How inheritance expectations shape financial, employment, and family decisions[†]

C. Yiwei Zhang[‡] Rourke O'Brien[§] Abigail B. Sussman[¶]

April 24, 2026

Abstract

Inheritances are one of the most consequential financial transfers many households will experience. While a large literature has examined how *received* inheritances affect behavior, much less is known about the impact of *expecting* an inheritance. These expectations are particularly complex given uncertainty surrounding the timing and magnitude of potential transfers. We conduct two national surveys to examine how inheritance expectations influence present-day decisions. In Study 1 (N = 1,047), we find that expecting to receive an inheritance corresponds to reports of saving less, increasing financial risk, reducing labor effort, and increasing investment in family relationships. In Study 2 (N = 2,013), we run a randomized experiment that exogenously lowers expectations of inheritance by providing information about the high cost of long-term care, a major and often underappreciated expense that can substantially reduce estate value. The treatment causally reduces expectations about both the likelihood of receiving an inheritance and its amount, corresponding to significant changes in behavior, largely consistent with findings from the correlational data. Treated respondents report greater savings, lower financial risk-taking, and increased labor effort. However, they also report an increased investment in family relationships. These results suggest that inheritance expectations can shape economic and social decision-making long before any assets change hands. Understanding how families form and revise expectations around intergenerational wealth has implications for research on household finance, inequality, and retirement policy.

Keywords: inheritance | financial decision-making | expectations

[†]This work was supported by the Beatrice Foods Co. Faculty Fund at The University of Chicago Booth School of Business. The authors thank conference and seminar participants at ACR and the University of Colorado-Boulder for useful comments and suggestions, as well Fiona Yang for excellent research assistance.

[‡]Corresponding Author. University of Wisconsin-Madison, Madison, WI 53706, cyzhang@wisc.edu
[§]Yale University, New Haven, CT 06520, rourke.obrien@yale.edu
[¶]University of Chicago Booth School of Business, Chicago, IL 60637, abigail.sussman@chicagobooth.edu

1 Introduction

Over the coming decades, the US will experience the largest intergenerational wealth transfer in its history. An estimated $72.6 trillion in inheritances is expected to change hands by the year 2045, with approximately $53 trillion anticipated to pass from Baby Boomers to their heirs (Cerulli Associates 2021). Both the size of inheritances and the share of households receiving a transfer are expected to increase. For many, these inheritances represent the most significant financial windfall they will receive over the course of their lives.

Given their growing importance, understanding how inheritance shapes decision-making is essential for assessing its broader impact on household behavior and economic outcomes. Prior research has primarily focused on behavior following the receipt of an inheritance, showing that financial transfers from parents can reduce labor supply, spur early retirement, or enable entrepreneurship (e.g., Holtz-Eakin et al. 1993; Brown et al. 2010; Bermejo et al. 2025). At the same time, many adult children anticipate receiving an inheritance, often years or decades in advance of the transfer. These expectations may influence current decision-making, shaping how people save, work, and even relate to family members. Yet, relatively little is known about how merely expecting an inheritance may shape economic and social behavior.

In this paper, we conduct two national surveys that provide new evidence that expectations of future inheritance affect financial decisions, employment choices, and relational dynamics in the present. In our first study, we document that inheritance expectations are associated with a broad range of behaviors. Individuals who expect to receive an inheritance save less, take more financial risks, work fewer hours, put more effort toward personal over career goals, and express greater investment in familial relationships. While correlational, these associations persist after controlling for a range of demographic factors. These results serve as preliminary evidence that individuals may adjust their intertemporal consumption decisions, labor supply, and familial relational investment in anticipation of future inheritances.

In our second study, we establish causal evidence of the relationship between expectations and reported behavior by exogenously varying expectations of inheritance. Participants are randomly assigned to receive accurate information about typical long-term care costs, a major late-life expense that reduces the likelihood of leaving a bequest, or to a control condition with unrelated information. This informational intervention significantly lowers both the subjective probability of receiving an inheritance and the expected transfer amount in the treated group. It also leads to corresponding shifts in financial behaviors, labor effort, and relational engagement. In addition, we find suggestive evidence that these treatment effects are more concentrated among the youngest respondents in our sample, consistent with the idea that inheritance expectations are most consequential when a transfer is furthest away. Together, our results show that inheritance expectations can shape present-day be-

havior across multiple domains, even when the timing and magnitude of any actual transfer remains uncertain.

Our paper contributes to research on household finance, behavioral economics, and intergenerational wealth transmission. A large body of work examines how family resources and intergenerational transfers affect saving, consumption, portfolio choice, and labor supply (e.g., Brown et al. 2010; Elinder et al. 2012; Fagereng et al. 2020). Separately, research has emphasized the role of expectations in shaping economic decisions, from earnings and income beliefs to housing and retirement planning (e.g., Manski 2004; Armantier et al. 2016; Armona et al. 2019; Roth and Wohlfart 2020). We bridge these two literatures by examining how expectations about future intergenerational wealth transfer affect present-day behavior. In doing so, we contribute to a broader understanding of how subjective expectations about future wealth enter intertemporal decision-making and influence financial and labor choices as well as relational dynamics in the present.

Our paper differs from the prior empirical literature on inheritances in several important ways. First, we focus on inheritance expectations rather than realized inheritances. Most existing studies examine behavioral responses to the receipt of inherited wealth, such as effects on consumption, labor supply, or portfolio allocation (e.g., Joulfaian and Wilhelm 1994; Brown et al. 2010; Elinder et al. 2012; Zagorsky 2013; Druedahl and Martinello 2022; Suari-Andreu 2023; Belloc et al. 2025). In contrast, we examine how *anticipated* inheritances shape behavior long before any transfer occurs. This shift in focus highlights a dimension of intergenerational dynamics that has received comparatively little empirical attention: how forward-looking beliefs about wealth transfers enter current decision-making.

Second, we consider a broad set of behavioral domains rather than focusing narrowly on one or two outcomes. While our measures are self-reported, this approach allows us to document how inheritance expectations correlate with or causally affect financial, employment, and relational behaviors, spanning outcomes that have typically been examined only in isolation (e.g., Joulfaian and Wilhelm 1994; Brown et al. 2010; Basiglio et al. 2023). By taking a broader perspective, we highlight the pervasiveness of behavioral responses to intergenerational wealth expectations across multiple dimensions of household decision-making.

Finally, we complement prior observational studies by employing a randomized experiment that causally identifies the effects of exogenously shifting inheritance expectations. Whereas most prior work has relied on observational variation or retrospective reports (e.g., Brown et al. 2010; Elinder et al. 2012), we introduce an information treatment to isolate the causal effect of expectations themselves. Together, these features enable us to characterize the behavioral relevance and malleability of inheritance expectations in a way that has not been possible in prior work.

Two recent papers are particularly related to our focus on inheritance expectations. Basiglio et al. (2023) use Dutch survey data to document that expecting an inheritance is

negatively associated with savings. Vihriälä and Virkola (2025) test for anticipation by examining consumption smoothing around non-sudden parental deaths in Finland in a setting where inheritances are highly predictable. They find evidence consistent with incomplete anticipation. Individuals increase car purchases after parental death, with no corresponding pre-death adjustments in spending on cars, labor supply, or borrowing. Our paper differs by examining how expectations of future inheritance, whether predictable or uncertain, shape behavior across a broad range of financial, employment, and relational behaviors. Our sample also captures individuals at earlier points in the life cycle, with a median age roughly 20 years younger than the Vihriälä and Virkola (2025) sample, allowing us to study behavior when inheritance may be decades away rather than imminent. This distinction proves important, as our heterogeneity analysis suggests that behavioral responses to inheritance expectations are largest among the youngest respondents in our sample.

The remainder of the paper proceeds as follows. Section 2 provides background on the mechanisms through which inheritance expectations might shape present-day behavior. Section 3 introduces Study 1 and presents correlational evidence on the relationship between inheritance expectations and behavior. Section 4 introduces Study 2 and presents experimental evidence on the causal effects of shifting inheritance expectations. Section 5 provides a general discussion and concludes.

2 Background

Why might expecting an inheritance affect behavior? In standard economic models, anticipated inheritances increase expected lifetime resources and relax the intertemporal budget constraint. In response, individuals may reduce current savings, take on greater financial risk, or reallocate labor effort. In models of precautionary saving, expected inheritance can substitute for accumulated assets, weakening incentives to save for emergencies, retirement, or adverse income shocks (Basiglio et al. 2023). Similarly, evidence on labor supply responses to unearned income indicates that anticipating future wealth can reduce hours worked, increase retirement intentions, or shift effort away from financially-motivated career choices (Holtz-Eakin et al. 1993; Brown et al. 2010). More broadly, Heimer et al. (2019) show that individuals with more pessimistic mortality beliefs hold riskier portfolios and borrow more. Inheritance expectations represent a related but distinct form of belief about future resources, with the added complexity that their realization depends on the decisions and outcomes of others.

Inheritance expectations can also affect how individuals evaluate risk and intertemporal trade-offs by increasing perceived future resources. The expectation of a future windfall can reduce the perceived downsides of debt or entrepreneurial failure, thereby increasing willingness to borrow, invest, or take employment risks (Holtz-Eakin et al. 1994; Bermejo et al. 2025). Beyond financial and labor decisions, inheritance expectations may also shape

relational engagement with family members, particularly with parents who control future bequests. Importantly, such behavioral adjustments could occur even if these beliefs are imprecise or ultimately incorrect. Expectations alone may be sufficient to shape these decisions.

However, several factors may lead individuals to incorporate inheritance expectations only partially (or not at all) into their current decision-making. Inheritances are highly uncertain in both timing and magnitude, and individuals often mentally separate current and future income streams, consistent with models of mental accounting and psychological framing (Thaler 1999; Zhang and Sussman 2018). Unlike pensions or insurance benefits, inheritances are neither predictable nor fixed in amount, and their eventual value may depend on a wide range of factors, including market volatility, sibling competition, marriage, health and longevity, estate planning, and even changing preferences of the person leaving the inheritance (i.e., the testator).

