith (1970) examined the motives people had when they adopted a will. The largest proportion of respondents, 23%, reported the primary motive was to alter intestate distribution patterns. However, 18% of those who had a will reported that the

primary motive for the will was getting married or having children, and 11% said the primary motive was sickness or illness, both representing major life events. Psychological research has examined the effects of major life events on the emotional and physical well-being of individuals (Holmes & Rahe, 1967; Dohrenwend, Askenasy, Krasnoff & Dohrenwend, 1978). Dohrenwend et al., defined life events as “objective occurrences of sufficient magnitude to bring about change in the usual activities of most individuals who experience them” (p. 207). Building on previous research, Dohrenwend et al., developed a ranked listing of 102 life event items. The rankings provide information on the magnitude of the events on the individual’s behavior and well-being.

The occurrence of stressful life events, or the anticipation of such events, may motivate the individual to take observable actions, such as adopt a will. This exploratory paper contributes to the current literature on will adoption by examining more formally the relation between adopting a will and experiencing a major life event, using panel data to identify life events that affect the adoption of a will.

### **3. Data and analysis**

#### *3.1. Sample*

The Health and Retirement Study (HRS) is an ongoing national longitudinal survey conducted every two years by the Survey Research Center at the University of Michigan. This study used data gathered in the 1996 and 2000 surveys of the HRS (Institute for Social Research, 2002, 2003). The HRS is funded largely by the National Institute on Aging (Juster & Suzman, 1995). The original HRS sample consisted of individuals and their partners, if applicable, who were between the ages of 51 and 61 at the time of the first survey in 1992.

The sample size for the 1996 survey of the HRS consisted of 10,964 individuals. To examine the relationship between life events and adopting a will, only those respondents who did not have a will in 1996 were included in the multivariate analysis, resulting in a sample size of 3,663 for the analysis. Out of 3,663 respondents, 598 reported adding a will between 1996 and 2000. The data weights provided by the HRS used were for descriptive statistics to compensate for the oversampling of certain populations in the HRS sample design.

#### *3.2. Variables and hypotheses*

The dependent variable in the first model was the adoption of a will. Older adults who did not have a will in 1996 were observed in 2000 to determine if they had adopted a will during the preceding four-year period. A binary event variable was used to record the adoption of a will for the first model and the adoption of a trust for the second model.

This study is exploratory in nature, thus guided by existing studies in gerontology, financial planning, family economics, family studies, and psychology in selecting variables. The key independent variables in this study are the life events. Notably, the occurrence of life events during the period of observation and binary event variables were created for each life event selected. The life events included in the analysis were changes in marital status,

employment status, health status, and financial status. Experiencing a change in marital status (relative to those who remained married), retiring, or having an increase in assets was expected to be positively associated with adopting a will during the period of observation. The change in employment status focused on whether the individual retired or became disabled from 1996 to 2000.

Change in health status was measured by whether the individual was diagnosed with cancer, a stroke, or heart condition during the period. Based on Nuckols' (1982) observations, individuals who were diagnosed with cancer, stroke, or heart condition during the period of observation were expected to be less likely to adopt a will compared to those who did not experience such events.

Various factors found to be associated with adoption of a will in previous research were controlled in this study. These variables are (1) financial characteristics including household income, total assets, homeownership and self-employment status, (2) altruism indicated by religiosity, (3) health status of respondent as indicated by self-rated health status and number of chronic illnesses, and (4) demographic characteristics including age, education, gender, race, number of children, and number of resident children in household. Table 1 shows the specific variables selected and how they were measured.

### 3.3. Analysis

The decision to adopt a will was measured as a binary variable. Because of the binary nature of the dependent variable, a logit model was selected to represent will adoption over the observed period. The effect of life events was examined while controlling for financial situation, religiosity, family situation, and family and demographic characteristics.

