

AN ABSTRACT OF THE THESIS OF

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Title: Demographic and Financial Resource Differences
Between Testate and Intestate University Employees

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The purpose of this study was to determine if there were differences between testate or intestate university employees relative to: 1) demographic characteristics (age, income health, marital status, education, number of children, housing tenure, and gender), 2) planned personal and family retirement income sources (including: savings, individual retirement accounts, mutual funds, stocks and/or bonds, income from property ownership, sale of real estate or other property, annuities, or paid-up life insurance), 3) total number of planned personal and family retirement income sources. The study also examined anticipated decision making difficulty scores on certain housing issues for testate or intestate university employees, to determine if there was a significant difference in university employees' mean decision making difficulty scores on certain housing issues by testacy status, income level, and age, or gender.

Data were collected in a 1987 Western Region mail survey (Thinking Ahead to Retirement: Community and Housing Choices), of land grant university employees in nine western states. The sample consisted of 5663 land grant university employees who were at least 40 years of age. Statistical analyses of the data were computed using Chi-square tests, T-tests, and General Linear Models (GLM/ANOVA) procedures with Student Newman-Keuls (SNK) post hoc tests.

Chi-square analysis results revealed significant differences among testacy status on all demographic variables. Evidenced by findings, testacy rates were higher among university employees who were 1) older, 2) higher income, 3) higher education level, and 4) male. Chi-square analysis indicates an association between testacy and being married or widowed, having children, and owning one's home. Testacy is more common among university employees who plan more numbers and types of personal and family retirement income sources.

Significant differences were also found among testacy status and all of the planned personal and family retirement income sources. Testate employees had significantly larger total number of planned retirement income sources than intestate employees.

Testate respondents had a higher mean decision making difficulty score of certain housing issues (1.89) than did intestate respondents (1.86). Results of the decision

making question indicate university employees perceptions of how difficult they think it will be to make future decisions about aging and housing issues. GLM/ANOVA results indicated that employees with income above \$25,000, aged 40 to 49 years, and male anticipated greater decision making difficulty on certain housing issues than respondents in other categories.

Results of this research could be of interest and use to university policy makers, educators, entrepreneurs, and researchers. Applying these results, these groups can target families with high need, and assist these families in achieving personal and family, testacy, and financial goals.

Demographic and Financial Resource Differences
Between Testate and Intestate
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This thesis is dedicated to my mother,
Effie Ellen Smith,
who was so supportive of
all my efforts.

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DEMOGRAPHIC AND FINANCIAL RESOURCE DIFFERENCES BETWEEN TESTATE AND INTESTATE UNIVERSITY EMPLOYEES

CHAPTER I INTRODUCTION

Problem Statement

Since access to knowledge, its possession, and ability to act upon it are basic to the power of individuals, one generally assumes that persons informed about issues are better prepared to act in their own best interests (Donohue, Olien, & Tichenor, 1990). One of the greatest challenges in society is to persuade individuals to take action (Lown, 1986). Even when people firmly believe certain practices are useful, they often fail to act upon this belief. Lown (1986) compared several financial management studies which consistently revealed a wide gap between people's knowledge or attitudes and their implementation of strategies in financial management.

Similarly, Davis (1988) found that despite the apparent usefulness of balance sheets, there was evidence that a substantial proportion of households do not prepare them. Morrow (1985) determined that Oregon State University Extension Service estate planning workshops have a greater effect on estate planning knowledge than on estate planning actions of participants.

Sussman (1983) concurred with these studies when he likened testamentary freedom to free will, self-control, and individualism, in that testamentary freedom exists as an important philosophical notion, but its practice is very limited. Authors in professional and popular press have stated that two-thirds of adult Americans do not have wills (Dreyfus, 1985; Reid, 1989; Reiter, 1984; Rudie, 1986; Topolnicki, 1985). Nevertheless wills are a primary planning tool for both financial and estate planning, a key vehicle in transferring assets, and the way of naming a guardian for children (Dacey, 1965; Hardy, 1986; Kahn, 1979; Leimberg, Miller, Rosenbloom, Kandell, & Levy 1987; Lochray, 1987; and William & Valencic, 1984).

Purpose of the Study

The purpose of this study was to determine demographic characteristics, retirement income source, and decision making differences between testate university employees and intestate university employees. The findings of this study will be beneficial to policy makers, home economists, and entrepreneurs who seek to serve the needs of the university employee communities by strengthening their family units through financial resources and testacy. Such information may enable educators to design programs that motivate people to acquire wills. Financial planners could utilize demographic information

in targeting and educating individual clients. University sponsored employee education programs could provide employees information promoting testacy. With increasing numbers of elderly in society, the judicial system could be less congested with increased testacy.

It was noted by Sussman, Cates, and Smith (1970, p.62) that there is a "paucity of information on the characteristics of decedents who are either testate or intestate and on the characteristics of living persons who have or have not made wills". Information for researchers will be expanded in the areas of demographic characteristics, housing related decision making difficulty, and sources of financial resources.

Objectives

The objectives of this study were:

1. To determine if there are differences between testate or intestate university employees relative to their age, income, health, marital status, education, number of children, housing tenure, and gender.

2. To determine if there are differences between testate and intestate university employees regarding planned personal and family retirement income sources, including: savings, individual retirement accounts, mutual funds, stocks and/or bonds, income from property ownership, sale of real estate or other property, annuities, or paid-up life insurance.

3. To determine if there is a difference in the total number of planned personal and family retirement income sources between testate or intestate university employees.

4. To determine if there is a difference in mean decision making difficulty scores on certain housing issues between testate or intestate university employees.

5. To determine if there are significant differences in university employees' mean decision making difficulty scores on certain housing issues by testacy status, income level, and age.

6. To determine if there are differences in mean decision making difficulty scores on certain housing issues of university employees by testacy status, income level, and gender.

7. To determine if there are differences in the total number of sources of planned personal and family retirement income of university employees by testacy status, income level, and age.

Null Hypotheses

H₀₁: There are no significant differences between testate or intestate university employees based on eight socio-demographic variables:

- a. Age
- b. Income
- c. Health

- d. Marital Status
- e. Education
- f. Number of children
- g. Housing tenure
- h. Gender

Ho2: There are no significant differences between testate or intestate university employees based on the eight planned personal and family retirement income sources:

- a. Savings
- b. Individual retirement accounts
- c. Mutual funds
- d. Stocks and/or bonds
- e. Income from property ownership
- f. Sale of real estate or other property
- g. Annuities
- h. Paid-up life insurance

Ho3: There is no significant difference in the total number of planned personal and family retirement income sources between testate or intestate university employees.

Ho4: There is no significant difference in decision making difficulty on certain housing issues between testate or intestate university employees.

Ho5: There are no significant differences in university employees' mean decision making difficulty scores on

certain housing issues by testacy status, income level, and age.

HO6: There are no significant differences in mean decision making difficulty scores on certain housing issues of university employees by testacy status, income level, and gender.

HO7: There are no significant differences in the total number of sources of planned personal and family retirement income of university employees by testacy status, income level, and age.

Limitations

1. The sample was limited to employees of land grant universities in nine western states.
2. Limitations of the survey instrument:
 - a. Responses on retirement income sources did not specifically inquire whether or not a respondent had plans to acquire or actually had a retirement income source.
 - b. Lack of information on actual dollars invested in each retirement income source prevents determining which of these sources are considered most valuable.
 - c. The answer choices of the decision making section clearly skewed the responses to be thought of as difficult.
 - d. The narrow focus of housing issues (location, intergenerational living, and liquidation) in the

decision making question reduced the value of the question.

Assumptions

Two major assumptions were made in this study: the information provided by the respondents is assumed to be 1) accurate and 2) complete.

Definition of Terms

The following terms have been defined for use in this study:

Intestate: Dying without a will whereupon, state law decrees division of property, designation of children's guardian, and estate administrator (Reid, 1987; Lochray, 1987) .

Probate: The process used to make an orderly distribution and transfer of property from a decedent to a group of beneficiaries which is characterized by court supervision of property transfer, filing of claims against the estate by creditors, and publication of a last will and testament for decedents dying with wills (Lochray, 1987).

Testate: Is having made and left a valid will (Barnhart & Barnhart, (1979).

Will: The document, proven valid in court, used (1) to determine the distribution of all property owned by an individual at death, (2) to name a guardian for minor children, and (3) to designate an executor for the estate (Reid, 1987). A will is the key vehicle of testamentary

transfer (Leimberg et al., 1987).

CHAPTER II

REVIEW OF LITERATURE

Laws of testacy and inheritance have evolved to affect stability of the family unit and accommodate changes in society over generational time by maintaining public order and establishing parameters of property transfers (Sussman, 1983). Wills, evolving from this history, have become influential documents to society (Cates & Sussman, 1982). A will is now described as a primary planning tool in both financial and estate planning (Dacey, 1965; Hardy, 1986; Kahn, 1979; Lochray 1987; and Williams and Valencic 1984). In this chapter, information on wills and retirement income sources are presented. In the section on wills, the definition and requirements of a will and its historical evolution in relation to family unit preservation are discussed. Also presented are descriptions of testamentary advantages, intestacy consequences, differences between testate and intestate individuals, and demographic characteristics. Literature on personal and family retirement income sources are explored in the final section of this chapter.

Definition and Requirements of a Will

A will is a validly executed legal document conveying title of an individual's properties, and other owned interests when he or she dies (Lochray, 1987; Sussman, 1983; and Suter, 1983). Leimberg et al., (1987) describes

a will as being the key vehicle of testamentary transfer. Dacey (1965), Hardy (1986), Kahn (1979), Lochray (1987), Topolnicki (1985), and Williams and Valencic (1984) describe a will as the cornerstone of estate planning; the primary planning tool. Hardy (1986) further emphasized a will as being the last step in financial planning and the first step in estate planning. According to Lochray (1987), the will directs the transfer of property to specifically named individuals, known as beneficiaries.

Suter (1983) recognized that, historically, the word 'will' has referred to real property, and the word 'testament' referred to personal property. Thus, the phrase 'last will and testament' came into being. When a person dies leaving a last will and testament, he is said to have died 'testate'; not having a will is 'intestacy' (Sussman, 1983; and Suter, 1983). The devolution of title to property, equity, and other resources of the individual who dies intestate occurs according to an existing intestate succession statute which differs in each state (Lochray, 1987; Sussman, 1983; and Suter, 1983).

Major requirements of a contemporary will, as discussed by Jones, (1962); Lochray, (1987); Suter, (1983) and Williams & Valencic (1984) are: (1) the testator must have testamentary capacity, i.e., be of age and of sound mind, when executing the will; and (2) the precisely

worded typed document must be witnessed and signed by up to three adults who are not beneficiaries.

Historical Evolution and Family Unit Preservation

Bryant and Snizek (1975) consider a will to be a culturally mandated efficacious procedure for the testamentary disposition of possessions. Sussman (1983) finds the orderly transfer of equity, status, and other resources from one generation to the next as being both implicit and explicit acts for the maintenance of the group or society. Bryant and Snizek (1975) found that:

Many societies make deliberate contingency arrangements concerning the goods and the property left by the deceased; they institutionalize efficacious procedures for the disposition, orderly transfer, or socially equitable distribution of such goods and property. Failure to establish such procedures rigidly could easily result in controversy over the property, and competition, if not conflict, to determine its new ownership or disposition. Such an eventuality would clearly be disruptive to the social enterprise, and unnecessary rivalry might be dysfunctional to the viability of the family or kinship unit as a cohesive social system. There may additionally be an overriding concern that the property itself continue in productive use for the common good with minimal interruption, hence the requisite need for some structured or institutionalized mechanism whereby a chain of ownership may be legitimized. (p.220)

To the Romans belongs the credit of inventing the will, "the institution which, next to the contract, has exercised the greatest influence in transforming human society" (Cates and Sussman, 1982, p. 2). The Roman will provided for family representation by continuing the

deceased individual's civil life; the disposition of property was secondary (Cates & Sussman, 1982).