Beyond variability in expectations, inheritance itself may not be treated similarly to other financial resources. Evidence from sociology, psychology, and behavioral economics shows that individuals assign context-dependent meanings to different forms of money (Zelizer 1989; Thaler 1985; Levav and McGraw 2009). Inherited wealth is often regarded as "family money" rather than earned income, with symbolic ties to legacy, memory, or relational duty (Cox and Stark 2005; Schaeffer 2014). Zelizer (1989), for example, documented that gifts and inheritances are governed by different social rules than wages or earned income. These findings suggest that inheritances are subject to relational earmarking and are treated as belonging to distinct mental accounts rather than fully substitutable financial resources. These relational meanings may also affect how individuals engage with parents, siblings, and other family members in anticipation of future transfers. As a result, expectations about inheritance may influence behavior not only through perceived changes in wealth or constraints, but also through the psychological and social meanings attached to these resources.

Finally, some individuals may avoid engaging with inheritance expectations altogether. Anticipating a bequest requires confronting uncertainty and often the prospect of the death of a parent, topics that can be emotionally uncomfortable. Such attentional and affective frictions may limit belief updating and weaken the integration of inheritance expectations into forward-looking decisions.

Together, these mechanisms suggest that while expectations about future inheritances should, in theory, inform current economic choices, psychological, relational, and informational frictions can limit the extent to which they do so. The studies that follow examine these dynamics empirically, first documenting variation in inheritance expectations and their association with financial, employment, and relational outcomes, and then testing whether experimentally shifting expectations leads to corresponding behavioral changes.

3 Study 1: Observational Evidence on Inheritance Expectations and Behavior

Our first study documents variation in inheritance expectations and their association with financial, employment, and relational outcomes. To do so, we fielded an original national survey of U.S. adults ages 18 and older, restricting to respondents with at least one living parent. Participants were recruited through Prolific, an online platform commonly used to conduct surveys and experiments (Bergman et al. 2020). We excluded four survey respondents who failed our attention check, leaving a final analysis sample of 1047 respondents.

Appendix Table S1 benchmarks characteristics from this sample against nationally-representative data from the 2023 American Community Survey (ACS) 5-year estimates (see SI Appendix). Given that we require respondents to have at least one living parent, our sample is younger and more college-educated than the general U.S. population. However, it is broadly similar in gender, employment status, and household income.

3.1 Prevalence and Distribution of Inheritance Expectations

To document the prevalence and magnitude of inheritance expectations in our sample we asked respondents three questions: 1) whether they expected to receive a substantial inheritance or transfer of assets from a relative in the future (yes or no), 2) their subjective probability of receiving an inheritance in the future (on a scale from 0 to 100), and 3) the expected dollar amount they anticipate receiving. We also asked participants whether they had previously received an inheritance.

We find that expectations of an inheritance are common. Roughly 18 percent of respondents report having already received an inheritance, and nearly 53 percent of respondents expect to receive one in the future. Among those who expect to inherit, anticipated inheritance amounts are sizeable, though highly skewed to the right. Figure 1 plots the distribution of expected inheritance amounts among those who report expecting to inherit and shows a median expected inheritance of $100,000 and a mean of nearly $280,000.

Our estimates on inheritance expectations are broadly consistent with, though somewhat higher than, those reported in other surveys. In the Survey of Consumer Finances (SCF), approximately 20 to 30 percent of U.S. households report expecting to receive an inheritance and roughly one-quarter report having already received one. Likewise, the Health and Retirement Survey (HRS), which surveys older adults aged 50 and above, finds that about 25 percent of respondents expect to receive an inheritance. These surveys differ from ours in key sample characteristics, with the SCF oversampling higher-wealth households and the HRS focusing on older cohorts.

In addition to being prevalent, our survey also reveals that inheritance expectations vary strongly both with respondents' own wealth and with their parents' wealth, but otherwise

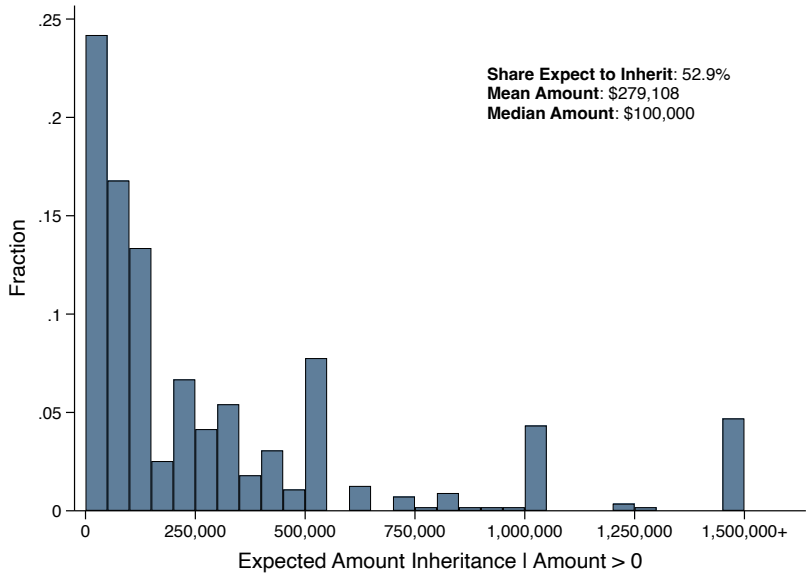


FIG. 1.—This figure plots the distribution of expected inheritance amounts, conditional on expecting to receive one, for survey respondents in Study 1. To limit the influence of extreme values, expected amounts are winsorized at the 95th percentile.

show little association with sociodemographic characteristics. Appendix Table S2 reports estimates from simple linear regressions of an indicator for whether or not the respondent expects to receive an inheritance (column 1) and (log) expected inheritance amounts (column 2) on age, gender, education, employment, marital status, number of children, homeownership status, household income, and perceptions of parental financial status. As the table shows, wealthier respondents and those who view their parents as better off are substantially more likely to expect an inheritance and anticipate larger amounts. These findings are consistent with prior work that shows that expectations about inheritances reflect parental wealth (Feiveson and Sabelhaus 2019; Bricker et al. 2020). By contrast, other characteristics show little systematic relationship. Overall, intergenerational resources and respondents' own wealth emerge as the primary correlates of inheritance expectations.

3.2 Associations with present-day behavior

We next examine the association between inheritance expectations and present-day behavior. Specifically, we asked respondents to consider how their inheritance expectations have shaped behavior across three domains:

- **Financial behavior:** saving overall, saving for retirement, saving for child(ren)'s future, willingness to take on debt, financial risk-taking, planning for their financial

future, and charitable giving

- **Employment decisions:** hours worked, prioritization of personal goals versus earning money, career effort, flexibility in employment decisions, likelihood of starting a business, and time spent volunteering
- **Relational dynamics:** autonomy in romantic relationships, flexibility in where to live, investment in parental relationships, investment in sibling relationships, and financial support to others

For each domain, participants were instructed:

> *In the questions that follow, we are interested in understanding how your beliefs about your inheritance may influence decisions about your [finances/work/personal life] (if at all). Please help us by responding to the questions below based on the following prompt: "My expectations about my inheritance lead me to..."*

Responses to all items were measured on a 7-point bipolar scale (e.g., 1 – Save less money overall to 7 – Save more money overall). Additional details on the survey questions can be found in the Appendix.

To measure the relationship between inheritance expectations and these behaviors, we estimate versions of the following specification:

$$Y_i = \alpha + X_i'\gamma + \beta_1 \cdot \textsc{ExpectToInherit}_i + \epsilon_i, \tag{1}$$

where Y_i is the standardized value of the outcome of interest for individual i and X_i is a vector of individual-level demographics (age, gender, education, employment status), household structure (marital status, number of children in the household, number of siblings), and financial observables (household income, assets, whether they received an inheritance in the past, and perceived parental wealth). The indicator, $\textsc{ExpectToInherit}_i$, takes on the value one if the respondent reports that they expect to receive an inheritance in the future. The coefficient of interest is β_1, which measures the difference in reported behavior (in standard deviations) for individuals who expect to receive an inheritance relative to that of respondents who expect not to inherit, holding constant individual characteristics.

For each domain, we present a figure in the main text that plots estimates of the association between inheritance expectations and each outcome within the domain from this specification. The Appendix reports corresponding regression tables showing the same estimates, presented both without controls (Panel A) and with controls (Panel B).

We find that expecting an inheritance is strongly associated with less precautionary financial behavior. Figure 2 (and corresponding Appendix Table S3) shows that respondents who expect to inherit are significantly more likely to report that this expectation leads them

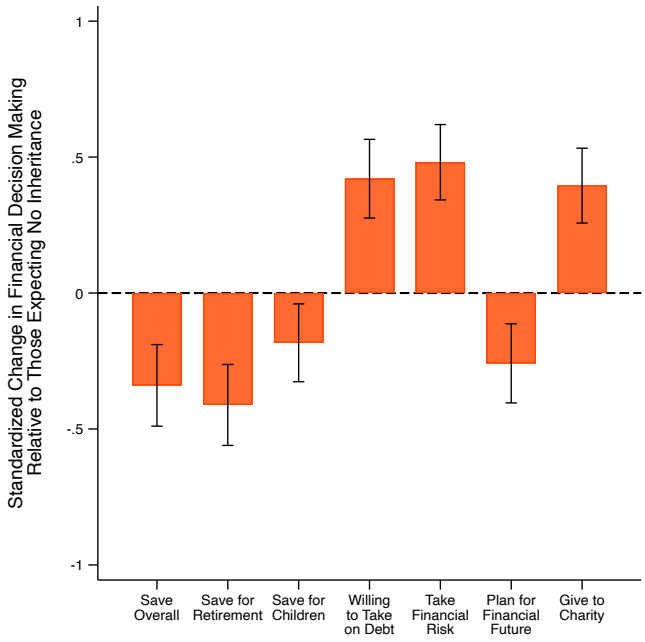


FIG. 2.—This figure plots the standardized difference in how inheritance expectations are reported to influence financial behavior for individuals who expect to receive an inheritance compared to respondents who expect not to inherit. Estimates come from regressions controlling for demographic characteristics, household structure, financial resources, prior inheritance receipt, and perceived parental wealth. Outcomes are measured on 7-point bipolar scales and standardized for comparability across items.

to save less overall (-0.34 SD; $p < 0.001$) and save less for retirement specifically (-0.41 SD; $p < 0.001$) relative to those that expect not to inherit. These reductions persist even after conditioning on a number of demographic characteristics, including perceived parental wealth.

We also find that individuals expecting to receive an inheritance are significantly more willing to take on debt (0.42 SD; $p < 0.001$) and more willing to take financial risks (0.48 SD; $p < 0.001$), while being less likely to plan for their financial future (-0.26 SD; $p < 0.001$) relative to those who expect not to inherit. They are also more likely to report that expecting an inheritance leads them to be more likely to give to charity (0.40 SD; $p < 0.001$).

