

Policygenius

Estate Planning Survey 2020

FINDINGS & DATA

By Elissa Suh & Derek Silva



Introduction

Nearly 40% of people feel an increased urgency to get a will due to the COVID-19 pandemic, according to the results of a survey commissioned by Policygenius. However, many people don't yet have an estate plan due to lack of knowledge, time or financial resources.

An estate plan that includes a will ensures that your assets will be distributed as you wished after you die. Without a will, those you leave behind may become entangled in a drawn-out court battle and face an unnecessary financial burden.

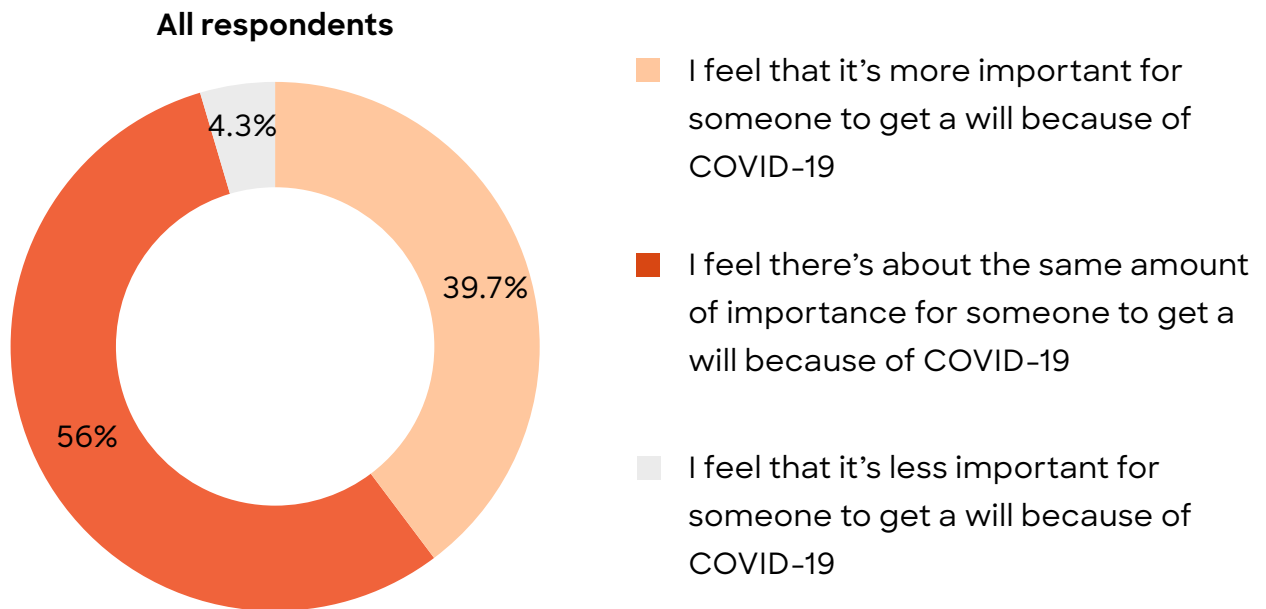
The following findings are based on responses from a survey of a nationally representative group of 2,689 Americans ages 25 and over, conducted by SurveyMonkey from July 16 through July 17, 2020. Percentages are rounded to the nearest whole number for simplicity, so some responses may not add up to 100.

Many people feel an increased sense of urgency to get a will.

The COVID-19 pandemic has killed over a quarter of a million people in the U.S., and it's understandable that this has caused people to contemplate mortality. Nearly 40% of people said they feel that it's more important for someone to get a will because of the pandemic.