Tribes, kin networks, and moieties (tribal subdivisions) influenced different patterns of interfamily transfers prior to development of large-scale bureaucracies (Sussman, 1983). Hoebel (1966) observed, in primitive societies, where a person is more closely tied to his or her kinship group than to the marriage partner, that husband and wife do not inherit from each other.

Bryant and Snizek (1975) revealed ecclesiastical domination during the medieval times when it was considered sinful to die intestate. With feudalism came the practice of the primogeniture inheritance system wherein the eldest male in the line takes the estate and military or political office (Cates & Sussman, 1982).

The United States inheritance system is rooted in testamentary freedom, since initially, the conditions in the United States of abundant land, immigrants filling labor positions, and the high mobility exemplified by the westward movement, mitigated against adopting the primogeniture pattern (Cates & Sussman, 1982). By studying 1660 to 1719 wills from Tidewater, Virginia, Deen (1972) concluded that the broad filial concerns shared by the majority of testators in this township were present in the wills. This was observed first, through the preservation of the family that was apparent in the wills;

and secondly, by the majority of testators who were intently keeping land in the bloodline. Engler-Bowles & Kart (1983) reporting on Wood County, Ohio, wills from 1820 to 1967, found that the preoccupation with conjugal relations evidenced in the wills shows an emphasis placed on the nuclear family.

In whatever way the word "family" was defined, the family was recognized as the unit which provided stability in the social order and continuity over generational time (Sussman, 1983). Britt's 1937 study of the significance of wills revealed a tendency to preserve the family as a significant social unit. This was demonstrated by the small percentage of people who bequeathed property outside family circles (Britt, 1937). If given outside family circles, the percentage of the total estate was very small (Britt, 1937).

Sussman (1983) concluded that society-wide transfers made via social security, welfare and insurance systems were a later-day development which made the family less important in these matters. Studies utilizing 20th century probate records consistently indicate the surviving spouse is the primary beneficiary (Cates & Sussman, 1982). Subsequently, these assets are transferred to surviving children, other heirs, and legatees upon death of the single spouse (Sussman, 1983). Inheritance laws and customs have evolved in response to

changed conditions from paramount kindred ties of the early historic times to precedence of the conjugal family in the modern world (Cates & Sussman, 1982).

From this historic experience of effecting stability and accommodation to change over generational time, there emerged laws of testacy and inheritance (Sussman, 1983). Reflected in these laws are the states' interests in maintaining public order, respecting the rights of individuals to express their wishes through testamentary freedom, and establishing the parameters of such transfers to enable the family to pursue its historic responsibility of care for its members. This interest resulted in a complex system of probate which ensures that justice is served to all relations of the deceased (Sussman, 1983).

Testamentary Advantages

Testamentary freedom, says Sussman (1983), is a basic principle of will making and involves the transfer of assets from one generation to the next. Bryant and Snizek (1975), Dacey (1965), Cates & Sussman (1982), Hudick & Lochray (1987), Kahn (1979), Leimberg et al., (1987), Lochray (1990), Rudie (1986), and Schurenberg (1987) specify that a properly worded will can: (a) distribute property according to one's wishes, including a bequest of living expenses for survivors during probate proceedings; (b) create trusts, name a succession of trustees, and

allocate property to specific trusts ensuring income to beneficiaries; (c) make gifts of specific property to whomever one wishes; (d) designate an executor and direct that he serve without bond; (e) appoint a guardian for minors and incompetents; (f) designate a source for payment of taxes; (g) structure the transfer of the estate to escape federal tax liability through coordination of other estate planning tools; (h) create a presumption of survivorship in the event of a common disaster, denoting appropriate procedure for disposition of the estate; (i) direct and distribute unanticipated loose ends and hidden resources, such as insurances paid after accidental death; (j) create and specify investment authority of executor, permitting greater investment authority than granted under most state statutes; and (k) establish a domicile (legal residence). Debts may be forgiven in wills, Dreyfus (1985). Additionally, a will can say who should not receive any of the estate (Koen & Feeney, 1989).

A number of reasons for having wills have been presented by researchers. Suter (1983) reported the main reason for having a properly written will is the simplification of property transfer. After the first two property rights (those of ownership and use of property), Lerner (1986) considers preparing a will to be an essential part of meeting one's financial responsibilities as it fulfills the third property right, that is the

ability to choose the disposition of his/her property upon his/her demise. Rosenfeld (1982) sees the advantage in the social function of bequeathing an estate to the surviving spouse to be the continued status, power, and standard of living that the individual has been accustomed to having. Kahn (1979) notes that designating an executor by will, ensures that an estate will be handled by someone qualified and trusted. Bryant & Snizek (1975) found in some instances, the motivation for drawing the will is based on the desire to continue the exercise of control over family members or heirs through conditioned legacies. For some it offers the opportunity for a final communication to those left behind (Bryant & Snizek, 1975). Schurenberg (1987) viewed the cost and effort of writing a will to be a bargain considering the anguish it prevents. Dreyfus (1985) noted that wills reduce future problems for family and friends.

According to Rudie (1986), wills prevent probate court from making crucial decisions that are not what one wants, prevent long and costly court procedures, and eliminate unnecessary tax expenses. If there is substantial wealth, a will can prevent heavy taxes upon the death of the second spouse if it includes a trust or other arrangements to hold property outside the estate itself (Hardy, 1986). Probate avoidance is not as crucial a concern as taxation which can devour up to 55% of an

estate if one's will does not include other estate planning tools (Topolnicki, 1985).

Nelton (1988) points out that if a person loves his/her business and his/her family, he/she will become testate to see to the future of both and not leave probable problems behind. Gertz, Gertz, and Garro (1983), Schurenberg (1987), and Topolnicki (1985) recommend the wisest strategy for parents is to write wills creating trusts to hold their children's inheritances, and thus avoid the annual report to a judge of the guardian's major expenses and investments on the children's behalf. A will creating a trust can stipulate specific proportions or amounts of funds to be given to one's children at certain ages (Practical Accountant, (1988). In 1989, the Oregon State Bar Association emphasized that all clients who are parents with minor children should have wills regardless of their estate size, and that ANY decision regarding care of the children is better than none at all.

With a will, one can usually find a way to achieve personal goals (Koen & Feeney, 1989). The major question according to Koen and Feeney (1989) is "Who do you want to write the rules regarding the distribution of your assets, you or the government" (p. 28)?

Intestacy Consequences

For those who do not exercise their right of testamentary freedom, and die intestate, laws have been

enacted in each state which guarantee an orderly distribution of the decedent's estate (Simon, Rau, and Fellows, 1980).

Regardless of surviving parents or siblings, a person's spouse and/or children usually share in the entire estate. In most states children receive at least 50% of the parent's property. For those who are married and childless at death, the parents usually share in the estate with the spouse. If the parents have predeceased the decedent, the spouse is usually the sole or primary heir, but a large minority of states permit siblings and their descendants to share in the estate with the spouse. For those who are unmarried, parents usually inherit their children's entire estate. Should no spouse, child, parent, sibling or their descendants survive the decedent, the next of kin according to lineal blood ties are usually designated as takers under the intestate succession statutes (Simon et al., 1980, p. 25).

To a large degree, legal statutes support the spouse-keep-all pattern of transfer in intestate situations (Sussman, 1983). According to the Oregon State University Extension Service (1990), if a person is survived, intestate, by a spouse and children in Oregon, and all of his children are born of the current marriage, probate property will go to the spouse rather than being split with the children.

Some states provide a lifetime use of the property for the surviving spouse before the children divide their portion (Sussman, 1983). Sussman (1983) found that none of the children in his study elected to take their fair share of the property under the statutes of succession, but had given irrevocable rights to their portions to the surviving parent. The two factors operating in these

decisions were: the sense of distributive justice, in the children's belief that their surviving parent deserved the property after being widowed, and the concern for public justice, in that people and families not become dependent upon society. By taking their share of the estate according to law, children recognize they may force their parent into a state of dependency, and thus assume psychological and possible economic responsibility for their parent as time passes. Courts and attorneys urge and influence heirs to consider public interest as their own (Sussman, 1983).

Regarding the consequences of not having a will, Koen and Feeney (1989) say "It is impossible to plan for all future events with a will, but failure to make any plans can be expensive" (p. 28). People who fail to make provisions for their family create unnecessary trouble, chaos and suffering for their heirs (Lang & Gillespie 1984; Topolnicki, 1985). A family can be vulnerable to the state in terms of time and money when there is a lack of clarity in settling one's estate without a will (Sussman et al. 1970). It would be erroneous, Sussman, Cates, and Smith (1970) contend, to assume all persons who have not made a will want their property distributed in accordance with the statutes of intestacy.

An additional intestacy consequence is that a court will appoint a conservator of the children, usually the

remaining parent, but that person must post a bond, the cost of which comes out of the decedent's estate, and petition the court for any unusual expenditures on the children's behalf (Dreyfus, 1985; Lang & Gillespie, 1984; Schurenberg, 1987). This penalizes the heirs with sizable and often unnecessary costs that can accompany the government's intrusion into the administration of one's estate (Consumer Reports, 1985). In addition, Koen and Feeney (1989) point out that statutory laws give inheritances to children at age 18 regardless of their management skills. In families without a will, there are four times as many quarrels over property disposition as in families with a will (Hardy, 1986). By failing to prepare a will, an individual abdicates the right to select his beneficiaries, and to determine what or how much they receive (Lochray, 1990). In some cases, family heirlooms may have to be sold to divide the estate as the law dictates (Consumer Reports, 1985). Roha and Cliff (1989) cite state death taxes as clipping more estates than federal estate taxes with rates from .5% in Oklahoma to 32% in Montana.

According to Simon et al. (1980), most persons have the opportunity to distribute material possessions and the probability of acquiring inheritable possessions. The extent to which the likely dispensers and recipients of such property are aware of or ignorant of the rules of

inheritance is neither frivolous nor trivial (Simon, Rau, & Fellows, 1980). Yet 55.4% of the respondents did not know the actual intestate succession distribution (Simon et al., 1980).

Cates and Sussman (1982) suggest that the inheritance process is more than a legal-economic transaction. The social and psychological outcomes are of equal significance according to Cates and Sussman (1982), and signify family and kin relationships over generational time from past to future. Especially now, with the diminishing of federal support for retirement and medical programs, there is a reemphasis on the primacy of the family. The family is again looked upon to take care of its own, economically and in provision of services for elderly (Cates & Sussman, 1982).

Differences between Testate and Intestate Individuals
Shaffer (1982) compared intestate respondents with will making respondents, and found that upon completion of their wills, clients' turned to interests in other plans and projects, alleviating concerns about leaving dependents unsupported. Intestate respondents' concerns were focused on their own dying and causing grief for survivors. Shaffer (1982) concluded that the focus of those who make wills is on planning and is therefore optimistic as planning is a way to survive one's own death.

The major motivating issues of will makers compared to non-will makers as determined by Sussman, Cates, and Smith (1970) are personal circumstances or changes in circumstances, perceived benefits of a will, and naming a guardian of minors. As cited by Topolnicki (1985), and shown by Shaffer's (1982) research, a client's payoff, once the will is completed, is entirely psychological as were the rewards of Tom Sawyer and Melville's Ishmael in Moby Dick when their wills were written.

Testamentary freedom is likened to free will, self-control, and individualism, in that it exists as an important philosophical notion, but its practice is very limited (Sussman, 1983). Fully two-thirds of adult Americans do not have wills (Dreyfus, 1985; Reid, 1989; Reiter, 1984; Rudie, 1986; Topolnicki, 1985). Even though a will can be a simply drawn document, Williams and Valencic (1984) cite a California Bar Association study revealing that 68% of the state's married couples with children did not have wills. Consumer Reports (1985) and Brown (1989) state 70% of American adults die without wills and Brown continues to state that an even higher percentage of blacks do not have wills. Connelly (1981) reported that 70% of all American husbands are without wills. Hardy (1986) found that over one-half of all families [in America] do not have wills and of those who do, a full one-third of extant wills are out of date.

Some studies have found that among some groups, wills are more common (Simon et al., 1980; Bryant and Snizek, 1975). For example, Haas and Streib (1984) reported that 70% of a Florida retirement villages' 519 residents had wills.

