

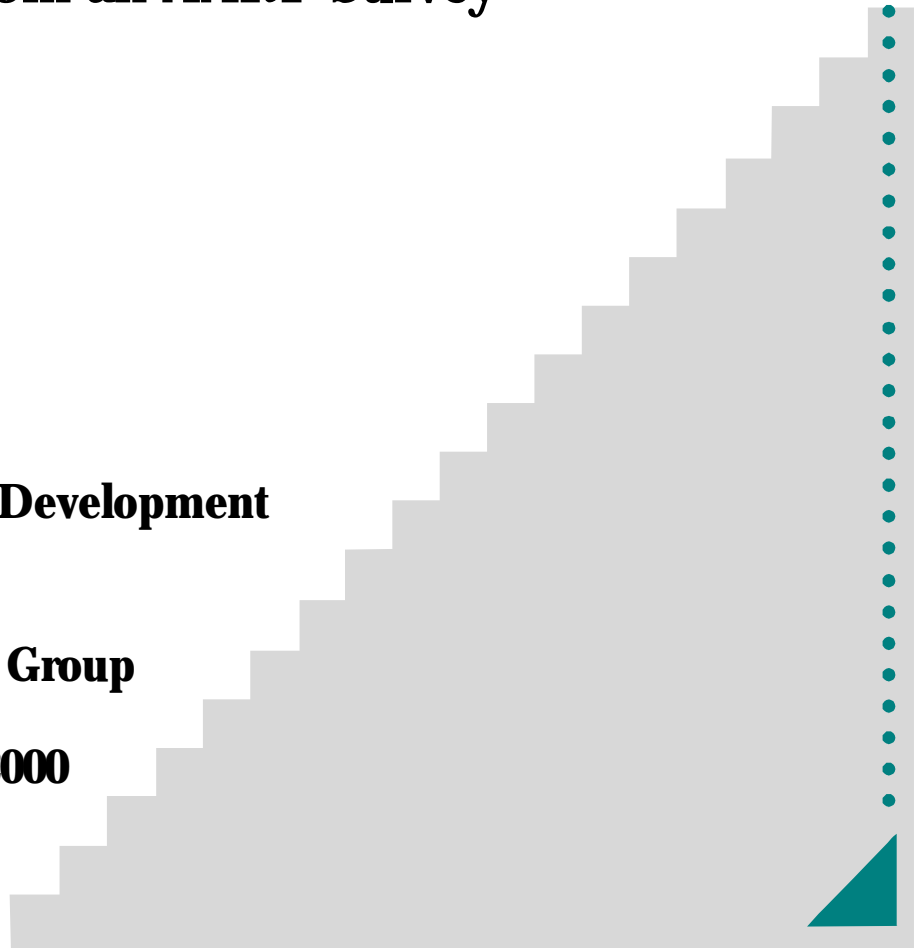
Where there is a will...

Legal Documents Among The 50+ Population: Findings From an AARP Survey

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and Services**

by
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LEGAL DOCUMENTS AMONG THE 50+ POPULATION: FINDINGS FROM AN AARP SURVEY

Introduction and Methodology

This brief survey was conducted to fill an information gap: the lack of current data on the extent to which people age 50 and older have, or do not have, basic advance planning documents—a will or last will and testament, a living trust, and a durable power of attorney. As the leading nationwide organization representing the needs of older people, AARP receives many requests for data of this type. Such up-to-date information is not available outside of AARP, and the last time similar data were obtained for AARP was on a survey conducted in 1991 with a sample of people age 45 and older.¹

International Communications Research, Inc. (ICR) conducted this study for AARP. To reduce any possible ambiguity about the terms used in this survey, each advance planning document was defined for the respondent. AARP's questions were included on an EXCEL Omnibus Study conducted between December 2 and December 12, 1999, with 1,028 adults age 50 and older. For a sample this size, the sampling error is ± 3.1 percent at the 95 percent confidence interval, which means that 95 out of 100 surveys of this sample size would yield results within a range of ± 3.1 percent of the findings for this study.

When figures showing differences in the responses of two or more subgroups of the sample (e.g., men and women) are presented in the text, the differences are statistically significant at the .05 level unless otherwise indicated.

A table showing the demographics of the sample and a copy of the annotated questionnaire are found in the Appendix.

Key Findings

1. Wills

Three in five adults age 50 and older (60%) report having a will. This percentage is similar to that found in the 1991 AARP survey of people age 45+ (64%).