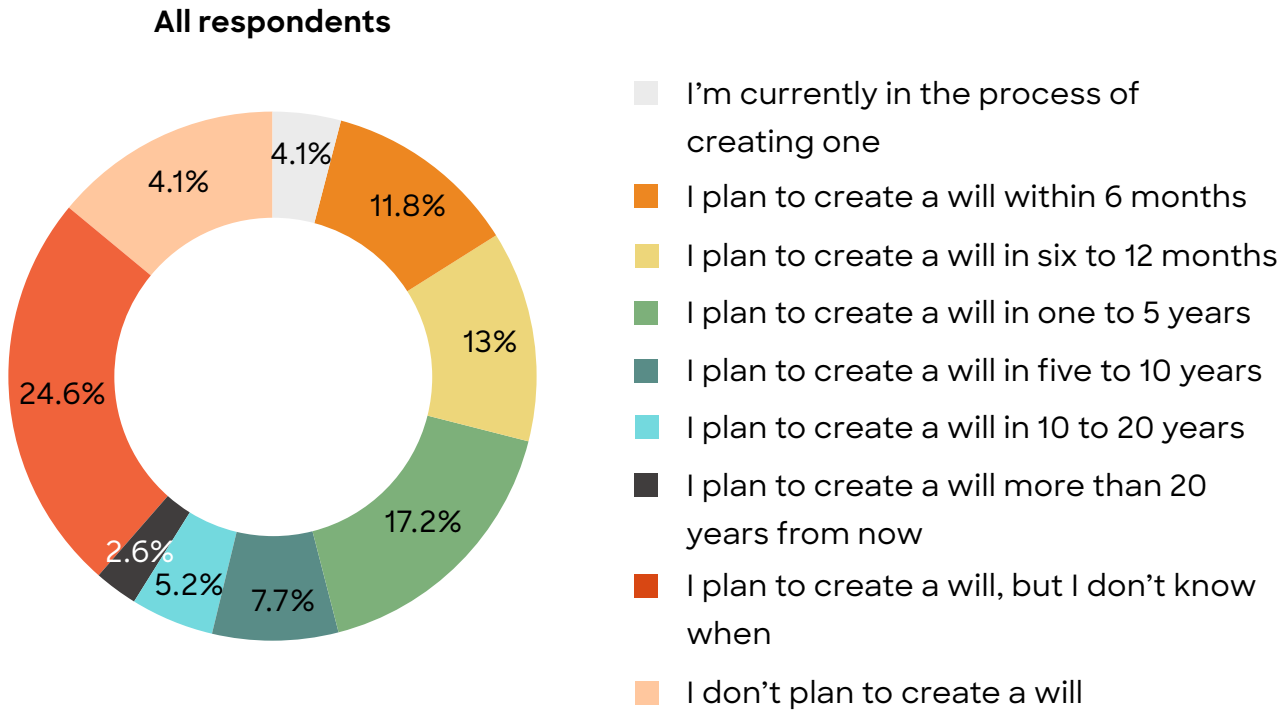
Figure A:

Because of the COVID-19 pandemic, do you feel it's more important for someone to create a will?



For those that don't have a will, they expect to get one soon. More than one in four respondents plan to create a will within 12 months. They may be waiting until they reach certain life milestones, such as getting married or having children.