In 1970, Sussman, Cates, and Smith observed, "There is a paucity of information on the characteristics of decedents who are either testate or intestate and on the characteristics of living persons who have or have not made wills" (p. 62). It was recognized by Bryant and Snizek (1975) that until then, only two studies, that of Britt (1937) and Sussman et al. (1970), had delved into the questions of whom, why, and under what circumstances individuals are most likely to be motivated to have a will drawn up.

Britt's 1937 study of New Yorker's "news obituaries" from 1880-1885, looked for any one factor: age, education, immigrant or not, and estate size, which differentiated any type businessmen [profession] from another. While Britt's (1937) findings are largely inconclusive, save the observation that individuals who die testate are generally of high socio-economic status, those of Sussman et al. (1970) are considerably more detailed, systematic, and conclusive (Bryant & Snizek, 1975). Thus, while Sussman et al., (1970) found the existence of wills presently to be largely a middle and upper class phenomenon, there were

indications that the lower classes were turning to wills as well, and that the percentage of individuals dying testate continues to rise within our society. In this regard, Sussman et al. found the decedent's age, rather than socio-economic status, to be the best predictor of whether or not an individual has drawn up a will (Bryant & Snizek, 1975). To quote Sussman et al. (1970):

In analyzing the data by age, it was found that occupational status was associated with testacy for gainfully employed individuals. After age 60, the association between occupational status and testacy was not statistically significant.... Nearly three-fourths of the sample of decedents age 60 and over were testate, which adds further support to the belief that there are few apparent differences between the testate and intestate after 60 (p.76-77).

While age appears to be an important factor in differentiating individuals of a testate or intestate persuasion, a large proportion of individuals were found to contract wills at a rather early age (Bryant & Snizek, 1975). Two-thirds of the 453 persons surveyed by Sussman et al., (1970) as having a will, were found to be 45 years of age or younger. Studies by Bryant and Snizek (1975) and Morrow (1985) had results similar to those of Sussman, Cates and Smith. In addition, all indications are that the lapsed time between date of will and death is increasing (Sussman et al., 1970; Engler-Bowles & Kart, 1983).

The demographic results of the Simon, Rau, and Fellows' (1980) study reveals respondents who had prepared

a will (46%), were about 50 years old, earned approximately \$30,000 a year, had professional jobs, a college education, and could be of either sex. In contrast a profile of the respondent without a will was a person who was 35 years old, earned \$15,000 per year, had completed roughly four years of high school and held a blue collar job (Simon et al., 1980). Of the respondents without wills (54%), 64% said in essence they were too lazy to write a will, 15% had not thought of it before the interview, and another 15% were either young and childless or had little property. None thought the intestacy statute in their states provided a satisfactory disposition (Simon et al., 1980).

It was found that older, wealthier, and more educated respondents were more likely to have a will, while no significant differences were found in attitudes toward property distribution between those who had a will and those who did not (Simon et al., 1980). The lack of differences in the attitudes by socio-economic status suggests that the values underlying the respondent's choices are both consensual and cultural, rather than class based or economic in nature; and their distributive preferences are likely to be the same despite wealth and education differences (Simon et al., 1980). In 1937, Britt found related results in the group he studied in

that testamentary provisions did not differ among occupational groups (Cates & Sussman, 1982).

Nuckols (1982) found that decedent husbands with higher predeath family incomes were more likely to have had wills than decedent husbands with lower family income levels. In the Widow's Study, just 29% of the decedent husbands had left wills. Of families with the lowest incomes (the bottom 10%), wills were left by 16% of the husbands compared with 52% of those in the upper 20% of the income distribution (Nuckols, 1982). Among the widows whose husbands had a will, 86% reported the wills to be helpful, primarily by facilitating the settlement process, eliminating conflicts between relatives, or giving the widow guidance on her husband's wishes (Nuckols, 1982). Of the 71% intestate spouses, 86% of their widows doubted a will would have helped since the settlement went smoothly or there was little or no property (Nuckols, 1982). In contrast, 59% of the affected widows with probate detainments of approximately 2 years (7% of the intestate estates), believed that a will would have prevented having these difficulties (Nuckols, 1982).

Demographic Characteristics

Age. Since a will is a declaration of intention that has no effect until death, to make a will when one is young (20 years old) is to prepare for an improbable event, which at 70 years of age is probable (Sussman et al.,

1970). Sussman, Cates, and Smith (1970) hypothesized that age would be positively associated with testacy based upon the commonsense notion that people are more likely to prepare for what is probable than for what is improbable.

Sussman, Cates, and Smith's (1970) assumption that as individuals grow older, they are more likely to recognize the probability of death, and thus more likely to make a will, has been amply demonstrated. Two-thirds of those surveyed had wills before age 45, and by age 60, 90% had wills (Sussman et al., 1970). Although age is positively associated with testacy (Sussman et al., 1970, Simon et al., 1980, and Morrow, 1985), it is obvious that a large number of the Sussman testate group did not wait until they were in a high-risk category to make wills. Sussman et al. (1970) found that with each decade of life the proportion who were testate increased. Engler-Bowles & Kart (1983) corroborated this finding by studying the 1820 to 1967 probate records of Wood County, Ohio.

Income. In 1937, Britt observed that individuals who died testate were generally of high socio-economic status. Sussman et al. (1970) concluded age and economic class have separate and unique effects on testacy with individuals having higher monthly income brackets having a distinctly higher testate proportion. Testacy is positively associated with professional, managerial, and administrative occupations. For the Sussman et al.

(1970) decedent sample, occupation was a better predictor of testacy than was education; probably because occupation is more closely related to economic status than is education.

Previously stated results from Simon, Rau, and Fellows' (1980) study indicated respondents with higher incomes and professional occupations were more likely to have wills. As Nuckols (1982) Widows' Study verified, 29% of the husbands left wills which were related to the predeath level of family income; the upper 20% of income distribution held 52% of the wills.

Health. Each successive study of probate records shows that the time between the making of the typical will and the death of the testator grows longer (Shaffer, 1982). Engler-Bowles and Kart (1983) confirm this with their study of 1820 to 1967 Wood County, Ohio, probate records. Health implications were derived from elapsed time between the date the will was written to the date of testator's death (Engler-Bowles & Kart, 1983). Specifically, from 1820 to 1881 the median age of wills was 5 months, 1881 to 1910 had wills of 9 months median age, 22 month median aged wills from 1910 to 1941, and by 1941 to 1967, will's median age had extended to 88 months (Engler-Bowles & Kart, 1983).

Marital Status. The typical will maker found by Sussman et al. (1970) is likely to be a married man in early

middle age. In their Cook County, Ohio, decedent sample, Sussman et al. (1970) determined that 50% for divorced people was the lowest rate of testacy; 54% of the married and single people were testate; and the widowed (59%) were most often testate due to previous experience and property disposition. Those widowed in age groups where widowhood was an infrequent status, had more wills; but the married were found to be testate more often than the widowed in the older age groups (Sussman et al., 1970). By design, everyone in Nuckols (1982) Widow's Study had been married, but only 29% of their husbands had died testate.

Education. Sussman, Cates, and Smith (1970) and Simon, Rau, and Fellows (1980) found older, wealthier, and more educated respondents had wills. Sussman et al. (1970) found education to be correlated with testacy in the survivors' sample, but not that of the decedents. Cates and Sussman (1982) contend a more highly educated person is aware of his/her options, one of which is whether or not to make a will. The more educated person may decide to use various will substitutes for choosing his/her beneficiaries, the main purpose served by making a will, and thereby avoid the high cost of probate (Cates & Sussman, 1982; Dacey, 1965).

Number of Children. According to Morrow (1985), having a valid will correlated with age, estate size, and the number of children over 18 for both married men and

married women. But, a California Bar Association study reports 68% of the state's married couples with children did not have wills (Williams and Valencic, 1984). As a point of awareness, Lochray (1990) notes that only by adopting a spouse's children will they be included in the distribution of property if a person were to die intestate.

Housing Tenure. No mention of home ownership related to wills was found in the literature review.

Gender. Sussman et al. (1970) found women became testate later than men, but the delay was not explained by absence of family responsibilities. Sussman, Cates, and Smith (1970) revealed in two studies of decedents during the 1950's, a slightly larger number of females than males were found to be testate. Engler-Bowles and Kart (1983) found the number of female testators in Wood County, Ohio, increased gradually through the years 1820 to 1967, but male dominance in testamentary practices remained.

Personal and Family Retirement Income Sources

Root and Tropman (1984) observed that the amount of revenue available to the elderly is clearly a function of their lifelong experience, both directly and indirectly. Directly, there are historic links of salary to retirement income through social security and private pensions; and indirectly, availability of income earlier in life permits the accumulation of income-producing assets.

Several sources account for the majority of the income for those sixty-five and older, according to Root and Tropman (1984). The sources of earnings and asset income such as rents, dividends, and interest are factor income (income from current transactions) elements. Transfer income such as social security and private pensions are common sources for those over sixty-five, leaving 10% of income sources to self employment, military and government pensions (Root & Tropman, 1984). Lang and Gillespie (1984) reported four major retirement income sources to including: 1) social security retirement benefits, 2) private pension plans, 3) payments from tax-deferred retirement accounts, and 4) general investments.

In determining the composition of wealth for retirement, Hurd (1989) defined wealth as being a measure of the consumption opportunities of retired persons, and applied this wealth data as a supplement to income data for the elderly. In the 1979 Retirement History Survey sample by Hurd (1989), the proportions of wealth were: 16% financial wealth, housing 19% and business property 8%, (these three total 43% of wealth); pensions were 13%; welfare and transfers 2%, medicare and medicaid 12%, and social security 31%, (these government programs total 45% of wealth). Hurd also found the main private assets are homes, financial assets, and pensions.

Bailey and Turner (1988) noted that personal or family retirement income sources generally require planning and investing. The results from Bailey and Turner's 1988 Wyoming study show savings accounts (80%) and individual retirement accounts (68%) were the most expected sources of retirement income; annuities at 51%, and paid-up life insurance at 45% followed. About forty percent of the respondents planned on mutual funds (39%) and stocks and/or bonds (39%) for retirement income; and had planned income from property sales (36%) and property ownership income (35%).

David and Menchik (1985) found that social security does not depress or displace private saving and that most people do not deplete their private assets in old age as was commonly assumed. [Nursing home and medical costs for some elderly may nullify this finding.] Menchik and David (1983) cited a 1949 study by Marshall where he argued that "family affection is the main motive for saving," and that a man is interested in "leaving his family to start from a higher round of the social ladder than on which he began" (p. 673). Menchick and David (1983) evidenced that men fail to deculmulate wealth during retirement, and the bequest motive for saving has been ignored until recently. In their 1985 study, David and Menchik had decided that the life-cycle models of savings, emphasizing savings for retirement as the dominant form of capital accumulation,

should give way to models that reveal the factors determining intergenerational transfers.

Recent empirical work suggests that people tend to accumulate, or fail to significantly decumulate wealth in old age, a finding at odds with the strict life-cycle model (David & Menchik, 1985). Contrary to the above studies, Davies (1981) concludes in his study, that uncertain length of lifetime could provide the major element in a complete explanation of the slow decumulation of the retired. From Lerner's (1987) perspective, the use of an annuity would provide an income for as long a person lives.

Root and Tropman (1984) found the variables associated with different levels of income suggest the effect of both ascribed characteristics of race and sex, and achieved characteristics such as education. One must note the interrelations between the variables confound their individual impact. For example, women tend to have earned less income during their work lives, their social security retirement benefits are lower, they held fewer jobs with pensions or annuities, and they own fewer sources of asset or property income (Root & Tropman, 1984). Grad (1983) determined that 20% of single males over sixty-five receive some form of private pension, while only 13% of single women do in contrast to 33% of married couples receiving them.

Apart from personal residences, Winger and Frasca (1986) note the most favored investments of most Americans are common stocks and bonds issued by United States corporations. There is a good chance that a person's retirement fund is directly or indirectly involved in stocks and bonds (Winger & Frasca, 1986).

