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NAVIGATING BEQUESTS: THE STRATEGIC ROLE OF FINANCIAL ADVISORS IN BEQUEST MOTIVES

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INTRODUCTION

Using data from DHS (Dutch Household Survey) between 2005 to 2021, we show the role which financial advisors play in driving bequest choices. Specifically, we find that reliance on financial advisors for household (HH) financial decisions increase the likelihood of bequeathing by 1.7%. Additionally, we identified the 2013 collapse and bank run of SNS Bank as a shock to reliance on financial advisors and show that treated individuals see a fall in their bequest intentions post event period. Last, we analyse the special module survey in HRS in 2016 and find that individuals who rely on financial advisors are 18.6 percentage points more likely to make a will, and 13.68 percentage points more likely to leave an inheritance of more than $10,000.

METHODS

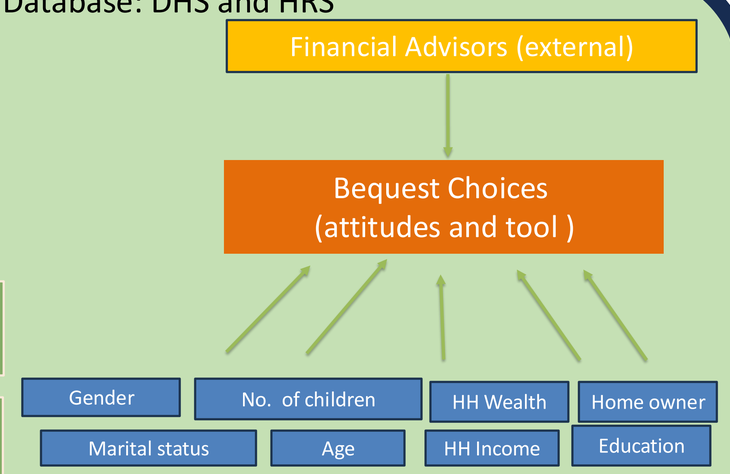
Database: DHS and HRS

1) **DHS base case regression**
12,125 respondents
2005 to 2021 time period

2) Proxy for Insurance Agents

3) DiD event shock to reliance on financial advisors

4) **HRS 2016 special module**



Research can be seen as financial advisors impacting (I) Bequest attitudes as proxied by questions assessing likelihood of bequest and in various denominations and (ii) Bequest mediums as proxied by question on if one has made a will, or trust etc.

RESULTS

(a) Reliance on financial advisors for HH financial decisions increase likelihood of bequeathing by 1.7%.

- Using question in DHS which asks respondents if they would leave behind any inheritance at all.
- 62,265 respondent year obs, and 12,125 unique respondents

Table 1: Financial Advisor Dummy association with bequeathment

VARIABLES	(1) Chance leave inheritance > 10,000	(2) Chance leave inheritance > 100,000	(3) Chance leave inheritance > 500,000	(4) Chance leave anything
Financial Advisor Fin. Advice	0.009	0.013*	0.005*	0.017***
	(0.006)	(0.006)	(0.002)	(0.004)
Parents / Friends Fin. Advice	-0.002	0.001	-0.000	-0.002
	(0.006)	(0.004)	(0.003)	(0.005)
Financial Literacy Dummy	0.016***	0.021***	0.013***	0.002
	(0.004)	(0.004)	(0.002)	(0.005)

Standard errors clustered by respondent and year. & *** p<0.01, ** p<0.05, * p<0.1

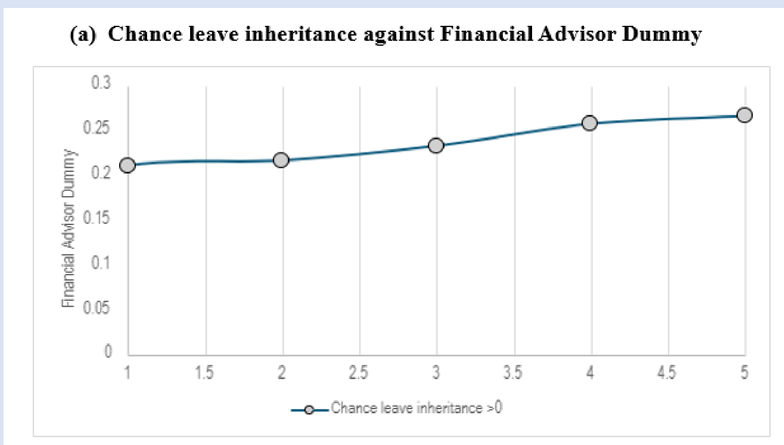
(b) DiD analysis: 2013 bank run of SNS Bank shows Treat group reduced bequest probability

- Lead to a 1.2% decrease in likelihood of saving for bequeathment in Treat group (individuals who have SNS Bank as checking, savings or deposit account in 2012) post event in 2013, 2014 and 1,5 percentage points decrease in bequeathing more than $500,000.

Table 2: DiD showing results for Treat post 2013, 2014 with various bequest variables

VARIABLES	(1) Importance save bequeath	(2) Importance save child	(3) Why Bequeath	(4) Chance leave inheritance > 10,000	(5) Chance leave inheritance > 100,000	(6) Chance leave inheritance >500,000	(7) Chance leave anything
TreatonexPost201314	-0.012**	-0.024*	-0.020	0.007	0.005	-0.015**	0.012
	(0.005)	(0.012)	(0.017)	(0.011)	(0.010)	(0.006)	(0.013)
Financial Advisor Fin. Advice	0.005	-0.001	-0.009	0.014**	0.019**	0.006	0.021***
	(0.004)	(0.008)	(0.007)	(0.006)	(0.008)	(0.003)	(0.005)
Parents / Friends Fin. Advice	0.002	0.012	-0.009	0.008	0.003	-0.001	0.005
	(0.006)	(0.008)	(0.007)	(0.007)	(0.005)	(0.002)	(0.006)

Figure 1: Prima facie evidence of reliance on financial advisor and probability of leaving inheritance



(c) Role of insurance agents in bequest choices as proxied by ownership of insurance does not impact role of financial advisors

- Literature does not explicit delineate role of insurance agents and financial advisors
- Adding in proxy for role of insurance agents does not change relevance of reliance on financial advisors (DHS & HRS data)

(d) HRS 2016 Special Module results complement findings from DHS; additionally shows impact of advisor on bequeathment mediums such as wills, trust

- Cross-sectional regression of much smaller sample ~ 400 respondents; HRS sample is much older, wealthier and better educated
- 18.6 and 13.68 percentage points more likelihood of making a will and leaving inheritance of >10,000

VARIABLES	(1) Made Will	(2) Chance leave inheritance >10,000	(3) Chance leave inheritance >100,000
Financial advisor MM advice	0.186***	13.675***	4.390
	(0.068)	(4.321)	(5.357)
Friends family MM advice	0.128*	-4.164	-11.084**
	(0.068)	(4.549)	(5.600)
Others MM advice	0.043	4.168	5.147
	(0.065)	(3.404)	(4.746)

DISCUSSION

- First attempt to understand role of financial advisors in bequest choices besides their role in investment decisions
- Applies to both bequest attitudes and medium of wealth transfer (such as wills, trusts etc..)
- Results from DHS between 2005 to 2021 is complemented by HRS 2016 special module
- Reliance on financial advisors for HH financial decisions increase likelihood of bequeathing (DHS) and making a will (HRS)
- Causality supported by DiD analysis and results remain after including proxy for role of insurance agents

Future Tests:

- Examine impact of financial advisor on higher /lower amounts of bequeathment and impact of level of HH wealth on analysis.
- Determine if life insurance products could be considered a form of bequeathment medium and implications.

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1. Ameriks et al (2007): The Joy of Giving or Assisted Living? Using Strategic Surveys to Separate Public Care Aversion From Bequest Motive
2, Choi and Robertson (2020): What matters to individual investors? Evidence from the horse's mouth
3. De Nardi (2004): Wealth inequality and intergenerational links
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Navigating Bequests:

The Strategic Role of Financial Advisors in Bequest Motives

Using data from DHS (Dutch Household Survey) between 2005 to 2021, we show the role which financial advisors play in driving bequest decisions. Specifically, we find that reliance on financial advisors for household financial decisions increases the likelihood of bequeathing by 1.7%. These results hold when we include insurance ownership as a proxy for reliance on insurance advisors. Additionally, we identified the 2013 collapse and bank run of SNS Bank as a shock to reliance on financial advisors and show that treated individuals that have SNS Bank checking, deposit or savings account prior to the event see a fall in their bequest intentions post event period. Last, we also use a special module survey in HRS in 2016 to confirm our results and we find that individuals who rely on financial advisors for money management advice is 18.6 percentage points more likely to make a will, and 13.68 percentage points more likely to leave an inheritance of more than $10,000.

1. Introduction

In finance, bequeathment is typically discussed in the context of risk and insurance literature (specifically life insurance policies and their bequeathment function) or as part of life cycle theory in household economics, focusing on bequest motives and wealth accumulation.

For instance, bequest motives have been modelled extensively in papers on (i) the retirement savings puzzle [1] ((De Nardi et al., 2010, 2021; De Nardi & Yang, 2014; Jones et al., 2020) - to understand wealth accumulation or decumulation decisions towards end of life, (ii) the demand for annuity (Ameriks et al., 2007) - as a key driver determining annuity demand aside from the precautionary savings motive, (iii) household insurance choice (R. Koijen et al., 2015; R. S. J. Koijen & Yogo, 2022) - to estimate optimal insurance consumption and (iv) household or economic outcomes in order to compute Gini coefficient (Yang & Gan, 2020) and other variables. Noticeably, R. Koijen et al. (2015) modelled health and mortality delta using Health and Retirement Survey (HRS) data and estimated that household characteristics such as marital status

(if married), wealth, education and accommodation status (if living with children) explain 66% of the variation in bequest motives, but not all. [2]

Indeed, most life-cycle models involving bequest motives either calibrate it to match existing household or health data (Kvaerner, 2023; Yang & Gan, 2020) or use survey responses to questions involving bequests to estimate the parameter (Christelis et al., 2010; Georgarakos & Pasini, 2011; Kaustia & Torstila, 2011). In this context, bequest motives are then driven mostly by an interplay of factors including age and health concerns. One of the most commonly used bequest motive model; the 'warm glow' model is the backdrop for such calibrations. As would be elaborated under Section 2, this model contains two important bequest parameters – the strength of bequest motive and the extent to which bequests is seen as a luxury good.