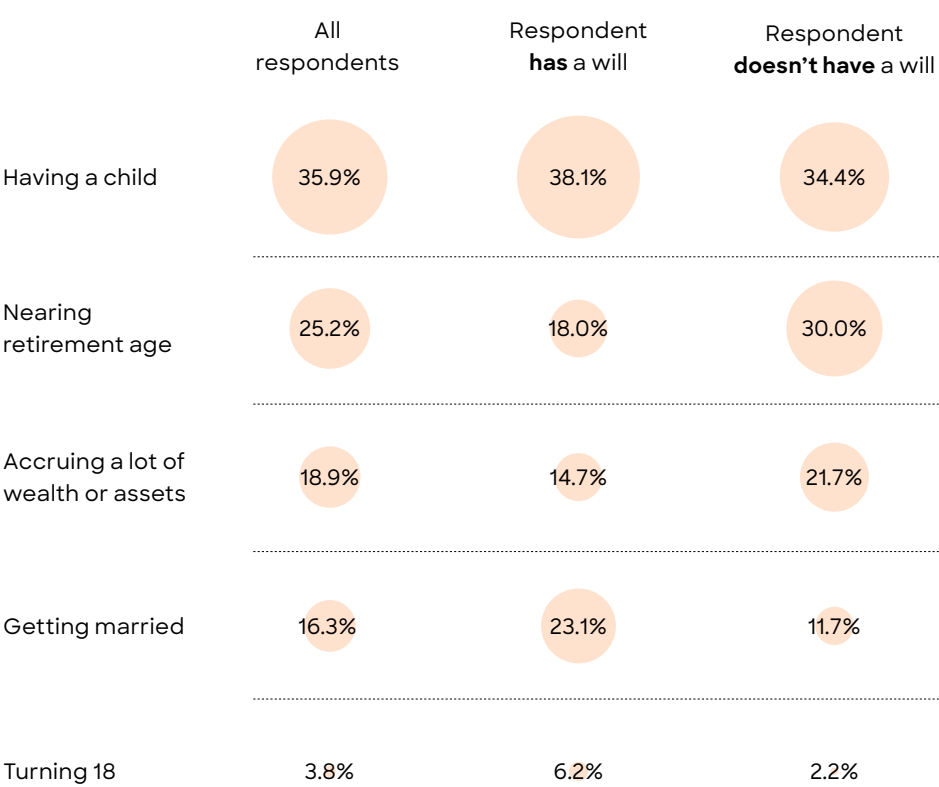
Figure B:
If you don't have a will, when do you plan to create one?



What’s behind this sense of urgency?

An estate plan isn’t always about taking care of yourself – it’s about the people you love who will be around after you’re gone. Family comes first for our respondents, with more than one in three respondents saying that having a child is the most important life event to get a will.

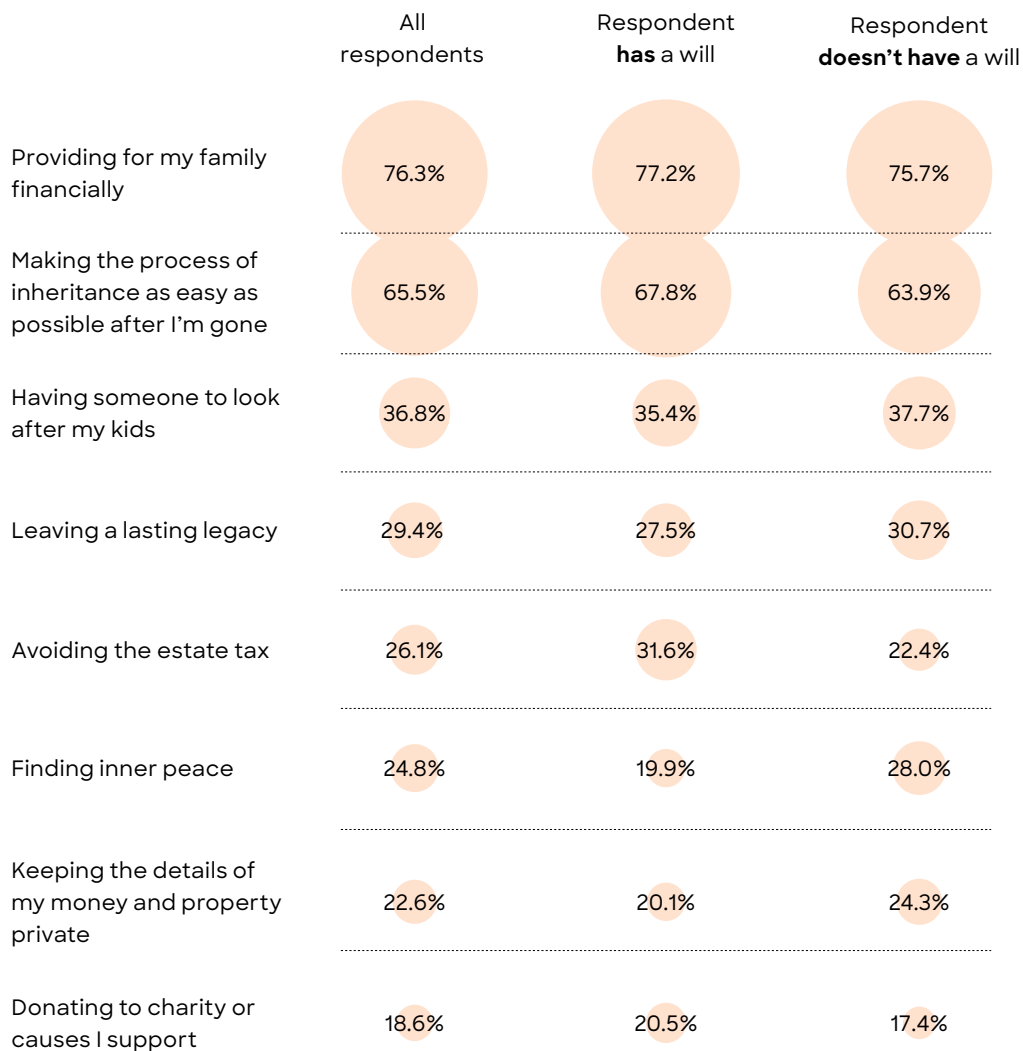
Figure C:
In your opinion, what’s the most important life event for someone if they want to create a will?