In the Sussman et al. (1970) decedent sample, the largest differences obtained between the testate and intestate were for intangible assets, such as stocks and savings. In all categories of assets, as well as gross and net estate, the testate decedents surpassed the intestate decedents (Sussman et al., 1970).

Summary

In this literature review, testamentary advantages, intestacy consequences, and differences between testate and intestate individuals have been examined. The demographic characteristics presented for comparison in this study are age, income health, marital status, education, number of children, housing tenure, and gender. Information from previous studies on personal and family retirement income sources concluded the chapter.

The current study examines these issues in a large sample of university employees updating the analysis of the relationships between demographic characteristics, income resources, and testacy status. Results may more clearly define testacy status differences, reveal

associations among certain demographic characteristics, planned retirement income sources, and testacy status, and disclose personal and family retirement income source plans of university employees. Contributions of this study could also include detection of possible changes in testacy status trends between the initial studies conducted in 1937, 1970, and the current 1987 study. A comparison of study results covering more than twenty years, may reveal effects of the changes in tax laws, society, and the economy on testacy status.

CHAPTER III
METHODOLOGY
Research Design

This study utilized data obtained from a research project entitled "Housing and Locational Decisions of the Maturing Population: Opportunities for the Western Region" which was conducted in 1987 by a Western Regional Agriculture Experiment Station Committee (W-176). The participating states were Arizona, Colorado, Idaho, Nevada, Oregon, Utah, Washington, Wyoming, and Missouri.

Description of the Questionnaire

The Western Region W-176 Technical Committee created a ten page mail survey instrument titled "Thinking Ahead to Retirement: Community and Housing Choices." Guiding the instrument development were an extensive literature review and Dillman's (1987) survey method which garners an increased response rate from individuals in a sample. This method was applied in both the areas of instrument design and data collection. Researchers pilot tested this questionnaire in several states, revised the questionnaire, and completed the pilot test in the remainder of the nine states.

Sample Selection

The population represented by the sample was the Western Regional states' land grant university employees

aged 40 years and older. The sample was randomly selected with one-third from the age stratum 40 to 49 years of age, and two-thirds from 50 years old and older. A relatively larger group was sampled in the older stratum since they were closer to retirement, and may have gained greater insights into the decisions on retirement variables.

Data Collection

The ten page survey instrument was administered simultaneously in the nine states during October of 1987, to selected employees through either the states' respective land grant university mail system or the federal mail system. Individuals received a cover letter, questionnaire, and return envelope. After one week, a follow-up letter was sent to each individual in the sample. Two weeks later, to those who had not yet responded, a third mailing was sent including a replacement questionnaire and a second follow-up letter. The response rates from each state varied from 71% to 84% resulting in a regional sample size of 5663.

Data Analysis Procedures

Data to be utilized were selected from responses to questionnaire (Appendix A) sections with the headings of 'Decisions' and 'Resources', and questions regarding demographic characteristics. The primary categories of the study, namely, testate university employees and intestate university employees, were derived from

responses to the 'Resources - Action' section, Q-23, item 'k', 'Make a will'. In this section, respondents were to choose from categories headed: (1) Have done; (2) Plan to do before 1990; (3) Plan to do after 1990; (4) and No plans to do. All responses under the category 'Have done' became 'testate university employees' (3,481, 61.5%). All responses under the categories 'Plan to do before 1990', 'Plan to do after 1990', and 'No plans to do' became 'intestate university employees' (2,082, 36.9%).

The Statistical Analysis System (SAS) was used to analyse all data. The inferential statistical tests used were Chi-squares, T-tests, and the General Linear Models Analysis of Variance (GLM/ANOVA) procedures. The significance level in this study was set at $p < .05$.

The Chi-square test was used to determine if there were associations between the two groups of university employees and selected categorically measured socio-demographic characteristics. Categories of the socio-demographic characteristics which were applied in the Chi-square tests follow:

Age (Q-36): (1) 40 to 49 years; (2) 50 to 57 years; and (3) 58 years or more.

Income (Q-40): (1) less than \$14,999; (2) \$15,000 to 24,999; (3) \$25,000 to \$49,999; (4) \$50,000 to \$79,999; and (5) \$80,000 or more.

Health (Q-35): (1) excellent; (2) good; (3) fair; and (4) poor.

Marital status (Q-35): (1) never married; (2) married; (3) separated/divorced; and (4) widowed.

Education (Q-39) (1) grades through 11; (2) high school graduate or equivalent; (3) technical or trade school or two-year college; (4) bachelor's degree; (5) master's degree; and (6) doctoral degree.

Number of children (Q-32): (1) none; (2) one; (3) two; (4) three; and (5) four or more.

Housing tenure (ownership of home) (Q-26): (1) rent; and (2) own.

Gender (Q-30): (1) male; and (2) female.

The Chi-square test was used to determine if there were associations between the two groups of university employees and their planned personal and family retirement income sources listed in 'Resources - Sources' section (Q-24e. through Q-24i. in the questionnaire [Appendix A]). This section's categories were (1) yes, a source; (2) no, not a source; and (3) do not know. Planned personal and family retirement income sources which were related to university employees with and without wills are: Q-24e., savings; Q-24f., individual retirement accounts; Q-24g., mutual funds; Q-24h., stocks and/or bonds; Q-24i., income

from property ownership; Q-24j., sale of real estate or other property; Q-24k., annuities; and Q-24l., paid-up life insurance.

A T-test was used to examine possible differences in the total number of planned personal or family retirement income sources across the two groups of university employees. The response total for the 'yes, a source' category of (Q-24e. through Q-24l. in the questionnaire [Appendix A]) was summed yielding the total number of each respondent's planned retirement income sources.

A T-test was performed to examine possible differences in mean scores on decision making difficulty across the two groups of university employees. Decision making (Q-21 in the questionnaire [Appendix A]) has 13 items, Q21a. through Q-24l. These items measure difficulty in making decisions regarding housing and living arrangements. Response categories in the 'Decision' section are: (1) 'Not difficult', (2) 'Difficult', (3) 'Very difficult', and (4) 'Does not apply'. Responses of 'Does not apply' were included in the 'missing' category when the data was analyzed. The mean decision making difficulty score was obtained by summing the responses for the remaining three choices from Q21a. through Q21l. and dividing that sum by the number of responses to obtain each respondent's mean score.

Due to differing cell sizes several hypotheses were analyzed by General Linear Model/ANOVA procedures. Student Newman-Keuls post hoc tests were administered to significant General Linear Models/ANOVA results to determine where the significant differences lie.

The GLM/ANOVA was used (1) to determine if there were significant differences in university employees' mean decision making difficulty scores on certain housing issues by testacy status (testate/intestate), income level (less than \$14,999, \$15,000 to \$24,999, \$25,000 to \$49,999, \$50,000 to \$79,999, and \$80,000 and over), and age (40 to 49 years, 50 to 57 years, and 58 years and over).

The GLM/ANOVA was employed to determine if there were significant differences in mean decision making difficulty scores on certain housing issues of university employees by testacy status (testate/intestate), income level (less than \$14,999, \$15,000 to \$24,999, \$25,000 to \$49,999, \$50,000 to \$79,999, \$80,000 and above), and gender (male/female).

General Linear Models/ANOVA Procedures were also utilized to determine if there were significant differences in the total number of planned personal and family retirement income sources of university employees by testacy status (testate/intestate), income level (less than \$14,999, \$15,000 to \$24,999, \$25,000 to \$49,999,

\$50,000 to \$79,999, \$80,000 and above), and age (40 to 49 years, 50 to 57 years, and 58 years and over).

CHAPTER IV

NULL HYPOTHESES FINDINGS

This study analyzed selected data provided by a questionnaire mailed to land grant university employees aged 40 years and older in nine Western regional states. The findings are presented in the sections: sample description and hypotheses testing.

Sample Description

The sample consisted of 5663 respondents of whom 3482 (62.6%) were testate and 2183 (37.4%) were intestate. Table 1 summarizes the demographic characteristics of the respondents.

Respondents 40 to 49 years, were 37.1% of the sample, 37.6% were 50 to 57 years, 25.3% were 58 years and over. The majority of respondents were male (60.1%). About one-third (31.6%) reported having two children, 22.3% had three, and 26.2% had four or more. The modal income bracket of respondents was \$25,000 to \$49,999 (44.0%), followed by 30.9% in the \$50,000 to \$79,999 bracket. Most respondents reported they were in excellent (58.2%) or good (36.5%) health. Only five percent reported their health as being fair (4.8%) or poor (0.5%). Seventy-nine percent of the university employees were married, 13.1% separated or divorced, 4.4% had never married, and 3.0% were widowed. Ninety percent owned their own homes.

Table 1
University Employee Demographic Characteristics by
Categories N = 5663

Variable	n	Relative Frequency	Adjusted Frequency
Testacy Status			
Testate	3482	61.5%	62.6%
Intestate	2083	36.8%	37.4%
Missing	99	1.7%	
Age			
40 to 49	2081	36.7%	37.1%
50 to 57	2104	37.2%	37.6%
58 >	1418	25.0%	25.3%
Missing	60	1.0%	
Income Level			
< \$14,999	240	4.2%	4.4%
\$15k-\$24,999	696	12.3%	12.7%
\$25k-\$49,999	2414	42.6%	44.0%
\$50k-\$79,999	1695	29.9%	30.9%
\$80,000 >	437	7.7%	8.0%
Missing	181	3.2%	
Health Status			
Excellent	3268	57.7%	58.2%
Good	2050	36.2%	36.5%
Fair	270	4.7%	4.8%
Poor	26	0.5%	0.5%
Missing	4	0.9%	

Table 1 (Continued)
University Employee Demographic Characteristics by
Categories N = 5663

Variable	n	Relative Frequency	Adjusted Frequency
Marital Status			
Never Married	245	4.3%	4.4%
Married	4452	78.6%	79.5%
Separated/Divorced	732	12.9%	13.1%
Widowed	169	3.0%	3.0%
Missing	65	1.1%	
Education			
> 11th Grade	139	2.5%	2.5%
High School/Equiv.	657	11.6%	12.0%
Technical/2 Yr. Col.	1057	18.7%	9.3%
Bachelors Degree	674	11.9%	12.3%
Masters Degree	969	17.1%	17.7%
Doctorate Degree	1985	35.1%	36.2%
Missing	182	3.2%	
Number of Children			
None	578	10.2%	10.3%
One	531	9.4%	9.5%
Two	1774	31.3%	31.6%
Three	1254	22.1%	22.3%
Four >	1474	26.0%	26.3%
Missing	52	0.9%	
Tenure			
Own	4935	87.1%	90.3%
Rent	533	9.4%	9.7%
Missing	195	3.4%	
Gender			
Male	3317	58.6%	60.1%
Female	2202	38.9%	39.9%
Missing	144	2.5%	

Table 2
Planned Personal and Family Retirement Income
Source Choices of ALL University Employee
Respondents N = 5663

Retirement Income Sources	n	%
Savings	4124	75.9
IRA	3705	68.1
Mutual Funds	2185	41.0
Stocks and/or Bonds	2066	38.9
Income-Property Ownrshp	1864	34.3
Sale-Real Est./Property	1951	36.1
Annuities	2250	41.8
Paid-up Life Insurance	2202	40.5

Unique to the land grant university employees population, 36.2% of the sample held doctorate degrees, 17.7% held master's degrees, and 12.3% had earned bachelor's degrees.

Among the total sample, planned personal and family retirement income sources displayed in Table 2 reveal most university employee respondents planning on savings (76%) and IRAs (68%). Mutual funds, stocks and/or bonds, annuities, and paid-up life insurance were planned on by about forty percent of university employees as part of their planned retirement income sources. Sale of real estate or other property (36%) and income from property ownership (34%) were planned as retirement income sources by just over one-third of the university employees.

Null Hypotheses Testing

H₀₁: There are no significant differences between testate or intestate university employees based on eight socio-demographic variables: (a) age, (b) income, (c) health, (d) marital status, (e) education, (f) number of children, (g) tenure, and (h) gender.