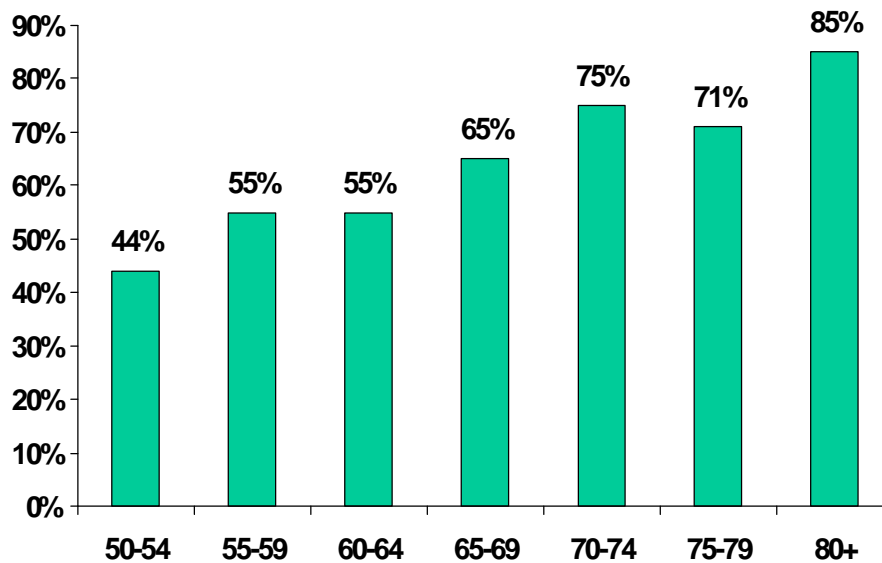
The percentage having a will increases with age (Figure 1), and varies by household income (Figure 2) and education (Figure 3). Findings were similar for the 1991 survey.

Not surprisingly, people age 65 to 74 are more likely to have a will than those age 50-64. While the percentage having a will clearly increases with age, there seem to be two critical ages where

¹ AARP's 12th Annual Survey of Middle-Aged and Older Americans, Princeton Survey Research Associates, February 1991 (N=1,652).

the probability of having a will increases: at age 55 and again at age 65 (Figure 1). Fewer than half of those under age 55 report having a will, while at age 55, the percent having a will jumps to 56 percent (not shown) and holds at 55 percent for people age 55 to 64. Then at age 65 it increases to 64 percent (not shown), and is 65 percent for the age group 65-69, with increases continuing among older age groups (where the numbers in the sample are quite small). Noteworthy is the fact that 85 percent of those age 80 and older (a small number in this survey) report having a will. (See also Figure 7.)

Figure 1. Percent of 50+ Population with a Will by Age



Source: AARP Survey of Legal Documents Among the 50+ Population, December 1999 (N=1,028).

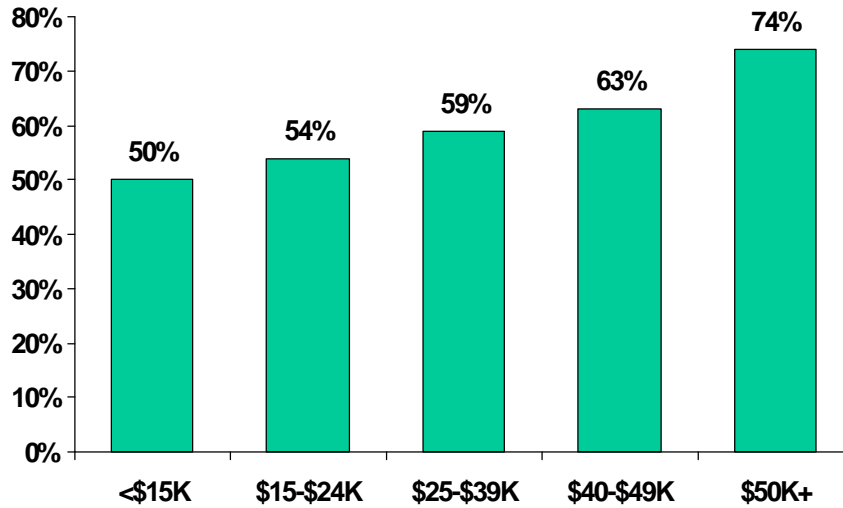
There is a dramatic increase in the proportion of the 50+ population having a will as household income increases from less than \$15,000 annually (50% with a will) to \$50,000 and over (74% with a will) (Figure 2).

