

The following document is a full report on Estate Planning and the probate process and includes statistical information that was gathered by SeniorLiving.org. The data in this report was collected by over 5,100 Americans. The pertinent portions of the report have been highlighted for your reading ease.

2021 Estate Planning Report



Average estate takes 12+ months to finalize; millennials inheriting half the wealth of Gen X

The total value of estates and inheritances is rising. Since 1989, average values have doubled, and the upward trend may continue: Over the next three decades, American retirees expect to transfer more than \$36 trillion in wealth to their families, friends, charitable organizations, and other beneficiaries.

As estate values increased, so has the average age of people receiving inheritances. In 1989, the average age at inheritance was 41, but today it's closer to 51. And although an alarming number of Americans still haven't created a will, younger adults have started to plan their estates. One study revealed that **32 percent of participants aged 18 to 34** got a will in 2020 because of COVID-19.

What else is changing today about the way Americans approach **estate planning** and inheritances? Survey and user data from 5,100 people provided by estate settlement company **Atticus** revealed several emerging trends. Read on to find out how you can plan your own estate according to expert recommendations.

Key findings:

- Seven percent of people said they don't need a will, but data showed that settling an estate without a will takes 5 months longer than an estate with an uncontested will.
- On average, it costs \$14,225 to settle an estate. Nearly half of all estates cost over \$15,000 to settle.
- Estate taxes differ by state, but Washington and **Oregon** have some of the highest rates and lowest exemption thresholds.
- Millennials inherited a median value of about \$75,000, while their Gen X and **Baby Boomer** counterparts inherited about \$150,000.

One in Three U.S. Adults Has Created a Will; More Than Half Know They'll Need One

The first part of our research focused on understanding how many Americans have done any estate planning and what factors impact the likelihood that a person has a will. Our findings indicate that only seven percent of people believe they don't need a will while just over one in three already have one.

Do you think you need a will?

Not sure	8%
Don't need one	7%
Have one	34%

Do you think you need a will?

Need but don't have yet	51%
-------------------------	-----

Young people are far more likely than their older counterparts to indicate they don't need a will or aren't sure. One in four people between the ages of 18 and 29 said they don't need one or aren't sure, while only seven percent of those 60 and older said the same.

Older people were also the group most likely to say they have a will — by a huge margin. Thirty-five percent of those between 45 and 60 have a will, more than 20 percentage points behind the next-oldest age group. Still, at least half of those under 60 have indicated they will require a will but haven't yet made one.

Do you think you need a will?

Responses by age group

Response	18-29	30-44	45-60	60+
Not sure	13%	10%	6%	2%
Don't need one	12%	5%	7%	5%
Have one	17%	26%	35%	59%
Need but don't have yet	58%	59%	52%	34%

Men are more likely than women to have already created a will (38 percent vs. 31 percent), while they were about equally likely to say they don't need one (eight percent for women vs. six percent for men).

Unsurprisingly, the wealthier the respondent, the more likely they are to already have created a will. More than 60 percent of people with household income in excess of \$175,000 have a will compared to about one in four for those earning less than \$50,000. Still, just over half of those who earn the least agree they need a will.

Do you think you need a will?

Responses by household income level

Response	<\$50,000	\$50,000-\$99,999	\$100,000-\$174,999	\$175,000+
Not sure	11%	4%	6%	8%
Don't need one	10%	5%	5%	3%
Have one	26%	33%	40%	61%
Need but don't have yet	52%	58%	50%	29%

Other than wealth, strong factors relating to the chances that a respondent has already created a will, include ownership in investments like businesses, real estate, stocks, and bonds. These were even stronger factors than having dependent children, though the figures were close.

Overall, the strongest factor was having an equity share in a business, with 95 percent of this group having a will or needing a will, followed by 93 percent of those who own real estate (which can include the home they live in or other properties) as well as those who own stocks, bonds, or other investments.

As we've seen, age and household income are also strong factors, though not as influential as investment or business ownership. Still, clear majorities of every group either already have a will or know they will need one.

Qualities of respondents who already have a will or know they'll need one

Own equity in business	95%
Own real estate	93%
Own stocks, bonds, other investments	93%
Have dependent children	92%
Aged 45 or older	90%
Income is \$100,000 or more	89%

Estate Settlement Data Reveals Millennials Inherit the Least, Average Estate Takes 12+ Months to Finalize

Anonymized data collected from more than 2,000 Atticus clients who expressed interest in estate settlement services found that the settlement that proceeded without a will extended for 16 months, but even among those who had a will, settling an estate can take quite a long time.