Overwhelmingly, our respondents want to provide for their family financially, and a will can be used to distribute property and money. But they also want their estate plan to support their loved ones in other ways. Nearly two-thirds (65.5%) of respondents want to make the process of inheritance as easy as possible, which is best accomplished with a well-written will. And more than one in three (36.8%) respondents want someone to look after their kids. Nominating a guardian for your children in your will can make sure they're being raised by someone you trust.

Figure D:

When it comes to estate planning, which three issues are most important to you? (Select three.)

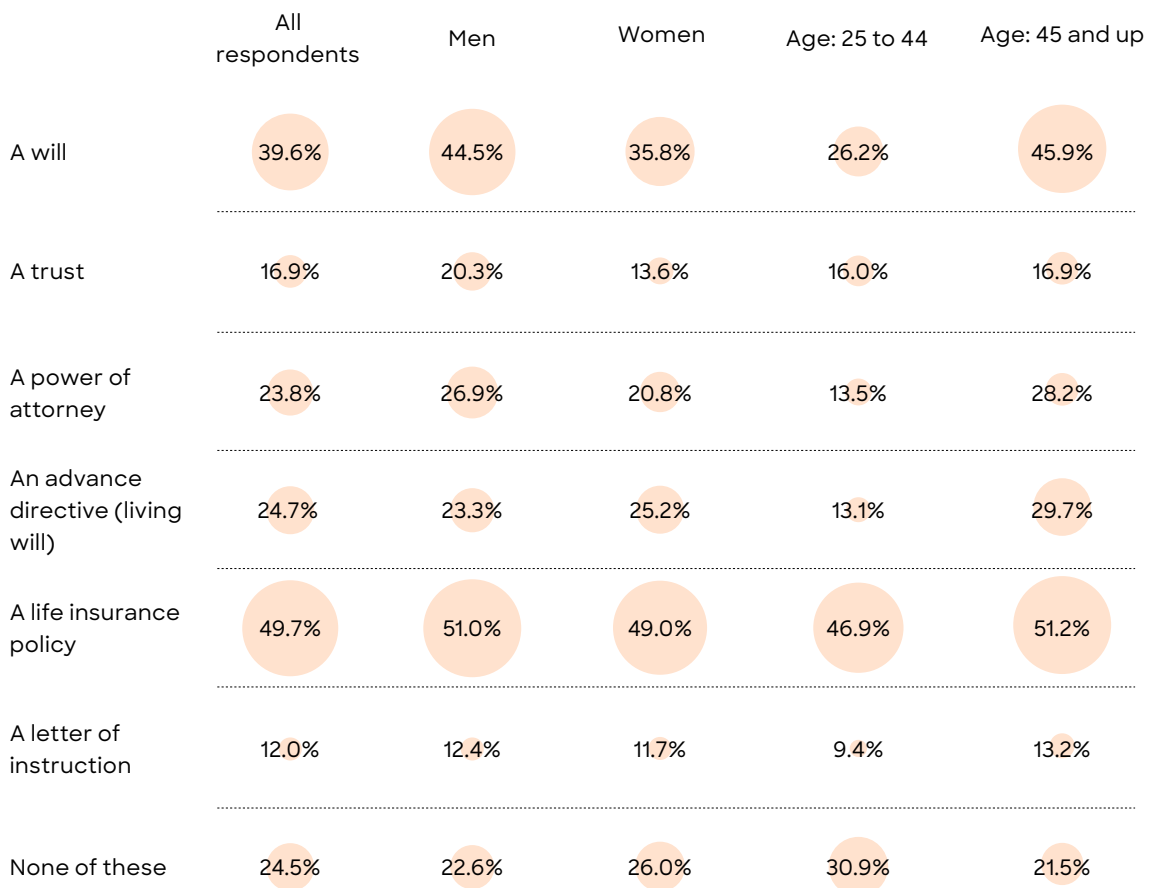


So what's holding them back?

Despite the urgency to create a will, and the clear reasons underpinning that urgency, just over 60% of respondents say they don't yet have a will, and one in four (24.5%) of respondents say they have no estate planning documents at all.

Figure E:

Which estate planning documents do you have? (Select all that apply.)



Not having a will can throw your estate into question when you die, potentially causing problems for those you leave behind.