Descriptive statistics also were used to compare the two groups, will holders and non-will holders. Chi-square and *t* tests were performed to test the differences between the two groups. To identify the factors influencing will adoption, a logit model was used to predict the probability of a binary event given a set of independent variables. The probability,  $P_i$ , that a household will adopt a will during the period of observation can be expressed as:

$$P_i = \frac{1}{1 + e^{-(\alpha + \beta_i X_i)}} \quad (1)$$

where  $\alpha$  is a constant,  $X_i$  is a vector of independent variables, and  $\beta_i$  is a vector of parameters associated with the independent variables. Dividing both sides by  $1 - P_i$  and taking the natural log of both sides of the equations results in the natural log of the odds ratio being equal to a linear model with respect to  $\beta_i$  that can be estimated by using maximum likelihood procedures (Gujarati, 2002).

In addition to estimating the will adoption model, a trust adoption model was estimated using the same set of independent variables. The establishment of a trust may often accompany the adoption of a will, but it may also be done independent of the decision to adopt a will. Similar to a will, the individual establishing a trust has the ability to document his or her wishes regarding the distribution of his or her belongings. Because of the similar purposes of having trusts and wills, a second logit model estimating the likelihood of adding

Table 1 Measurement of variables and descriptive statistics (weighted)

Variables	Measurement of variables	Add only will ( <i>N</i> = 3,611)	Add only trust ( <i>N</i> = 6,815)
Added will	Respondent did not have written will in 1996, had will in 2000	17.36	
Added trust	Respondent did not have trust in 1996, had trust in 2000		4.71
Life events			
Change in marital status			
Married	Respondent was not married in 1996, was married in 2000	1.11	1.01
Divorced	Respondent was not divorced in 1996, was divorced in 2000	4.46	2.89
Widowed	Respondent was not widowed in 1996, was widowed in 2000	5.26	4.89
Remained single	Respondent was single in 1996 and 2000	26.01	21.15
Remained married	Respondent was married in 1996 and 2000	63.15	70.06
Change in employment status			
Retired	Respondent was not retired in 1996, was retired in 2000	18.23	20.54
Became disabled	Respondent was not disabled in 1996, was disabled in 2000	4.29	2.98
Change in health status			
Diagnosed with cancer	Respondent did not report cancer in 1996, reported cancer in 2000	4.20	3.83
Stroke	Respondent did not report stroke in 1996, reported stroke in 2000	2.60	1.98
Diagnosed with heart condition	Respondent did not report heart condition in 1996, reported heart condition in 2000	5.47	5.16
Change in financial status			
Percent change in assets	Percentage change in assets between 1996 and 2000	17.77 (3.93)	24.15 (8.77)
Demographic characteristics			
Household income (in 100,000 \$)	Total household income in the year 1999 (in 10,000 dollars)	0.51 (0.36)	0.65 (0.46)
1996 assets (in 100,000 \$)	Total assets in 1996 (in 2000 dollars)	1.98 (1.03)	3.19 (1.70)
Homeownership	Respondent owns a home in 2000	71.86	79.54
Self employment	Respondent is self employed in 2000	9.61	10.61
Self perceived health status (2000)			
Very good	Respondent's self rated health status is excellent or very good	40.79	50.03
Good	Respondent's self rated health status is good or fair	51.44	44.29
Poor	Respondent's self rated health status is poor	7.78	5.67
Number of chronic illnesses (2000)	Number of chronic illnesses reported in 2000	0.98 (1.00)	0.95 (1.00)
Importance of religion			
Important	Respondent considers religion very or somewhat important	61.06	61.29
Somewhat important	Respondent considers religion somewhat important	27.73	27.38

(continued on next page)

Table 1 (continued)

Variables	Measurement of variables	Add only will ( <i>N</i> = 3,611)	Add only trust ( <i>N</i> = 6,815)
Not important	Respondent does not consider religion important	11.21	11.33
Age (in year 2000)	Age of respondent in 2000	62.26 (62.00)	63.16 (63.00)
Education (in year 2000)			
Less than high school	Respondent has less than 12 years of schooling	30.52	20.91
High school	Respondent has 12 years of schooling	37.85	37.32
Some college	Respondent has 13 - 15 years of schooling	18.04	20.16
College	Respondent has 16 or more years of schooling	13.59	21.61
Gender			
Male	Respondent is male	46.57	46.65
Female	Respondent is female	53.43	53.35
Race			
Caucasian	Respondent is Caucasian	76.03	86.04
African American	Respondent is African American	12.76	7.08
Others	Respondent is of other ethnic origin	11.21	6.88
Resident children	Number of resident children in household in 2000	0.41 (0.00)	0.31 (0.00)
All children	Number of children in 2000	3.53 (3.00)	3.34 (3.00)

*Note:* Categorical variables presented in this table are shown as percentages. The mean and median (in parentheses) are presented for each of the continuous variables.

a trust during the time period was also included in the analysis. All independent variables and their respective hypotheses in the trust adoption model were identical to the first model estimating the adoption of wills.

