

What Do Americans Think About Estate Planning?

Key Findings of
WealthCounsel's
Inaugural
Estate Planning
Awareness Survey

Nearly half of all respondents believe that estate planning is only for the ultra-rich and most people don't need it.

While this view is common among Americans, it couldn't be further from the truth. Proper estate planning can help people across the wealth spectrum to achieve numerous goals.

For example:

- Parents may want to designate a guardian for their children.
- Homeowners could seek to ensure that their homes are transferred to their designated beneficiaries in the event of death.
- Business owners may want to keep their business in family hands as one generation gives way to the next.

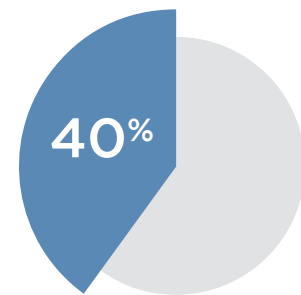
Yet according to WealthCounsel's inaugural Estate Planning Awareness Survey, only a bit more than half of Americans have a will (i.e., 40%) or trust (17%) in place, meaning that many are not properly protecting themselves and their families.

We conducted the survey in partnership with global business intelligence firm ORC International. Our objectives were to determine how Americans view estate planning; find their level of understanding about the benefits and limitations of certain planning tools; and identify the motivations behind creating — or not creating — an estate plan.

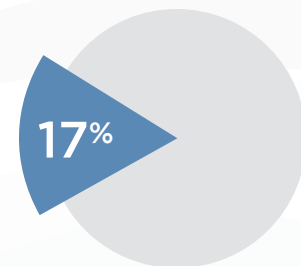
This paper summarizes our top-line findings about the current environment for estate planning. Throughout the next year, we will share more in-depth findings that should not only help attorneys to better serve the public on this critical-yet-confusing topic, but also raise public awareness and give people information they can use to make sound decisions about their estates.

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Americans With a Will



Americans With a Trust



“Confusion” Best Describes How Americans Feel About Estate Planning

Based on the survey results, it’s fair to say that Americans are confused about estate planning: [Three-quarters of respondents \(74%\), in fact, answer affirmatively when asked whether estate planning is a confusing topic.](#)

Some of this relates to the erroneous belief, shared by half of respondents, that estate planning is only for the wealthiest people. Forty-seven percent think that estate planning is primarily for those who are most prosperous, while 49% say their assets aren’t worth enough for them to even consider having an estate plan. And only 3% mention the word “trust” — a fundamental planning tool for all that, typically, is associated with the wealthy — when asked what estate planning means.

As a result of these misconceptions, 61% say that a will is enough to meet their estate-related needs.

Attorneys Are the Go-To Source for Estate Planning Guidance

Given the perception of estate planning as a confusing topic, it makes sense that three-quarters (74%) of Americans value professional guidance in learning more about it.

And who do they think can best provide such guidance? Not surprisingly, attorneys are the clear choice as the top source of information on estate planning. [About three-quarters of all respondents \(76%\) — and Millennials more specifically \(73%\) — think an attorney is an essential element in creating an estate plan.](#)

Among respondents who report having an estate plan in place, a significant number turn to attorneys over other sources of information. For example, 42% say that an attorney was their first choice for information when they were creating an estate plan, and only 8% turned to online legal services when first seeking advice on how to develop a plan.

But even with such a strong consensus on where to go for guidance, the survey reveals another point underscoring the public’s general sense of confusion about estate planning: more than half of respondents (53%) say that it’s difficult to find an advisor they trust to create an estate plan. This suggests that attorneys have a built-in opportunity both to educate the public about planning and make their own services better known.

The Gap in Knowledge of Estate Planning is Substantial

The saying “perception is reality” aptly describes how Americans view estate planning. The difference between what they think they know about estate planning and the actual outcomes from a properly structured plan can be considerable.

Our survey finds that substantial gaps in knowledge exist around three major areas: health and family; courts and conflict; and business and tax implications.

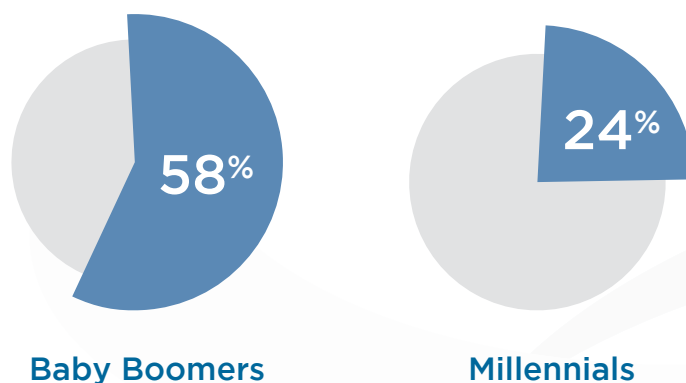
Health and Family. When it comes to matters involving health and family — two concerns for which sound estate planning is critical — Americans appear simultaneously informed and uninformed.