Atticus data also indicated that large numbers of wills are uncovered only after estate settlement has begun, which means estate planning is falling by the wayside for many families and important conversations are not taking place. Let's look at typical estates as well as what people should know about potential tax implications.

Conventional wisdom holds that the majority of Americans do not have a will. Indeed, our survey data indicated that 66 percent of people lack a will, and a [recent LegalZoom survey](#) pegged this number at 62 percent.

However, Atticus data found the opposite to be true. Among individuals who sought or expressed interest in estate settlement services, in 63 percent of cases, a will was discovered during the settlement process. What accounts for this discrepancy? Mainly it's a result of limiting scope to families seeking estate settlement, meaning the survivors (or representatives) of those with assets to split.

Notably, executors were aware of wills only 46 percent of the time, while about 28 percent were not sure either way. This indicates that even among those who have taken the time to [draft a will](#), they aren't making it clear to their survivors where the will is or what's in it.

Let's take a look at other key findings from the Atticus data:

Wealth & inheritance size

Net worth of individuals included in Atticus' data ranged from a median of \$725 for the bottom 25th percentile of people to \$2.6 million for those in the 97th-99th percentile bracket.

Median net worth by net worth percentile range*

<25th	\$725
25th-50th	\$62,425
50th-75th	\$243,135
75th-97th	\$673,456
97th-99th	\$2,632,795

* At time of death

Homeownership is hugely influential when it comes to [net worth](#) and, thus, estate size. The median net worth of renters included in the Atticus data was just over \$6,300, but that jumps to more than \$250,000 for homeowners. And as our survey data noted, ownership of investments was strongly correlated with having or needing a will.

Just over half of those who inherited assets, including cash and non-liquid assets, received less than \$50,000, while a tiny percentage got a million bucks or more. But about one-third of inheritances were between \$50,000 and \$250,000.

Average inheritance amount*

<\$50,000	53%
\$50,000-\$250,000	31%
\$250,000-\$500,000	9%
\$500,000-\$99,999	4%
\$1,000,000+	2%

* Includes entire estate (liquid and non-liquid assets)

The higher the wealth of the recipient, the bigger their inheritance size. Those with wealth lower than the 50th percentile bracket received a median inheritance of just under \$81,000, while the wealthiest recipients got a median of more than \$375,000.

Median inheritance size by wealth percentile of recipient

<50th	\$80,743
50th-90th	\$122,463
90th>	\$377,069

Millennial inheritors got far less than their Gen X or Baby Boomer counterparts. Millennials inherited a median sum of about \$75,000, about half that of the other two groups, with recipients in Gen X having the highest median inheritance size.

Median inheritance size by generation of recipient

Millennial	\$74,753
Generation X	\$150,038
Baby Boomers	\$146,377

What are people inheriting? Almost all estates Atticus analyzed included cash and other liquid assets, but the median value of that type of asset was the lowest overall, just over \$5,300. The most valuable type of asset, among estates that had a positive net value, was a primary home. Sixty percent of estates involved a primary home worth a median value of more than \$225,000. Business equity was least common, but it was relatively valuable, worth a median amount of just over \$90,000.

Most common asset types and median value*

Type	Percentage receiving assets	Median value
Cash & liquid assets	99%	\$5,369
Vehicles	85%	\$17,424
Investable assets	66%	\$95,989
Primary home	60%	\$227,925
Retirement accounts	51%	\$65,845
Other real estate	16%	\$117,508

Most common asset types and median value*

Business equity	13%	\$90,258
-----------------	-----	----------

* Percentage of estates with positive net value

The most common [liability](#) against estates was credit card debt (about 48 percent), followed closely by mortgage debt (43 percent). Nearly 40 percent had a vehicle loan, while just two percent had a personal loan. Of those, mortgage debt was the costliest, with a median value of about \$129,000.

What about other assets? The most common nonfinancial assets included sentimental items like jewelry, furniture, and family heirlooms, as well as keepsakes like pictures, recipes, and other media. A growing trend includes digital content, such as cryptocurrency or website domains.

Executors & estate settlement

An estate executor is the person named or court-appointed to carry out the terms of a deceased individual's will and oversee settlement and administration of their estate. About 80 percent of executors in estates included in Atticus' analysis were family members, with children accounting for about one in five overall.

