

Exploring the association between inheritance and the retirement expectation

Shinae Choi, Ph.D.¹, Assistant Professor, The University of Alabama
Kyoung Tae Kim, Ph.D.², Assistant Professor, The University of Alabama

ABSTRACT

This study explored the association between inheritance and the expected retirement age using the 2010 and 2013 Survey of Consumer Finances. We found that inheritance expectations were associated with the expected retirement age. Specifically, individuals who expected to receive or leave inheritances were more likely to retire early than those without the inheritance expectations while there was no evidence that the effect of previous inheritance receipt on retirement expectation. Policymakers may apply the findings to public pensions and labor market policies. Financial planners and estate planners may use our findings to explain the importance of personalized planning to specific clients who expect to receive or leave inheritances in the near future.

Keywords: inheritance, retirement expectation, Survey of Consumer Finances

¹ Shinae Choi, Ph.D. Assistant Professor, Department of Consumer Sciences, The University of Alabama, 304 Adams Hall, Box 870158, Tuscaloosa, AL 35487, Phone: 205-348-9173, E-mail: schoi@ches.ua.edu

² Kyoung Tae Kim, Ph.D. Assistant Professor, Department of Consumer Sciences, The University of Alabama, 312 Adams Hall, Box 870158, Tuscaloosa, AL 35487, Phone: 205-348-9167, E-mail: ktkim@ches.ua.edu