## 4. Results

### 4.1. Descriptive results

Table 2 shows the weighted sample characteristics of those respondents who adopted a will and those who adopted a trust between 1996 and 2000. Approximately, 17% of the respondents added a will, henceforth called ‘add will’ group, and just fewer than 5% of respondents added a trust, henceforth called ‘add trust’ group, between 1996 and 2000. Approximately, one-fifth of the respondents in each group retired during the time period.

Chi-square tests and *t* tests were performed on unweighted data to test for differences between those who adopted a will during the time period and those who did not. Chi-square tests showed significant bivariate associations between adding a will and five characteristics: developing cancer, owning a home, self-perceived health status in 2000, education, and race. *t* test results indicated significant differences in percentage change in assets, household income, initial assets, age, and number of resident children between those who added a will and those who did not adopt a will between 1996 and 2000. Life events significantly

Table 2  $\chi^2$  and  $t$  test results comparing those adopting a will or trust with those who did not (weighted)

Variables	Add only will		Add only trust	
	Adopters ( $N = 598$ )	Non-adopters ( $N = 3013$ )	Adopters ( $N = 308$ )	Non-adopters ( $N = 6507$ )
<b>Life events</b>				
Change in marital status†††				
Married	1.80	0.96	0.38	1.04
Divorced	3.80	4.60	1.64	2.95
Widowed	6.41	5.02	5.25	4.88
Remained single	25.26	26.17	10.19	21.69
Remained married	62.73	63.24	82.53	69.44
Change in employment status				
Retired††	18.53	18.17	26.63	20.24
Became disabled	3.94	4.37	2.45	3.01
Change in health status				
Diagnosed with cancer***	6.59	3.70	2.57	3.89
Stroke	3.26	2.47	1.90	1.98
Diagnosed with heart condition	5.51	5.45	3.19	5.26
Change in financial status				
Percent change in assets***, †††	30.82 (15.48)	15.10 (1.34)	42.50 (21.41)	23.20 (9.17)
<b>Demographic characteristics</b>				
Household income (in 100,000 dollars)**· †††	0.55 (0.42)	0.50 (0.36)	1.14 (0.71)	0.63 (0.48)
1996 assets (in 100,000 dollars)***	2.96 (1.65)	1.77 (0.90)	2.97 (1.61)	
Homeownership***· †††	81.23	69.82	89.14	79.02
Self employment	11.09	9.29	13.03	10.48
Self perceived health status (in 2000)***· †††				
Excellent	49.13	39.03	63.99	49.34
Good	43.76	53.05	32.73	44.87
Poor	7.11	7.92	3.29	5.79
Number of chronic illnesses in 2000†††	0.98 (1.00)	0.98 (1.00)	0.77 (1.00)	0.96 (1.00)
Importance of religion				
Important	64.54	60.30	55.20	61.61
Somewhat important	25.09	28.31	31.57	27.16
Not important	10.37	11.39	13.24	11.23
Age (in year 2000)***· †††	63.29 (63.00)	62.04 (62.00)	64.37 (64.00)	63.10 (63.00)
Education (in year 2000)***· †††				
Less than high school	21.93	32.38	5.85	21.72
High school	36.81	38.08	26.76	37.89
Some college	19.97	17.63	25.39	19.88
College	21.28	11.92	42.00	20.52
Gender				
Male	49.04	46.03	48.04	46.57
Female	50.96	53.97	51.96	53.43
Race***· †††				
Caucasian	85.79	73.91	95.35	85.54
African American	8.11	13.77	1.35	7.39
Others	6.10	12.32	3.30	7.07
Resident children***· †††	0.25 (0.00)	0.44 (0.00)	0.13 (0.00)	0.31 (0.00)
Number of children	3.32 (3.00)	3.57 (3.00)	3.24 (3.00)	3.34 (3.00)