Expecting an inheritance is also strongly associated with present-day employment decisions. As Figure 3 (and corresponding Appendix Table S4) shows, individuals who expect to inherit are significantly more likely to report that this expectation leads them to work less (-0.41 SD; $p < 0.001$), to put less effort into their career (-0.29 SD; $p < 0.001$), to focus more on their personal over career goals (-0.29 SD; $p < 0.001$) and to spend more time volunteering (0.44 SD; $p < 0.001$) relative to those who expect not to inherit.

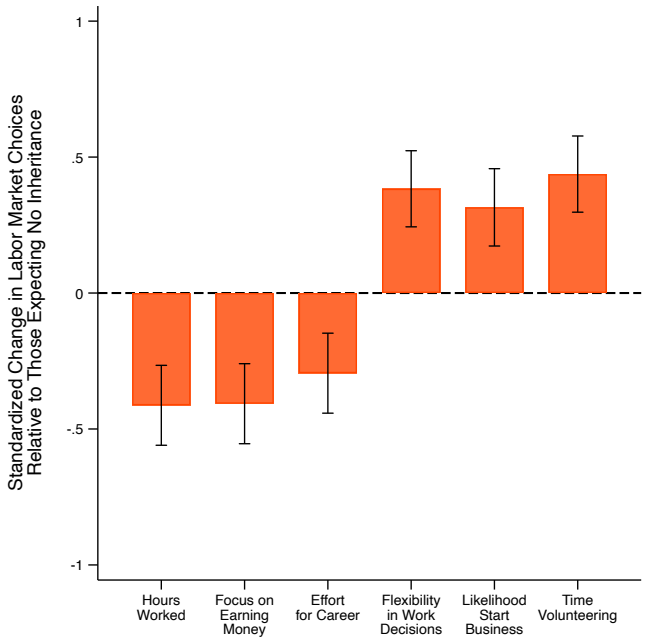


FIG. 3.—This figure plots the standardized difference in how inheritance expectations are reported to influence employment behavior for individuals who expect to receive an inheritance compared to respondents who expect not to inherit. Estimates come from regressions controlling for demographic characteristics, household structure, financial resources, prior inheritance receipt, and perceived parental wealth. Outcomes are measured on 7-point bipolar scales and standardized for comparability across items.

Consistent with prior research, expecting an inheritance is also associated with increased entrepreneurship. Individuals who expect to inherit are significantly more likely to report that this expectation makes them more inclined to start their own business (-0.32 SD; $p < 0.001$). As with other outcomes, these relationships persist even after adjusting for demographic characteristics, including perceived parental wealth.

These findings are consistent with the idea that anticipated wealth shapes not only consumption and saving decisions but also labor supply. Individuals who anticipate a future inheritance may perceive a reduced need to self-insure against economic risks and, as a result, reallocate effort away from traditional employment and toward riskier or non-market pursuits, such as entrepreneurship or volunteering. This pattern aligns with prior evidence that wealth expectations can influence the perceived opportunity cost of time.

We also find that inheritance expectations are systematically associated with differences in how respondents relate to family members. Figure 4 (and Appendix Table S5) shows that respondents who expected to inherit report that these expectations lead them to make greater investment in relationships with their parents (0.40 SD; $p < 0.001$) and siblings

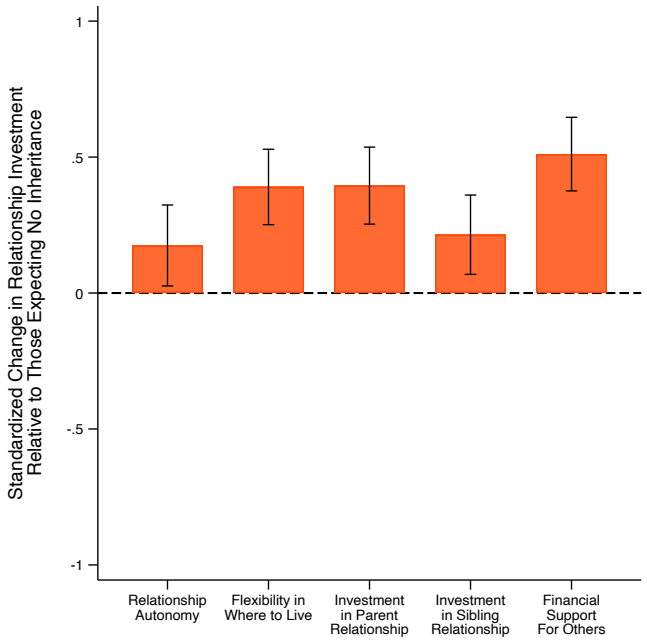


FIG. 4.—This figure plots the standardized difference in how inheritance expectations are reported to influence relational behavior for individuals who expect to receive an inheritance compared to respondents who expect not to inherit. Estimates come from regressions controlling for demographic characteristics, household structure, financial resources, prior inheritance receipt, and perceived parental wealth. Outcomes are measured on 7-point bipolar scales and standardized for comparability across items.

(0.21 SD; $p < 0.001$), as well as higher levels of financial support to others (0.51 SD; $p < 0.001$) relative to those who expect not to inherit. They also report that their expectations lead them to feel greater flexibility in where they can live (0.17 SD; $p < 0.05$) and higher autonomy in romantic relationships (0.39 SD; $p < 0.001$).

These findings complement economic models of intergenerational transfers and household decision-making (Becker 1991; Cox and Rank 1992) and are consistent with sociological accounts that view inheritance as a relational currency that both arises from and reinforces familial attachment and perceived obligations (Finch and Mason 2013; Beckert 2008). In some cases, inheritance expectations may reflect informal norms of reciprocity or recognition; in others, they may affect behavior directly by influencing co-residence, caregiving, or relationship-specific investments.

Our findings so far consider standardized differences in reported behavior by whether an individual expects to receive an inheritance. In the Appendix, we extend this analysis to examine the relationship between present-day behavior and the expected amount of inheritance. To do so, we estimate a variant of Equation (1) where, instead of a binary indicator

for whether or not an individual expects to receive an inheritance, we include indicators for the quartile of expected inheritance amount (with the bottom quartile omitted) as the key independent variables:

$$Y_i = \alpha + X_i'\gamma + \beta_1 \cdot \textsc{InheritAmtQ2}_i + \beta_2 \cdot \textsc{InheritAmtQ3}_i + \beta_3 \cdot \textsc{InheritAmtQ4}_i + \epsilon_i, \quad (2)$$

We focus on quartiles rather than including a continuous measure given both the skewed distribution of elicited expectations of point-estimates for inheritance amounts and the measurement noise inherent in self-reported data Hartzmark and Sussman (2024). Estimates from these regressions are reported in Panel C of the corresponding tables for each outcome and are largely consistent with our earlier findings, with differences generally increasing (or decreasing) monotonically in the amount of expected inheritance.

Taken together, the findings in Study 1 provide descriptive evidence that inheritance expectations are associated with a wide range of present-day behaviors. Individuals who expect to receive a future inheritance report that these expectations lead them to: save less, work less, take on greater financial risk, and have stronger involvement in family relationships. These associations persist even after controlling for a rich set of demographic and financial characteristics, including perceived parental wealth and prior inheritance experience.

While these results are not causal, they suggest that inheritance expectations, though often uncertain in timing and amount, may influence behavior well in advance of any actual transfer. The next section presents experimental evidence that directly tests whether exogenous changes in inheritance expectations lead to changes in financial, employment, and relational outcomes.

4 Study 2: Experimental Evidence on Inheritance Expectations and Behavior

In the previous study, we presented descriptive evidence showing that inheritance expectations are systematically associated with a broad set of financial, employment, and relational outcomes. Study 2 builds on this analysis by embedding a randomized experiment within a second national survey to test whether exogenously shifting inheritance expectations causally influences self-reported behavioral responses.

Our inheritance expectations manipulation is motivated by the observation that long-term care costs constitute an underappreciated source of uncertainty surrounding future bequests. Many older adults require substantial spending on assisted living, in-home care, or nursing home services in the final years of life, with average costs often exceeding $100,000 (Johnson and Dey, 2022). Because these expenses are typically paid out of pocket until assets are exhausted, they can substantially reduce the value of estates passed to heirs. Yet survey evidence suggests that most Americans underestimate both the probability of needing such

care and the magnitude of its associated costs (Benz et al. 2014; Bearden 2025). A recent report by researchers at the Center for Retirement Research at Boston College finds that only a third of older households correctly estimate nursing home and home care costs, and an even smaller share correctly estimate the costs associated with assisted living (Chen et al. 2025). We leverage this systematic underestimation to design an information intervention that plausibly lowers inheritance expectations.

4.1 Experimental design

In our experiment, participants were randomly assigned to either a treatment or control condition. The treatment condition highlighted two key facts: 1) that most Americans over age 65 will require some form of long-term care and 2) that such care often exceeds $100,000 in cost. The prompt emphasized that these expenses are often not covered by Medicare and can substantially deplete the assets that families pass down. Specifically, participants in the treatment condition read:

> *Most Americans underestimate how expensive end-of-life care truly is. According to recent research, nearly 70% of Americans over the age of 65 will require some form of intensive long-term care, such as a nursing home or specialized in-home care. These expenses often dramatically exceed initial expectations:*
>
> - *On average, Americans who require long-term care pay nearly $100,000 out-of-pocket, with some paying much more.*
> - *Families are often surprised to discover their parents must completely exhaust their savings and assets before Medicaid assistance begins.*
> - *Many adult children who anticipated receiving substantial inheritances find that little or no inheritance remains after their parents' medical and caregiving expenses are fully paid.*
>
> *For instance, recent personal stories featured in major newspapers highlight adult children who were expecting inheritances of hundreds of thousands of dollars but ultimately received nothing because the entirety of their parents' savings were consumed by medical costs.*

In contrast, those in the control condition read an unrelated message with a similar format, providing information about interactions with digital media. Specifically, they read:

> *Most Americans spend a significant amount of their day engaging with digital media, often without fully realizing how much time they are investing. Recent research highlights the extent of this phenomenon:*

- *The average American adult spends approximately 11 hours per day interacting with digital media, including smartphones, computers, and television.*
- *Activities such as checking email, browsing social media, streaming videos, and playing online games dominate many people's daily routines.*
- *Individuals frequently underestimate their own media consumption, often surprised to learn how many hours they spend online each day.*

For example, there have been numerous reports of individuals planning to briefly check messages but unintentionally spending hours online without noticing the passage of time.