As for household income, there is a strong relationship between having a will and education. People with a college degree or higher levels of education are much more likely to have a will than those with a high school education or less (Figure 3).

Whites are more likely to have a will than African Americans (64% vs. 27%), but these findings should be viewed with caution because of the small number of African Americans in this study.

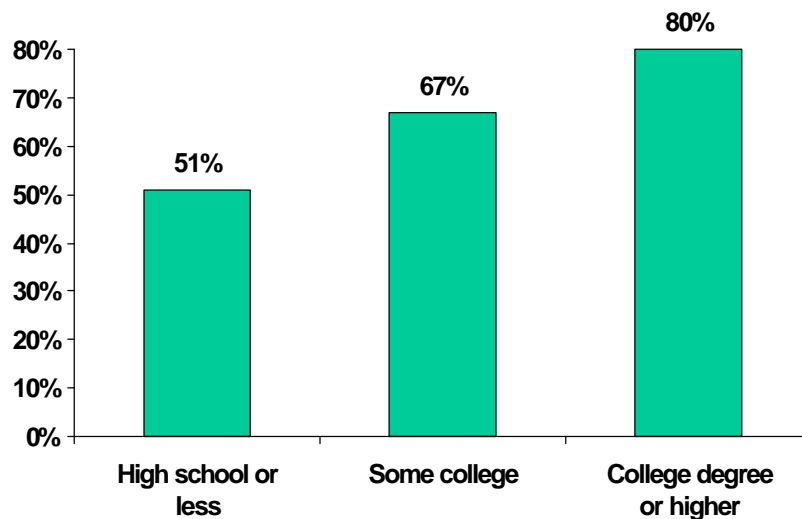
AARP members are more likely to have a will than non-members (71% vs. 53%), perhaps due in part to their somewhat greater affluence and higher education levels than the 50+ population as a whole.

Figure 2. Percent of 50+ Population with a Will by Household Income



Source: AARP Survey of Legal Documents Among the 50+ Population, December 1999 (N=1,028).

Figure 3. Percent of 50+ Population with a Will by Education

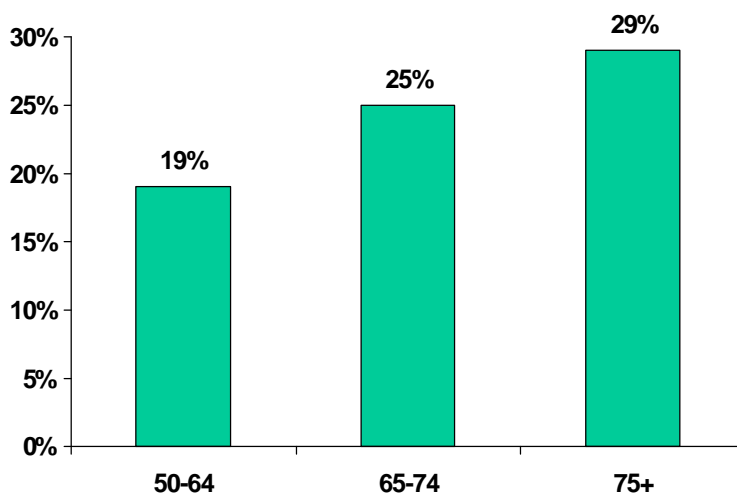


Source: AARP Survey of Legal Documents Among the 50+ Population, December 1999 (N=1,028).

2. Living Trusts

The prevalence of living trusts among the 50+ population is much smaller than that for wills: only 23 percent report having such a “trust into which you have placed or will place some of your assets during your lifetime.” Figure 4 shows the prevalence of living trusts by age. While the prevalence of having a living trust increases with age, the differences between age groups are not statistically significant.

Figure 4. Percent of 50+ Population with a Living Trust by Age



Source: AARP Survey of Legal Documents Among the 50+ Population, December 1999 (N=1,028).

Fewer than one in four people under age 70 report having a living trust, while the number of people age 70 and older having a living trust is closer to 30 percent (see Figure 7).

Men are more likely to report having a living trust than women (26% vs. 20%). The probability of having a living trust is higher among people with household incomes of \$50,000 and higher (34%) than for some groups with lower household incomes (14% for those with household incomes under \$15,000, and 18% for those with household incomes of \$25,000 to \$39,000). There are no differences by education.