Executor relationship to deceased

Spouse	14%
Child	41%
Other family member	27%
Friend	15%
Professional	3%

Baby Boomers were more likely to be executors than other generational groups, though the balance is fairly even between Millennials, Gen X'ers, and Boomers. The oldest and youngest, Silent Generation and Gen Z, respectively, were least likely to be named as executors.

Executor by generation

Generation Z	5%
Millennial	28%
Generation X	29%
Baby Boomer	35%

Executor by generation

Silent Generation	2%
-------------------	----

Even with a will, settling an estate can take months. In fact, the average time to settle an estate with an uncontested will was just under a year. That said, estates resolved without a will took 16 months on average, while those in which there was a contested will took almost two years.

Average time to settle estate

Contested will	23 months
Without will	16 months
Uncontested will	11 months

On average, Atticus data indicated that it costs \$14,225 to settle an estate, and fewer than four percent of estates spent less than \$5,000. One in four estates costs upwards of \$20,000 to settle.

Expense required to settle estate (average \$14,225)

<\$5,000	4%
\$5,000-\$10,000	18%
\$10,000-\$15,000	28%
\$15,000-\$20,000	24%
\$20,000-\$25,000	17%
\$25,000+	8%

Estate taxes demystified

The presence and rate of federal estate taxes are subject to constant political debate. While Atticus data indicates that the average estate isn't affected by the estate tax (remember that the median size of the largest estates Atticus has helped settle was under \$3 million), it's reasonable to plan ahead, assuming estate taxes will rise while exemption amounts fall.

Aside from the blip of 2010, in which the estate tax was eliminated entirely, the highest federal estate tax rate has remained quite steady for the better part of the past 10 years. However, starting with the Trump tax reform of 2018, the exemption amount, meaning the value below which an estate is not taxed, has been upwards of \$11 million.

That law is set to expire in 2026, and while President Joe Biden pledged during the 2020 campaign to reset the exemption back to pre-2010 levels, that proposal was not part of the economic plan he [released](#) in April.

The federal estate tax exemption in 1997 was \$600,000 and the top rate was 55 percent. Today, the exemption amount, which the Trump tax law tied to the rate of inflation, is \$11.7 million and the top rate is 40 percent.

>>[Learn More: Estate Tax Calculator](#)

Federal individual top estate tax rate and tax exemption by year

Year	Estate tax exemption	Top estate tax rate
1997	\$600,000	55%
1998	\$625,000	55%
1999	\$650,000	55%
2000	\$675,000	55%
2001	\$675,000	55%
2002	\$1,000,000	50%
2003	\$1,000,000	49%
2004	\$1,500,000	48%
2005	\$1,500,000	47%
2006	\$2,000,000	46%
2007	\$2,000,000	45%
2008	\$2,000,000	45%
2009	\$3,500,000	45%
2010*	—	—
2011	\$5,000,000	35%
2012	\$5,120,000	35%
2013	\$5,250,000	40%

Federal individual top estate tax rate and tax exemption by year

2014	\$5,340,000	40%
2015	\$5,430,000	40%
2016	\$5,450,000	40%
2017	\$5,490,000	40%
2018	\$11,180,000	40%
2019	\$11,400,000	40%
2020	\$11,580,000	40%
2021	\$11,700,000	40%

Estate tax exemptions are also portable, meaning they can transfer to a surviving spouse, who can then take advantage of the deceased spouse's unused exemption (DSUE), and married couples get double the exemption amount (which today is \$23.4 million).

Still, the Tax Policy Center estimates that less than one percent of estates were subject to any federal estate taxes in 2019. However, that doesn't mean it's wise to throw caution to the wind and ignore the tax implications of estate planning.

Several states also impose taxes on estates of certain sizes. Exemptions apply, ranging from a low of \$1 million in [Massachusetts](#) and Oregon to a high of \$7.1 million in [Connecticut](#), and top rates vary, with both Hawaii and Washington topping out at 20 percent.

