Preparing for Our Future: Historical, Generational, and Policy Influences on Inheritance Decisions

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This timely and important book breaks new ground. Given the complex factors that influence inheritance decisions and behavior, it is not surprising that few books have been published on this topic. Comprehensive and thorough, Jacqueline L. Angel helps open new windows to understanding the ways we think about our gift-giving behaviors in late life and their effect on personal legacy.

Acknowledging both intended and unintended consequences of gift giving and wealth transfers in middle-class American families, Angel convincingly demonstrates the decision-making process from a multidisciplinary perspective with national survey data, in-depth interviews, and anecdotes.

*Inheritance in Contemporary America* starts with a discussion of the new social contract in which family plays a large role in reducing risks in later life. A strength of the book comes in chapter 2, where Angel provides a background of the U.S. inheritance laws and attitudes from colonial times until now. The historical underpinnings of inheritance
described in this section provide key insight into practices today. The transfer of property from one generation to the next was strictly governed by common law and social practice (e.g., primogeniture) in colonial times. Today, the transfer of property is left to the individual, within the bounds of the legal system. At the same time, in the past few decades we have seen a shift from defined-benefit to defined-contribution pension plans, and the burden has been shifted to workers to save for their retirement years.

To her credit, Angel also explores pension programs across the globe (Sweden, France, Italy) that mirror aging trends in the United States and point to future challenges if the state fails in its obligation to families. Americans increasingly turn to families for end-of-life support, and the personal motivations underlying intergenerational transfers are anchored in people’s histories. Early-childhood experiences with money can have a dramatic influence on gift-giving tendencies at the end of life. In her in-depth qualitative interviews, Angel found that inheritance was often described as an “act of love from one generation to the next” (p. 136). Parents believe there is a right way to divide their estate and work hard to relay their plans to their adult children. Still, Angel’s interviews revealed that some aging parents do not “plan to fail” but fail to plan for their health needs and retirement.

When family members fail to openly share their feelings regarding gifts and bequests, it can result in serious long-term consequences for relationships within the family. Through her interviews, Angel often found that her questions were met with inaction or denial, and many older adults felt uncomfortable holding conversations on the topic of inheritance. Older adults avoiding the decision-making process are likely to create ill will among family members and many unnecessary problems in distributing an estate. In the end, parents who avoid inheritance decisions often are shocked by the deep-seated negative feelings that develop among siblings.

Gift-giving behavior is governed by the parent’s age, the offspring’s age and gender, and the offspring’s needs. In fact, Angel finds that the economic situation of the child is more important than any other factor. Angel found that children are not likely to be treated equally when one has done significantly better than the other. It is a measure of parental success when they are able to give to a child in financial trouble.

Research in England by Finch and Mason (2000) also has examined the increasing significance of inheritance in the lives of families. Similar to Angel, they explored the social meaning of inheritance but focused on the analysis of wills and in-depth interviews with inheritors and expert interviews with solicitors. Finch (2004) more recently published research on the relationship between strong intergenerational ties across the life course and inheritance decisions. Finch’s work largely complements rather than overlaps Angel’s study. Inheritance in Contemporary America is one of only a handful of inheritance studies completed in the United States. Noteworthy is the work of Stum (1999, 2000) on the intergenerational transfer of property and personal possessions, aimed at understanding the inheritance decision-making process within families. Her findings provide a rationale for the development of family-focused educational resources addressing the meaning of fairness. To meet this need, Stum maintains a Website that aids in the inheritance decision-making process (Stum, 2008).

Angel’s multidisciplinary approach to understanding inheritance decision making provides the reader with a solid and concise overview of the social, legal, and policy implications of wealth transfer in families of diverse economic and ethnic background. Readers ranging from undergraduates to senior scholars could benefit from this book.

Demographic, political, economic, legal, ideological, and health factors all influence inheritance practices in the United States. In the concluding chapter, Angel poses several key questions about demographic transitions and inheritance decisions, including how generational differences will shape family ideology and whether women should worry more about retirement. Despite the contribution of this book, the changing American family and the retirement of the baby boomers leave us with many unanswered questions. Is it possible to develop a more comprehensive model of inheritance decisions in the United States given socioeconomic disparity and ethnic diversity?

Family demography and cumulative advantage and disadvantage are two areas that make the study of inheritance and gift giving very complicated. Divorce and the increase of alternative family structures mean that parents now will consider gifts and inheritance to stepchildren and step-grandchildren. Single-parent families have a harder time accumulating wealth over the life course and are more likely to need support from children at the end of
life. Fertility rates have dropped so that some families will have a large estate to be distributed among fewer kin. Angel notes that the Silent Generation’s experience of the Great Depression had a large impact on their tendencies to save and pass on assets to children. The global economic crisis over the past few months undoubtedly also will shape the lives of the current generation of retirees and their families. If the current instability continues, Generations X and Y may find themselves in situations similar to those of their grandparents and great-grandparents. Whether an individual plans for distribution of an estate or stays in denial about his or her inevitable death, family members are likely to suffer the consequences. *Inheritance in Contemporary America* is a valuable contribution to the field and would be useful for scholars in gerontology, sociology, psychology, public policy, economics, and related disciplines.

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