

# NEW SURVEY DELVES INTO IMPACT OF INTERGENERATIONAL WEALTH ON RETIREMENT

*Half of Americans age 50 and older have been the recipients of a monetary gift or family loan since becoming an adult.*

**CHICAGO, May 18, 2017** —People with an inheritance are more than twice as likely as those without one to feel prepared for retirement (38 percent vs. 17 percent), according to a new survey of Americans age 50 or older from The Associated Press-NORC Center for Public Affairs Research.

The survey also found that 56 percent think it is an adult child's responsibility to provide financial assistance to a parent if needed. At the same time, 46 percent say it is a parent's responsibility to provide financial assistance to an adult child if needed. Though Hispanics and African Americans are less likely than whites to benefit from family wealth, they are the most likely to provide financial assistance to parents or in-laws.

"Naturally, people who report receiving help from family members have less anxiety when it comes to planning for retirement, but there is much more to these results," said Trevor Tompson, director of The AP-NORC Center. "Four in 10 anticipate that they will outlive their savings. As Americans continue to recover from the Great Recession, and with broader income inequality on the rise, saving and preparing for retirement will not get any easier for future generations as many are unlikely to be able to rely on inheritances from their parents."

The survey's key findings include:

- Overall, 51 percent of adults age 50 and older say they have received at least one type of monetary gift or loan from a parent or other relative since turning 18. Forty-four percent of older Americans have received an inheritance from a family member or other loved one or expect to receive one in the future.
- Fifty-nine percent of older adults who have an inheritance say they are more excited than anxious about their retirement compared with 47 percent of older adults without an inheritance who say the same. Similarly, older Americans who have been given a financial loan or gift are more likely than those who have not to say they are mostly secure when it comes being able to keep up with a mortgage (69 percent vs. 58 percent) and being able to pay for major unexpected medical expenses (49 percent vs. 42 percent) during retirement.
- Compared to those who do not expect to inherit assets from family, older Americans who have already received an inheritance or expect to receive one in the future are more than twice as likely

to feel prepared for retirement (38 percent vs. 17 percent) and are less likely to say they are not prepared (25 percent vs. 44 percent).

- Older Americans who have received or expect to receive an inheritance are more likely to have a retirement account, income from the sale of physical assets, income from a trust fund, other investments, and other savings.
- While many older adults have inherited or expect to inherit assets from their parents or other family members, 31 percent of adults age 50 and older have provided financial support to their parents or their spouse's parents at some point.
- Fifty-six percent of Americans age 50 and older think it is an adult child's responsibility to provide financial assistance to a parent if needed. At the same time, 46 percent say that it is a parent's responsibility to provide financial assistance to an adult child if needed.
- One in 10 Americans age 50 and older currently have family members helping with their regular expenses, including providing housing or helping to cover other monthly expenses like utilities and groceries.
- Racial disparities emerge in intergenerational wealth transfer, with older white Americans being the most likely to receive large monetary gifts or inheritances. Eight percent of African Americans and 11 percent of Hispanics have received a financial gift of \$10,000 or more, compared with 24 percent of whites. Similarly, whites are more than twice as likely as African Americans and Hispanics to say they have or will receive an inheritance.
- Overall, older white Americans are nearly twice as likely as African Americans to say they have a sufficient nest egg for retirement (38 percent vs. 20 percent).

The 2017 study, funded by the Alfred P. Sloan Foundation, is a continuation and expansion of the 2013 and 2016 surveys from The AP-NORC Center. The 2017 study extends the previous research and examines new topics, including older workers' experiences with intergenerational wealth transfers, unemployment and saving for retirement, and how experiences with the penal system affect the retirement planning of older Americans. The survey also tracks a number of attitudes and behaviors that were examined in 2013 and 2016 surrounding issues facing older workers.

### **About the survey**

This survey, funded by [The Alfred P. Sloan Foundation](#), was conducted by The Associated Press-NORC Center for Public Affairs Research between the dates of February 14 and March 13, 2017. Staff from NORC at the University of Chicago, The Associated Press, and The Alfred P. Sloan Foundation collaborated on all aspects of the study. This work is part of [The AP-NORC Center for Public Affairs Research Journalism Fellowship on the Economics of Aging and Work](#). The current fellow is journalist [Maria Zamudio](#).



### **Survey Methodology**

Panel members were randomly drawn from AmeriSpeak, and 1,683 completed the survey—1,049 via the web and 634 via telephone. The sample also included 332 African Americans and 308 Hispanics. For purposes of analysis, African-American and Hispanic respondents were oversampled in this poll and then weighted back to their proper proportion according to the U.S. Census. Interviews were conducted in both English and Spanish, depending on respondent preference. The overall margin of sampling error is +/- 3.0 percentage points at the 95 percent confidence level, including the design effect. Among subgroups, the margin of sampling error at the 95 percent confidence level is +/- 3.5 percentage points for African Americans and +/- 4.6 percentage points for Hispanics.

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