For instance, 71% of respondents say that having a well-thought-out plan would help them feel like a good spouse or parent, implying an awareness of the benefits that planning can offer spouses and children.

But another finding makes it clear that such awareness is theoretical, at best. Exactly half of all respondents don't know that estate plans can be used to provide a guardian for a minor, and the corresponding number for surveyed Gen Xers is 44%.

Less than half (45%) tell us that they understand that estate planning can be used to express an individual's wishes related to personal healthcare decisions, e.g., whether to maintain or remove life support in the event of grave illness.

When responses to this question are viewed by age group, however, the picture becomes muddier. Well over half (58%) of baby boomers say that estate plans can be used to establish personal healthcare directives. Among Millennials, this number is about one-quarter (24%).



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Courts and Conflict. Legal disputes involving estate plans and wills — or the lack of them — are numerous and can be very costly in terms of familial harmony, money, or both. Recent headline-grabbing cases include those of the musician Prince, who died suddenly without a will, and ailing media mogul Sumner Redstone.

Such disputes often occur among the not-so-rich-and-famous as well: More than one-third (35%) of respondents have either personally experienced, or known someone who has experienced, family conflict as the result of not having an estate plan or comprehensive will. Furthermore, more than half (53%) of those who have established a trust did so specifically to reduce family conflict.

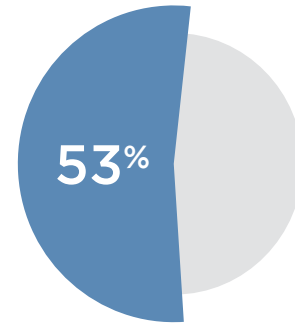
Despite this direct knowledge of what can happen, 50% of respondents with a will believe that wills protect them from probate court after they pass away, and more than two-thirds (70%) don't know that wills offer only limited protections.

Business and Tax Implications. The aware/unaware duality certainly applies to issues involving taxes and business.

Three-quarters (74%) of respondents say they'd be more likely to create an estate plan if it would help lower their families' tax obligations, even as more than half (54%) believe that estate planning is mostly done to reduce or eliminate taxes.

Many Americans remain unaware that a properly structured estate plan can not only achieve tax reduction and/or elimination, but also accomplish other important goals. More than half of respondents, for example, don't know they could use an estate plan to help with charitable giving (52%); provide tax protections (53%); and facilitate the transfer of a business (58%).

Nevertheless, more than half (53%) of respondents say they would feel more successful if they created an estate plan, suggesting some knowledge of planning's business benefits.



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What's Holding Americans Back?

We're encouraged that nearly half (46%) of Americans say they're interested in learning more about estate planning.

But doing so won't necessarily be easy, as respondents identify a number of hurdles related to taking the next step toward creating an estate plan. The first is one we cited earlier: [More than half \(53%\) say it's difficult to find an advisor they trust to create a plan.](#) As a result, only 10% of those without a will or trust have spoken with an attorney or other professional.

Another meaningful hurdle is the uncertainty about which planning tool — a trust or a will — is most effective. Respondents are nearly split down the middle on this point: Forty-seven percent consider a trust to be the better planning option, meaning that 53% believe that a will would best do the job.

Of the 43% of Americans without a will or trust in place, only about one-quarter (27%) have at least talked with their families about setting up an estate plan. Several factors have dissuaded the 43% from even beginning to address it:

- More than one-third (37%) say they haven't discussed the topic with their families because they don't believe they have sufficient assets or valuables.
- Another 29% say they aren't wealthy enough to think about it.
- One-quarter of respondents haven't spoken to their families about a plan because they don't like to talk or think about their own death.

The Bottom Line: Room for Improvement

The Estate Planning Awareness Survey points to considerable room for improvement in Americans' awareness and understanding of estate planning. Confusion is common, there are large gaps between what people know about estate planning and what the facts are, and there are significant obstacles to starting the planning process.

But such challenges present an important opportunity for attorneys offering services in trusts and estates law. [Armed with the survey results, they can have more meaningful conversations with existing and prospective clients — particularly to explain that the need for estate planning extends far beyond the ultra-rich.](#)

This paper is the first in a series of educational materials from WealthCounsel, to be published in the coming months, which will provide WealthCounsel members and the legal community at large with much-needed actionable steps to help demystify estate planning for the average American. We welcome your questions or comments at marketing@wealthcounsel.com.