Misconceptions about creating a will and what happens to estates without one are the primary drivers for people not having one. Some people overestimate the cost of a will, while others believe they have nothing of value to pass down, even though many expect to leave relatively sizable estates that a will can help protect.

Figure F:

If you don't have a will, why is that? (Select all that apply.)

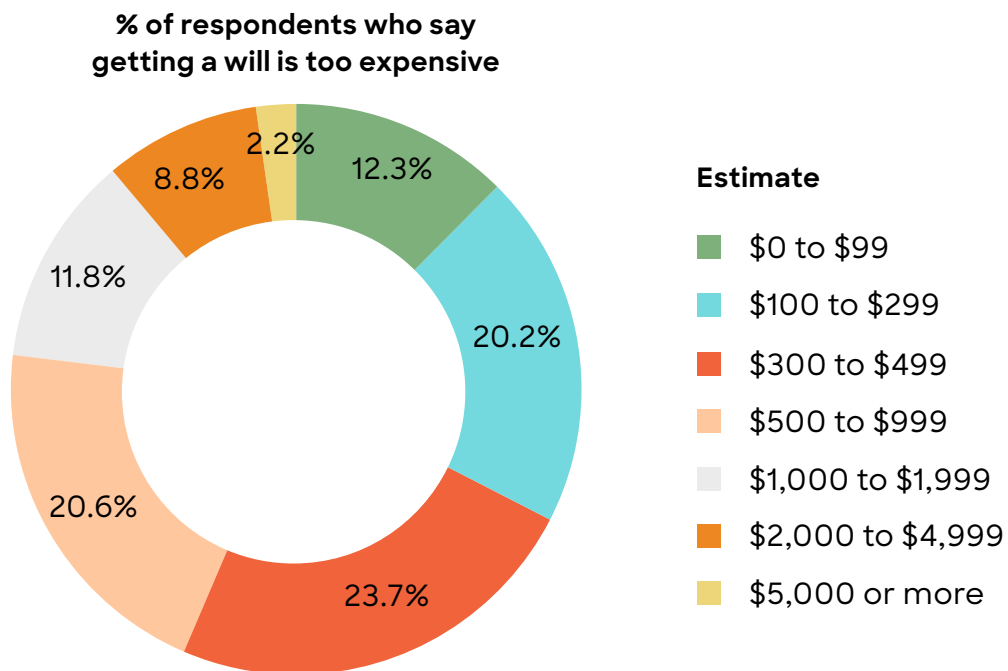
	All respondents	Men	Women	Age: 25 to 44	Age: 45 and up
I have nothing valuable to pass down	24.2%	23.7%	24.7%	27.4%	22.3%
I haven't had time	24.1%	23.8%	24.7%	24.6%	24.2%
I'd rather not think about death right now	23.2%	23.4%	23.1%	26.9%	20.9%
Everything will go to my spouse anyway	21.5%	28.6%	16.6%	23.4%	20.5%
I don't know where or how to get a will	20.7%	20.4%	21.6%	29.9%	15.6%
I have a life insurance policy instead	16.6%	17.1%	16.7%	15.9%	17.5%
Getting a will is too expensive	14.2%	14.4%	14.6%	13.7%	15.0%
I want to designate a guardian for my children, but I'm not sure who to choose	5.7%	3.0%	3.9%	5.7%	2.5%
I already have a trust	5.1%	2.8%	2.8%	2.5%	3.0%