Note: \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$  for differences between will adopters and non-adopters. †  $p < 0.05$ , ††  $p < 0.01$ , †††  $p < 0.001$  for differences between trust adopters and non-adopters. Categorical variables presented in this table are shown as percentages. The mean and median (in parentheses) are presented for each of the continuous variables.

associated with the add trust sample were change in marital status, retirement, and change in assets. Adults who adopted a trust were older, had higher household income, and fewer resident children than individuals who did not adopt a trust. There were also statistically significant differences in observed and perceived health between those who added a trust and those who did not, with healthier people being more likely to add a trust. Based on the results of  $\chi^2$  tests, significant bivariate associations also existed between adding a trust and owning a home, education, and race.

#### 4.2. *Multivariate analysis results*

The results of two logistic regression models, the ‘add will’ model and ‘add trust’ model, are presented in Table 3. The log likelihood ratio tests for both models were significant. A difference of Chi-square test was performed on the full model including life events and the constrained model excluding life events. The null hypothesis that the additional life event variables had coefficients of zero was rejected ( $\chi^2 = 28.38$ ,  $df = 10$ ,  $p = < .005$ ). Among the life event categories in the models, three life events (becoming widowed, being diagnosed with cancer, and experiencing a positive change in assets) were significantly related to adopting a will and two were significantly related to adopting a trust. Marital status was significantly related to both adopting a will and adopting a trust; however, the effects were not consistent between the two models. The hypothesis regarding the affect of marital status on will adoption is partially supported. All other things being equal, older adults who became widowed during the period were 1.51 times as likely as those who remained married to adopt a will.

The only significant health-related variable in either model was being diagnosed with cancer. Older adults who were diagnosed with cancer during the period were 1.87 times as likely to adopt a will as those who were not diagnosed with cancer. Being diagnosed with cancer had the largest marginal effect on the likelihood of adopting a will. The occurrence of stroke or heart conditions were not associated with either will or trust adoption. The finding regarding the onset of cancer was opposite of Nuckols’ (1982) finding that the onset of a terminal illness is not associated with end-of-life planning.

As expected, increased assets during the period of observation were positively associated with adopting a will. The marginal effect of increased assets on the odds of adopting a will was minimal. For example, an older adult who experienced a 30% increase in assets was 1.35 times as likely to adopt a will as an older adult who experienced no change in assets, all else being equal. Several variables including financial resources, home ownership, religion, education, and racial background were also significantly associated with adding a will and were overall consistent with previous findings.

In the ‘add trust’ model, single individuals were 0.37 times as likely as constantly married individuals to adopt a trust. Stated differently, continuously married older adults were 2.70 times as likely as single older adults to adopt trusts. Older adults who reported being retired in 2000 and not retired in 1996 were 1.39 times more likely to add a trust than individuals who did not become retired during the period. Self-employment status and disability did not have a significant effect on the odds of adopting a trust or will.

Among other variables in the model, the marginal effects of education and race were very