We hypothesize that beyond the life-cycle model, external influences beyond demographics and life cycle needs can also impact the strength of bequest motives. As mentioned, Koijen et al. (2016) found that married households, those living with children, education and wealth can explain 66% of variation in bequest motives but not all which implies an idiosyncratic component of bequest motives not explained by their life-cycle model. Here, we propose the idea that it can be driven by external motivators such as financial advisors using survey responses from DHS and complemented with HRS special modules data. We also engage a Difference-in-Differences (DiD) setting in the form of a bank run on SNS Bank in 2013 to estimate the impact which financial advisors have on bequest motives.

This is a new contribution as traditional literature on financial advisors have only explored their impact on investments decisions such as asset allocation (Foerster et al., 2017; Linnainmaa et al., 2021) and retirement planning choices (Chalmers & Reuter, 2012). It is also the first attempt to identify specific external factors that may drive bequest motives beyond life-cycle model assumptions.

The question of how financial advisors can impact bequests is not straightforward but it can arise mainly via financial advisor's holistic wealth management discussions with bank customers or the engagement of a wealth planning specialist to discuss wealth planning. The latter are mainly individuals in retail or private banks that support financial advisors and are equipped to discuss with clients subjects like wills, trusts, foundations and family governance. Though, most surveys and literature to date do not explicitly delineate the roles of financial advisors and wealth planning specialists. In fact, there is a wide array of terminologies used sometimes interchangeably with financial advisors such as 'Financial Planners', 'Investment Advisors' or 'Wealth Managers'; each of which is associated with different wealth management activities. [1] Nevertheless, given that financial advisors are the first point of engagement for banking customers[2] and the broad definition they are associated with in literature, we assume that their activities include all aspects of wealth management including wealth planning solutions and tools.

One possible implication, however, is that bequest decisions may be impacted by insurance agents; another group of individuals that provide financial recommendations. We are not able to directly

[1] See https://www.finra.org/investors/investing/working-with-investment-professional.
[2] See definition of 'Financial Advisor' based on Northwestern Mutual: https://www.northwesternmutual.com/life-and-money/financial-advisor-vs-wealth-manager-whats-the-difference/

test for this implication as existing data such as surveys do not differentiate between financial advisor and insurance agents. However, using life insurance dummy as a proxy for life insurance agent interaction, there is suggestive evidence of a limited role of insurance agents in driving bequest decisions. (Table 1 does not show any significance while Appendix B2 shows some slight significance in terms of role of insurance agents) More importantly, the role of financial advisors remains significant and is not subsumed by the inclusion of insurance agents into the model.

Another contentious point here is how financial advisors can influence bequest motives, such as the extent of one's desire to leave assets behind or the amount intended to be saved and given away as an inheritance. Presumably, one would be more receptive to financial advisors influencing the medium of bequeathment such as via wills or trusts, since they are providing recommendations on wealth planning solutions. We argue that the latter is a narrow definition of the role of financial advisors. Instead, similar to the case of investments where several papers have shown that financial advisors can influence investment beliefs of individuals such as investment allocation (Pearson et al., 2023) and amount of active fund purchases (Choi & Robertson, 2020), we hypothesize and show that financial advisors can also influence bequest attitudes of individuals. The fact that such decisions can be impacted by psychological factors or external influences is not new and is related to the literature of the influence of personal experiences in financial decision making (Andersen et al., 2019; Faig & Shum, 2002) and peer effects in investments (Hvide & Östberg, 2015; Stein et al., 2004).

Moreover, even if the contention is in the extreme personal nature of bequest motives, in the same way that political and religious attitudes can be shaped by friends and social factors (Iisager, 1949)

and philanthropic and charitable attitudes influenced by employers and workplaces (Smith, 2013), social norms (Green & Webb, 1997), our results do show that financial advisors can impact bequest attitudes extrinsically.

Thus far, research on drivers of bequest motives have been limited to more intrinsic factors such as household demographic factors, strategic objectives (bequests used as compensation for services rendered by beneficiaries as in (Bernheim et al., 1986)), a result of habit formation (Alonso-Carrera et al., 2007) or in the case of inheritance, altruism and family considerations (Sousa et al., 2010). Our paper is the first to suggest that bequest motives can be driven by extrinsic factors in the form of financial advisors and is a step away from the traditional assumptions of the life cycle model. Other contributions include demonstrating the role of financial advisors beyond investments, and more formally including this external factor into the traditional life-cycle model bequest motive framework (see Section 2). Last, as highlighted by Gomes et al. (2020) and Armantier et al. (2023), the interdependent nature of household financial decisions is an understudied component of household finance. This paper contributes to this topic by showing how individuals that rely on financial advisors for household financial decisions also have varying bequest choices which have financial implications. It therefore adds to the literature's understanding of bequests, wealth planning and its relevance to household investments.

As a note, we use bequest motives and choices interchangeably throughout the paper as bequest motives translate into bequeathment choices although in terms of definitions, motives are drivers while choices refer to actual decisions.

2. Theoretical Background

Theories related to bequests are mainly classified as accidental (Davies, 1981; Friedman & Warshawsky, 1990) or voluntary in nature. If voluntary, it can be a function of altruism (G. S. Becker, 1976) or arise as a result of strategic objectives (Bernheim et al., 1985). There are three formulations here : the altruistic model, the egoistic model, and the exchange model. (Laitner & Ohlsson, 2001) The warm-glow model, which is the basis for most bequest motive models[3], (Ameriks et al., 2007) is the model our paper use. An underlying assumption here is, therefore, that bequests are voluntary in nature and can be planned as opposed to being accidental.

The following is the often used specification measuring utility from bequeathment:

$$v(b) = \frac{\varpi}{1-\gamma}\left(\phi + \frac{b}{\varpi}\right)^{1-\gamma}.$$

where $\emptyset$ refers to the operative bequest motive of degree to which bequests are luxury goods, ϖ refers to strength of bequest motive and γ refers to level of risk aversion. Here, both the degree which bequests is a luxury good and strength of bequest motive (ϖ) lead to higher utility from bequests especially when γ is low. Risk aversion is also similar to that of consumption. In the model of Ameriks et al. (2007), utility from bequeathment occurs only at time T whereas households are concerned with maximizing utility based on consumption and wealth in other periods, subjected to budget constraints.

[3] The warm glow model has been shown to be a reduced form for an altruistic bequest motive (Abel & Warshawsky, 1988)

Our analysis on financial advisor as a driver of bequest motives directly works on parameter ϖ which measures strength of bequest motives. Re-arranging ϖ on the LHS, the following equation is as follows:

$$\varpi = \frac{\left(\left(v(b)(1-\gamma)\right)^{\left(\frac{1}{1-\gamma}\right)} - b\right)}{\phi}$$

The equation implies that the strength of bequest motive is dependent on utility from bequeathment and level of risk aversion as a function of degree to which bequests are luxury goods.

We hypothesize that additionally, strength of bequest motive may be impacted by degree of reliance on financial advisor for recommendations on household financial decision in the form of the following equation:

$$\varpi(1+k\alpha) = \frac{\left((v(b)(1-\gamma))^{\frac{1}{1-\gamma}} - b\right)}{\varphi}$$

Where α represents the degree to which an individual relies on recommendations from a financial advisor for household finance decisions and k is a constant that measures the sensitivity of the bequest motive to the reliance on financial advisor recommendations. If one does not rely on financial advisor, there is no change to the degree of bequest motive.

3. Data and Descriptive results

The main database used is the DNB Household Survey undertaken by CentERdata at Tilburg University which provides annual financial information on about 2,000 Dutch households. The survey began in 1993 and we use information from a few sections such as work, psychological and health and income. The household component is derived from other questionnaires. All household members (including children 16 and above) fill up most of the sections in this questionnaire individually except for the assets and liabilities section to avoid duplication. As certain household members such as children are unlikely able to comprehend the topic of bequeathment, we remove responses of all other household members[4] besides respondent and spouse.

Our full sample consists of responses from 12,125 unique respondents and 62,265 respondent-year observations. Our sample period is between 2005 to 2021 which provides sufficient number of years of observations for bequeathment.

Table 1 shows that household wealth and level of securities holdings for respondents that have indicated their willingness to pass on an inheritance are higher than the full base sample. Similarly, for respondents that rely on professional financial advisors for household financial advice, these variables are even higher.

Prima facie evidence also shows that individuals that rely more on professional financial advisors for household financial decisions are more likely to bequeath with a mean percentage of 72%

[4] 23,921 respondent-year observations are removed in the process with 169 belonging to 4.0, 22735 belonging to 5.0, 327 belonging to 6.0, 689 belonging to 7.0 and 1 belonging to 9.0 where 4.0 refer to parent-in-law, 5.0 belongs to child living at home, 6.0 belongs to housemate, 7.0 belongs to family member/boarder. We are left with responses by household head, spouse and permanent partner (not married). Observations where position in family is NaN are dropped as well.

compared to 65% in full sample. They are also more likely to bequeath to their children. There is a similar trend in Figure 1(a) where there is a stronger probability of leaving behind inheritance if one relies on professional financial advisors.

Table 1: Descriptive Statistics of DHS Sample

This table shows sample statistics of the full DHS sample in the first 2 columns, based on Chance of passing on an inheritance in the next 2 and finally, based on whether an individual respondent relies on professional financial advisor advice for household financial matters in the last 2 columns.