After reading these passages, participants completed three comprehension questions about the information. Those who did not answer all three correctly were directed to reread the passage and were given another opportunity to respond. Participants could not proceed with the survey until all questions were answered correctly.

Following the informational prompt, all respondents completed the same measures used in Study 1, including inheritance expectations (binary indicator, subjective probability, expected amount) and the full set of financial, employment, and relational outcomes. The experiment was pre-registered at https://aspredicted.org/hvch-s7jw.pdf.

We embedded the experiment within a national online survey fielded to U.S. adults aged 18 to 55 who reported having at least one living parent. Participants were recruited through CloudResearch, an online platform commonly used for behavioral and economic surveys and experiments (Bergman et al. 2020). We excluded six respondents who failed the attention and reading checks, leaving a final analysis sample of 2,013 participants. Appendix Table S1 benchmarks characteristics from this sample against nationally-representative data from the 2023 American Community Survey (ACS) 5-year estimates. Consistent with our sampling criteria, the sample is younger and more college-educated than the general U.S. population but is otherwise comparable in gender, employment status, and household income.

4.2 Effects on inheritance expectations

First, we examine whether our informational intervention shifted inheritance expectations as anticipated. To do so, we estimate variants of the following specification:

$$Y_i = \alpha + X_i'\gamma + \beta_1 \cdot \textsc{Treatment}_i + \epsilon_i, \tag{3}$$

where Y_i is the outcome of interest for individual i and X_i is a vector of individual-level characteristics, including demographics (age, gender, education, employment status), household structure (marital status, number of children in the household, number of siblings), and financial observables (household income, assets, whether they received an inheritance

in the past, and perceived parental wealth). The indicator, TREATMENT_i, takes on the value one if the respondent received information on long-term care costs (i.e., was in our treatment group). The coefficient of interest is β_1, which measures the effect of information intervention, holding constant individual characteristics.

We focus on three measures of inheritance expectations as our main outcomes: an indicator for whether the individual expects to receive a future inheritance, their subjective probability of receiving one (on a scale from 0 to 100), and the expected inheritance amount. We also include as an outcome an indicator for whether the individual has previously received an inheritance. This serves as a useful falsification check since information provided during the experiment should not influence reports of past events.

TABLE 1
MAIN EXPERIMENTAL FINDINGS

	Received Inheritance In Past (0/1)	Expect Will Receive Inheritance (0/1)	Likelihood Will Receive (0-100)	(Log) Amount Expected To Inherit
	(1)	(2)	(3)	(4)
	Panel A. Without Controls			
TREATMENT	−0.01	−0.08***	−6.28***	−0.99***
	(0.01)	(0.02)	(1.61)	(0.27)
	Panel B. With Controls			
TREATMENT	−0.01	−0.07***	−5.06***	−0.80***
	(0.01)	(0.02)	(1.33)	(0.22)
Baseline Mean	0.10	0.46	42.21	5.54
Demographic Controls	Y	Y	Y	Y
Household Structure Controls	Y	Y	Y	Y
Income Controls	Y	Y	Y	Y
Inheritance Controls	N	Y	Y	Y
Parent Wealth Controls	Y	Y	Y	Y
N	2,013	2,013	2,013	2,013

NOTE.—This table presents estimates of the treatment effect of receiving information about long-term care costs on a binary indicator for having received an inheritance in the past (Column 1), a binary indicator for whether the respondent expects a future inheritance (Column 2), a continuous measure of the expected likelihood of receiving a future inheritance (Column 3), and the (log) inheritance amount expected (Column 4). Each column reports estimates from a separate regression where the dependent variable is a measure of expectations. Coefficients are reported for the indicator Treatment, which equals one if the respondent was in the treatment group and received realistic information about long-term care costs and zero if in the control group. All specifications include controls for demographic characteristics, household structure, financial resources, and perceived parental wealth. Columns 2-4 additionally control for prior inheritance receipt.Significance levels 10%, 5%, and 1% are denoted by *, **, and ***, respectively.

Table 1 presents these estimates and shows that treatment significantly lowered both the likelihood of expecting an inheritance and the expected amount. Relative to the control group, treated participants were 7 percentage points less likely to report expecting any inheritance ($p < 0.001$). Consistent with this, the treatment also reduced the subjective probability of receiving of inheritance ($p < 0.001$) and the expected amount ($p < 0.001$). As expected, we find no effect of the treatment on past inheritance receipt.

Together, these results demonstrate that providing realistic information about end-of-life expenses, particularly long-term care costs, which many respondents may not have previously considered, significantly reduces reported inheritance expectations.

4.3 Main results: Effects on present-day behavior

Having established that providing information on long-term care costs significantly lowers inheritance expectations, we next examine whether this exogenous reduction in expectations leads to corresponding shifts in financial behavior, labor effort, and relational dynamics. To do so, we estimate the same specification as in Equation (3), except that we now standardize all outcome variables to facilitate comparison across behaviors. For each domain, we present a figure in the main text that plots estimates of the treatment effect for each outcome within the domain. The Appendix reports corresponding regression tables showing the same estimates, presented both without controls (Panel A) and with controls (Panel B).

We find that the reduction in inheritance expectations induced by treatment led to significant increases in precautionary financial behavior. Figure 5 (and corresponding Appendix Table S6) show that relative to those in the control group, treated respondents reported that their expectations led them to save more overall (0.15 SD; $p < 0.01$) and save more for retirement specifically (0.11 SD; $p < 0.05$). They were also less willing to take on debt (-0.11 SD; $p < 0.05$) and less willing to engage in financial risk-taking (-0.09 SD; $p < 0.05$). In addition, treated respondents reported lower intentions to give to charity (-0.19 SD; $p < 0.001$). These shifts mirror the correlational patterns in Study 1 and demonstrate that inheritance expectations can directly influence present-day financial planning and risk taking.

One way to compare these findings to the earlier correlational patterns from Study 1 is to re-scale our estimates by the effect of our treatment on the inheritance expectations. This re-scaled estimate is akin to a treatment on the treated estimate of the effect of expecting to inherit on our outcomes of interest. Specifically, to calculate the treatment on the treated estimate of expecting to receive a future an inheritance, we can divide the estimates from Figure 5 by -0.07, our estimate from Table 1 on the effect of our treatment on the likelihood of expecting an inheritance. For example, following this exercise, expecting to receive an inheritance corresponds to a $0.15/-0.07 = 2.1$ SD change in overall savings behavior.

As a note of caution, these re-scaled estimates should be interpreted as upper bounds on the true estimate since receiving information on long-term care costs may affect not just beliefs about the likelihood of receiving an inheritance but also other aspects of financial expectations or constraints, such as anticipated family obligations or awareness of long-term care needs, which may independently influence saving, debt aversion, and risk preferences.

We also find that the reduction in inheritance expectations induced by treatment produced significant shifts in labor supply and related employment choices. Figure 6 (and corresponding Appendix Table S7) shows that treated respondents are significantly more likely to report that their inheritance expectations lead them to work more hours (0.17 SD), prioritize their career over personal goals (0.13 SD), and exert greater effort toward their career (0.12 SD; all $p < 0.01$). The treatment had no significant effect on willingness

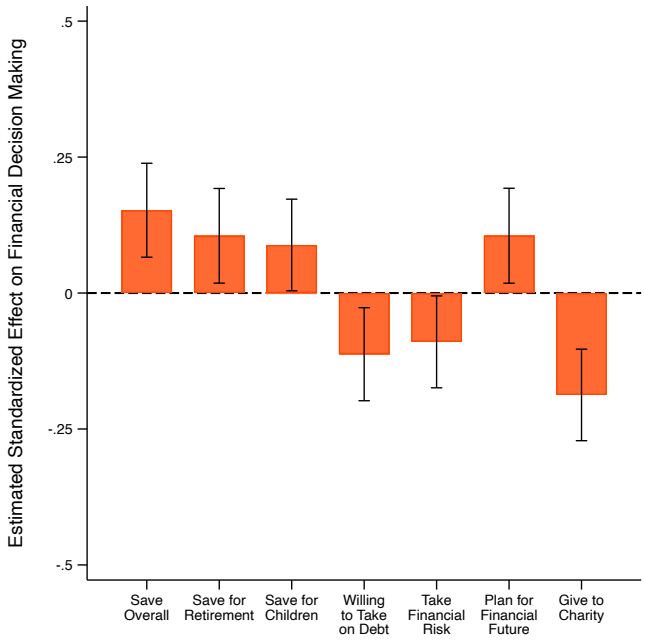


FIG. 5.—This figure plots the standardized treatment effect of receiving information about long-term care costs on how inheritance expectations are reported to influence financial behavior. Estimates come from regressions controlling for demographic characteristics, household structure, financial resources, prior inheritance receipt, and perceived parental wealth. Outcomes are measured on 7-point bipolar scales and standardized for comparability across items.

to start a business or perceived flexibility in work decisions but led respondents to report being less inclined to spend time volunteering (-0.09 SD; $p < 0.05$). Taken together, these results suggest that inheritance expectations not only affect saving and financial risk-taking but also time allocation between labor and non-labor activities and investment in career advancement.

In contrast with the effects of treatment on financial and employment behavior, the effects on reported relationship dynamics were more modest. Figure 7 (and Appendix Table S7) show that treated respondents were significantly more likely to report that their inheritance expectations led them to invest more in their relationships with their parents (0.10 SD) and siblings (0.11 SD), though there were no significant differences in romantic autonomy or geographic flexibility. There is also a small but statistically insignificant reduction in financial support for others (-0.09 SD). These results suggest that while inheritance expectations may influence familial investment, relational behaviors appear less responsive in the short run, reflecting underlying preferences or social norms that adjust more slowly.

