

On Whether and Why People Leave Bequests in the United States

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Abstract

This study attempts to shed light on the strength and nature of bequest motives in the United States and to identify the determinants of bequest motives in the U.S. using micro data from the 2000 Health and Retirement Study. The study concludes that the altruism model applies in the United States based on the following pieces of evidence: First, a high proportion of Americans make *inter vivos* transfers and/or leave large bequests to their children and, second, bequests appear *not* to be selfishly motivated because parents expecting to receive financial support from their children in the future are *not* more likely to leave large bequests—in fact, they are, if anything, *less* likely to do so, which suggests that bequests are *not* a *quid pro quo* for financial support from one's children. Moreover, this study finds that older, wealthier, married, more highly educated, Caucasian, healthy, and non-religious individuals are more likely to leave bequests than other individuals.

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