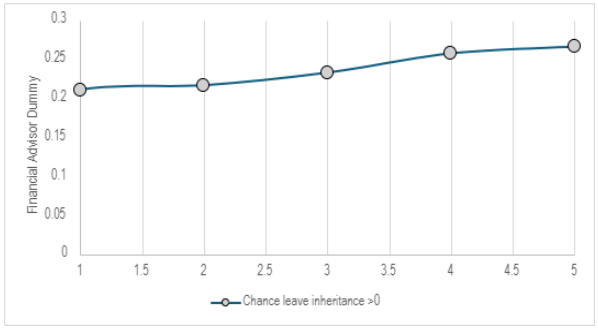
	Full Sample		Chance of giving inheritance >0		Financial Advisor Dummy	
	Sample Period: 2005 to 2021		Sample Period: 2005 to 2021		Sample Period: 2005 to 2021	
	DHS (in USD at 1.07 EURUSD)					
	N=12,125		N=7,880		N=3,354	
	62,265 respondent-year obs		36,755 respondent-year obs		9,397 respondent-year obs	
	Mean	SD	Mean	SD	Mean	SD
Age	53.51	19.07	54.03	15.6	55.03	14.05
Number of Children	1.77	0.96	1.75	0.96	1.77	0.93
Marital Status	0.64	0.48	0.64	0.48	0.72	0.45
Gender	0.49	0.50	0.53	0.50	0.51	0.50
College Education +	0.44	0.50	0.48	0.50	0.45	0.50
Own Housing	0.76	0.43	0.77	0.42	0.86	0.35
HH Income (win.) *	27,129	24,018	28,193	24,331	29,422	25,452
HH Wealth (win.) **	145,48	207,000	160,14	214,304	176,57	227,880
Securities Holdings***	10,006	55,555	11,358	59,812	16,253	84,058
Savings & Deposits****	25,159	70,927	27,526	69,193	26,683	68,007
Stock Market Participation ++	0.18	0.38	0.19	0.34	0.19	0.39
Financial Literacy Dummy	0.29	0.45	0.30	0.46	0.24	0.43
Financial Advisor Dummy +++	0.23	0.42	0.24	0.43	-	-
Chance of giving inheritance (HER4)	65.39	36.87	-	-	71.84	34.06
Save money to bequeath Dummy	0.06	0.23	0.06	0.24	0.06	0.24
Plan to bequeath children Dummy	0.23	0.42	0.25	0.43	0.27	0.44
Ins Dummy (Single Prem. / Annuity)	0.15	0.36	0.16	0.37	0.20	0.40

* HH Income (win.) for DHS refers to householdincomeliteracywotaxwithwinst_winsorized variable and is the pre-tax income based on definition of Rooij et al (2007). Sum up: 'loon','ww','wg','wao','wajong','waz','aow','abw','vut','og','alim','rente','abw','winst'.

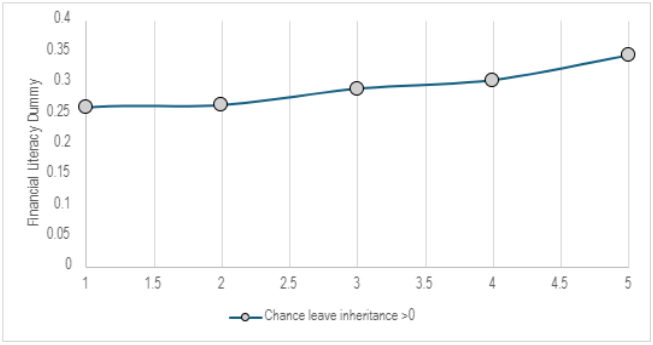
** HH Wealth (win.) for DHS refers to householdwealthliteracywithstocksMF_winsorized variable and is the net wealth based on definition of Rooij et al (2007): Columns to sum: 'b1b', 'b3b', 'b4b', 'b6b', 'b12b', 'b13b', 'b14b', 'b19ogb', 'b20b', 'b21b', 'b22b', 'b23b', 'b24b', 'b25b', 'b28b', 'b26ogb', 'b27ogb' and then columns to subtract 's1b', 's2b', 's3b', 's4b', 's5b', 's6b', 's7b', 's8b', 'b19hyb', 'b26hyb', 'b27hyb'.
*** Securities holdings for DHS refers to B12B (mutual funds)+B13B (bonds) +B14B (stocks / shares) +B28B (stocks substantial holdings).
**** Savings and deposits for DHS refers to B1B (Checking Account) + B3B (Savings, Deposit) + B4B (Deposit Books) + B6B (Savings Certificates)
++ For DHS this is based on variable b14b (stocks and shares) as well as Mutual funds (b12b). From Gianetti, domestic investor participation in domestic market is given by 0.297 for Japan, 0.140 for Netherlands, 0.260 for US. From Haliassos, direct (only stocks) and total participation(includes mutual funds as well) is for Netherlands; 0.14 and 0.24 respectively and for US, 0.19 and 0.48 respectively.
+++ Financial advisor dummy refers to reliance on financial advisor for HH Financial decision,

Figure 1: Plot of strength of bequest motives against demographics and financial advisor dummy

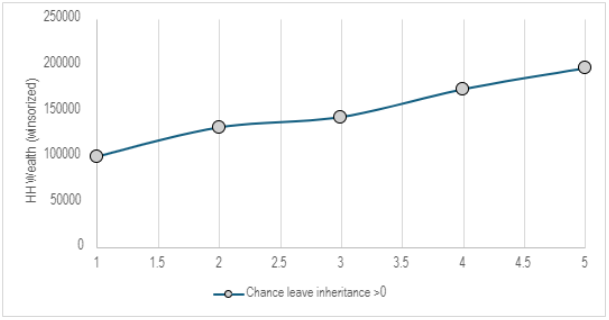
(a) Chance leave inheritance against Financial Advisor Dummy



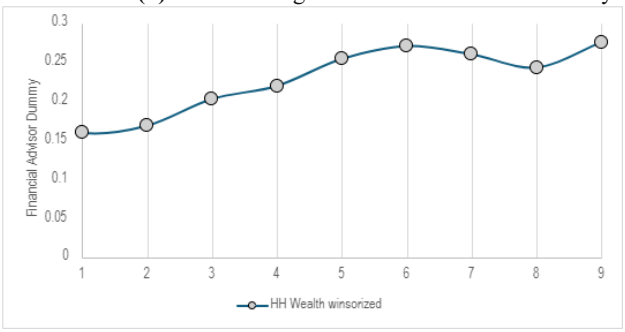
(b) Chance leave inheritance against Financial Literacy



(c) Chance leave inheritance against HH wealth



(d) HH wealth against Financial Advisor Dummy



4. Empirical Results

We use the following model for our main empirical results:

$$y_{it} = \beta_1 Financial\ advisor\ dummy_{it} + \beta_2 Controls_{it} + \delta_r + \delta_t + \varepsilon$$

Where y_{it} is response of individual i to bequeathment question y at year t and $Financial\ advisor\ dummy_{it}$ is a dummy variable that takes on value of 1 if individual i indicates that he or she relies on professional financial advisor for household financial decision in year t. $\delta_r + \delta_t$ refer to respondent and year fixed effects respectively.

Specifically, y_{it} is the bequeathment variable with our main bequeathment variable being 'chance of leaving behind any inheritance'[5]. In the DHS questionnaire, questions on assignment of subjective probabilities to inheritance starts off with the question of if there is any chance any inheritance would be left behind followed by probabilities they would leave behind $10,000, $100,000 and then $500,000 worth of inheritance. Therefore, there is the most number of observations for the 'Chance leave anything' variable and is the main bequeathment variable we use. Other related variables not associated with subjective probabilities assigned to bequeathment amounts include variables such as 'Importance save bequeath'; which asks respondents to gauge the extent to which it is important for them to save such that they have sufficient wealth to bequeath, 'Importance save child'; which asks respondents to gauge the extent to which it is important for them to save such that they have sufficient wealth to help their children or grandchildren in times of needs (not a strict bequeathment variable per se) and 'Why Bequeath', which asks respondents to

[5] DHS arranges bequeathment questions involving subjective probabilities in the following order: (1) Chance of leaving any inheritance behind (2) Chance of leaving behind inheritance 10,000 Euros (3) Chance of leaving behind inheritance 100,000 Euros and (4) Chance of leaving inheritance behind 500,000 Euros.

gauge reasons they would bequeath assets to their children such as bequeathing altruistically or conditional on them supporting the respondent in old age. (See Appendix A for full information).

Our main independent variable is the question asking respondents who they engage for help in household financial decisions. We separate responses that answered 'Financial Advisors' with those that answered 'Parents / Friends' while grouping all other parties (e.g: information from the newspapers, financial magazines, guides) into 'Others'. (See Appendix A for full information).

We follow some common demographic variables that have been proven to impact bequest motives such as number of children and marital status (Koijen et al., 2016) in the main model. All specifications include respondent and year fixed effects.

Noticeably, individuals who engage financial advisors for help in household financial decisions are 1.7% more likely to leave an inheritance (see Column 4, Table 2). There is no such impact from parents, friends which implies that the result is specific to the role of financial advisor and professional advice as opposed to general advice from other parties. Similarly, written materials which are included in 'Other Fin. Advice' such as financial magazines are omitted from the equation and have no impact on bequest motive.

Table 2: Main Association between Financial Advisor and association with Bequeathment

This table shows results of association between financial advisor and bequeathment choices. There are four bequeathment variables used as dependent variable with 'Chance leave anything' as the main bequeathment variable. Main independent variable is 'Financial Advisor Fin. Advice' which is a dummy variable that takes on value of 1 if respondent relies on professional financial advisor for household financial decisions in that year. All specifications include identifier-respondent and year fixed effects. Standard errors are clustered by identifier respondent and year as well.