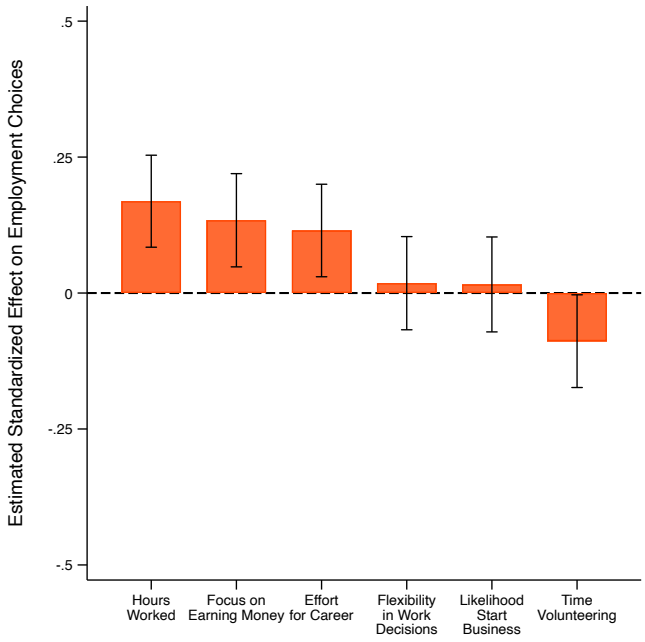


FIG. 6.—This figure plots the standardized treatment effect of receiving information about long-term care costs on how inheritance expectations are reported to influence employment behavior. Estimates come from regressions controlling for demographic characteristics, household structure, financial resources, prior inheritance receipt, and perceived parental wealth. Outcomes are measured on 7-point bipolar scales and standardized for comparability across items.

4.4 Treatment Effect Heterogeneity by Age

In the previous section, we found that exogenously shifting inheritance expectations led to corresponding adjustments in present-day behavior. Treated respondents reported greater precautionary financial behavior, increased labor effort, and increased investment in family relationships. We next examine whether the treatment effects we document vary across respondents of different ages. To the extent that inheritance expectations influence intertemporal decision-making, these effects may be larger for younger adults who face a longer horizon over which to adjust behavior in anticipation of a future transfer.

To examine treatment heterogeneity by age, we estimate a modified version of equation (3) augmented with interaction terms between the treatment indicator and indicators for age quartile, using the youngest quartile (ages 18–31) as the reference group. Figure 8 plots the estimated treatment effects separately for the youngest and oldest (ages 45–55) quartiles across the three behavioral domains. We focus on these two groups to allow for the cleanest comparison between early and late working-age adults.

The results suggest that the aggregate treatment effects documented in Section 4.3 are

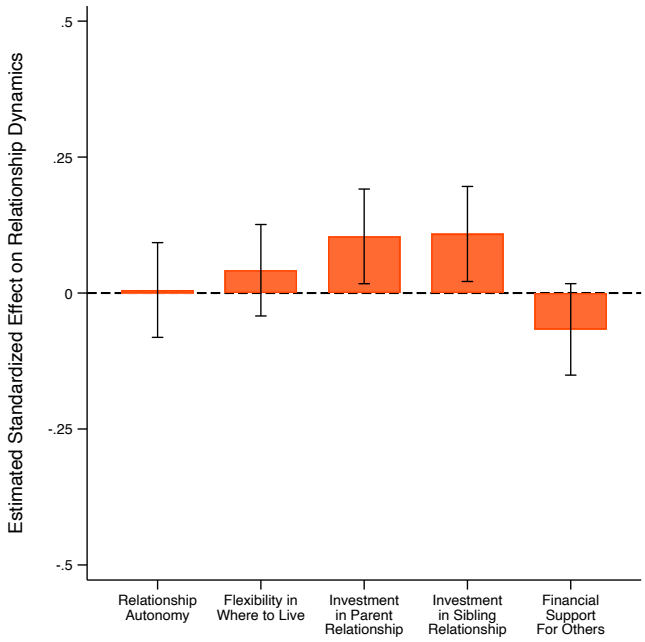
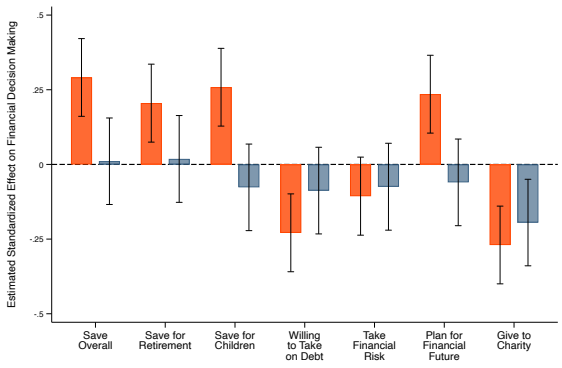
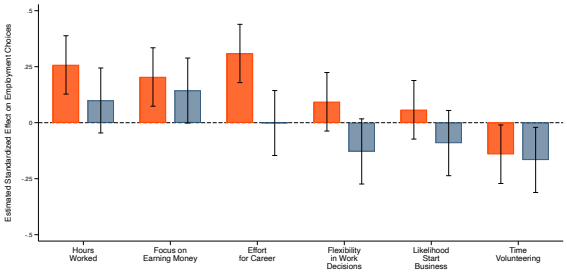


FIG. 7.—This figure plots the standardized treatment effect of receiving information about long-term care costs on how inheritance expectations are reported to influence relational behavior. Estimates come from regressions controlling for demographic characteristics, household structure, financial resources, prior inheritance receipt, and perceived parental wealth. Outcomes are measured on 7-point bipolar scales and standardized for comparability across items.

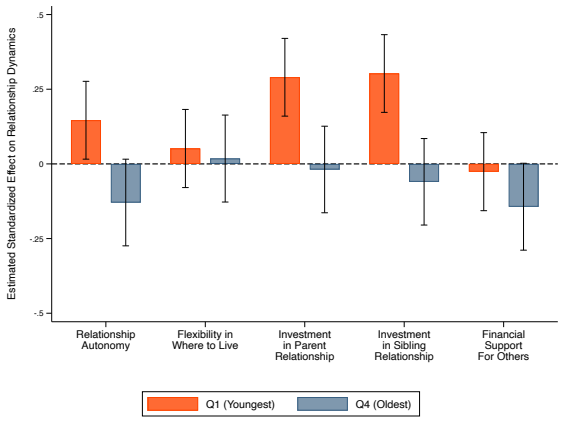
concentrated among younger respondents. For financial outcomes (Figure 8a), the youngest quartile shows consistently larger point estimates in the expected direction, most notably for overall savings, savings for children, and planning for one's financial future, while the oldest quartile's estimates are systematically smaller in magnitude and in several cases close to zero. A similar pattern holds for employment outcomes (Figure 8b), where the positive effects on hours worked, career effort, and focus on earning money are visibly larger for younger respondents, with relatively smaller or negligible effects among older respondents. For relational outcomes (Figure 8c), the contrast is most pronounced for investment in parental and sibling relationships, where the youngest quartile shows large positive point estimates and the oldest quartile is indistinguishable from zero. Interestingly, pro-social behaviors (giving to charity, time spent volunteering, and financial support for others) show similar treatment effects across both age groups. These findings are robust to the inclusion of demographic controls, though estimates are somewhat attenuated and less precisely estimated (Appendix Figures S1). The one notable exception is relationship autonomy, where the addition of controls attenuates estimates for both quartiles toward



(A) Financial Decisions



(B) Employment Decisions



(C) Family and Relational Dynamics

Fig. 8.—This figure plots the estimated treatment effects of receiving information about long-term care costs on how inheritance expectations are reported to influence financial behavior (a), employment behavior (b), and relational behavior (c), estimated separately for respondents in the youngest (Q1, ages 18–31) and oldest (Q4, ages 45–55) age quartiles. Estimates come from regressions that augment equation (3) with interactions between the treatment indicator and indicators for age quartile, without demographic controls. Outcomes are measured on 7-point bipolar scales and standardized for comparability across items.

zero, with Q1 positive and Q4 negative without controls but both indistinguishable from zero after conditioning on demographic characteristics.

One important caveat to this analysis is that age is not randomly assigned, so differences across quartiles may reflect unobserved characteristics that co-vary with age rather than age itself. In addition, subgroup estimates are less precise given the smaller cell sizes that result from splitting the sample by quartile, so evidence of heterogeneous treatment effects should be interpreted with caution. Nonetheless, exploring heterogeneity by age is a natural extension of a life-cycle framework, and the consistency of the pattern across outcomes and behavioral domains suggests that the aggregate treatment effects documented in Section 4.3 are disproportionately driven by younger respondents, for whom inheritance expectations may be particularly consequential precisely because they are formed early, often well in advance of any realistic transfer.

4.5 Summary and Interpretation

Study 2 provides causal evidence that expectations about inheritance influence present-day decisions across financial and employment domains. A brief informational prompt emphasizing the likelihood and cost of long-term care was sufficient to lower inheritance expectations and induce measurable behavioral shifts. These effects are concentrated among younger respondents, consistent with a life-cycle account in which inheritance expectations are particularly consequential for those with a longer horizon over which to adjust behavior. One limitation of our experimental design is that the informational intervention may affect behavior through channels beyond inheritance expectations. For example, information about long-term care costs may also update respondents' beliefs about the expenses they themselves will face in old age. To the extent that this is the case, our estimates reflect the combined effect of updated inheritance expectations and updated beliefs about own future costs. Nonetheless, the magnitude and direction of these effects closely align with the associations observed in Study 1. Taken together, the two studies indicate that inheritance expectations are responsive to information and incorporated into household decision-making, affecting how individuals save, work, and plan for the future.

5 General Discussion

Over the coming decades, U.S. households are projected to experience an unprecedented intergenerational transfer of wealth. Across two national surveys, we show that inheritance expectations, even when uncertain in timing and amount, meaningfully affect present-day behavior. In Study 1, we find that roughly half of respondents expect to receive an inheritance and document that this expectation is systematically associated with lower saving, reduced labor effort, greater financial risk-taking, and stronger relational investments within

families. In Study 2, we use a randomized information treatment to exogenously shift these expectations. Providing information about the substantial and often-underestimated costs of long-term care significantly reduced the share of respondents expecting to receive an inheritance. This shift in beliefs in response to basic information suggests that many individuals fail to account for potentially estate-depleting end-of-life expenses, underscoring the inherent uncertainty surrounding inheritances. Treated respondents subsequently report more conservative financial and employment behaviors, consistent with correlational evidence from Study 1. Together, these findings indicate that inheritance expectations, though highly uncertain, are behaviorally relevant, responsive to information, and already shaping household decisions well before any assets are transferred.

These findings extend prior research by demonstrating that anticipated but uncertain future resources meaningfully impact current economic decisions. Our results support the view that inheritance expectations represent a distinct financial resource, uniquely characterized by uncertainty in timing and amount as well as relational implications, features that distinguish them from other forms of anticipated wealth such as pensions or insurance benefits.