State estate tax rates and exemption amounts

State	Rate	Exemption
Connecticut	10.8%-12%	\$7,100,000
District of Columbia	11.2%-16%	\$4,000,000
Hawaii	10%-20%	\$5,500,000
Illinois	0.8%-16%	\$4,000,000
Maine	8%-12%	\$5,800,000
Maryland	0.8%-16%	\$5,000,000

State estate tax rates and exemption amounts

Massachusetts	0.8%-16%	\$1,000,000
Minnesota	13%-16%	\$3,000,000
New York	3.1%-16%	\$5,900,000
Oregon	10%-16%	\$1,000,000
Rhode Island	0.8%-16%	\$1,600,000
Vermont	16%	\$5,000,000
Washington	10%-20%	\$2,200,000

While estate taxes are paid by the estates of deceased people, some states also assess inheritance taxes, paid by some individuals who inherit cash or other assets. Iowa, Kentucky, Maryland, Nebraska, New Jersey, and Pennsylvania all impose inheritance taxes. Rates and exemptions vary based on the relationship between the deceased and the recipient. For example, none of the states impose the tax on surviving spouses, and only [Nebraska](#) and Pennsylvania impose them on direct descendants like children and grandchildren.

Expert Insights on Estate Planning

Atticus data indicates that even when a will is present, it takes about a year and thousands of dollars to successfully settle an estate. So, what advice do experts have to ensure the process goes smoothly and that the deceased's wishes are carried out?

'Let's reimagine legacy'

Though it's not always something inherited at the death of a parent or grandparent, Atticus founder Ben Hopf identified college education as one of the most beneficial gifts that can be passed to younger generations.

The [Federal Reserve reports](#) that the average net worth of a household led by someone with a college degree is about \$300,000, while the average net worth of households where the highest education level is high school is about \$74,000. Meanwhile, Americans have [more than a trillion dollars](#) in student loan debt with an average load of more than \$34,000.

"People don't think of college as inheritance. But it should be — both by the givers and the receivers. Let's reimagine legacy," Hopf said.

Spell out who gets Grandpa's pocket watch

The benefits of estate planning go beyond making sure something positive is left behind after you're gone. Having a will that covers assets big and small can also ensure your family, friends, and other

survivors don't spiral into conflict about who gets what. But a will doesn't preclude arguments fueled by grief, confusion, and money.

And you may be surprised to find out that while obvious high-value culprits like homes and business equity drive division, most arguments between estate beneficiaries stem from sentimental disagreements. Fights over who gets the pets, jewelry like Mom's wedding band or Dad's watch, treasured photos, handwritten notes, religious texts, and cherished recipes are all common reasons for estate settlement to drag on.

Even when the deceased has provided a will, many types of assets are overlooked, whether because the individual doesn't know the items are valuable or because it passed through one inheritance without being retitled, it becomes a sticking point when the time comes to turn it into cash. As Hopf says, "It could be Mom never retitled Dad's car, now they're both gone, and I can't easily sell or transfer the title from Dad to Mom to her estate to my siblings and our children."

The best way to avoid arguments over sentimental items is to include in your will exactly what each of your beneficiaries will get, and regular reviews of all your assets and liabilities can help ensure paperwork like property deeds, auto titles, and more are gathered together in one place.

Where there's a will, there's ... probably a will that needs to be updated

Not every person needs a will, and intestate law, meaning the rules governing the dispensation of assets for people without a will, can be effective in simple cases with straightforward assets. And even when a will is present, the document can still be contested. (Remember how we said the average length of time to settle an estate with a contested will was 23 months?)

Nearly one in five people we surveyed hadn't reviewed their will in six years or more. While the experts at Atticus say there's no standard length of time between ideal will reviews, understanding how they work and how estates are settled can help you determine when to review your will.

Major life events are obvious triggers to review your [will](#), so marrying or divorcing, retiring, starting or selling a business, relocating to a new state are all points at which it's wise to review whether your will needs to change. And it's crucial not just to look at what you're leaving to whom but to consider how easy or hard it will be for your survivors to fulfill your wishes.

As Atticus founder Ben Hopf puts it, "The will is the horse; you still have to connect the cart by verifying that the title is in order for the will to properly pass your belongings to your survivors as you intend."

There are many types of wills; here's a quick rundown:

- **Attested:** The default will most people think of when they imagine a will. Signed by a person with the intent and capacity and witnessed by at least two people of sound mind, including a notary.
- **Holographic:** Also referred to as a soldier's will, this is a non-notarized will unwitnessed by anybody, but it must be substantially handwritten by the person and the handwriting must be recognizably theirs, and they must sign it at the end. These are not valid in all states, and there are rules about where they must be found in order to be considered valid (among the person's valuables, in a safe deposit box, or in their personal possession are the generally accepted spots).
- **Oral:** Formally called a nuncupative will, oral or verbal wills can be considered valid if made by someone facing imminent death and witnessed by two people of sound mind present simultaneously.