VARIABLES	(1) Chance leave inheritance > 10,000	(2) Chance leave inheritance > 100,000	(3) Chance leave inheritance > 500,000	(4) Chance leave anything
Financial Advisor Fin. Advice	0.009	0.013*	0.005*	0.017***
	(0.006)	(0.006)	(0.002)	(0.004)
Parents / Friends Fin. Advice	-0.002	0.001	-0.000	-0.002
	(0.006)	(0.004)	(0.003)	(0.005)
Financial Literacy Dummy	0.016***	0.021***	0.013***	0.002
	(0.005)	(0.006)	(0.003)	(0.005)
Gender Dummy	-0.043*	0.042***	0.000	0.118***
	(0.022)	(0.008)	(0.000)	(0.021)
Age ^{2}	-0.000	-0.000***	-0.000	-0.000*
	(0.000)	(0.000)	(0.000)	(0.000)
Marital Status Dummy	0.017	0.022*	0.013**	-0.002
	(0.012)	(0.013)	(0.006)	(0.011)
College Education Dummy	0.058**	0.017	-0.004	0.031
	(0.025)	(0.021)	(0.010)	(0.023)
Own House Dummy	0.062***	0.114***	0.008	0.039***
	(0.018)	(0.016)	(0.005)	(0.013)
HH Income 2	0.001	-0.000	0.001	-0.001
	(0.002)	(0.001)	(0.001)	(0.002)
HH Wealth ('000)	0.002*	0.003**	-0.002**	0.003***
	(0.001)	(0.001)	(0.001)	(0.001)
HH Wealth ('000) ^{2}	-0.076*	-0.096**	0.092***	-0.091***
	(0.039)	(0.041)	(0.031)	(0.031)
Constant	0.649***	0.467***	0.170**	0.666***
	(0.104)	(0.084)	(0.060)	(0.077)
Observations	28,865	27,740	25,262	30,938
R-squared	0.680	0.709	0.659	0.681
Identifier Respondent FE	YES	YES	YES	YES
Year FE	YES	YES	YES	YES

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

5. Difference-in-Differences (DiD)

It may be that individuals who are more likely to bequeath also rely more on professional financial advisor for household financial decisions. Besides controlling for level of household wealth in the main specifications, we also use a DiD setting to further establish causality.

The setting here is the 2013 failure of SNS Bank which caused a bank run. Treated are respondents who have indicated SNS Bank as one of their checking, savings or deposit account providers in 2012. Control are respondents who do not have SNS Bank listed as one of their checking, savings or deposit account providers in that year. We use 2012 as the cut-off year as the failure took place in February 2013. Despite some stresses already appearing in 2012, this ensures that most in the treated group are SNS Bank account holders during event year. [6]

Moreover, as the mean number of checking accounts specified (based on respondents who answered the names of the bank to which their checking accounts belong to) is 1.64 and the mean number of savings and deposit accounts held is 1.78 which is not considered high, we can take a broader definition of treated group to be individuals who have at least listed SNS Bank as one of the banks to which their checking or savings and deposit account belong to without imposing exlusivity to widen the treat group.

The model is formally defined as:

$$y_{it} = \beta_1 Treat + \beta_2\, Post + \beta_3\, Treat\ x\ Post + \beta_4 Financial\ advisor\ dummy_{it} + \beta_5 Controls_{it} + \delta_r + \delta_t + \varepsilon_{\square}$$

[6] See https://elischolar.library.yale.edu/cgi/viewcontent.cgi?article=1543&context=journal-of-financial-crises.

which is similar to the baseline regression model except for the treatment variables.

Besides, this event setting is optimal as the bank run of SNS Bank is an isolated instance of company insolvency as opposed to systemic crisis such as in 2008. This helps to ensure that any effect exhibited by treated or control individuals are due to the stresses being faced by SNS Bank as opposed to the wider financial sector.

Table 3 displays results from this DiD analysis. Here, the treat group which consists of individuals who are SNS Bank account, savings or deposit holders in 2012 reported an approximate 1.5% decrease in probability of bequeathing more than $500,000 and also placed lesser emphasis on saving to bequeath children as in Column 1 of Table 3 in the post event period (2013 and 2014). The shorter post-event period is due to the restructuring efforts that happened relatively soon after the incident. [7] Though, we also extended post-event period in additional checks. (See Appendix B Table B.1)

[7] See https://www.bruegel.org/blog-post/six-lessons-europe-nationalization-sns-reaal and https://elischolar.library.yale.edu/cgi/viewcontent.cgi?article=1543&context=journal-of-financial-crises

Table 3: Difference-in-Differences (DiD) Table of the 2013 SNS Bank Crisis

This table shows results of the Difference-in-Differences analysis using 2013 SNS Bank Crisis as the shock event to reliance on financial advisor for household financial advice. Here, treat refers to respondents that have listed SNS Bank as one of their checking or savings, deposit account holders in 2012. Control group refers to respondents that do not have SNS Bank as one of their banking or savings, deposit account in 2021. Post event period is 2013, 2014.

VARIABLES	(1) Importance save bequeath	(2) Importance save child	(3) Why Bequeath	(4) Chance leave inheritance > 10,000	(5) Chance leave inheritance > 100,000	(6) Chance leave inheritance >500,000	(7) Chance leave anything
TreatonexPost201314	-0.012**	-0.024*	-0.020	0.007	0.005	-0.015**	0.012
	(0.005)	(0.012)	(0.017)	(0.011)	(0.010)	(0.006)	(0.013)
Financial Advisor Fin. Advice	0.005	-0.001	-0.009	0.014**	0.019**	0.006	0.021***
	(0.004)	(0.008)	(0.007)	(0.006)	(0.008)	(0.003)	(0.005)
Parents / Friends Fin. Advice	0.002	0.012	-0.009	0.008	0.003	-0.001	0.005
	(0.006)	(0.008)	(0.007)	(0.007)	(0.005)	(0.002)	(0.006)
Financial Literacy Dummy	0.003	0.003	0.005	0.016*	0.026**	0.014***	0.009
	(0.004)	(0.005)	(0.007)	(0.008)	(0.009)	(0.003)	(0.008)
Gender Dummy	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Age ^{2}	0.000***	0.000***	0.000	-0.000	-0.000**	-0.000	-0.000***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Marital Status Dummy	-0.005	0.025*	-0.022	0.018	0.022	0.012*	-0.010
	(0.008)	(0.014)	(0.016)	(0.014)	(0.016)	(0.007)	(0.013)
College Education Dummy	-0.042*	0.040	-0.033	0.080**	0.040*	0.005	0.036
	(0.024)	(0.031)	(0.027)	(0.034)	(0.023)	(0.012)	(0.025)
Own House Dummy	-0.001	-0.014	-0.002	0.072**	0.132***	0.007	0.070***
	(0.008)	(0.012)	(0.016)	(0.026)	(0.023)	(0.007)	(0.021)
HH Income ^{2}	0.003**	-0.001	-0.001	0.001	-0.001	0.002	-0.002
	(0.001)	(0.002)	(0.002)	(0.002)	(0.002)	(0.001)	(0.002)
HH Wealth (‘000)	-0.002	0.001	0.004**	0.002	0.002	-0.003**	0.002
	(0.001)	(0.002)	(0.002)	(0.002)	(0.001)	(0.001)	(0.001)
HH Wealth (‘000) ^{2}	0.055*	-0.016	-0.151**	-0.044	-0.069	0.103**	-0.050
	(0.031)	(0.056)	(0.055)	(0.049)	(0.047)	(0.036)	(0.041)
Constant	-0.126*	-0.173**	-0.215	0.646***	0.522***	0.157**	0.891***
	(0.060)	(0.082)	(0.171)	(0.131)	(0.111)	(0.072)	(0.113)
Observations	16,435	16,429	12,441	15,858	15,521	14,755	16,619
R-squared	0.426	0.432	0.293	0.656	0.694	0.636	0.652
Identifier Respondent FE	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Additionally, we also took a more stringent definition of treat group to contain individuals that have at most 2 other non SNS Banks as their checking, savings or deposit account bank. There are 132 Treat individuals as opposed to 150 from the previous analysis. Table 4 shows that the results remain largely similar with respondents indicating a 2.2% less probability of bequeathing $500,000 and above and either less likelihood of giving away large amounts of inheritance to children in the future or are already giving them less currently.

Table 4: Difference-in-Differences Table of the 2013 SNS Bank Crisis (Treat 2)

This table shows results of the Difference-in-Differences analysis using 2013 SNS Bank Crisis as the shock event to reliance on financial advisor for household financial advice. Post event period is 2013, 2014. All specifications include identifier respondent and year fixed effects and standard errors are clustered similarly as well.