Table 3 Logistic regression results for the add will and the add trust groups

Variables	Add only will			Add only trust		
	Coefficient	SE	Odds ratio	Coefficient	SE	Odds ratio
Intercept	−9.07***	3.32		−19.70***	6.27	
Life events						
Change in marital status						
Married	0.68	0.41	1.97	−0.59	.73	0.55
Divorced	−0.32	0.28	0.72	−0.26	0.52	0.77
Widowed	0.41*	0.20	1.51	0.31	0.29	1.36
Remained single (Remained married)	0.02	0.12	1.02	−0.98***	0.24	0.37
Change in employment status						
Retired	0.04	0.12	1.04	0.33*	0.14	1.39
Became disabled	0.18	0.23	1.20	0.27	0.48	1.31
Change in health status						
Diagnosed with cancer	0.63**	0.20	1.87	−0.27	0.32	0.76
Stroke	0.27	0.28	1.31	−0.22	0.47	0.80
Diagnosed with heart condition	0.05	.19	1.05	−0.22	0.32	0.80
Change in financial status						
Percent change in assets	0.1E-2**	0.6E-3	1.00	0.1E-2	0.60E-04	1.00
Demographic characteristics						
Household income (in 100,000 \$)	−0.22*	0.10	0.80	0.09	0.05	1.10
1996 assets (in 100,000 \$)	0.06***	0.01	1.06	0.03***	0.01	1.03
Homeownership	0.51***	0.12	1.67	0.48*	0.19	1.61
Self employment	−0.05	0.16	0.95	−0.27	0.20	0.76
Self perceived health status (in year 2000)						
Excellent	0.10	0.20	1.10	0.04	0.36	1.04
Good (Poor)	−0.12	0.19	0.88	−0.26	0.35	0.77
Number of chronic illnesses in 2000	0.02	0.05	1.02	−0.13	0.07	0.87
Importance of religion (in year 2000)						
Important	0.51**	0.17	1.66	−0.07	0.20	0.93
Somewhat important (Not important)	0.25	0.18	1.28	0.13	0.21	1.14
Age (in year 2000)	0.16	0.11	1.17	0.38	0.19	1.46
Age <sup>2</sup>	−0.00	0.00	1.00	−0.02E-1	0.01E-1	0.99
Education (in year 2000)						
High school	0.23	0.12	1.26	0.84**	0.26	2.32
Some college	0.42**	0.14	1.52	1.35***	0.27	3.85
College (Less than high school)	0.65***	0.16	1.91	1.72***	0.27	5.58
Gender						
Male (Female)	0.10	0.10	1.10	−0.20	0.13	0.82
Race						
Caucasian (African American)	0.64***	0.13	1.90	1.27***	0.39	3.56
Others	−0.11	0.20	0.90	1.16*	0.47	3.19
Resident children	−0.28***	0.08	0.76	−0.56***	0.15	.57
Number of children	−0.01	0.02	0.98	0.04	0.03	1.04
Likelihood ratio	218.21***			316.70***		
Max-rescaled R-square	0.10			0.14		

Note: \*  $p < 0.05$ , \*\*  $p < 0.01$ , \*\*\*  $p < 0.001$ .

large. Older adults with a college education were 5.58 times more likely to adopt a trust than those who did not complete their high school education. Other than importance of religion and household income, the financial and demographic characteristics associated with the likelihood of adding a will were very similar to those associated with the likelihood of adding a trust. The direction of effect was also the same.

## **5. Discussion and implications**

This study provides evidence that stressful life events are associated with adopting wills and establishing trusts. Four of the life events examined in this study increased the likelihood of adopting a will during the period of observation. They were becoming a widow, being diagnosed with cancer, retiring, and having a positive change in assets. Being diagnosed with cancer had the greatest marginal effect in predicting the adoption of a will. Its marginal effect was greater than those for education or homeownership. Having a positive change in assets and the increased likelihood of adopting a will is consistent with previous findings that higher net worth households will be more likely to adopt wills. These findings represent an initial, albeit simplistic, picture of the dynamic context in which older adults adopt wills. Previous studies, because of the data limitations and research design, were restricted in their ability to observe this information.

This study found that surviving spouses are more likely than continuously married older adults to adopt wills. This finding contradicts Rossi and Rossi's (1990) speculation that widows are less likely to adopt wills and has important implications for estate planning. Typically, the surviving spouse receives, or has access to, the deceased spouse's estate (O'Connor, 1996). If the surviving spouse has not adopted a will, it appears that the recent death of his or her loved one may present a teachable moment and provide an opportunity to encourage the surviving spouse to draft a will. Where appropriate, information on the importance of estate planning and how to select the most appropriate individuals to work with when developing an estate plan could be distributed through service professionals working with surviving spouses and family members. Providing the information during a potentially receptive time period may further increase the adoption of wills among this population.

The significant positive association between adopting a will and being diagnosed with cancer is contrary to previous findings and hypothesized results. The findings of this study, however, suggest that older adults may engage in adopting wills as a way of coping with the tremendously stressful situations associated with terminal illness. Providing information to cancer patients through cancer related organizations, support groups, or other means, on the importance of wills and how an individual can best adopt a will, may benefit these older adults by providing information at a time when it is more readily accepted and implemented. Based on High's (1993) findings on the effects of education on the adoption of advanced directives, a moderately informative approach would likely lead to the greatest success. Furthermore, the presence of a terminal illness may increase the acceptance and implementation of the education provided beyond the level observed by High.

