

Procrastinating Americans putting off estate plans, says D.A. Davidson survey



Just 34% of adult Americans have an estate plan and 37% of respondents said they didn't have a plan at the ready.

October 11, 2022 By Gregg Greenberg

Only one out of every three Americans has an estate plan in place, mostly because they don't believe they have the money to merit it.

Just 34% of adults in the U.S. have an estate plan, according to a survey released Tuesday by [D.A. Davidson & Co.](#) Moreover, 37% of respondents, the largest portion, said they didn't have a plan at the ready because they felt they did not have a large enough estate to warrant needing one. Procrastination came in second place, with 32% of those surveyed saying they simply "haven't gotten around to it."

The survey also showed that 20% of respondents who actually created estate plans have not updated them in the last five years.

"It's not surprising to hear that roughly one-third of American adults have an estate plan or that procrastination was such a big deterrent. Most estate planning is triggered by some life event — divorce, death, business transition, marriage, etc. — and that can be too late to create an effective strategy that maximizes investment and tax savings potential," said Andrew Palmer, managing director at [Evoke Advisors](#).

“We’re about to see several years of the largest wealth transfer among generations,” Palmer said, adding that he expects the subject of estate planning will soon rise to the top of financial planning priorities.

Consulting a financial adviser has a positive impact when it comes to creating an estate plan. According to the survey, the number of those having a plan spiked from 18% to 56% if they have worked with a professional at some point. Those who have worked with a financial professional also feel more confident and prepared discussing their estate plan and [end-of-life wishes](#) than those who have never worked with one, the survey showed.

And as for those respondents without an estate plan and who worked with a financial adviser, the biggest factor preventing them from getting it done was procrastination (44%).

“There are a couple of big reasons why people, even very wealthy people, don’t have an estate plan. For one, no one likes to dwell on their own demise, so taking the time and energy to consider and address all the financial and legal considerations related to producing an estate plan can be very unappealing,” said Joy Budnik, investment adviser at [Jackson Square Capital](#).

“The other issue is that most people tend to live in the present,” Budnik said. “They have kids, spouses and partners they care about, and nurturing those relationships can feel like a full-time job on top of the one they already have.”

In terms of gender differences, 72% of the women surveyed do not have an estate plan compared to 59% of men. Scott Gegerson, president of [Truvium Wealth Management](#), believes this spread should narrow as the wage gap closes between male and females.

“Typically, with a married couple, a decedent will pass their full estate to the surviving spouse. Odds are the surviving spouse is a woman, and she will then need to pass her remaining estate to the next generation, which can be complicated, with things like family dynamics playing a major role,” Gegerson said.

“It’s not surprising that more women than men lack an estate plan,” said Michael Raczkowski, vice president of advanced planning at [Highland Capital Brokerage](#), an Advisor Group firm. “While it’s important for both to have an estate plan, women are more likely to need long-term care because of longer lifespans. A well-drafted trust and estate plan can manage her assets and affairs if she is ever unable to do so.”