VARIABLES	(1) Importance save bequeath	(2) Importance save child	(3) Why Bequeath	(4) Chance leave inheritance > 10,000	(5) Chance leave inheritance > 100,000	(6) Chance leave inheritance >500,000	(7) Chance leave anything
Treat2xPost201314	0.002	-0.016	-0.035**	0.004	0.023***	-0.022**	0.012
	(0.018)	(0.010)	(0.016)	(0.011)	(0.008)	(0.010)	(0.014)
Financial Advisor Fin. Advice	0.006	-0.002	-0.012	0.012*	0.018**	0.006	0.021***
	(0.004)	(0.008)	(0.008)	(0.006)	(0.008)	(0.003)	(0.005)
Parents / Friends Fin. Advice	0.002	0.014*	-0.009	0.007	-0.002	-0.002	0.003
	(0.006)	(0.008)	(0.007)	(0.007)	(0.005)	(0.003)	(0.006)
Financial Literacy Dummy	0.003	0.005	0.003	0.017*	0.025**	0.013***	0.010
	(0.004)	(0.005)	(0.006)	(0.008)	(0.009)	(0.003)	(0.008)
Age^2	0.000***	0.000**	0.000	-0.000	-0.000**	-0.000	-0.000**
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Marital Status Dummy	-0.006	0.023	-0.025	0.018	0.024	0.011	-0.010
	(0.008)	(0.015)	(0.017)	(0.015)	(0.016)	(0.007)	(0.014)
College Education Dummy	-0.029	0.042	-0.033	0.078**	0.036	0.005	0.032
	(0.021)	(0.032)	(0.028)	(0.034)	(0.023)	(0.012)	(0.024)
Own House Dummy	-0.001	-0.013	-0.002	0.068**	0.122***	0.007	0.068***
	(0.008)	(0.012)	(0.016)	(0.028)	(0.024)	(0.007)	(0.021)
HH Income ^{2}	0.003**	-0.001	-0.002	0.001	-0.001	0.002	-0.002
	(0.001)	(0.002)	(0.002)	(0.002)	(0.002)	(0.001)	(0.002)
HH Wealth (‘000)	-0.001	0.001	0.004**	0.001	0.002	-0.003**	0.001
	(0.001)	(0.002)	(0.002)	(0.002)	(0.001)	(0.001)	(0.001)
HH Wealth (‘000) ^{2}	0.050	-0.010	-0.149**	-0.035	-0.057	0.105**	-0.031
	(0.032)	(0.056)	(0.055)	(0.051)	(0.048)	(0.038)	(0.044)
Constant	-0.121*	-0.158*	-0.173	0.662***	0.539***	0.164**	0.901***
	(0.057)	(0.086)	(0.164)	(0.136)	(0.112)	(0.071)	(0.116)
Observations	16,066	16,060	12,213	15,497	15,165	14,414	16,248

R-squared	0.414	0.430	0.294	0.656	0.697	0.636	0.653
Identifier Respondent FE	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

6. Additional tests

Here, we test the possibility of insurance advisors, instead of financial advisors having a role in driving bequest motives by using insurance ownership (whether one owns insurance or otherwise) as a proxy for reliance on insurance advisor. Using the baseline regression but with the addition of a dummy proxy for life insurance ownership, Table 5 shows that the addition of insurance dummy does not have any association with any of the bequest variables. Instead, reliance on financial advisor for household financial decisions continue to be positively and significantly associated with likelihood of one leaving bequests.

Table 5: Association of Insurance Ownership and Bequest Motives

Using Insurance ownership (whether an individual owns or does not own insurance) as a proxy for reliance on insurance advisors, this table shows the association between insurance ownership and bequest motives. All specifications include identifier respondent and year fixed effects. Standard errors are also clustered by identifier respondent and year.

VARIABLES	(1) Importance save bequeath	(2) Importance save child	(3) Why Bequeath	(4) Chance leave inheritance >10,000	(5) Chance leave inheritance 100,000	(6) Chance leave inheritance 500,000	(7) Chance leave anything
Insurance Dummy	0.009	-0.001	-0.006	0.010	0.001	0.001	0.006
	(0.006)	(0.010)	(0.008)	(0.009)	(0.011)	(0.005)	(0.009)
Financial Advisor Fin. Advice	0.005	0.006	-0.010	0.011	0.015**	0.006**	0.018***
	(0.004)	(0.007)	(0.007)	(0.010)	(0.007)	(0.003)	(0.004)
Parents / Friends Fin. Advice	0.006	0.011*	-0.014**	-0.003	-0.000	-0.001	-0.001
	(0.005)	(0.006)	(0.006)	(0.007)	(0.004)	(0.003)	(0.006)
Financial Literacy Dummy	0.003	0.005	0.007	0.018***	0.022***	0.013***	0.002
	(0.005)	(0.005)	(0.004)	(0.005)	(0.006)	(0.003)	(0.005)
Gender Dummy	0.006*	0.004	-0.005	-0.072***	-0.004		0.123***
	(0.003)	(0.005)	(0.010)	(0.017)	(0.009)		(0.023)
Age ^{2}	0.000***(0.000)	-0.000	0.000	-0.000	0.000	0.000	-0.000***
		(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Marital Status Dummy	-0.012	0.011	-0.033**	0.024*	0.032**	0.018***	-0.003
	(0.007)	(0.012)	(0.014)	(0.012)	(0.013)	(0.005)	(0.010)
College Education Dummy	-0.028	0.002	-0.036	0.056*	0.016	-0.001	0.023
	(0.022)	(0.024)	(0.030)	(0.027)	(0.023)	(0.011)	(0.019)
Own House Dummy	-0.012	-0.018	-0.009	0.061***	0.121***	0.010*	0.030**
	(0.008)	(0.012)	(0.014)	(0.019)	(0.017)	(0.005)	(0.014)
HH Income ^{2}	0.002*	-0.002	-0.003	0.001	0.001	0.002*	-0.001
	(0.001)	(0.002)	(0.002)	(0.002)	(0.002)	(0.001)	(0.003)
HH Wealth (‘000)	-0.001	-0.002	0.002*	0.003**	0.004***	-0.002*	0.003**
	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)
HH Wealth (‘000) ^{2}	0.040	0.061	-0.073*	-0.090**	-0.122**	0.072**	-0.084**
	(0.026)	(0.044)	(0.034)	(0.038)	(0.043)	(0.032)	(0.038)
Constant	0.035**	0.141***	0.086	0.580***	0.206***	0.052	0.928***
	(0.016)	(0.042)	(0.081)	(0.052)	(0.065)	(0.035)	(0.049)
Observations	29,482	29,472	21,437	27,878	26,796	24,410	29,884
R-squared	0.463	0.450	0.287	0.677	0.704	0.649	0.671
Identifier Respondent FE	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Additionally, we examine the experimental module from HRS survey in 2016 to corroborate our results. One advantage of the HRS survey is that it asks respondents if they have 'made a will' which is a tangible wealth planning outcome or tool for bequeathment as opposed to questions of bequeathment motives in DHS. Intuitively, one may argue that financial advisors have less of a role in influencing bequest motives (how much one would like to bequeath or the importance of saving for inheritance) as compared to influencing the transmission mechanism for bequest which is either through wills, trust or otherwise. After all, a financial advisor's role is to facilitate wealth planning and provide solutions for their clients' bequeathment plans.

Here, we look at module 3; financial advice and capacity at older ages which asks respondents if they receive help with money management and who helps with such decisions. There are also specific questions on estate planning choices. From the 2016 module, we merge 20,912 respondent-year observations into the main HRS data frame. [8]

Table 6: Summary Statistics from HRS Experimental Module in 2016

Summary Statistics from HRS Experimental Module 2016	Mean	STD
Trust in Financial Advisors*	2.27	0.89
Follow Financial Advisor Advice*	5.94	1.29
Satisfaction with MM Advice*	6.00	1.23
Financial Advisor Help Money Management Dummy+	0.64	0.48
Friends and Family Help Money Management Dummy+	0.32	0.47
Others Help Money Management Dummy+	0.16	0.37
Estate Planning MM Advice Dummy**	0.10	0.31

[8] As this is a cross-sectional dataframe, there are observations for 20,912 respondents in Year 2016. Despite so, only a handful of these respondents answered to key financial advisor variables such as party who helps in money management. Actual regression therefore shows a lot less observations.

** indicates questions which ask for scale from 1 to 7*

+ refers to dummies created from question asking on party whom respondent turns to for money management advice (question pv108 in module)

*** this is a consolidated dummy based on answers to question on type of advice sought for money management - (i) Estate planning , (ii) Setting up a trust and (iii) Writing a will*

Table 7: Summary Statistics of breakdown for types of advice and bequest related advice (HRS Experimental Module in 2016)

Type of Money Management help received++	**Full Sample that answered question**		**Only for those who indicated Financial Advisor MM Help**	
	No. of responses	Year	No. of responses	Year
Help with Stocks, Bonds or Mutual Funds	197	28%	171	34%
Deciding how to spend savings	59	8%	34	7%
Buying an annuity	41	6%	36	7%
Buying health, life or other insurance	33	5%	25	5%
Selecting a prescription drug plan	8	1%	2	0%
Deciding about social security or pension benefits	33	5%	21	4%
Selling or buying property	22	3%	13	3%
Help with home equity loan or reverse mortgage	12	2%	8	2%
Estate planning	40	6%	31	6%
Setting up a trust	23	3%	18	4%
Writing a will	23	3%	18	4%
Others	223	31%	120	24%
Total Observations:	**714**	**100%**	**497**	**100%**

++ Based on pv110 question and respective answers

Table 8: HRS sub-sample descriptive statistics against DHS sub-sample

	Financial advisor dummy +		Financial advisor dummy*	
	Sample Period: 2005 to 2021		Year: 2016	
	DHS (in USD at 1.07 EURUSD)		HRS	
	N=3,354		N=288	
	9,397 respondent-year obs		288 Observations	
	Mean	SD	Mean	SD
Age	55.03	14.05	65.64	10.91
Number of Children	1.77	0.93	2.58	1.61
Marital Status	0.72	0.45	0.75	0.43
Gender	0.51	0.50	0.43	0.5
College Education +	0.45	0.50	0.75	0.43
Own Housing	0.86	0.35	0.94	0.24
HH Income (win.) *	29421.79	25452.09	131581.24	108022.79
HH Wealth (win.) **	176576.75	227880.04	979039.04	1049251.75

+ refer to in DHS data, respondents who indicated they rely on financial advisor

* refers to in HRS 2016 Module those that answered they rely on financial advisor for money management advice

Compared to the full sample who answered the question (see Table 7), there is a slightly higher share of individuals who indicated that they received money management help in the form of estate planning, setting up trust and writing a will among those that have indicated that they receive money management advice from financial advisors. [9]

Also, using sub-sample of respondents in HRS's 2016 experimental module who rely on professional financial advisors for money management advice, we compare the descriptive statistics and profiles of these respondents against the DHS sub-sample that similarly rely on financial advisors. The HRS sub-sample is much older and wealthier; they are also more highly educated and have slightly higher number of children. If despite such differences, the HRS sub-sample corroborates the findings from earlier, it further adds to the robustness of our analysis.