Each of the eight socio-demographic variables (H_{01a} through H_{01h}) were tested using the Chi-square test. Statistically significant values were found for all eight variables (Tables 3 to 5); therefore, H₀₁ was rejected.

Age. The Chi-square indicated a significant relationship between age and testacy status. Specifically, older respondents were significantly more likely to have wills than those who were younger (Table 3). Among respondents

Table 3
Chi-Square Test Results of Testacy Status by Demographic
Variables of Age, Income, and Health N = 5663

Variable	Testate		Intestate		[X2, df, n, p]
	n	%	n	%	
Age					
40 - 49 yrs.	1084	52.7	975	47.4	X2 = 172.644
50 - 57 yrs.	1336	64.7	729	35.3	df = 2
58 or > yrs.	1029	74.4	355	25.7	n = 5508
					p = 0.000
Income					
\$< - \$14,999	86	37.4	144	62.6	X2 = 333.168
\$15k-\$24,999	311	45.7	370	54.3	df = 4
\$25k-\$49,999	1380	58.1	995	41.9	n = 5395
\$50k-\$79,999	1214	72.5	460	27.5	p = 0.000
\$80,000 - \$>	372	85.5	63	14.5	
Health					
Excellent	2125	66.0	1097	34.1	X2 = 41.190
Good	1175	58.5	834	41.5	df = 3
Fair	138	52.7	124	47.3	n = 5517
Poor	14	58.3	10	41.7	p = 0.000

aged 40 to 49 years, 53% had wills. This percentage increased for respondents aged 50 to 57 years (64.7% were testate), and for respondents over age 58 years (74.4% were testate).

Income. Chi-square analysis revealed a significant relationship between testacy status and income level (Table 3). The number of employees with wills increased steadily as income level increased. Only 37.4% of employees with incomes of less than \$15,000 had wills, while 85.5% of employees with incomes over \$80,000 were testate.

Health. Sixty-six percent of respondents reporting excellent health had wills, while 58% and less (58.5% to 52.7%) of the respondents in the other health categories reported being testate. Chi-square results indicates that testacy appears to decline as health condition deteriorates (Table 3). However, the small numbers of respondents in the fair and poor health categories may have distorted this analysis.

Marital Status. Marital status appears to have a significant relationship between being testate and intestate. The group most likely to have wills are respondents who are widowed (78.8%) followed by married respondents (64.4%) (Table 4). The least likely testate group are those who are separated or divorced (51.5%).

Table 4
Chi-Square Test Results of Testacy Status by Demographic
Variables of Marital Status, and Education N = 5663

Variable	Testate n	Intestate %	n	%	[X2, df, n, p]
Marital Status					
Never Married	125	51.9	116	48.1	X2 = 73.858
Married	2825	64.4	1559	35.6	df = 3
Separ./Dvorcd	367	51.5	345	48.5	n = 5502
Widowed	130	78.8	35	21.2	p = 0.000
Education					
Grades > 11th	47	35.1	87	64.9	X2 = 194.571
H.S. Grad/Equiv.	314	48.8	330	51.2	df = 5
Tech./2 yr Col.	580	55.8	459	44.2	n = 5389
Bachelor's	407	61.3	257	38.7	p = 0.000
Master's	624	65.3	331	34.7	
Doctorate	1407	72.0	546	28.0	

Education. The percentage of testacy increased steadily as respondent's education level increased. Of the respondents with high school degrees, only 48.8% were testate. Among respondents with bachelor's degrees, 61.3% were testate; of those with master's degrees, 65.5% were testate followed by doctorates at 72.0% testacy (Table 4).

Number of Children. Chi-square analyses indicate that respondents with children were more inclined to have wills than university employee respondents without children (Table 4). Less than half (48.6%) of the testate respondents had no children while over sixty percent (59.6% to 67.6%) of those with children were testate.

Housing Tenure. Chi-square analysis revealed a significant difference relationship between housing tenure and testacy status (Table 5). More respondents who own their own homes (64.7%) were testate than those who rented homes (43.7%).

Gender. Although 58.9% of female respondents were testate, Chi-square results indicate a significant relationship between gender and testacy status. Male respondents had a higher rate of testacy (65.2%) than did females (58.9%) (see Table 5).

Table 5
Chi-Square Test Results of Testacy Status by Demographic
Variables of Number of Children, Housing Tenure, and
Gender N = 5663

Variable	Testate		Intestate		[X2, df, n, p]
	n	%	n	%	
Number of Children					
0	275	48.6	291	51.4	X2 = 76.825
1	327	62.9	193	37.1	df = 4
2	1182	67.6	566	32.4	n = 5515
3	813	65.6	426	34.4	p = 0.000
4 or >	859	59.6	583	40.4	
Housing Tenure					
Own	3143	64.7	1718	35.3	X2 = 88.540
Rent	227	43.7	293	56.4	df = 1
					n = 5381
					p = 0.000
Gender					
Male	2120	65.2	1134	34.9	X2 = 21.902
Female	1277	58.9	892	41.1	df = 1
					n = 5423
					p = 0.000

Ho2: There are no significant differences between testate or intestate university employees in eight planned personal and family retirement income sources: (a) savings, (b) individual retirement accounts, (c) mutual funds, (d) stocks and/or bonds, (e) income from property ownership, (f) sale of real estate or other property, (g) annuities, and (h) paid-up life insurance.

For all analyses on planned personal and family retirement income sources and testacy status, persons reporting having a particular planned source of retirement income were more likely to report having wills. All of the retirement income sources were found to be significant in relation to testacy status (see Tables 6 to 8); therefore, the null hypothesis, Ho2, was rejected.

Savings. Savings were a source of planned income for 65.7% of those testate. Of the respondents indicating they did not consider savings an income source, 55.3% were testate (Table 6).

Individual Retirement Account. The majority (68.8%) of testate respondents considered IRAs to be a retirement income source (see Table 6). Fifty-two percent of the university employee respondents not planning on IRAs were also testate.

Mutual Funds. Of the respondents reporting mutual funds to be a planned retirement income source, 73.5% were testate (Table 6). Over half (57.2%) of the respondents not expecting mutual funds to be a source of retirement income were testate.

Table 6
Chi-Square Test Results of Testacy Status by Planned
Personal and Family Retirement Income Sources of Savings,
IRAs, and Mutual Funds N = 5663

Variable	Testate		Intestate		[X2, df, n, p]
	n	%	n	%	
Savings					
Yes	2709	65.7	1415	34.3	X2 = 75.684
No	516	55.3	417	44.7	df = 2
Don't Know	180	47.4	200	52.6	n = 5437
					p = 0.000
Individual Retirement Accounts					
Yes	2548	68.8	1157	31.2	X2 = 197.145
No	690	52.0	637	48.0	df = 2
Don,t Know	174	42.2	238	57.8	n = 5444
					p = 0.000
Mutual Funds					
Yes	1606	73.5	579	26.5	X2 = 217.713
No	1362	57.2	1019	42.8	df = 2
Don't Know	361	47.2	404	52.8	n = 5331
					p = 0.000

Stocks and/or Bonds. Three-fourths of university employee respondents planning for stocks and/or bonds to be a planned retirement income source were testate. About half (57%) of the respondents not projecting stocks and/or bonds as a retirement income source were testate (see Table 7).

Income From Property Ownership. More than two-thirds (69.3%) of the respondents planning income from property ownership as a planned retirement income source were testate, while (61.1%) of the respondents not counting on income from property ownership were testate (Table 7).

Sale of Real Estate or Other Property. Sixty-nine percent of the respondents considering the sale of real estate or other property as a planned retirement income source were testate, 60% of the university employee respondents not viewing this as a planned retirement income source were testate (Table 7).

Annuities. Seventy-three percent (72.9%) of the testate respondents planned on annuities as a retirement income source. Slightly over half (56.5%) of those not planning annuities as a source of retirement income were testate.

Paid-Up Life Insurance. Over two-thirds (67.8%) of the respondents choosing to include life insurance in their planned retirement income sources were testate. Of respondents not choosing life insurance in their retirement income sources, 61.3% were testate (Table 8).

Table 7
Chi-Square Test Results of Testacy Status by Planned
Personal and Family Retirement Income Source Variables
of Stocks and/or Bonds, Income From Property Ownership,
and Sale of Real Estate or Other Property N = 5663

Variable	Testate		Intestate		[X2, df, n, p]
	n	%	n	%	
Stocks and/or Bonds					
Yes	1543	74.7	523	25.3	X2 = 227.479
No	1368	57.0	1031	43.0	df = 2
Don't Know	418	49.1	434	50.9	n = 5317
					p = 0.000
Income From Property Ownership					
Yes	1291	69.3	573	30.7	X2 = 69.900
No	1675	61.1	1067	38.9	df = 2
Don't Know	438	53.1	387	46.9	n = 5431
					p = 0.000
Sale of Real Estate or Other Property					
Yes	1348	69.1	603	30.9	X2 = 58.594
No	1311	59.5	891	40.5	df = 2
Don't Know	718	57.4	534	42.7	n = 5405
					p = 0.000

Table 8
Chi-Square Test Results of Testacy Status by Planned
Personal and Family Retirement Income Source Variables
of Annuities and Paid-up Life Insurance N = 5663

Variable	Testate		Intestate		[X2, df, n, p]
	n	%	n	%	
Annuities					
Yes	1640	72.9	610	27.1	X2 = 176.767
No	1350	56.5	1038	43.5	df = 2
Don't Know	384	51.8	358	48.3	n = 5380
					p = 0.000
Paid-Up Life Insurance					
Yes	1492	67.8	710	32.2	X2 = 69.297
No	1632	61.3	1032	38.7	df = 2
Don't Know	284	49.5	290	50.5	n = 5440
					p = 0.000

Ho3: There is no significant difference in the total number of planned personal and family retirement income sources between testate or intestate university employees.

T-test results indicate that testate university employees had a higher total number of planned retirement income sources than did intestate employees, with means of 4.1 and 3.0 respectively. Since significant differences ($p=.0001$) were found to exist between the two groups, Ho3 was rejected (Table 9).

Ho4: There is no significant difference in decision making difficulty between testate or intestate university employees.

Testate university employees had a higher mean decision making difficulty score (1.89) than did intestate respondents (1.86) (Table 10). Testate respondents' higher scores indicates they perceived greater difficulty in decision making than for those who are intestate. The null hypothesis, Ho4, was rejected. However, the actual difference between the means (.03) is not meaningful; the statistically significant difference is probably due to the large sample and has no real meaning.

The decision making mean score is derived from a very narrowly focused topic investigating housing decisions involving location, intergenerational living, and liquidation. Decision making difficulty scores can, therefore, only be applied to those areas of housing decisions, and not to decision making in general.

Table 9

T-Test Comparison of Testacy Status by Mean Score of Total Number of Planned Personal and Family Retirement Income Sources N = 5663

Testate		Intestate		[t, df, n, p]
M	sd	M	sd	
4.1	(1.9)	3.0	(1.9)	t = 20.78 df = 4355.4 n = 3482 p = 0.0001

Sources number from 1 to 8 with larger numbers indicating more retirement income sources.

Table 10

T-Test Comparison of Testacy Status by Mean of Decision Making Difficulty Scores

Testate		Intestate		[t, df, n, p]
M	sd	M	sd	
1.9	(.48)	1.86	(.50)	t = 2.52 df = 4238.3 n = 3482 p = 0.0116

Scores range from 1 to 3 with larger scores indicating greater difficulty.

Ho5: There is no significant difference in university employees' mean decision making difficulty scores by testacy status, income level, and age.

The GLM/ANOVA analysis comparing mean decision making difficulty scores by testacy, income level, and age revealed significant effects on decision making of housing issues by income level and age (Table 11); therefore, Ho5 was rejected for income level and age, but retained for testacy.

Income Level. The Student Newman-Kuels (SNK) follow up test indicated that those three groups of respondents with income levels of at least \$25,000 had statistically significantly more decision making difficulty than did those with incomes from \$15,000 to \$24,999. University employee respondents with \$15,000 to \$24,999 income levels were in turn found to have statistically significantly more decision making difficulty than those employees with incomes up to \$14,999. It could be surmised that people with higher incomes have greater decision making difficulty regarding certain housing issues as compared to lower income people. Possibly, this is due to higher income employees having more options to decide among as compared to lower income university employees.