Are wills really that expensive?

More than one in five respondents who think getting a will is too expensive (22.8%) overestimate the cost, for which estate planning lawyers charge between **\$100 to \$1,000** (Figure F-1). But more than three-fourths (76.8%) correctly estimated that a will would cost less than \$1,000, suggesting that respondents simply can't afford a will even when they know the price. These respondents may not be aware of more cost-efficient options, such as creating an online will, the costs of which range from \$0 to \$399.

Figure F-1:

How much do you think it costs to create a will?



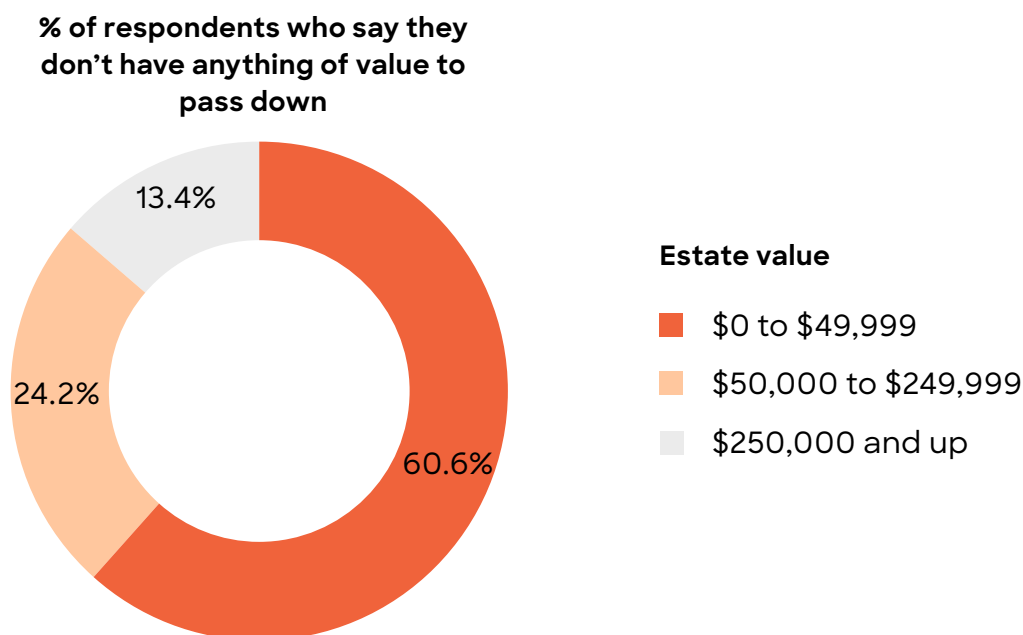
Respondents don't understand that there are benefits to having a will even when they expect to leave a more modest estate.

Of the respondents who don't have a will because they think they have nothing valuable to pass down, about 61% expect their estate to be worth \$50,000 or less when they die (Figure F-2). The typical estate is worth between \$50,000 and \$250,000.

But even a relatively small inheritance can still be a lifeline for working families – \$50,000 could be a significant down payment on a home, or it could mean paying off lingering student loan debt. Regardless of what you have to give your loved ones, an estate plan ensures they'll get the assets they need, even if you're just bequeathing sentimental items.