Critically, our results demonstrate that inheritance expectations are both malleable and likely to be biased upwards, shifting markedly in response to a brief informational intervention about long-term care costs. This finding emphasizes the importance of targeted interventions to better align household expectations with probable future scenarios. Moreover, while much attention among researchers and policymakers focuses on future impacts of the "great wealth transfer" on wealth inequality, our findings suggest that expectations about future inheritances may already be affecting economic decisions today, with implications for household inequality and stratification. Individuals who expect to receive an inheritance may take greater financial and employment risks in the present, which may further increase their wealth and earnings potential, while those who who expect no inheritance may choose to take on less risk, potentially limiting future wealth accumulation. To the extent that inheritance expectations are more optimistic among wealthier households, these behavioral responses may amplify existing inequality well before any assets change hands.

The concentration of treatment effects among the youngest respondents in our sample further underscores the importance of accurate expectations. Our heterogeneity analysis suggests that behavioral responses to inheritance expectations are largest among younger adults, for whom any transfer may be decades away. This implies that biased expectations formed early in adulthood may distort financial and employment decisions over a particularly long horizon, with potentially significant consequences for lifetime wealth accumulation and financial security.

Our findings carry significant implications for public policy and financial advising, particularly as many people may be making decisions with inaccurate or biased expectations

about future transfers. Optimistic or unrealistic inheritance expectations may exacerbate economic vulnerability by discouraging prudent financial practices, encouraging excess risk-taking, and reducing labor market effort. Educational initiatives and policy measures that provide accurate and accessible information on end-of-life costs, particularly long-term care, could mitigate these distortions and improve financial planning. Targeted financial literacy programs, enhanced retirement planning disclosures, and expanded eldercare insurance coverage represent potential avenues to better align expectations with realistic outcomes. Our findings suggest that such interventions are important not only for the aging population, but also for younger adults.

One promising area for future research is to further explore how inheritance expectations shape familial ties. We find that the informational treatment increased relational investments with parents and siblings, contrary to the correlational patterns in Study 1. This may reflect the fact that the treatment increased emotional attachment by encouraging respondents to envision the illness and vulnerability of aging parents. This response further highlights the complexities involved in inheritance, household finance, and family relations. Future work should explore this further using longitudinal household panel data or qualitative methods.

Our studies are not without limitations. While both surveys included large, diverse samples, we intentionally limited our sample to those with at least one living parent given our focus on how beliefs about future inheritance affect current decisions. Our findings therefore reflect a relatively younger and more educated population. Future research examining a nationally representative population may provide a better estimate of baseline beliefs in the U.S. as a whole. Participants also self-report behaviors and beliefs in our studies. Future work linking survey responses to administrative data or tracking inheritance realizations longitudinally would allow researchers to validate self-reported expectations and behavioral responses against observed behavior. In addition, studies more carefully measuring expectations, including their precision, updating, and the extent to which they are integrated into broader plans, could help better identify the mechanisms through which expectations affect behavior and inform economic models of decision-making. Finally, cross-national comparisons could also explore how cultural differences (e.g., familial obligations) and institutional context (e.g., inheritance tax policy, eldercare systems) affect the behavioral consequences of inheritance expectations.

Inheritance expectations, formed amid uncertainty and carrying relational meaning, materially shape current financial, employment, and family-related decisions. Given the anticipated scale of intergenerational wealth transfers in the coming decades, understanding the present-day behavioral consequences of these expectations is important for assessing their full impact on household finances and economic inequality.

References

Armantier, Olivier, Scott Nelson, Giorgio Topa, Wilbert van der Klaauw, and Basit Zafar, "The Price Is Right: Updating Inflation Expectations in a Randomized Price Information Experiment," *Review of Economics and Statistics*, 2016, *98* (3), 503–523.

Armona, Luis, Andreas Fuster, and Basit Zafar, "Home Price Expectations and Behavior: Evidence from a Randomized Information Experiment," *Review of Economic Studies*, 2019, *86* (4), 1371–1410.

Basiglio, Stefania, Maria Cristina Rossi, and Arthur Van Soest, "Subjective Inheritance Expectations and Economic Outcomes," *Review of Income and Wealth*, 2023, *69* (4), 1088–1113.

Bearden, Bridget, "Employee Perspectives on Long-Term Care," Technical Report, Employee Benefit Research Institute 2025. EBRI Issue Brief, May 2025, No. 634.

Becker, Gary S, "The Family, Inheritance, and the Intergenerational Transmission of Inequality," *Journal of Political Economy*, 1991, *99* (1), 1–16.

Beckert, Jens, *Inherited Wealth*, Princeton University Press, 2008.

Belloc, Ignacio, José Alberto Molina, and Jorge Velilla, "Consumption Responses to Inheritances: The Role of Durable Goods," *Journal of Macroeconomics*, 2025, *83*, 103661.

Benz, Jennifer, Nicole Willcoxon, Rebecca Reimer, Dan Malato, Emily Alvarez, Matthew Courser, Trevor Tompson, Jennifer Agiesta, and Dennis Junius, "Long-Term Care in America: Expectations and Reality," Technical Report, The Associated Press-NORC Center for Public Affairs Research May 2014.

Bergman, Abigail, Alex Chinco, Samuel M Hartzmark, and Abigail B Sussman, "Survey Curious? Start-Up Guide and Best Practices for Running Surveys and Experiments Online," 2020. Working Paper.

Bermejo, Vicente J, Miguel A Ferreira, Daniel Wolfenzon, and Rafael Zambrana, "How Do Cash Windfalls Affect Entrepreneurship? Evidence from the Spanish Christmas Lottery," *Journal of Financial and Quantitative Analysis*, 2025, *60* (5), 2229–2258.

Bricker, Jesse, Sarena Goodman, Kevin B. Moore, Alice Henriques Volz, and Dalton Ruh, "Wealth and Income Concentration in the SCF: 1989–2019," FEDS Notes 2020-09-28-1, Board of Governors of the Federal Reserve System (U.S.) September 2020. Available at DOI: http://dx.doi.org/10.17016/2380-7172.2795.

Brown, Jeffrey R, Courtney C Coile, and Scott J Weisbenner, "The Effect of Inheritance Receipt on Retirement," *The Review of Economics and Statistics*, 2010, *92* (2), 425–434.

Cerulli Associates, "U.S. High-Net-Worth and Ultra-High-Net-Worth Markets 2021: The Great Wealth Transfer," Technical Report, Cerulli Associates, Boston, MA 2021.

Chen, Anqi, Alicia H. Munnell, and Gal Wettstein, "Do Older Adults Understand Healthcare Risks, and Do Advisors Help?," Issue in Brief 25-2, Center for Retirement Research at Boston College, Chestnut Hill, MA 2025.

Cox, Donald and Mark R Rank, "Inter-Vivos Transfers and Intergenerational Exchange," *The Review of Economics and Statistics*, 1992, *74* (2), 305–314.

_ **and Oded Stark**, "Bequests, Inheritances and Family Traditions," Working Paper 2005-9, Center for Retirement Research at Boston College, Chestnut Hill, MA 2005.

Druedahl, Jeppe and Alessandro Martinello, "Long-Run Saving Dynamics: Evidence from Unexpected Inheritances," *The Review of Economics and Statistics*, 2022, *104* (5), 1079–1095.

Elinder, Mikael, Oscar Erixson, and Henry Ohlsson, "The Impact of Inheritances on Heirs' Labor and Capital Income," *The B.E. Journal of Economic Analysis & Policy*, 2012, *12* (1).

Fagereng, Andreas, Luigi Guiso, Davide Malacrino, and Luigi Pistaferri, "Heterogeneity and Persistence in Returns to Wealth," *Econometrica*, 2020, *88* (1), 115–170.

Feiveson, Laura and John Sabelhaus, "Lifecycle Patterns of Saving and Wealth Accumulation," Finance and Economics Discussion Series 2019-010, Board of Governors of the Federal Reserve System 2019.

Finch, Janet and Jennifer Mason, *Passing On: Kinship and Inheritance in England*, Routledge, 2013.

Hartzmark, Samuel M and Abigail B Sussman, "Eliciting Expectations," *Available at SSRN 4780506*, 2024.

Heimer, Rawley Z., Kristian Ove R. Myrseth, and Raphael S. Schoenle, "YOLO: Mortality Beliefs and Household Finance Puzzles," *Journal of Finance*, 2019, *74* (6), 2957–2996.

Holtz-Eakin, Douglas, David Joulfaian, and Harvey S Rosen, "The Carnegie Conjecture: Some Empirical Evidence," *The Quarterly Journal of Economics*, 1993, *108* (2), 413–435.

_ , _ , **and** _ , "Sticking It Out: Entrepreneurial Survival and Liquidity Constraints," *Journal of Political Economy*, 1994, *102* (1), 53–75.

Johnson, Richard W and Judith Dey, "Long-Term Services and Supports for Older Americans: Risks and Financing, 2022," Technical Report, Urban Institute 2022.

Joulfaian, David and Mark O. Wilhelm, "Inheritance and Labor Supply," *Journal of Human Resources*, 1994, *29* (4), 1205–1234.

Levav, Jonathan and A Peter McGraw, "Emotional Accounting: How Feelings about Money Influence Consumer Choice," *Journal of Marketing Research*, 2009, *46* (1), 66–80.

Manski, Charles F., "Measuring Expectations," *Econometrica*, 2004, *72* (5), 1329–1376.

Roth, Christopher and Johannes Wohlfart, "How Do Expectations about the Macroeconomy Affect Personal Expectations and Behavior?," *Review of Economics and Statistics*, 2020, *102* (4), 731–748.

Schaeffer, Merlin, "The Social Meaning of Inherited Financial Assets. Moral Ambivalences of Intergenerational Transfers," *Historical Social Research/Historische Sozialforschung*, 2014, pp. 289–317.

Suari-Andreu, Eduard, "Labour Supply, Retirement, and Consumption Responses of Older Europeans to Inheritance Receipt," *Empirical Economics*, 2023, *64*, 33–75.

Thaler, Richard H, "Mental Accounting and Consumer Choice," *Marketing Science*, 1985, *4* (3), 199–214.

_ , "Mental Accounting Matters," *Journal of Behavioral Decision Making*, 1999, *12* (3), 183–206.