Age. The SNK post hoc test indicates that the youngest respondents, aged 40 to 49 years, had the greatest degree of decision making difficulty on certain housing issues.

Table 11
GLM Comparison of Mean Decision Making Difficulty Scores
by Testacy Status, Income Level, and Age N = 5663

Variable	Mean	df	n	F Value	p Value
Testacy Status		1		0.83	0.3611
Testate	1.89		3353		
Intestate	1.86		2020		
Income Level		4		47.88	0.0001
<\$14,999	1.56		228		
\$15k-\$24,999	1.73		677		
\$25k-\$49,999	1.89		2364		
\$50k-\$79,999	1.95		1670		
\$80,000 >	1.94		434		
Age		2		28.31	0.0001
40 to 49	1.93		2026		
50 to 57	1.88		2009		
58 >	1.79		1338		

Scores range from 1 to 3 with larger scores indicating greater difficulty.

With a significant difference between each age group, the 40 to 49 year group was followed in difficulty by those 50 to 57 years, while employees aged 58 years and above registered the least decision making difficulty. Due to the large size of the sample, these differences between age groups became statistically significant. The differences in decision making mean scores are represented by these numbers, 1.93 for the 40 to 49 years group, 1.88 for 50 to 57 years, and 1.79 for 58 years and above.

Ho6: There is no significant difference in mean decision making difficulty scores of university employees by testacy status, income level, and gender.

The GLM/ANOVA comparing mean decision making difficulty scores by testacy status, income level, and gender revealed that only income level and gender were found to have significant effect on decision making difficulty of certain housing issues (Table 12). Due to significant differences, Ho6 was rejected for income level and gender, but retained for testacy status.

Income Level. Consistent with the findings of a previous hypothesis (Ho5) comparing mean decision making difficulty scores of specific housing issues, these findings indicated that university employees have increased decision making difficulty scores as their levels of income increased. Specifically, university employees above \$25,000 income anticipated significantly more \$15,000 to \$24,999 income. In turn, \$15,000 to \$24,999

Table 12
GLM Comparison of Mean Decision Making Difficulty Scores
by Testacy Status, Income Level, and Gender N = 5663

Variable	Mean	df	n	F Value	p Value
Testacy Status		1		0.10	0.7567
Testate	1.89		3292		
Intestate	1.86		1984		
Income Level		4		43.30	0.0001
< \$14,999	1.56		222		
\$15k-\$24,999	1.73		668		
\$25k-\$49,999	1.89		2327		
\$50k-\$79,999	1.95		1634		
\$80,000 >	1.94		425		
Gender		1		5.57	0.0183
Male	1.91		3176		
Female	1.83		2100		

Scores range from 1 to 3 with larger scores indicating greater difficulty.

income level university employees found anticipated decision making about living arrangements later in life to be significantly more difficult than employees with incomes up to \$14,999.

Gender. Specifically, male university employees had more decision making difficulty on housing questions regarding location, intergenerational living and liquidation than did females university employees. The mean decision making difficulty score of certain housing issues for males was 1.91 and 1.83 for female university employees.

Ho7: There is no significant difference in the total number of sources of planned personal and family retirement income of university employees by testacy status, income level, and age.

The GLM/ANOVA analysis comparing the total number of planned personal and family retirement income sources by testacy, income level, and age revealed significant effects on the total number of planned personal and family retirement income sources by testacy status and income level. The null hypothesis, Ho7, was rejected for testacy status and income level, but retained for age.

Testacy Status. The GLM/ANOVA procedure disclosed that testate university employees anticipated more planned personal and family retirement income sources. Testate respondents reported having (4.1) planned personal and family retirement income sources compared to intestate employees (3.0) (Table 13).

Table 13
GLM Comparisons of Mean of Total Number of Planned
Personal and Family Retirement Income Sources by Testacy
Status, Income Level, and Age N = 5663

Variable	Mean	df	n	F Value	p Value
Testacy Status		1		193.43	0.0001
Testate	4.08		3353		
Intestate	2.96		2020		
Income Level		4		249.60	0.0001
< \$14,999	1.48		228		
\$15k-\$24,999	2.45		677		
\$25k-\$49,999	3.41		2364		
\$50k-\$79,999	4.41		1670		
\$80,000 >	5.11		434		
Age		2		0.38	0.6864
40 to 49	3.61		2026		
50 to 57	3.67		2009		
58 >	3.71		1338		

Sources number from 1 to 8 with larger numbers indicating more retirement income sources.

Income Level. Student Newman-Kuels post hoc tests detected that the levels of income differed significantly among each other in addition to affecting significantly the total number of planned personal and family retirement income sources. In this study of university employees, with every increase in income level the mean total number of planned personal and family retirement income sources increased by one. Beginning with 1.5 planned retirement income sources for university employees with up to \$14,999 income, through to 5.1 planned retirement income sources for employees with greater than \$80,000 income.

Age. Age was not significantly related to the total number of planned personal and family retirement income sources. The number of financial retirement options available to university employees and the fact that respondents had to be at least forty years old may have influenced this lack of degree of difference.

CHAPTER V

DISCUSSION, IMPLICATIONS, AND RECOMMENDATIONS

Discussion

Previous research and the results of this university employee investigation have all found testacy to be related to age, income, marital status, education, and gender. Additionally, health quality, having children, housing tenure, and total number of planned retirement income sources of respondents were found to be associated with testacy in this study of university employees.

Demographics

Sussman et al. found the decedent's age to be the best predictor of whether or not an individual has drawn up a will (Bryant & Snizek, 1975). Coinciding with Sussman et al. and Bryant and Snizek (1975), results of this university employee study revealed an increasing frequency of testacy with advancing age. Specifically, just over half of the 40 to 49 year old university employees were testate, while nearly two-thirds of the 50 to 57 year olds were testate. By the time the university employees were 58 and older, three-fourths of them had acquired wills.

Sussman et al., (1970), Britt (1937), and Nuckols (1982) observed the existence of wills to be largely a middle and upper class phenomenon, thus inferring income

level to be a testacy criterion. Simon et al., (1980) expanded this finding in determining that older, wealthier, and more educated respondents were more likely to be testate. Results of this university employee study concurred with findings of the above studies as the number of testate employees increased steadily as the amount of income increased. Specifically, testacy of 58.1% of the respondents with income ranging \$25,000 to \$49,999 increased to 72.5% of respondents with \$50,000 to \$79,999 income. The highest testacy rate (85.5%) of university employees was for those with incomes of at least \$80,000.

Results of this university employee study indicate that quality of health is related to testacy. Sixty-six percent of the respondents with excellent health reported testacy, 58.5% reporting good health were testate, and 52.7% of those with fair health were testate. One could expect an increased motivation for testacy by those individuals with fair or poor health, however, that was not evidenced by the results. It should be noted that those of fair (4%, $n = 138$) and poor (0.4%, $n = 14$) health represented such a small number of the sample it may possibly have distorted the analysis of those categories.

When Sussman et al. (1970) found the typical will maker to be a middle aged married man, it was also discovered that widowed respondents were more often testate than other categories of respondents, albeit,

those who were widowed did represent a far smaller number of people. Consistent with Sussman et al.'s (1970) results, this study of university employee respondents reveals that 64.4% of married respondents were testate. Only three percent (3.0%, $n = 169$) of the entire sample were widowed, but 78.8% ($n = 138$) of those widowed were testate. It is inferred that widowed people choose testacy due to previous experience and property disposition. Never married respondents (51.9%) and those separated and/or divorced (51.5%) had significantly lower percentages of testacy than those who were married.

Sussman et al. (1970) and Simon et al. (1980) found more educated respondents were more likely to have wills than their counterparts. These previous studies and results of this university employee study corresponded as findings revealed 61.3% of respondents with bachelor's degrees to be testate, 65.3% of respondents with master's degrees were, testate, and 72.0% of doctorate holders were testate.

Despite the absence of previous research comparing number of children to testacy, the results from this university employee sample revealed this to be a highly significant relationship. Sixty to sixty-eight percent of the respondents with one to four children were testate, while only 48.6% of those with no children were testate. This indicates that having children, rather than the

number of children, were significant motivations for testacy. Provisions for the guardianship, well-being, and economic responsibilities for the children appear to be motivations for increased testacy of university employees with children.

Housing tenure of university employee respondents was significant in relation to testacy. Sixty-five percent of home owner respondents were testate, while only 43.7% of the respondents who were renting reported testacy. Ninety-three percent of testate respondents did own homes. Housing tenure may promote increased testacy due to its function of insuring the distribution of property according to one's wishes.

Contrary to the expected traditional masculine dominance of testacy status over women, Sussman et al. in 1970, found women to be slightly more testate than men even though they became testate at a later age than men. A male dominance of testacy in Wood County, Ohio was revealed by Engler-Bowles and Kart (1983). This study of university employees concurred with Engler-Bowles and Kart's 1983 results with sixty-five percent of male respondents reporting testacy, while fifty-nine percent of female respondents reported testacy.

Personal and Family Retirement Income Sources

Root and Tropman (1984) observed that the amount of revenue available to the elderly is clearly a function of their lifelong experience, suggesting the effect of both ascribed characteristics of race and sex, and achieved characteristics such as education. For example, people's lifelong experience creates the revenue base from which the planned retirement income sources are generated. Inheritances can enhance people's revenue base and present additional retirement income sources.

In Wyoming, Bailey and Turner's (1988) research revealed the most expected sources of retirement income to be savings accounts (80%) and individual retirement accounts (68%). As in the Wyoming study, three-fourths of all university employee respondents, both testate and intestate, in this investigation, considered savings to be a planned source of personal and family retirement income; 66% of those who were testate planned on savings. Nearly seventy (68.1%) percent of all university employee respondents regarded individual retirement accounts (IRAs) to be a part of their planned retirement income source, of these, 68.8% were testate. Among all of the planned personal and family retirement income source variables presented in the survey, savings. IRAs were chosen most often to be included in all university employee respondent's retirement income plans. Possibly,

savings and IRAs represented low capital risk involvement and easy acquisition. Planning on IRAs as a retirement income source may show a significant decrease in the future due to the new restrictions and effects of the 1986 tax law changes.

The third most popular income source was annuities which were planned on by only 41.8% of the respondents, but of those, seventy-three were testate. Annuities, as part of the university retirement program, are easily accessible to employees.

Testate university employees had a higher total number of planned retirement income sources than did intestate employees, with means of 4.1 and 3.0 respectively. Planning four or more retirement income sources, strongly implies the relation of both testacy and a higher income. The largest differences obtained between the testate and intestate, in the Sussman et al. (1970) decedent study, were for intangible assets, such as stocks and savings. Of the university employee respondents reporting mutual funds and stocks and/or bonds to be part of their planned personal and family retirement income sources, nearly three-fourths were testate, although only about thirty-five percent of all respondents even planned on these sources. A smaller number of respondents plan on investing in mutual funds and stocks and/or bonds rather

than savings and IRAs as part of their planned retirement income sources.

Income from property ownership as a planned personal and family retirement income source by university employee respondents was reported by 69.3% who were testate. Of a similar testate percentage, 69.1%, were those respondents who were planning on the sale of real estate or other property as a retirement income source. Only 34.3% and 36.1% respectively, of all respondents even reported the income from or the sale of real estate or other property to be part of their retirement income source. Regardless of income level, housing tenure or testacy status, the possibility of property inheritance from family may exist, and then income from or sale of property could become a planned income source.

Sixty-eight percent of the university employees projecting paid-up life insurance as part of their planned retirement income source were testate. Again, it should be noted that only 40.5% of all respondents planned on this source.

In the Sussman et al. (1970) sample, the testate decedents surpassed the intestate decedents in all categories of assets. The university employee respondent's personal and family retirement income sources were planned, not actual, but in each of the eight sources

presented, testate respondents reported plans of using the options significantly more than did intestate respondents.