The 1991 AARP survey found that only 12 percent of people age 45+ had a living trust, which was not defined for the respondent. That survey also found people with higher incomes and higher levels of formal education more likely to have a living trust than those with lower incomes and less formal education.

The prevalence of living trusts is higher in the West (34%) than among residents of the North East (16%) and the South (20%).

Again, having a living trust is more common among whites than among African Americans (25% vs. 3%), but these findings should be viewed with caution as the sample of African Americans in this study is small.

As with wills, AARP members are more likely than non-members to have a living trust (27% vs. 20%).

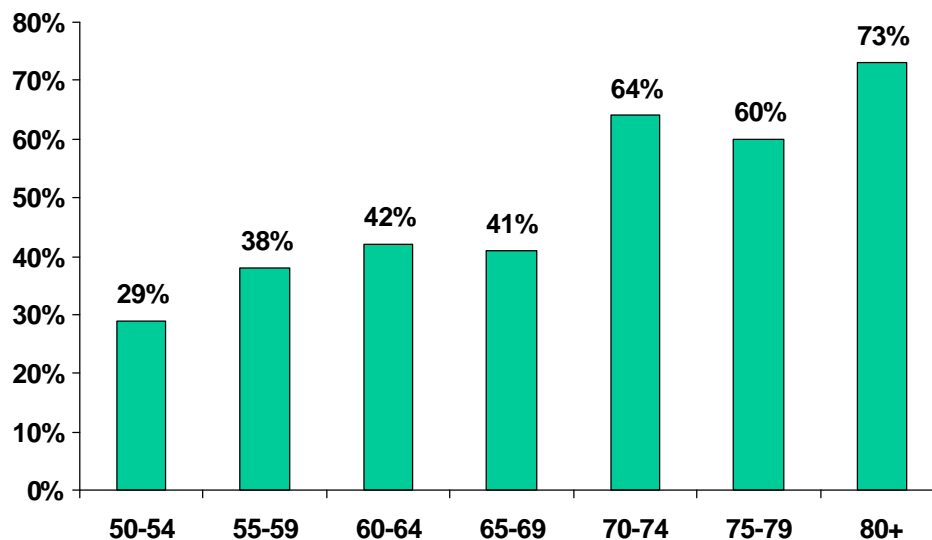
3. Durable Powers of Attorney

Among the 50+ population, 45 percent report having prepared a durable power of attorney “in which you appointed someone to act as your agent for financial matters if you become unable to manage your own affairs.” This is almost twice the proportion of people age 45+ who reported they had a durable power of attorney in 1991 (23%), when the term was not defined for the respondent. While there are no differences by gender, household income, or region, there are differences by age and education, shown in Figures 5 and 6 respectively.

As is the case with wills, the percentage of people with a durable power of attorney tends to increase with age. Age 70 is the critical age at which the prevalence of durable powers of attorney increases, where it is 70% (not shown). While 41 percent of people age 65-69 have a durable power of attorney, this figure averages 64 percent for people age 70-74 (Figure 5).

People with some college education or a college degree are more likely than those with a high school education or less to have a durable power of attorney (Figure 6), as was the case in the 1991 survey.

Figure 5. Percent of 50+ Population with a Durable Power of Attorney by Age

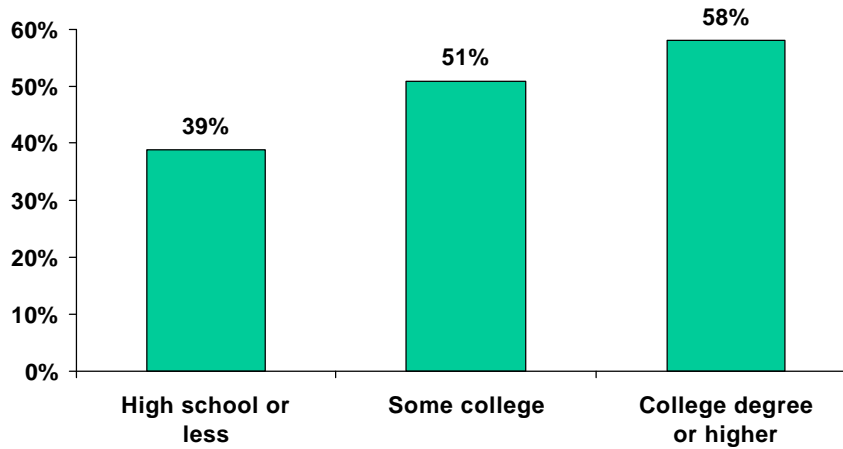


Source: AARP Survey of Legal Documents Among the 50+ Population, December 1999 (N=1,028).