Therefore, we perform a cross-sectional regression similar to Rooij et al.(2009) using the 2016 data.

[9] 2% more in the sub-sample compared to full sample.

Table 9: Association of money management advice with bequeathment variables

This table uses the HRS 2016 experimental module to test for association between money management advice from financial advisor, friends and family or others and bequeathment. Robust standard errors are in parenthesis.

VARIABLES	(1) Made Will	(2) Chance leave inheritance >10,000	(3) Chance leave inheritance >100,000
Financial advisor MM advice	0.186***	13.675***	4.390
	(0.068)	(4.321)	(5.357)
Friends family MM advice	0.128*	-4.164	-11.084**
	(0.068)	(4.549)	(5.600)
Others MM advice	0.043	4.168	5.147
	(0.065)	(3.404)	(4.746)
Home Owner Dummy	0.210***	27.908***	13.167*
	(0.063)	(6.057)	(7.459)
Education Dummy	0.144***	4.157	3.535
	(0.050)	(3.275)	(4.260)
Marital Status Dummy	0.173***	2.258	6.848
	(0.050)	(3.389)	(4.502)
Age ^{2}	0.000***	0.002	0.001
	(0.000)	(0.001)	(0.001)
Number of Children	0.008	0.112	-1.447
	(0.011)	(0.830)	(1.029)
Gender	-0.036	3.511	3.482
	(0.043)	(2.766)	(3.527)
Household Income (win.)(‘000)	0.001	0.052	0.063
	(0.002)	(0.107)	(0.141)
Household Wealth (win.)(‘000)	0.040**	1.854*	0.172
	(0.016)	(1.121)	(1.375)
Household Wealth ^{2} (win.)(‘000)	-0.002**	-0.072	-0.004
	(0.001)	(0.046)	(0.058)
Constant	-0.607***	22.623**	40.790***
	(0.108)	(9.298)	(11.743)
Observations	417	407	373
R-squared	0.254	0.287	0.106
Robust Error	YES	YES	YES

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Controlling for a number of key parameters, the results in Table 9 show that individuals who rely on financial advisors for money management advice are significantly more likely to bequeath - a 13.7 percentage points more likelihood of leaving an inheritance which is greater than $10,000. This result is similar to the DHS sample despite the fact that the demographics of the HRS sub-sample is

markedly different and supports our findings of the role of financial advisors in bequeathment intentions.

Individuals who rely on financial advisors for money management advice also have a 18.6 percentage points more likelihood of making a will; a significant increase. This proves that financial advisors indeed can influence an individual's choice of wealth transfer mechanism by offering bequeathment and legacy planning tools such as wills, trusts and foundations.

7. Conclusion

While we are aware of the role of financial advisors in investment activities, this is the first attempt to establish their roles in bequeathment choices. This applies to both bequeathment attitudes, and the tools used for wealth transfer. Using data from DHS between 2005 to 2021 and supplemented by the HRS 2016 experimental module, we show that financial advisors can indeed impact bequeathment attitudes on top of investment related beliefs and decisions. (Gennaioli et al., 2012)

Specifically, the reliance on financial advisors for household financial decisions increase the likelihood of bequeathing by 1.7% while the HRS experimental sample finds that individuals who rely on financial advisors for money management advice are 18.6 percentage points more likely to make a will and 13.68 percentage points more likely to leave an inheritance of more than $10,000. Our DiD analysis and 2013 SNS bank run event shock on reliance on financial advisor also provides further evidence of causality.

Though, while the literature has not placed any emphasis on segmenting financial advisors from insurance agents, there is some evidence that insurance agents also play a role in bequeathment choices as evidenced by the HRS 2016 special module data. Our understanding of motivations of bequest motives can thus be even further enhanced via segmentation of such influences in greater detail. Besides, if the reliance on financial advisors for household financial advice has an association with bequest choices, there may be further interdependence between both types of decision which we leave to future research.

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Appendix A

HRS		
Variable	**Definition**	**Source**
Madewill Dummy	Do you currently have a will that is written and witnessed? INSTR: Do not include living wills. A living will is a type of health care advanced directive that we will ask about separately. -8. Web non-response 1. [YES, WILL/YES, WILL ONLY] 2. [[VOL] YES, WILL AND TRUST/YES, BOTH WILL AND TRUST] 3. [[VOL] NO WILL, BUT HAVE TRUST/NO, TRUST ONLY] 5. [NO WILL/NO, NEITHER WILL OR TRUST] 8. DK (Don't Know); NA (Not Ascertained) 9. RF (Refused) Blank. INAP (Inapplicable); Partial Interview Adjust dummy variable to 1.0 for Options 1, 2 and 3; and 0 for the rest of the options. So basically, dummy variable is 1 if there is some form of either will or trust or both that has been made. 0 for no will, no trust (so totally no will or trust made) or don't know.	HRS Codebook 2020
Provision other than spouse Dummy	Have you made provisions in your [will/will or trust/trust] for any family members [other than your [husband/wife/partner]]? -8. Web non-response 1. YES 5. NO 8. DK (Don't Know) NA (Not Ascertained) 9. RF (Refused) Blank. INAP (Inapplicable); Partial Interview Adjust dummy variable to 1.0 as Option 1; and 0 for No, don't know and refuse (base variables)	HRS Codebook 2020
Include children stepchildren Dummy	Does that include any of your children or step-children? -8. Web non-response 1. YES 5. NO 8. DK (Don't Know); NA (Not Ascertained) 9. RF (Refused) Blank. INAP (Inapplicable); Partial Interview	HRS Codebook 2020

	Adjust dummy variable to 1.0 as Option 1; and 0 for No, don't know and refuse (base variables)	
Demographic Controls		
Homeowner Dummy	Housing questionnaire: RH004 for year 2020 (Whether own or rent home) Dummy variable based on if response is 1, he or she is owner of the home..	RAND FAT variable
Education Dummy	Based on variable raeduc from RAND; dummy is 1 if 'Highest education' is college and above (which is options 4 and 5; either some college or college and above)	RAND File variable
Marital Status Dummy	Based on variable: r8mstat/ r9mstat/ r10mstat/ r11mstat/ r12mstat/ r13mstat/ r14mstat/r15mstat from RAND. Adjust dummy variable to 1.0 for Options 1,2 ; and 0 for the rest of the options. So basically, dummy variable is 1 if there is a spouse or even if married, spouse may be absent and 0 otherwise. Partnered is NOT considered married in this example.	RAND File variable
Occupation Dummy – White Collar	White collar occupation groups refer to the following: 02 – professional specialty operation / tech support 09 – personal services 01 – managerial specialty operations 04 – clerical / admin support 03 – sales	RAND File variable
Age square	Based on variable rabyear which is year born and taking the survey year and subtracting the year born	RAND File variable
Number of Children	Based on variable: h8child/h9child/h10child/h11child/h12child/h13child/h14child/h15child from RAND	RAND File variable
Gender	Based on variable ragender: Initially, Male is denoted as 1.0 and Female as 2.0; adjust gender_dummy to Male as 1.0 and Female as 0.0.	RAND File variable
Household Income Win.	Total Household Income (Respondent and Spouse) based on RAND variable → 'h8itot' / 'h9itot' / 'h10itot' / 'h11itot' / 'h12itot' / 'h13itot' / 'h14itot' / 'h15itot'	RAND File variable
Household Wealth Win.	As defined under Household Wealth / Total Wealth above.	RAND File variable

HRS Experimental Module		
PV106 pv106_dummy for option number 1	Does anyone currently help you [and your spouse/partner] make decisions about your money management, particularly saving, investment, taxes, insurance, or benefits? 1. YES 5. NO 8. DK (Don't Know); NA (Not Ascertained) 9. RF (Refused) Blank. INAP (Inapplicable); Partial Interview	HRS 2016 Module

PV107 pv107_dummy (Option number 3 and reason is lack of trust in advisors)	What is the reason that you do not get help with money management decisions? Choose all that apply: 1. DON'T NEED HELP; CAN DO IT ON MY OWN 2. TOO LITTLE MONEY TO MANAGE 3. LACK OF TRUST IN ADVISORS (FINANCIAL ADVISORS/PLANNERS/COUNSELOR) 4. FEES TOO HIGH; TOO EXPENSIVE 5. DON'T KNOW WHOM TO ASK 6. NEVER THOUGHT ABOUT IT 7. OTHER 8. DK (Don't Know); NA (Not Ascertained) 9. RF (Refused) Blank. INAP (Inapplicable); Partial Interview	HRS 2016 Module
PV108 pv108whohelpsMMadvisor_dummy (for option 4, financial advisor) 'Financial advisor MM advice' variable pv108whohelpsMM_friendfamily (for options 1,2,3; friends and family) 'Friends, family MM advice' variable pv108whohelpsMM_others (for options 5,6,7,8,9,10; lawyer, banker, social security representative, human resources staff , on line calculator and others) 'Others MM advice' variable	Who helps you [and your spouse/partner] with making decisions about money management, particularly saving, investment, taxes, insurance, mortgage, retirement, or benefits? Choose all that apply: 1. CHILD OR CHILD-IN-LAW 2. OTHER RELATIVE 3. FRIEND 4. FINANCIAL ADVISOR, PLANNER, ACCOUNTANT, OR OTHER PROFESSIONAL INVESTMENT COUNSELOR 5. LAWYER 6. BANKER 7. SOCIAL SECURITY REPRESENTATIVE 8. HUMAN RESOURCES STAFF 9. ON LINE CALCULATOR 10. OTHER (SPECIFY) 98. DK (Don't Know); NA (Not Ascertained) 99. RF (Refused) Blank. INAP (Inapplicable); Partial Interview	HRS 2016 Module
PV 110 pv110helpwhat_dummy (where help is estate planning, setting up trust and writing a will)	What type of money management help do you [and your spouse/partner] receive from (this person/these persons)? 1. HELP WITH STOCKS, BONDS OR MUTUAL FUNDS 2. DECIDING HOW TO SPEND SAVINGS 3. BUYING AN ANNUITY 4. BUYING HEALTH, LIFE, OR OTHER INSURANCE 5. SELECTING A PRESCRIPTION DRUG PLAN 6. DECIDING ABOUT SOCIAL SECURITY OR PENSION BENEFITS 7. SELLING OR BUYING PROPERTY 8. HELP WITH A HOME EQUITY LOAN OR REVERSE MORTGAGE 9. ESTATE PLANNING 10. SETTING UP A TRUST	HRS 2016 Module