Decision Making

Decision making difficulty about specific housing issues was perceived as more difficult by young (40 to 49 years), male, and university employee respondents. Possibly older university respondents have already made those decisions or do not think of those particular housing decisions as difficult. Male university employees who found decision making about specific housing issues to be more difficult than for females. Traditional male/female roles may be impacting specific housing decision making responses. Additionally, higher income level university employee respondents were detected to have more difficulty with decision making about certain housing issues.

Due to the narrow focus on housing issues, (location, intergenerational living, and liquidation) decision making difficulty findings of this study have been relegated to such a restricted area of interest so as to be of value to only a very select group of housing researchers. The narrow focus of the housing issues decision making difficulty question rendered it to be of no value in terms of testacy status differences of university employees. Although this instrument's decision making section was found to be poor, it should

not be overlooked that decision making is an important factor involved in testacy status and planning personal and family retirement income sources.

Implications

Numerous authors in the literature review reported the percentages of testate Americans to be one-third of the population. Contrasting results of nearly two-thirds (62.6%) testacy for this study are indicative of several population differences.

Associations of testacy that have already been established by several studies and confirmed by this one are: (1) advancing age, (2) increasing income, (3) increasing education level, and (4) masculine gender. Of these factors, clearly, gender is an ascribed characteristic, but as individuals increase each of the other factors, independently or together, the rate of testacy increases.

Implied associations of testacy that have been revealed by the statistical analyses of this study are: (1) marital status (married or widowed), (2) having children, (3) housing tenure, (4) total number of (four or more) planned personal and family retirement income sources. Types of planned personal and family income were also related to testacy.

Statistically significantly higher mean decision making difficulty scores on housing issues (location,

intergenerational, and liquidation) imply little regarding testacy status in this study. Decision making would do well to be investigated regarding testacy status and retirement income sources, but questions must cover an appropriate scope of what is needed to be asked, and be posed in an objective manner. Among the problems revealed in the survey instrument's 'Decisions' section were 1) narrow focus of topic, 2) stem (instruction) was skewed, 3) response scale was skewed, 4) and resulting statistics were all artifacts.

Comparing this investigation with research conducted by Britt (1937) and Sussman (1970) which were the only two studies delving into the questions of whom, why, and under what circumstances individuals are most likely to be motivated to have wills, present some updated information on testacy status. Britt found testacy to be related to high socio-economic status, while Sussman et al., 1970 found testacy to be a largely middle and upper class phenomenon, with indications that lower classes were obtaining wills. The current university employee study reveals that well over one-third of the employees in the lowest age, income, and education levels were testate. This is greater than the one-third of the population testacy level of adult Americans reported by many authors. With changes in tax laws such as IRAs, swings in the economy of inflation and recession, and changes in society

there is an increased need for testacy and retirement income planning by all university employees.

Koen and Feeney (1989) initiated the question "Who do you want to write the rules regarding the distribution of your assets, you or the government?" (p. 28) It can be deduced from respondent university employees, whose choices for testacy steadily increased with their achieved educational and income levels, that they chose to write their own rules of asset distribution. It can be surmised that these more educated, higher income respondents are preventing unnecessary consequences of chaos and suffering for their businesses and heirs as well as preventing sizable costs and time loss of government intrusion (Consumer Reports, 1985; Lang and Gillespie, 1984; Topolnicki, 1985).

The major implication for future testacy status action from this study is the need to educate the university employee population in a manner that motivates the intestate employees to acquire wills. Findings of this study reveal characteristics of individual employees in target groups who need education about the importance of having a will. Intestate university employees groups are likely to consist of individuals with the following characteristics: primarily female and single people, aged 40 to 49 years, who are childless, have income less than \$25,000, are in fair to poor health, have less than a two

year college education, and rent their home. Intestate university employees (37.4%) are represented in all demographic groups.

Results of this research could be of interest and use to land grant university personnel departments, university educators, and university policy makers, entrepreneurs, and researchers. Study results will provide these groups with a broader knowledge base on the associations between demographic characteristics, planned retirement income sources, and testacy status. Extension agents and other university educators, could disseminate this information to university employees to increase their testacy knowledge through literature, workshops, and employee associations.

University personnel departments and educators could differentiate testate and intestate employees through study findings. The current studies' results can provide information to entrepreneurs dealing with financial planning, estate planning, and other financial service businesses in the community with university employees as clients.

Researchers will benefit from the study as it provides them with more knowledge and information about testacy status associated with demographic and planned personal and family retirement income sources. Researchers can work toward understanding more fully the testacy and

intestacy differences of university employees and factors influencing their testacy decisions.

Applying these research results, university employee families may be aided in achieving personal and family testacy, goals. Financial and testacy choices made as a result of employee education programs and resulting employee actions, can affect later retirement income sources, property distribution, guardianship of children, and related legal and financial costs.

Recommendations for Further Research

1. In the present study, data collected from employees in nine Western Regional land grant universities were used. Further research using data from a standard population in these and other states would allow for expanded application and generalization of the findings.
2. To gain clearer testacy status results of persons with fair and poor health, an additional study of persons with those health qualities would be recommended.
3. The planned personal and family retirement income sources were requested in this study. To increase the value and usefulness of the findings about personal and family retirement income sources, it is necessary to determine the actual dollar amounts already invested in what particular retirement income sources. The actual number of retirement investments owned by

respondents and other possible investments they are considering could be ascertained.

4. Financial planning could be explored more fully by determining which estate planning tools had been implemented in addition to wills.
5. In conjunction with exploring estate planning tools, the investigation of beneficiary designations would expand property distribution pattern knowledge and reveal possible changing distribution trends in society.
6. Studies determining the most effective methods of motivating people to implement testacy plans are recommended. Applications of these results could be applied in other management areas needing improved implementation.
7. Studies of decision making including a full scope of retirement issues, presented objectively with a complete range of response choices, are recommended.

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APPENDIX

Appendix A: Survey Questionnaire

THINKING AHEAD...

1

Q-1 Some people start planning early for retirement and others wait until later. How about you? To what extent have you started thinking about retirement? (Please circle one number)

- 1 NOT AT ALL
- 2 A LITTLE
- 3 SOME
- 4 A GREAT DEAL

Q-2 Compared to other people your age, do you feel you have done more, the same, or less planning for retirement? (Circle one number)

- 1 MORE
- 2 ABOUT THE SAME
- 3 LESS

Q-3 How do you feel about retirement from active employment? Is it something you look forward to, feel somewhat neutral about or do not look forward to?

- 1 I LOOK FORWARD TO RETIREMENT
- 2 I FEEL SOMEWHAT NEUTRAL ABOUT RETIREMENT
- 3 I DO NOT LOOK FORWARD TO RETIREMENT

Q-4 Which of the following best describes your retirement plans--that is, deciding when you will retire and where you will live? (Circle one number)

- 1 I HAVE DECIDED NEITHER WHEN TO RETIRE, NOR WHERE
- 2 I HAVE DECIDED WHEN TO RETIRE, BUT NOT WHERE
- 3 I HAVE DECIDED WHERE TO RETIRE, BUT NOT WHEN
- 4 I HAVE DECIDED BOTH WHEN TO RETIRE AND WHERE TO RETIRE

Q-5 It is hard for many of us to know exactly when we will retire. Please estimate as best you can about what year you and your spouse (if you have one) are most likely to retire from regular employment. (Write in year(s) or check appropriate box)

_____ YEAR YOU EXPECT TO RETIRE

_____ YEAR YOU EXPECT YOUR SPOUSE TO RETIRE (OR YEAR RETIRED, IF ALREADY RETIRED)

[OR]

☐

SPOUSE IS NOT EMPLOYED

☐

NO SPOUSE

Q-6 Just suppose that when you retire you could locate anywhere you wanted in the U.S. during the first ten years of retirement. Please list the states in which you would most prefer to live and second most prefer to live.

_____ STATE MOST PREFERRED

_____ STATE SECOND MOST PREFERRED

WHERE TO LIVE

2

Q-7 Again, if free to choose, which of the following best describes the county (or region) where you would most and least like to live during the first ten years of retirement? (Place letter of each choice in each box)

- | | | |
|--------------------------|------------|--|
| <input type="checkbox"/> | MOST LIKE | A .. A COUNTY WITH LARGEST CITY OF 500,000 OR MORE |
| | | B .. A COUNTY WITH LARGEST CITY 150,000 TO 499,999 |
| | | C .. A COUNTY WITH LARGEST CITY 50,000 TO 149,999 |
| <input type="checkbox"/> | LEAST LIKE | D .. A COUNTY WITH LARGEST CITY 10,000 TO 49,999 |
| | | E .. A COUNTY WITH LARGEST CITY 2,500 TO 9,999 |
| | | F .. A COUNTY WITH LARGEST CITY LESS THAN 2,500 |

Q-8 Within the county (or region) where you would most like to live, where would you prefer your home be located during the first ten years of retirement? (Circle one)

- 1 IN THE LARGEST CITY
- 2 IN A SUBURB OF THE LARGEST CITY
- 3 IN A SMALLER TOWN AWAY FROM THE LARGEST CITY
- 4 IN THE RURAL COUNTRYSIDE LESS THAN 20 MINUTES FROM THE LARGEST CITY
- 5 IN THE RURAL COUNTRYSIDE MORE THAN 20 MINUTES FROM THE LARGEST CITY

Q-9 If free to choose, what type of housing structure would you most like, second most like, and least like to live in during the first ten years of your retirement? (Write letter of each choice in each box)

- | | | |
|--------------------------|------------------|---|
| <input type="checkbox"/> | MOST LIKE | A .. BUILDING OF DUPLEXES, TRIPLEXES, OR QUADPLEXES |
| | | B .. BUILDING OF APARTMENTS |
| <input type="checkbox"/> | SECOND MOST LIKE | C .. BUILDING OF TOWNHOUSES |
| | | D .. MOBILE HOME, ON A LOT YOU OWN |
| | | E .. MOBILE HOME, ON A LOT YOU RENT |
| <input type="checkbox"/> | LEAST LIKE | F .. SINGLE FAMILY HOUSE, DETACHED FROM ANY OTHER HOUSE |
| | | G .. RECREATIONAL VEHICLE (RV) |

Q-10 Would you prefer to own or rent the home in which you would most like to live during the first ten years of retirement? (Circle one number)

- 1 PREFER TO RENT
- 2 PREFER TO OWN

Q-11 Some retired people live at one location part of the year and another during the remainder of the year. Which of the following best describes what you think you would like to do during the first ten years of your retirement? (Circle one number)

- 1 LIVE AT ONE LOCATION ALL YEAR
- 2 LIVE SOMEWHERE ELSE FOR PART OF EACH YEAR, BUT IN THE SAME GENERAL LOCATION EACH YEAR
- 3 LIVE SOMEWHERE ELSE FOR PART OF EACH YEAR, BUT IN A DIFFERENT GENERAL LOCATION EACH YEAR
- 4 LIVE AT A VARIETY OF LOCATIONS FOR PART OF EACH YEAR

3

COMMUNITY CHARACTERISTICS

Q-12 People prefer some places to retire and avoid others. Please indicate which you prefer. For example for item "a", if you would strongly prefer to retire near an ocean during the first ten years of retirement, circle 1. If you strongly prefer not to be near an ocean, circle 5. Use the numbers 2 through 4 to show less strong preference. (Circle one number for each paired item)

	STRONGLY PREFER					NEUTRAL					STRONGLY PREFER					
a. near ocean	1	2	3	4	5	. . . . .					5	4	3	2	1	not near ocean
b. near lake or river . .	1	2	3	4	5	. . . . .					5	4	3	2	1	not near lake or river
c. near mountains	1	2	3	4	5	. . . . .					5	4	3	2	1	not near mountains
d. low altitude	1	2	3	4	5	. . . . .					5	4	3	2	1	high altitude
e. snow in winter	1	2	3	4	5	. . . . .					5	4	3	2	1	no snow in winter
f. low humidity	1	2	3	4	5	. . . . .					5	4	3	2	1	high humidity
g. few trees and foliage.	1	2	3	4	5	. . . . .					5	4	3	2	1	lots of trees and foliage
h. warm temperature year round	1	2	3	4	5	. . . . .					5	4	3	2	1	temperatures vary with season
i. desert region	1	2	3	4	5	. . . . .					5	4	3	2	1	region with abundant moisture