Vihriälä, Erkki and Tuomo Virkola, "(Not) Anticipating Predictable Inheritances," 2025. Working Paper. Available at SSRN: http://dx.doi.org/10.2139/ssrn.4607918.

Zagorsky, Jay L., "Do People Save or Spend Their Inheritances? Understanding What Happens to Inherited Wealth," *Journal of Family and Economic Issues*, 2013, *34*, 64–76.

Zelizer, Viviana A, "The Social Meaning of Money: "Special Monies"," *American Journal of Sociology*, 1989, *95* (2), 342–377.

Zhang, Yiwei C. and Abigail B. Sussman, "The Role of Mental Accounting in Household Spending and Investing Decisions," in C. Chaffin, ed., *Client Psychology*, New York: Wiley, 2018.

How inheritance expectations shape financial, employment, and family decisions

Supplementary Materials

C. Yiwei Zhang[†] Rourke O'Brien[‡] Abigail B. Sussman[§]

[†]Corresponding Author. University of Wisconsin-Madison, 1300 Linden Drive, Madison, WI 53706, USA, cyzhang@wisc.edu
[‡]Department of Sociology, Yale University, New Haven, CT 06520 rourke.obrien@yale.edu
[§]Booth School of Business, University of Chicago, Chicago, IL 60637, abigail.sussman@chicagobooth.edu

TABLE S.1
BENCHMARK COMPARISON

	Study 1 (1)	Study 2 (2)	ACS 2023 (3)
Age Brackets			
18-24 yrs	15.62	8.25	9.1
25-34 yrs	35.89	31.79	13.7
35-44 yrs	23.86	37.95	13.1
45-54 yrs	17.42	20.47	12.3
55+ yrs	7.20	1.54	29.7
Female	47.44	48.83	50.5
Employment Status			
Employed	72.44	78.19	59.8
Unemployed or Not in Labor Force	27.56	21.81	39.8
Education			
High-school degree or less	13.26	11.58	37.9
Some college or Associate's degree	29.26	28.21	29.7
Bachelor's degree or more	57.39	59.77	30.9
Household Income Brackets			
<$20K	10.61	9.64	11.8
$20K - $50K	22.44	23.55	20.5
$50K - $75K	20.93	19.87	15.7
>$75K	46.02	46.94	52.0

NOTE.—This table compares the distribution of individuals in Study 1 (column (1)) and individuals in Study 2 (column (2)) along key characteristics to the 2023 American Community Survey (ACS) 5-Year Estimates (column (3)). ACS estimates for employment status are based on the population of U.S. residents 16 and older, not 18 and older as in the survey data.

TABLE S.2
INHERITANCE EXPECTATIONS CORRELATES

	Expect Will Receive Inheritance (0/1)		(Log) Amount Expected To Inherit	
	Coefficient	S.E.	Coefficient	S.E.
Age	0.00	(0.00)	−0.01	(0.02)
Gender (Reference Cat: Male)				
Female	−0.01	(0.03)	−0.03	(0.33)
Other/Prefer Not to Say	−0.19**	(0.10)	−1.91*	(1.10)
Education Status (Reference Cat: HS degree or less)				
Some College	0.04	(0.05)	0.38	(0.56)
Associate's Degree	0.05	(0.06)	0.62	(0.64)
Bachelor's Degree or more	0.02	(0.04)	0.25	(0.51)
Prefer not to say	0.91**	(0.44)	9.23*	(5.05)
Employment Status (Reference Cat: Full-time)				
Part-time	−0.02	(0.04)	−0.17	(0.43)
Not currently employed or other	−0.01	(0.05)	−0.08	(0.56)
Work at home without pay	−0.03	(0.05)	−0.34	(0.62)
Student	−0.09	(0.06)	−1.00	(0.74)
Retired	−0.23**	(0.09)	−2.43**	(1.08)
Marital Status (Reference Cat: Married)				
Widowed	0.35*	(0.20)	3.80*	(2.25)
Divorced/separated	−0.06	(0.05)	−0.49	(0.61)
Never been married	0.00	(0.04)	0.03	(0.46)
Num Children (Reference Cat: None)				
1	0.02	(0.04)	0.25	(0.50)
2	−0.04	(0.05)	−0.63	(0.54)
3	−0.01	(0.06)	−0.28	(0.66)
4	0.02	(0.08)	−0.20	(0.94)
5+	0.03	(0.10)	−0.03	(1.19)
Num Siblings (Reference Cat: None)				
1	0.05	(0.05)	0.42	(0.60)
2	0.00	(0.05)	−0.23	(0.61)
3	0.01	(0.06)	−0.23	(0.67)
4	0.03	(0.07)	−0.67	(0.77)
5+	−0.11*	(0.06)	−1.68**	(0.74)
Home Ownership Status (Reference Cat: Own)				
Rent	0.04	(0.04)	0.36	(0.42)
Live in friend/relative's home	0.07	(0.05)	0.67	(0.53)
Other	0.14	(0.09)	1.58	(1.00)
Household Income (Reference Cat: Less than 20k)				
20k - 30k	−0.05	(0.07)	−0.59	(0.76)
30k - 40k	−0.13**	(0.06)	−1.59**	(0.74)
40k - 50k	−0.05	(0.06)	−0.35	(0.73)
50k - 60k	−0.09	(0.06)	−1.02	(0.71)
60k - 75k	−0.04	(0.06)	−0.13	(0.71)
75k - 100k	−0.04	(0.06)	0.09	(0.69)
100k - 150k	−0.17***	(0.06)	−1.59**	(0.70)
> 150k	−0.20***	(0.07)	−1.88**	(0.81)
Assets (Reference Cat: Less than 10k)				
10k - 50k	0.11**	(0.05)	0.88*	(0.52)
50k - 100k	0.18***	(0.05)	2.04***	(0.58)
100k - 250k	0.22***	(0.05)	2.36***	(0.61)
250k - 500k	0.24***	(0.05)	2.84***	(0.62)
500k - 1M	0.41***	(0.06)	4.99***	(0.72)
> 1M	0.29***	(0.07)	3.75***	(0.85)
Parental Wealth (Reference Cat: 1 - Struggling Financially				
2	0.09	(0.07)	0.86	(0.78)
3	0.17***	(0.06)	1.59**	(0.69)
4	0.27***	(0.06)	2.77***	(0.64)
5	0.49***	(0.06)	5.37***	(0.64)
6	0.68***	(0.06)	7.81***	(0.69)
7 - Well-off financially	0.69***	(0.06)	8.44***	(0.72)

NOTE.—This table reports estimates of the association between inheritance expectations and respondent characteristics. Each pair of columns reports estimates from a separate regression from simple linear regressions of an indicator for whether or not the respondent expects to receive an inheritance (columns 1 and 2) and expected inheritance amounts (column 3 and 4) on demographic characteristics, household structure, financial resources, and perceived parental wealth. Standard errors are reported in parentheses and are clustered at the household level. Significance levels 10%, 5%, and 1% are denoted by *, **, and ***, respectively.

TABLE S.3
IMPACT ON FINANCIAL DECISIONS

	Saving	Retirement Savings	Save for Children	Debt	Risk Taking	Financial Planning	Give to Charity
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Panel A. Without Controls						
EXPECT TO INHERIT	−0.29***	−0.36***	−0.01	0.55***	0.70***	−0.18***	0.61***
	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)
	Panel B. With Controls						
EXPECT TO INHERIT	−0.34***	−0.41***	−0.18**	0.42***	0.48***	−0.26***	0.40***
	(0.08)	(0.08)	(0.07)	(0.07)	(0.07)	(0.07)	(0.07)
Baseline Mean	0.15	0.19	0.01	-0.29	-0.37	0.10	-0.32
N	1,047	1,047	1,047	1,047	1,047	1,047	1,047
	Panel C. Quartiles With Controls						
QUANTILE 2	−0.26***	−0.30***	−0.19**	0.41***	0.42***	−0.20**	0.38***
	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)
QUANTILE 3	−0.34***	−0.41***	−0.12	0.43***	0.58***	−0.33***	0.37***
	(0.12)	(0.12)	(0.11)	(0.12)	(0.11)	(0.12)	(0.11)
QUANTILE 4	−0.59***	−0.75***	−0.24**	0.45***	0.58***	−0.36***	0.46***
	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.10)
Baseline Mean	0.15	0.19	0.01	-0.29	-0.37	0.10	-0.32
N	1,047	1,047	1,047	1,047	1,047	1,047	1,047

NOTE.—This table reports estimates of the standardized difference in how inheritance expectations are reported to influence financial behavior for individuals who expect to receive an inheritance compared to respondents who expect not to inherit. Each column reports estimates from a separate regression where the dependent variable measures how inheritance expectations lead them to respond on a 7-point bipolar scale that has been standardized for comparability across columns. Coefficients are reported for the indicator EXPECT TO INHERIT, which equals one if the respondent expects to receive an inheritance. Panel A. reports estimates without controls while Panel B reports conditional estimates that include demographic characteristics, household structure, financial resources, prior inheritance receipt, and perceived parental wealth. Standard errors are reported in parentheses and are clustered at the household level. Significance levels 10%, 5%, and 1% are denoted by *, **, and ***, respectively.

Table S.4
Impact on Employment Decisions

	Hours Worked	Focus on Career	Effort for Career	Flexibility in Work Decisions	Likelihood Start Business	Time Volunteering
	(1)	(2)	(3)	(4)	(5)	(6)
	Panel A. Without Controls					
Expect to Inherit	−0.40***	−0.36***	−0.26***	0.63***	0.45***	0.61***
	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)
	Panel B. With Controls					
Expect to Inherit	−0.41***	−0.41***	−0.29***	0.38***	0.32***	0.44***
	(0.07)	(0.08)	(0.08)	(0.07)	(0.07)	(0.07)
Baseline Mean	0.21	0.19	0.14	-0.34	-0.24	-0.32
N	1,047	1,047	1,047	1,047	1,047	1,047
	Panel C. Quartiles With Controls					
Quantile 2	−0.30***	−0.35***	−0.24***	0.36***	0.31***	0.45***
	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)
Quantile 3	−0.45***	−0.28**	−0.33***	0.46***	0.39***	0.48***
	(0.12)	(0.12)	(0.12)	(0.11)	(0.11)	(0.11)
Quantile 4	−0.72***	−0.68***	−0.44***	0.40***	0.27**	0.34***
	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)	(0.11)
Baseline Mean	0.21	0.19	0.14	-0.34	-0.24	-0.32
N	1,047	1,047	1,047	1,047	1,047	1,047

Note.—This table reports estimates of the standardized difference in how inheritance expectations are reported to influence employment behavior for individuals who expect to receive an inheritance compared to respondents who expect not to inherit. Each column reports estimates from a separate regression where the dependent variable measures how inheritance expectations lead them to respond on a 7-point bipolar scale that has been standardized for comparability across columns. Coefficients are reported for the indicator Expect to Inherit, which equals one if the respondent expects to receive an inheritance. Panel A. reports estimates without controls while Panel B reports conditional estimates that include demographic characteristics, household structure, financial resources, prior inheritance receipt, and perceived parental wealth. Standard errors are reported in parentheses and are clustered at the household level. Significance levels 10%, 5%, and 1% are denoted by *, **, and ***, respectively.