Having a durable power of attorney is more common among whites than African Americans (48% vs. 22%), but these findings should be viewed with caution because the African American sample in this study is quite small.

As with wills and living trusts, AARP members are more likely to have a durable power of attorney than non-members (57% vs. 37%).

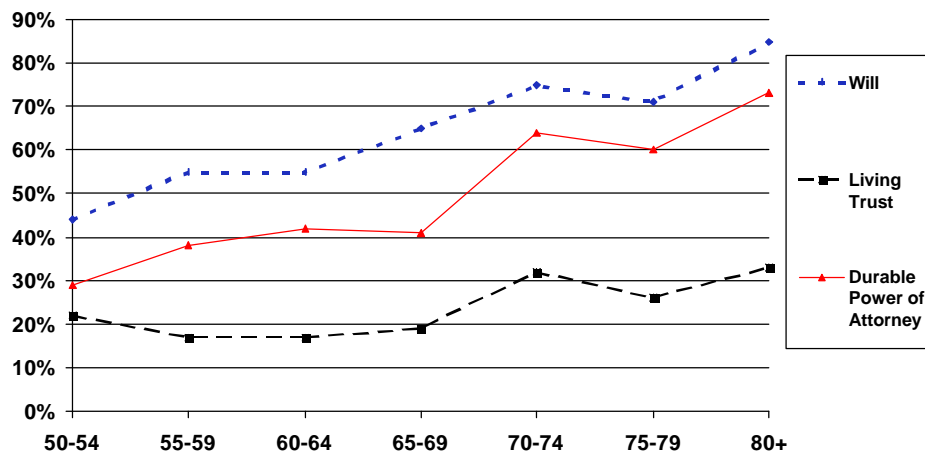
Figure 6. Percent of 50+ Population with a Durable Power of Attorney by Education



Source: AARP Survey of Legal Documents Among the 50+ Population, December 1999 (N=1,028).

Figure 7 shows the percentage of the 50+ population that reports having a will, a living will, and a durable power of attorney by age in five-year increments. All three lines show a general increase in the prevalence of these documents with increasing age, although the rise is steeper for wills and durable powers of attorney than for living trusts. The pattern for wills and durable powers of attorney is very similar, though a higher percentage of the 50+ population reports having a will than a durable power of attorney among all age groups.

Figure 7. Percent of 50+ Population with a Will, Living Trust, and Durable Power of Attorney, by Age Group

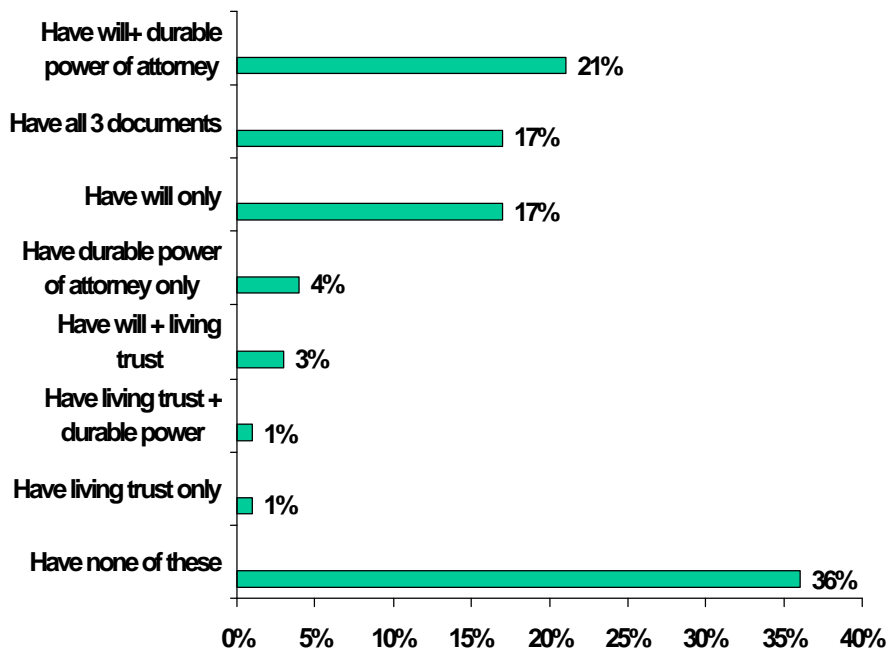


Source: AARP Survey of Legal Documents Among the 50+ Population, December 1999 (N=1,028).