	11. WRITING A WILL 12. OTHER (SPECIFY) 98. DK (Don't Know); NA (Not Ascertained) 99. RF (Refused) Blank. INAP (Inapplicable); Partial Interview	
PV116	On a scale of 1 to 7 where 1 is low, and 7 is high, how satisfied are you [and your spouse/partner] with the money management help that you [and your spouse/partner] receive? 8. DK (Don't Know); NA (Not Ascertained) 9. RF (Refused)	HRS 2016 Module
PV117	How often does respondent follow recommendations: Again, using a 1 to 7 scale where 1 is never and 7 is always, about how often do you [and your spouse/partner] follow what your advisor recommends? 8. DK (Don't Know); NA (Not Ascertained) 9. RF (Refused)	HRS 2016 Module
PV129 pv129_dummy (for options 1 and 2 which is very much and somewhat)	How much do you trust bankers or other professional financial advisors to provide you with useful information about your money decisions? Would you say that you trust them very much, somewhat, not very much, or not at all? 1. VERY MUCH 2. SOMWHAT 3. NOT VERY MUCH 4. NOT AT ALL 8. DK (Don't Know); NA (Not Ascertained) 9. RF (Refused) Blank. INAP (Inapplicable); Partial Interview	HRS 2016 Module

DHS		
Variable	**Definition**	**Source**
HER1 Chance leave inheritance >10.000 variable	What is the chance that you will leave an inheritance (including possessions and valuable items) of more than 10,000 euro? 0 means 'no chance' 100 means 'absolutely sure'	DNB Household Survey
HER2 Chance leave inheritance >100,000 variable	What is the chance that you will leave an inheritance (including possessions and valuable items) of more than 100,000 euro? 0 means 'no chance' 100 means 'absolutely sure'	DNB Household Survey
HER3 Chance leave inheritance >500,000 variable	What is the chance that you will leave an inheritance (including possessions and valuable items) of more than 500,000 euro? 0 means 'no chance' 100 means 'absolutely sure'	DNB Household Survey

HER4 'Chance leave anything' variable	What is the chance that you will leave an inheritance (including possessions and valuable items)? 0 means 'no chance' 100 means 'absolutely sure'	DNB Household Survey
Importance of saving for bequeathment (spaarm09adjusted_dummy) 'Importance save bequeath' variable	How important do you think it is to have savings in your situation? (SPAARM09 and SPAARM01B) 1 means 'very unimportant' 7 means 'very important' to leave money, a house and/or other valuable assets to your children (or other relatives)? Indicate how important this is to you on a scale from 1 to 7. 1,2,3,4 is reference group; those who think it is very unimportant and quite unimportant. Dummy variable groups together options 5,6,7. *Dummy: Options 5,6,7*	DNB Household Survey
Importance save money for children, grandchildren (spaarm02adjusted_dummy) 'Importance save child' variable	How important is it for you to have some money saved to give money to help your (grand)children if they have financial difficulties? 1,2,3,4 is reference group; those who think it is very unimportant and quite unimportant. Dummy variable groups together options 5,6,7. *Dummy: Options 5,6,7*	DNB Household Survey
PLAN (plan_dummy) (plan_dummyoption2) (plan_dummyoption3) *This is about bequeathing to children	Do you give large amounts of money to your children in order to transfer part of your capital to them, or are you planning to do so in the future, e.g. every year? 1 no / 2 yes, I already give large amounts now/ 3 yes, I am planning to give large amounts in the future / -9 don't know 1 and do not know is reference group; those who think it is very unimportant and quite unimportant. Dummy variable groups together options 2, 3 *Dummy: Options 2,3 (imply that am giving away large amounts whether now or in the future)* [Base case as no or do not know] *This option however does not differentiate between those that would give away now or in the future. There is another plan_dummyoption2 (which gives dummy 1.0 for option 2, the rest are all base variables) and a plan_dummyoption3 (which gives dummy 1.0 for option 3, the rest are all base variables).	DNB Household Survey
UITSPR (uitspr_dummy) *This is about bequeathing to children 'Why Bequeath' variable	Please indicate which of the following statements would be closest to your own opinion about this? Please read ' instead of 'we' if necessary. 1 If our children would take good care of us when we get old, we would like to leave them a considerable beques /2 We would like to leave our children a considerable bequest, irrespective of whether they will take care of us or not, when we are old/ 3 We have no preconceived plans about leaving a bequest to our children/ 4 We don't intend to leave a bequest to our children / 5 None of the statements mentioned above 3,4,5 is reference group; those who think it is very unimportant and quite unimportant. Dummy variable groups together options 1,2. *Dummy: Options 1,2 (imply that dummy variable refers to any instance where a considerable bequest would be left behind)*	DNB Household Survey

	However, there is uitspr_dummyoption1 and uitspr_dummyoption2 which further segregates option 1 (which gives dummy 1.0 for option 1) and the second dummyoption2 which gives dummy 1.0 for option 2 so as to differentiate between the condition that one would leave considerable bequest.	
Demographic Controls		
Education (oplzon_dummy)	Dummy variable of 1 for college education and above for the following variations: • Vocational college • University education	
Marital Status (burgst_dummy)	Dummy variable of 1 for all variations of marriage, including those that may have been separated but does not include co-habiting, divorced status.	DNB Household Survey
Gender (geslacht)	Dummy variable of 1 for male.	DNB Household Survey
Number of Children (aantalki)	Number of children, non-adjusted	DNB Household Survey
Household Living Status (woning_dummy)	Dummy variable of 1 if owner-occupied property	DNB Household Survey
Financial Literacy (kunde_dummy)	Dummy variable of 1 if self-assessed knowledgeable or very knowledgeable on financial matters. Base case as not knowledgeable or neutral.	DNB Household Survey
Age_squared	Age, as derived from Year of data – year of birth (gebjaar variable)	DNB Household Survey
Household Income (literacy without tax with winst)	Columns to sum: 'loon','ww','wg','wao','wajong','waz','aow','abw','vut','og','alim','rente','abw','winst' *Where loon: pay/salary (gross), ww: unemployment benefit (gross), wg: unempl. benefits civil servants (gross), wao: disability benefits (gross), wajong: disability benefits for persons who were already disabled at the age of 17 and therefore could not work (gross), aow: general old age pension (US: social security payments) (gross), abw: social assistance (US: Social Security Payments) (gross), vut: early retirement benefits (gross), og: real estate income/letting of rooms (gross), alim: alimony from spouse (gross), rente: interest/dividends/other income (gross), abw: social assistance (US: welfare)/ benefits for self-employed (gross), winst: profits (gross)*	DNB Household Survey (definition referenced from Van rooiji et al 2011)
Household Wealth (literacy with stocks MF)	Columns_to_sum = 'b1b', 'b3b', 'b4b', 'b6b', 'b12b', 'b13b', 'b14b', 'b19ogb', 'b20b', 'b21b', 'b22b', 'b23b', 'b24b', 'b25b', 'b28b', 'b26ogb', 'b27ogb' *Where b19ogb: Real estate total excluding primary accommodation, b20b: Cars, b21b: Motorbikes, b22b: Boats, b23b: Caravans/ Trailers, b24b: Money lent out to family and friends, b25b: Savings, investments not yet mentioned, b28b: Stocks from substantial holdings, b26ogb: Value of first house owned, b27ogb: Value of second house owned* Columns_to_subtract = 's1b', 's2b', 's3b', 's4b', 's5b', 's6b', 's7b', 's8b', 'b19hyb', 'b26hyb', 'b27hyb' *Where s1b: Private loans, s2b: Extended credit, s3b: Debts not mentioned, s4b Finance debts, s5b: Loans from family and friends, s6b: Study Loans, s7b: Credit card Debts, s8b: Loans not mentioned, b19hyb: Mortgages outstanding for real estate other than accommodation, b26hyb: Mortgage of first house, b27hyb: Mortgage of second house*	DNB Household Survey (definition referenced from Van rooiji et al 2011)