Losoya, Eisenberg and Fabes (1998) observed that coping behavior is a process of

“procedures that are directed at managing the stressor, and/or the self in relation to the stressor” (p. 288). Henderson (1990) observed that giving older adults greater control over end-of-life processes resulted in a significant decrease in death anxiety, suggesting that problem-focused coping procedures are effective in reducing end-of-life stresses. Although indeterminable from this data, the process of adopting a will may be a positive problem-focused coping strategy used to confront and address the stress associated with a cancer diagnosis. Older adults may find that adopting wills is an effective way of problem-focused coping with the cancer diagnoses or becoming widowed.

Retirement may signify to the older adult a transition into old age and may lead to anxiety on the part of the retiree (Littell & Tacchino, 2004). The anxiety associated with the transition into retirement may result in behavior change and the adoption of a trust. Other factors, including the individual seeking professional financial planning advice to manage money during retirement, may also be significant contributors to adopting and transferring assets to trust.

Previous studies did not find that retirement was a significant factor associated with having or adopting a trust. This finding is important because it suggests that older adults transitioning into retirement are more likely to adopt end-of-life planning instruments than those not experiencing the transition, and therefore they may be more open to encouragement and direction from financial planning professionals in adopting such instruments. Given the lack of understanding that current workers have about estate planning, as documented by Volpe et al. (2006), human resource officers can provide information about estate planning and working with financial planning professionals (and even help facilitate contact with such professionals) who can discuss the advantages and disadvantages of creating a trust and who can also assist in executing a will or trust if the individual stands to benefit from such an instrument.

Previous findings regarding age were mixed with several researchers finding a positive association between age and the likelihood of will adoption (Lee, 2000; Rossi & Rossi, 1990; Simon et al., 1982). However, others have found no association, or a negative association, between age and will adoption among older adults (Goetting & Martin, 2001; O’Connor, 1996). This study found that when life events were controlled for, age was not significantly associated with the decision to adopt a will. This suggests that an individual’s specific experiences, rather than age, impact that person’s observable estate planning actions. Accordingly, marketing efforts may be more efficient if targeted individuals are grouped based on similar experiences rather than other general demographic characteristics.

Although adopting a will may be a positive coping behavior that older adults can engage in when confronted with some life events, additional research is necessary before recommending that professionals working with older adults during these life events suggest adopting wills as a coping strategy. Independent of the stressful event it may be associated with, the adoption of a will is a positive behavior. Making older adults aware of the importance of having wills during times when they are more likely to adopt wills may provide needed direction to them and increase the proportion of will holders in the general population.

There are several limitations of this study. First, as a result of data limitations, the exact sequence of events is impossible to determine. Although the researchers were able to identify

whether the life event and adoption of a will occurred in the same time period (roughly a four-year span) their proximity in time and sequence is not known. Second, this correlation study is subject to the outcome of spurious results. Information that is more precise would allow for more definitive conclusions on the role problem-focused coping strategies play in adopting wills. Finally, the data are truncated as a result of the limited time period. Those older adults experiencing the life events near the end of the time period may end up adopting wills, but the adoption is not observable because of the restricted time period. Similarly, others who adopted wills may have done so as a result of the life events that occurred before the beginning of the observation period. Future research in this area could examine more closely the relation of problem-focused coping behavior and will adoption and the efficacy of will adoption as a problem-focused coping behavior when experiencing mortality related events.

## 6. Conclusion

In conclusion, life events appear to be positively associated with older adults adopting a will or establishing a trust. Will and trust creation are positive behaviors that can lead to strengthened family and friend relationships after the testator's death by reducing ambiguity surrounding a deceased individual's wishes and desires. The occurrence of specific life events may result in older adults being more willing to receive and implement information and advice regarding will adoption.