4. Combinations of Legal Documents Held

Just over one in five people age 50+ (21%) report having a will and a durable power of attorney, while 17 percent have all three documents (a will, a living trust, and a durable power of attorney), and another 17 percent have just a will (Figure 8). Only small percentages of the 50+ population have just a living trust or a durable power of attorney, or other combinations of documents.

Figure 8. Percent of 50+ Population Having Combinations of Legal Documents



Source: *AARP Survey of Legal Documents Among the 50+ Population*, December 1999 (N=1,028).

Conclusions and Implications

The most prevalent of the three legal documents inquired about in this study is the will, held by 60 percent of the 50+ population. The second most prevalent document is the durable power of attorney, held by 45 percent of this population. In contrast, fewer than one in four (23%) people age 50+ reports having a living trust, which is a larger percentage than found with the 45+ population in 1991, but still small. The extent to which the 50+ population has these documents—particularly a will and a durable power of attorney—increases with age. These legal documents are also more likely to be held by those with higher household incomes and higher levels of formal education.

This research suggests the advisability of targeting a public awareness campaign to younger people in this age spectrum, to those with low household incomes, and to people with a high school education or less on the importance of having these legal documents to protect themselves and their families. In addition, the fact that more than one in three people age 50 and older has *none* of these documents suggests a need for better outreach to this population as a whole.

APPENDICES

AARP Legal Documents Study

EXCEL

(N=1,028)

(Percentages)

(ASK ALL AGE 50+)

LI-1. Now I'd like to talk to you about some typical household legal issues. There are a number of legal documents some people have prepared in advance of the time when they will be needed. I would like to ask you about three such documents.

First, have you prepared a will, or last will and testament?

60	1	Yes
37	2	No
-	D	Don't know
2	R	Refused

LI-2. Have you created a living trust, or a trust into which you have placed or will place some of your assets during your lifetime?

23	1	Yes	PROBE Q.LI-2a
72	2	No	SKIP TO Q.LI-3
2	D	Don't know	SKIP TO Q.LI-3
3	R	Refused	SKIP TO Q.LI-3

LI-2a Just to verify, is this a "living trust" and not another type of trust referred to as a "testamentary trust"? The difference is that a "testamentary trust" only comes into existence after the person has died. Is yours a "living trust"?

1	Yes, truly has a living trust
2	No, actually has a testamentary trust
D	Don't know
R	Refused

LI-3. Have you prepared a durable power of attorney in which you appointed someone to act as your agent for financial matters if you become unable to manage your own affairs?

45	1	Yes
52	2	No
1	D	Don't know
2	R	Refused

LI-4. Are you, or is your (husband/wife), a member of AARP, the American Association of Retired Persons?

44	1	Yes
55	2	No
1	D	Don't know
1	R	Refused

Demographic Profile of Respondents

(N=1,028)

	<i>N in Sample</i>	<i>Percentages*</i>
<u>Gender</u>		
Male	455	44
Female	573	56
<u>Age</u>		
50-64	625	61
65-74	267	26
75+	136	13
<u>Marital status</u>		
Married	678	66
Not married	339	33
Refused/no answer	11	1
<u>Household income</u>		
<\$15K	162	16
\$15-24.9K	139	14
\$25-\$39.9K	187	18
\$40-\$49.9K+	80	8
\$50+K	268	26
Don't know/refused	193	19
<u>Education</u>		
High school or less	453	44
Some college	284	27
College degree or higher	282	27
Refused	9	1
<u>Race</u>		
White	914	89
African-American	75	7
Refused/other	39	4
<u>AARP Membership</u>		
Member	466	45
Non-member	548	53
Don't know/refused	14	1
<u>Region</u>		
Northeast	201	20
North Central	261	25
South	363	35
West	203	20

Source: AARP Survey of Legal Documents Among the 50+ Population, December 1999 (N=1,028).

*Figures in both columns are unweighted. Within each demographic category, numbers total 1,028 and percentages total 100% ($\pm 1\%$ due to rounding).