Figure F-2:

How much do you expect your estate to be worth when you die?



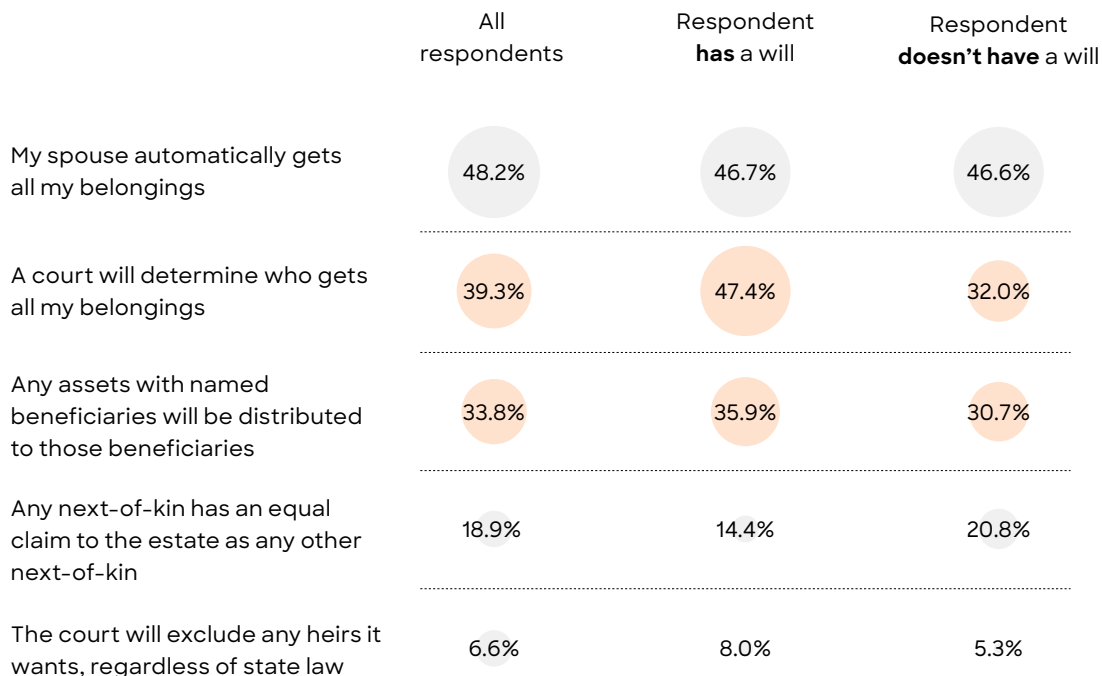
Respondents also had misconceptions about estate law.

If someone dies without a will, a court will determine who gets their belongings. Less than 40% of respondents knew that, and nearly half incorrectly answered that their spouse would automatically get all their belongings. The court determines heirs based on state law, and a spouse may not always be entitled to receive all of the deceased's assets.

You can also set up certain assets, like some bank accounts, to be distributed directly to specific beneficiaries after you die, regardless of your will. But only about 34% of respondents seem to be aware of such assets.

Figure G:

**What do you think happens if you die without an estate plan?
(Select all that apply.)**



About the authors



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Derek Silva is a personal finance expert at Policygenius. He loves talking about taxes and using data to tell stories. His work has been covered by Yahoo Finance, MSN, Business Insider, and CNBC.

About the new Policygenius app

Anyone who owns anything of value should consider creating a will. In August 2020, Policygenius released a new mobile app that makes it easy to get your estate plan in order. Using attorney-approved tools, you can create a will for just \$120, or get both a will and a trust for \$280. Our app breaks down the process into manageable, bite-sized “missions,” so you know exactly where you left off if you need to take a break.

Both estate planning packages are tailored to your state’s laws. They also include other important estate planning documents, such as a financial power of attorney and a health care directive, which can help ensure you get the care you need when you’re unable to make medical decisions yourself.

You can visit the Policygenius Estate Planning Learn Center to read more about creating an estate plan, or [download the app](#) now.

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