Put yourself in the executor's seat

As we've mentioned previously, ensuring paperwork is in order is helpful to those who will carry on after you, but certain tasks are likely to be difficult no matter what. Among the issues Atticus data shows are the biggest hassles for executors and other survivors, reconciling Medicare/health insurance against end-of-life medical bills is often overwhelming given the scope of bureaucracy involved.

But even if that task is resolved easily or avoided entirely, a cavalcade of other issues remain. Some may seem simple — like canceling the deceased person's cable. But considering that 82 percent of American consumers subscribe to at least one video streaming service, according to Deloitte, and the average person watches four of them, it's likely to be far more complicated than it seems at first blush.

Among the hardest accounts to close are home security systems, banking and other financial accounts, insurance, communications, and digital subscriptions. While we don't recommend leaving a list of your account logins and passwords lying around, consider creating one and storing it in the same place you have your will, which should be in a safe deposit box or other fire-safe box in your house.

Think about the process from the perspective of the executor, whether it's one of your children, your spouse, a sibling, or someone else. What account numbers, addresses, passwords, and other general knowledge will they need to do their work successfully?

Consider a professional executor

The lack of an executor leads to conflict, disorder, and delays. In many cases, the responsibility defaults to a surviving child based solely on birth order or geographic proximity, while in other cases, executors only take on the role when nobody else will.

In only about three percent of estates included in the Atticus data was the executor a professional, and while there's likely to be higher costs associated with hiring outside help, if the estate is large and complex enough, engaging the services of a professional executor can make sure all recipients receive their inheritance in a timely manner.

Hiring an outsider also helps families avoid disputes over adult-child executors who may decide to take a fee for their executor services or become embittered because they've taken on a lengthy and time-consuming burden.

Atticus data indicated that only 46 percent of executors were aware there was a will, but 63 percent of settle estates were covered by one. That means executor conversations are not taking place when they should, which is before the individual's death.

Take the time to ensure your will is valid

If you have any assets, writing a will is just about the least you can do.

“At minimum, everyone can at least make the effort to put pen to paper, even if just an expression of your final wishes like whether you want to be buried or cremated, or expressions of love for your survivors. Doing even that little bit can bring a sense of completion for those left behind who are aiming to honor your wishes,” Atticus founder Ben Hopf said.

But one of the biggest reasons for disputes and delays in settling estates is when the validity of a will is challenged. In some cases, the process reveals family secrets, but more common issues that can spark

challenges are outdated wills that leave people off, documents with multiple versions floating around, or situations in which mental capacity is in question.

Ensuring that your will is valid could be as simple as visiting an attorney or contacting a notary public who can witness and attest to your mental fitness.

How they inherit matters, too

Even close, loving families can descend into fights over who gets what. It's important to make your wishes known when it comes to which survivors should take possession of which of your assets, but it's also important to ensure it's done the right way. Failing to do so could be costly to your loved ones in some cases.

For example, tax law currently allows people to inherit assets on a stepped-up basis that lets them avoid paying capital gains taxes if they decide to sell it. In other words, the assets value adjusts to the present day rather than what it was when the grantor owned it. In other cases, survivors may be split over dispensation of assets they're supposed to split, such as homes, businesses, or cars.

Adequate estate planning can help ensure your wishes are clear and that your loved ones are able to take as much advantage of tax law as possible.

Conclusion

If you die without drawing up a simple will, the state will decide how your assets are divided, and depending on where you live, important assets could go where you might not want them. As Atticus founder Ben Hopf put it: Making a will doesn't just let you divvy up assets; it gives you a chance to make a final expression of love to the ones you'll leave behind.

Methodology

To explore recent trends in estate settlement and planning, Data was collected from over 5,100 Americans. This includes customer data from Atticus and a survey of over 700 Americans. Survey participants were asked if they had prepared wills, what they knew about estate planning, and the type of financial assets they currently owned. Anonymized customer data from Atticus was used to determine inheritance amounts, average time to settle estates, average cost of estate settlement, and insights on estate executors and inheritors. [Estate tax data](#) is from the IRS.

Are you a journalist or researcher looking for data or expertise? See our [open data portal](#), or reach out to us at open-data@seniorliving.org to connect with an expert on aging in America.