Table S.5
Impact on Relationship Dynamics

	Relationship Autonomy	Flexibility in Where to Live	Investment in Parent Relationship	Investment in Sibling Relationship	Financial Support For Others
	(1)	(2)	(3)	(4)	(5)
	Panel A. Without Controls				
Expect to Inherit	0.33***	0.61***	0.56***	0.38***	0.73***
	(0.06)	(0.06)	(0.06)	(0.06)	(0.06)
	Panel B. With Controls				
Expect to Inherit	0.17**	0.39***	0.40***	0.21***	0.51***
	(0.08)	(0.07)	(0.07)	(0.07)	(0.07)
Baseline Mean	-0.17	-0.32	-0.30	-0.20	-0.38
N	1,047	1,047	1,047	1,047	1,047
	Panel C. Quartiles With Controls				
Quantile 2	0.21**	0.37***	0.40***	0.25***	0.49***
	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)
Quantile 3	0.15	0.44***	0.46***	0.20*	0.52***
	(0.12)	(0.11)	(0.11)	(0.12)	(0.11)
Quantile 4	0.10	0.42***	0.32***	0.12	0.58***
	(0.11)	(0.11)	(0.11)	(0.11)	(0.10)
Baseline Mean	-0.17	-0.32	-0.30	-0.20	-0.38
N	1,047	1,047	1,047	1,047	1,047

Note.—This table reports estimates of the standardized difference in how inheritance expectations are reported to influence relational behavior for individuals who expect to receive an inheritance compared to respondents who expect not to inherit. Each column reports estimates from a separate regression where the dependent variable measures how inheritance expectations lead them to respond on a 7-point bipolar scale that has been standardized for comparability across columns. Coefficients are reported for the indicator Expect to Inherit, which equals one if the respondent expects to receive an inheritance. Panel A. reports estimates without controls while Panel B reports conditional estimates that include demographic characteristics, household structure, financial resources, prior inheritance receipt, and perceived parental wealth. Standard errors are reported in parentheses and are clustered at the household level. Significance levels 10%, 5%, and 1% are denoted by *, **, and ***, respectively.

TABLE S.6
IMPACT ON FINANCIAL DECISIONS

	Saving	Retirement Savings	Save for Children	Debt	Risk Taking	Financial Planning	Give to Charity
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Panel A. Without Controls						
TREATMENT	0.16***	0.10**	0.06	−0.13***	−0.10**	0.10**	−0.20***
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
	Panel B. With Controls						
TREATMENT	0.15***	0.11**	0.09**	−0.11**	−0.09**	0.11**	−0.19***
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Baseline Mean	-0.08	-0.05	-0.03	0.06	0.05	-0.05	0.10
N	2,013	2,013	2,013	2,013	2,013	2,013	2,013

NOTE.—This table reports estimates of the standardized treatment effect of receiving information about long-term care costs on how inheritance expectations are reported to influence financial behavior. Each column reports estimates from a separate regression where the dependent variable measures how inheritance expectations lead them to respond on a 7-point bipolar scale that has been standardized for comparability across columns. Coefficients are reported for the indicator, TREATMENT, which equals one if the respondent was in the treatment group and received realistic information about long-term care costs and zero if in the control group. Panel A. reports estimates without controls while Panel B reports conditional estimates that include demographic characteristics, household structure, financial resources, prior inheritance receipt, and perceived parental wealth. Standard errors are reported in parentheses and are clustered at the household level. Significance levels 10%, 5%, and 1% are denoted by *, **, and ***, respectively.

Table S.7
Impact on Employment Decisions

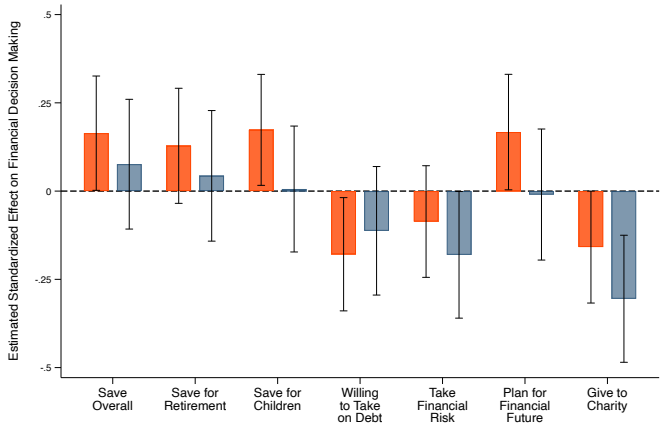
	Hours Worked	Focus on Career	Effort for Career	Flexibility in Work Decisions	Likelihood Start Business	Time Volunteering
	(1)	(2)	(3)	(4)	(5)	(6)
	Panel A. Without Controls					
Treatment	0.17***	0.13***	0.11**	0.01	0.00	−0.11**
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
	Panel B. With Controls					
Treatment	0.17***	0.13***	0.12***	0.02	0.02	−0.09**
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Baseline Mean	-0.09	-0.07	-0.06	-0.00	-0.00	0.06
N	2,013	2,013	2,013	2,013	2,013	2,013

Note.—This table reports estimates of the standardized treatment effect of receiving information about long-term care costs on how inheritance expectations are reported to influence employment behavior. Each column reports estimates from a separate regression where the dependent variable measures how inheritance expectations lead them to respond on a 7-point bipolar scale that has been standardized for comparability across columns. Coefficients are reported for the indicator, Treatment, which equals one if the respondent was in the treatment group and received realistic information about long-term care costs and zero if in the control group. Panel A. reports estimates without controls while Panel B reports conditional estimates that include demographic characteristics, household structure, financial resources, prior inheritance receipt, and perceived parental wealth. Standard errors are reported in parentheses and are clustered at the household level. Significance levels 10%, 5%, and 1% are denoted by *, **, and ***, respectively.

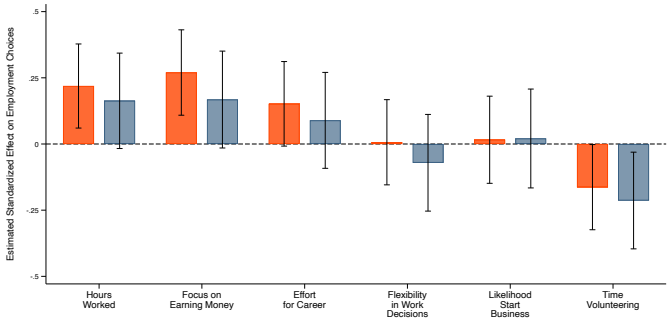
Table S.8
Impact on Relationship Dynamics

	Relationship Autonomy	Flexibility in Where to Live	Investment in Parent Relationship	Investment in Sibling Relationship	Financial Support For Others
	(1)	(2)	(3)	(4)	(5)
	Panel A. Without Controls				
Treatment	−0.01	0.02	0.08*	0.09**	−0.09*
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
	Panel B. With Controls				
Treatment	0.01	0.04	0.10**	0.11**	−0.07
	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)
Baseline Mean	0.00	-0.01	-0.04	-0.05	0.04
N	2,013	2,013	2,013	2,013	2,013

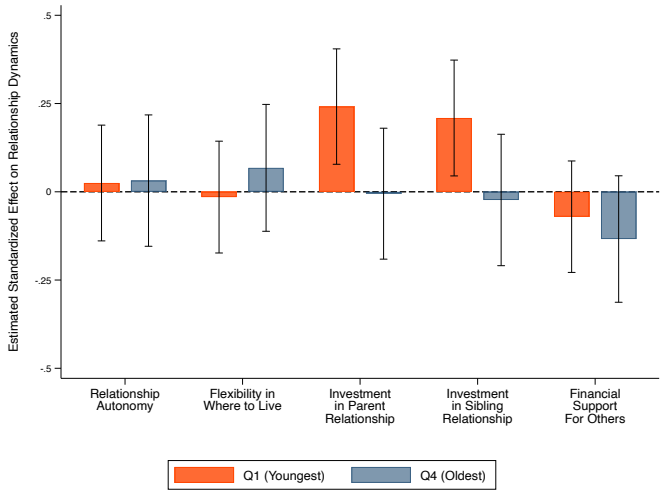
Note.—This table reports estimates of the standardized treatment effect of receiving information about long-term care costs on how inheritance expectations are reported to influence relational behavior. Each column reports estimates from a separate regression where the dependent variable measures how inheritance expectations lead them to respond on a 7-point bipolar scale that has been standardized for comparability across columns. Coefficients are reported for the indicator, Treatment, which equals one if the respondent was in the treatment group and received realistic information about long-term care costs and zero if in the control group. Panel A. reports estimates without controls while Panel B reports conditional estimates that include demographic characteristics, household structure, financial resources, prior inheritance receipt, and perceived parental wealth. Standard errors are reported in parentheses and are clustered at the household level. Significance levels 10%, 5%, and 1% are denoted by *, **, and ***, respectively.



(A) Financial Decisions



(B) Employment Decisions



(C) Family and Relational Dynamics

Fig. S.1.—This figure plots the estimated treatment effects of receiving information about long-term care costs on how inheritance expectations are reported to influence financial behavior (a), employment behavior (b), and relational behavior (c), estimated separately for respondents in the youngest (Q1, ages 18–31) and oldest (Q4, ages 45–55) age quartiles. Estimates come from regressions that augment equation (3) with interactions between the treatment indicator and indicators for age quartile, controlling for demographic characteristics, household structure, financial resources, prior inheritance receipt, and perceived parental wealth. Outcomes are measured on 7-point bipolar scales and standardized for comparability across items.