## References

- Bost, J. C. (2001). *Estate planning and taxation*. Dubuque, IA: Kendall/Hunt.
- Bryson, K., & Casper, L. M. (1999). Coresident grandparents and grandchildren. *Current Population Reports* (Census Bureau P23–198). Washington, DC: U.S. Department of Commerce.
- Dohrenwend, B. S., Askenasy, A. R., Krasnoff, L., & Dohrenwend, B. P. (1978). Exemplification of a method for scaling life events: The PERI Life Events Scale. *Journal of Health and Social Behavior*, 19, 205–229.
- Edwards, K. P. (1991). Planning for family asset transfers. *Financial Counseling and Planning*, 2, 55–78.
- Gujarati, D. (2002). *Basic Econometrics*. New York: McGraw Hill.
- Goetting, M. A., & Martin, P. (2001). Characteristics of older adults with written wills. *Journal of Family and Economic Issues*, 22, 243–264.
- Havens, J. J., & Schervish, P. G. (2003). Why the \$41 trillion wealth estimate is still valid: A review of challenges and questions. *Social Welfare Research Institute*, 6, Boston College.
- Henderson, M. (1990). Beyond the living will. *The Gerontologist*, 30, 480–485.
- High, D. M. (1993). Advance directives and the elderly: A study of intervention strategies to increase use. *The Gerontologist*, 33, 342–349.
- Holmes, T. H. & Rahe, R. H. (1967). The social readjustment rating scale. *Journal of Psychosomatic Research*, 11, 213–218.
- Institute for Social Research. (2002). *Health and Retirement Study 2000 core final* (Version 1.0, Revised April 2003) [Data file and code book]. Retrieved November 10, 2003, from Health and Retirement Study Web site <http://hrsonline.isr.umich.edu/>.
- Institute for Social Research. (2003). *Health and Retirement Study, 1996 core final* (Version 4.0) [Data file and code book]. Retrieved November 10, 2003, from Health and Retirement Study Web site <http://hrsonline.isr.umich.edu/>.

- Juster, F. T., & Suzman, R. (1995). An overview of the health and retirement study [Special issue]. *The Journal of Human Resources*, 30, S7–S56.
- Lee, J. (2000). Planned bequests: Decision to have a will and distributive preferences among the very old. *Dissertations Abstracts International*, DAI-A 62/06, p. 2194. (UMI No. 3018236).
- Littell, D. A., & Tacchino, K. B. (2004). *Planning for Retirement Needs*. Bryn Mawr, PA: The American College Press.
- Losoya, S., Eisenberg, N., & Fabes, R. A. (1998). Developmental issues in the study of coping. *International Journal of Behavioral Development*, 22, 287–313.
- Nuckols, R. C. (1982). Widowhood, income maintenance and economic well-being. In J. Cates (Ed.), *Family Systems and Inheritance Patterns* (pp. 39–60). New York: Haworth Press.
- O'Connor, C. (1996). Empirical research on how the elderly handle their estates. *Generations*, 20, 13–20.
- Rosenfeld, J. (1992). Old age, new heirs. *American Demographics*, 14, 46–49.
- Rossi, A. S., & Rossi, P. H. (1990). *Of Human Bonding: Parent-Child Relations Across the Life Course*. New York: Aldine de Gruyter.
- Schwartz, T. P. (1993). Testamentary Behavior: Issues and evidence about individuality, altruism and social influences. *The Sociological Quarterly*, 34, 337–355.
- Simon, R. J., Fellows, M. L., & Rau, W. (1982). Public opinion about property distribution at death. *Marriage and Family Review*, 5, 25–38.
- Stum, M. S. (2000). Families and inheritance decisions: Examining non-titled property transfers. *Journal of Family and Economic Issues*, 21, 177–202.
- Stum, M. S., & Goetting, M. A. (2002). *Who Gets Grandma's Yellow Pie Plate? Transferring Non-Titled Property* [Brochure]. Bozeman, MT: Montana State University Extension Service.
- Sussman, M. B., Cates, J., & Smith, D. (1970). *The Family and Inheritance*. New York: Russell Sage Foundation.
- Volpe, R. P., Chen, H., & Liu, S. (2006). An analysis of the importance of personal finance topics and the level of knowledge possessed by working adults. *Financial Services Review*, 15, 81–98.
- Weiss, M. J. (2003). Great expectations. *American Demographics*, 27–35.