Relationship between household members (hhrela_dummy)	How would you define your household? 1 Very good relationships between the members of the household /2 Good relationships between the members of the household/ 3 Neither really good nor really bad relationships between the members of the household / 4 Bad relationships between the members of the household/ 5 Very bad relationships between the members of the household hhrela_dummy returns a value of 1.0 if for Options 1 and 2 (so somewhat good relationship with Household memebrs..) and 0.0 if otherwise..	DNB Household Survey
ADVIES Most importance source of advice for household financial decisions (advies_dummyone) (advies_dummytwo) (advies_dummyothers) *Financial Advisor Fin. Advice variable *Parents / Friends Fin. Advice variable	What is your most important source of advice when you have to make important financial decisions for the household? 1 parents, friends or acquaintances / 2 information from the newspapers / 3 financial magazines, guides, books / 4 brochures from my bank or mortgage adviser / 5 advertisements on TV, in the papers, or in other media / 6 professional financial advisers /7 financial computer programs / 8 financial information on the Internet / 9 other (ADVIES) **advies_dummyone is 1 for option number 6, the rest all 0** (professional financial advisors) **advies_dummytwo is 1 for option number 1, the rest all 0** (parents, friends or acquaintances) advies_dummyothers is 1 for all other options 2,3,4,5,7,8,9, (grouped with others)	DNB Household Survey
DNB203 Party to turn to for financial advice on retirement income planning (bridging gap between early retirement and pension age) (dnb203_dummyone) (dnb203_dummytwo) (dnb203_dummyothers)	Did you obtain advice on how to bridge the period between (a possible) early retirement and your state pension entitlement age? If so, please choose your most important source of information. 1 no, I did not obtain any advice, as I will not retire early / I make use of a transitional arrangement / 2 no, I have not obtained advice (yet), but I do want to retire early / 3 yes, from the company I work(ed) for /4 yes, from my pension fund/ **5 yes, from expert financial advisors /6 yes, from acquaintances (family, friends)** /7 yes, through leaflets from my bank, mortgage advisor, insurer. / 8 yes, through financial magazines, guides and/or books / 9 yes, by looking up financial information on the Internet / 10 yes, through commercials on TV, in newspapers or other media / 11 yes, through other sources of information (DNB203) dnb203_dummyone: 1 if Financial advisor advice dnb203_dummytwo: 1 if friends and acquaintance advice dnb203_dummyothers: 1 if source of advice is from others such as options 3,4,7,8,9,10,11 BASE CASE: Did not obtain advice either because will not retire early or wants to retire early (but have not obtained)	DNB Household Survey
WORK01 Degree of interaction with people at work (work01_dummy)	The next questions are about your work. Please indicate in which extent you agree or disagree. 1 means 'totally disagree' 7 means 'totally agree' • I interact a lot with a lot of people 1, 2, 3 as reference group (presumably these would translate into 1 as totally disagree, 2 as disagree and 3 as somewhat disagree; not a lot of interaction with people at work). 4 is also part of reference group. **work01_dummy** consists of options 5,6,7; all the rest are reference)	DNB Household Survey

WORK02 Degree of cooperation with others (work02_dummy)	The next questions are about your work. Please indicate in which extent you agree or disagree. 1 means 'totally disagree' 7 means 'totally agree' (WORK02) • I have to cooperate with others 1, 2, 3 as reference group (presumably these would translate into 1 as totally disagree, 2 as disagree and 3 as somewhat disagree; not a lot of cooperation with people at work). 4 is also part of reference group. **work02_dummy** consists of options 5,6,7; all the rest are base group)	DNB Household Survey
WORK08 Amount of team work performed at work (work08_dummy)	The next questions are about your work. Please indicate in which extent you agree or disagree. 1 means 'totally disagree' 7 means 'totally agree' (WORK08) • I work with others in a team 1, 2, 3 as reference group (presumably these would translate into 1 as totally disagree, 2 as disagree and 3 as somewhat disagree; not a lot of team work performed at work). 4 is also part of reference group. **work08_dummy** consists of options 5,6,7; all the rest are base group)	DNB Household Survey
KOO2 (koo2_dummy)	How many single premium / annuity insurance present (koo2) And number of single premium / annuity insurance is greater than the mean value for the year (koo2_dummy)	DNB Household Survey
KOO3Adjusted (koo3adjusted_dummy)	Total value of single premium / annuity insurance (Euros) Dummy variable of 1 if koo3 value is above mean value of koo3 for the Year. (koo3adjusted_dummy)	DNB Household Survey
BZ07 (bz07_dummy)	Dummy on availability of single premium / annuity insurance --> Did you, in or before [Year], take out single-premium insurances and/or annuity insurances (pension insurance), which were still in effect on 31 December [Year]? Do not include pension arrangements provided by your employer or professional pension plans here. Do include pension savings schemes or pensioenbanksparen (Dutch: a taxefficient blocked bank savings account providing a pension sum)	DNB Household Survey
KAP2 (kap2_dummy)	How many endowment insurance present (kap2) And number of endowment insurance is greater than the mean value for the year (kap2_dummy)	DNB Household Survey
KAP101Adjusted (kap101adjusted_dummy)	Total value of endowment insurance (Euros) (kap101) Dummy variable of 1 if kap3adjusted value is above mean value of kap3adjusted for the Year. (kap101adjusted_dummy)	DNB Household Survey
BZ08 (bz08_dummy)	Dummy on availability of endowment insurance --> Did you, on 31st December [Year], have one or more endowment insurance policies that were still in effect? Do not include life-insurance policies connected to an (improved) traditional life-insurance mortgage here. These will be reported later.	DNB Household Survey

Appendix B

Table B(1)

This table shows results of the Difference-in-Differences analysis using 2013 SNS Bank Crisis as the shock event to reliance on financial advisor for household financial advice. Here, treat refers to respondents that have listed SNS Bank as one of their checking or savings, deposit account holders in 2012. Control group refers to respondents that do not have SNS Bank as one of their banking or savings, deposit account in 2012. Post event period is 2013, 2014, 2015.

VARIABLES	(1) Importance save bequeath	(2) Importance save child	(3) Why Bequeath	(4) Chance leave inheritance > 10,000	(5) Chance leave inheritance > 100,000	(6) Chance leave inheritance >500,000	(7) Chance leave anything
TreatxPost20131415	-0.014	-0.026**	-0.015*	-0.001	0.017*	-0.008	0.010
	(0.009)	(0.011)	(0.008)	(0.012)	(0.008)	(0.009)	(0.012)
Financial Advisor Fin. Advice	0.005	-0.001	-0.009	0.014**	0.019**	0.006	0.021***
	(0.004)	(0.008)	(0.007)	(0.006)	(0.008)	(0.003)	(0.005)
Parents / Friends Fin. Advice	0.002	0.012	-0.009	0.008	0.003	-0.001	0.005
	(0.006)	(0.008)	(0.007)	(0.007)	(0.005)	(0.002)	(0.006)
Financial Literacy Dummy	0.003	0.003	0.005	0.016*	0.026**	0.014***	0.009
	(0.004)	(0.005)	(0.007)	(0.008)	(0.009)	(0.003)	(0.008)
Gender Dummy	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Age ^{2}	0.000***	0.000***	0.000	-0.000	-0.000**	-0.000	-0.000***
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Marital Status Dummy	-0.005	0.025*	-0.022	0.018	0.022	0.012*	-0.010
	(0.008)	(0.014)	(0.016)	(0.014)	(0.016)	(0.007)	(0.013)
College Education Dummy	-0.042*	0.040	-0.033	0.080**	0.040*	0.005	0.036
	(0.024)	(0.031)	(0.027)	(0.034)	(0.023)	(0.012)	(0.025)
Own House Dummy	-0.001	-0.014	-0.002	0.072**	0.132***	0.007	0.070***
	(0.008)	(0.012)	(0.016)	(0.026)	(0.023)	(0.007)	(0.021)
HH Income ^{2}	0.003**	-0.001	-0.001	0.001	-0.001	0.002	-0.002
	(0.001)	(0.002)	(0.002)	(0.002)	(0.002)	(0.001)	(0.002)
HH Wealth (‘000)	-0.002	0.001	0.004**	0.002	0.002	-0.003**	0.002
	(0.001)	(0.002)	(0.002)	(0.002)	(0.001)	(0.001)	(0.001)
HH Wealth (‘000) ^{2}	0.055*	-0.016	-0.151**	-0.044	-0.068	0.103**	-0.050
	(0.032)	(0.056)	(0.055)	(0.049)	(0.047)	(0.036)	(0.041)
Constant	-0.126*	-0.174**	-0.215	0.646***	0.522***	0.157**	0.891***
	(0.060)	(0.082)	(0.171)	(0.131)	(0.111)	(0.072)	(0.113)
Observations	16,435	16,429	12,441	15,858	15,521	14,755	16,619
R-squared	0.426	0.432	0.293	0.656	0.694	0.636	0.652
Identifier Respondent FE	YES	YES	YES	YES	YES	YES	YES
Year FE	YES	YES	YES	YES	YES	YES	YES

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1

Table B(2)

This table uses the HRS 2016 experimental module to test for association between money management advice from financial advisor, friends and family or others and bequeathment. Robust standard errors are in parenthesis**.** Any life insurance Dummy is equivalent to 1 is respondent holds life insurance policy. Other definitions and controls are similar with Table 9.

VARIABLES	(1) Made Will	(2) Chance leave inheritance >10,000	(3) Chance leave inheritance >100,000
Any life insurance Dummy	0.071	11.185***	6.005
	(0.045)	(3.209)	(4.112)
Financial Advisor MM advice	0.180***	11.986***	3.707
	(0.068)	(4.376)	(5.405)
Friends Family MM advice	0.128*	-5.310	-11.568**
	(0.069)	(4.524)	(5.601)
Others MM advice	0.039	3.181	4.591
	(0.065)	(3.425)	(4.716)
Home Owner Dummy	0.195***	25.492***	12.725*
	(0.063)	(5.851)	(7.436)
Education Dummy	0.147***	4.469	3.771
	(0.050)	(3.246)	(4.251)
Marital Status Dummy	0.168***	0.422	5.951
	(0.051)	(3.336)	(4.521)
Age ^{2}	0.000***	0.002**	0.002
	(0.000)	(0.001)	(0.001)
Number of Children	0.010	0.392	-1.291
	(0.011)	(0.800)	(1.049)
Gender	-0.042	3.346	3.339
	(0.044)	(2.749)	(3.525)
Household Income (win.) (‘000)	0.001	0.056	0.060
	(0.002)	(0.109)	(0.142)
Household Wealth (win.) (‘000)	0.040**	2.003*	0.349
	(0.016)	(1.086)	(1.388)
Household Wealth (win.) (‘000) ^{2}	-0.002**	-0.079*	-0.011
	(0.001)	(0.045)	(0.058)
Constant	-0.656***	16.048*	35.441***
	(0.110)	(9.330)	(12.089)
Observations	415	407	373
R-squared	0.258	0.312	0.112
Robust Error	YES	YES	YES

Robust standard errors in parentheses
*** p<0.01, ** p<0.05, * p<0.1