Q-13 How important are each of the following characteristics in your choice of a community in which to live during the first ten years of retirement. (Circle one number for each characteristic)

COMMUNITY CHARACTERISTICS	VERY IMPORTANT	SOMEWHAT IMPORTANT	NOT TOO IMPORTANT	NOT AT ALL IMPORTANT
a. Low cost of living (food, housing, etc)	1	2	3	4
b. Low utility rates	1	2	3	4
c. Employment opportunities . . .	1	2	3	4
d. Volunteer opportunities	1	2	3	4
e. Convenient air transportation .	1	2	3	4
f. Educational opportunities . . .	1	2	3	4
g. Shopping mall	1	2	3	4
h. Library facilities	1	2	3	4
i. Your preferred place of worship	1	2	3	4
j. Medical facilities	1	2	3	4
k. Public transportation	1	2	3	4
l. Recreational facilities	1	2	3	4

4

Q-14 Some neighborhoods or communities are designed specifically to meet the needs of retired persons, whereas most places have people of all ages. Which of the following best describes where you think you would most like to retire during the first 10 years and after the first 10 years of retirement? (Circle one number below each arrow)

During the first ten years of retirement
After the first ten years of retirement

- | | | |
|---|---|--|
| 1 | 2 | NEIGHBORHOOD AND COMMUNITY WITH PEOPLE OF ALL AGES |
| 1 | 2 | NEIGHBORHOOD WITH MOSTLY OLDER PEOPLE IN A COMMUNITY WITH PEOPLE OF ALL AGES |
| 1 | 2 | COMMUNITY OF <u>ONLY</u> OLDER PEOPLE (LIKE SUN CITY, ARIZONA) |

Q-15 People seem willing to accept different levels of local medical service in their communities. Listed below are six levels of medical services from least to most. Please circle the number of the least medical service you are willing to accept within 20-30 minutes by car from where your retirement home might be located. (Circle one number)

- 1 NO MEDICAL SERVICE
- 2 A NURSE PRACTITIONER ONLY, NO HOSPITAL
- 3 A GENERAL PRACTITIONER ONLY, NO HOSPITAL
- 4 GENERAL PRACTITIONERS, A FEW SPECIALISTS AND A HOSPITAL WHERE LIMITED SURGERY IS DONE
- 5 MANY MEDICAL SPECIALISTS AND HOSPITAL(S) WHERE GENERAL SURGERY IS DONE
- 6 MEDICAL CENTER WITH ABILITY TO PERFORM ORGAN TRANSPLANTS OR OTHER COMPLEX SURGERY

Q-16 All things considered, would you prefer to retire in or near the community where you now live or somewhere else? (Circle one number)

- 1 STRONGLY PREFER PRESENT COMMUNITY
- 2 SOMEWHAT PREFER PRESENT COMMUNITY
- 3 SOMEWHAT PREFER SOMEWHERE ELSE
- 4 STRONGLY PREFER SOMEWHERE ELSE

Q-17 All things considered, how likely are you to move away from your present community when you retire? (Circle one number)

- 1 VERY UNLIKELY
- 2 SOMEWHAT UNLIKELY
- 3 SOMEWHAT LIKELY
- 4 VERY LIKELY

Q-18 How many years have you lived in (or near) the county in which your present home is located?

_____ NUMBER OF YEARS IN OR NEAR THIS COUNTY

5

HOME MAINTENANCE

Q-19a Below is a list of home maintenance tasks found in some households while not in others. Please indicate how you get the tasks done now and how you expect to get them done after retirement. (Circle one number for each task for now and after retirement. If this task is not the responsibility of your household mark DNA-does not apply.)

TASKS	TASK IS NOW DONE BY					AFTER RETIREMENT TASK WILL BE DONE BY				
	Myself	Spouse/partner	Friend/relative	Hired person	DNA	Myself	Spouse/partner	Friend/relative	Hired person	DNA
a. Maintaining yard	1	2	3	4	5	1	2	3	4	5
b. Cleaning garage	1	2	3	4	5	1	2	3	4	5
c. Cleaning outside home, e.g. washing windows, removing leaves from gutters	1	2	3	4	5	1	2	3	4	5
d. Regular cleaning inside home	1	2	3	4	5	1	2	3	4	5
e. Special cleaning inside, e.g. washing windows, washing walls, shampooing carpets	1	2	3	4	5	1	2	3	4	5
f. Painting interior	1	2	3	4	5	1	2	3	4	5
g. Painting exterior	1	2	3	4	5	1	2	3	4	5

Q19b If your spouse or living partner died within the next ten years would you move to a different home or stay in your current home? (Circle one number)

- 1 NO SPOUSE OR LIVING PARTNER
2 I WOULD MOVE TO ANOTHER HOME
3 I WOULD STAY IN CURRENT HOME

(If yes) How would you get the following home maintenance tasks done? (Circle one number for each task. If this task is not the responsibility of your household mark DNA-does not apply.)

TASKS	Myself	Would not be done	Friend/relative	Hired person	DNA
a. Maintaining yard	1	2	3	4	5
b. Cleaning garage	1	2	3	4	5
c. Cleaning outside home, e.g. washing windows, removing leaves from gutters	1	2	3	4	5
d. Regular cleaning inside home	1	2	3	4	5
e. Special cleaning inside, e.g. washing windows, washing walls, shampooing carpets.	1	2	3	4	5
f. Painting interior	1	2	3	4	5
g. Painting exterior	1	2	3	4	5

YOUR PRESENT HOME

6

Q-20a To what extent does your present home accomodate a person with a wheel chair? Indicate whether your home now accommodates, your home could easily be modified to accommodate, or the cost for modification would be prohibitive. (Circle one number for each space)

NOW ACCOMMODATE	COULD BE MODIFIED	MODIFICATION PROHIBITIVE
--------------------	----------------------	-----------------------------

SPACES

a. Exterior walkways	1	2	3
b. Outside entrances	1	2	3
c. Interior hallways	1	2	3
d. Kitchen doorways	1	2	3
e. Bathroom doorways	1	2	3
f. Height of storage shelves . .	1	2	3
g. Height of working spaces, counters, etc	1	2	3

Q-20b Which of these broad categories best describes the number of square feet in your home? Do not include a garage, unfinished basement, or space rented to members of another household. (Circle one number)

- 1 LESS THAN 1,000 SQUARE FEET
- 2 1,000 TO 1,500 SQUARE FEET
- 3 1,501 TO 2,000 SQUARE FEET
- 4 MORE THAN 2,000 SQUARE FEET

Q-20c In your opinion would your present home be too large, about the right size, or too small for your use during retirement. (Circle one number)

- 1 TOO LARGE
- 2 ABOUT THE RIGHT SIZE
- 3 TOO SMALL

Q-20d What experiences or involvement have you had with the housing of an elderly relative? I have ...

YES	NO	I HAVE ... (Circle one number for each experience)
1	2	.. found ways to help a relative stay in their own home or apartment.
1	2	.. had an elderly relative live in my home with my family.
1	2	.. helped make the decision to move a relative to a nursing home.
1	2	.. had a relative move from another town to live in my community to be near me.
1	2	.. provided financial support for relative living in a nursing home.
1	2	.. been involved in long distance decisions about relatives' living arrangements.
1	2	.. been, expect to be, or am the primary caregiver for a relative.

DECISIONS

7

Q-21 Life is a series of decisions. Many times we think that the more difficult decisions come in mid and later life. How difficult do you think it would be for you to make each of the following decisions? (Circle one number for each decision)

DECISIONS	NOT DIFFICULT	DIFFICULT	VERY DIFFICULT	DOES NOT APPLY
a. Move from present home to one more suited to retirement living 1		2	3	4
b. Move from present home to an apartment 1		2	3	4
c. Move parent or in-law to a care facility 1		2	3	4
d. Move spouse to a care facility . . . 1		2	3	4
e. Move self to a care facility 1		2	3	4
f. Move parent into my home 1		2	3	4
g. Move in-law into my home 1		2	3	4
h. Move adult child back into my home . 1		2	3	4
i. Move adult child(ren) and grandchildren into my home 1		2	3	4
j. Decide to share home with someone I do not know well 1		2	3	4
k. Move to another part of this state for retirement 1		2	3	4
l. Move to another state for retirement. 1		2	3	4
m. Sell home to have money for expenses in retirement 1		2	3	4

Q-22 Our retirement decisions may be influenced by other persons. For each of the persons listed below, indicate how much influence they will have on your retirement decisions of when and/or where to retire. (Circle one number for each other person)

OTHER PERSONS	Influence on Your Retirement Decisions				
	STRONG	MODERATE	SLIGHT	NONE	DOES NOT APPLY
a. Spouse or partner 1		2	3	4	5
b. Parent(s) 1		2	3	4	5
c. In-law(s) 1		2	3	4	5
d. Child(ren) 1		2	3	4	5
e. Grandchild(ren) 1		2	3	4	5
f. Brother(s) or sister(s) . . . 1		2	3	4	5
g. Other older relative(s) . . . 1		2	3	4	5
h. Other younger relative(s) . . 1		2	3	4	5
i. Housemate(s) 1		2	3	4	5

RESOURCES

8

Q-23 Planning for retirement, whether three years or 25 years from now, can include several actions. Indicate the extent you have done or plan to do each of these. (Circle one number for each action)

ACTIONS	HAVE DONE	PLAN TO DO BEFORE 1990	PLAN TO DO AFTER 1990	NO PLANS TO DO
a. Set up a savings investment plan for retirement income . . .	1	2	3	4
b. Obtain job to be near or at desired retirement location . .	1	2	3	4
c. Move to a home more suited to retirement years	1	2	3	4
d. Buy acreage or lot to live on . .	1	2	3	4
e. Buy a second home	1	2	3	4
f. Buy a recreation vehicle	1	2	3	4
g. Explore employment opportunities at a retirement location	1	2	3	4
h. Retrain for new employment	1	2	3	4
i. Compare taxes in two or more locations	1	2	3	4
j. Start estate planning	1	2	3	4
k. Make a will	1	2	3	4
l. Explore a reverse mortgage (RAM) .	1	2	3	4
m. Explore home equity conversion . .	1	2	3	4

Q-24 Please indicate if each of the following will be a source of planned retirement income for you and your spouse/partner. (Circle one number for each source)

SOURCES	YES, A SOURCE	NO, NOT A SOURCE	DO NOT KNOW
a. Social Security	1	2	3
b. Pension plan sponsored by state/employer.	1	2	3
c. Military pension	1	2	3
d. Employment (part- or full-time)	1	2	3
e. Savings (Passbook, CD, Savings Bonds) . .	1	2	3
f. Individual retirement account (IRA) . . .	1	2	3
g. Mutual funds	1	2	3
h. Stocks and/or bonds	1	2	3
i. Income from property ownership	1	2	3
j. Sale of real estate or other property . .	1	2	3
k. Annuities	1	2	3
l. Paid-up life insurance	1	2	3
m. Family or relatives	1	2	3
n. Public assistance	1	2	3

Now, we would like to ask a few questions about you and your home.

Q-25 What is the zip code of your current residence? _____ ZIPCODE

Q-26 Is the home in which you currently live: (Circle one number)

- 1 RENTED BY YOU
- 2 OWNED BY YOU FREE AND CLEAR OF MORTGAGE
- 3 OWNED BY YOU WITH A MORTGAGE
- 4 OTHER (Please describe) _____

Q-27 Which of the following best describes your primary residence? (Please circle one number)

- 1 BUILDING OF DUPLEXES, TRIPLEXES OR QUADPLEXES
- 2 BUILDING OF APARTMENTS
- 3 BUILDING OF TOWNHOUSES
- 4 MOBILE HOME, ON A LOT YOU OWN
- 5 MOBILE HOME, ON A LOT YOU RENT
- 6 SINGLE FAMILY HOUSE, DETACHED FROM ANY OTHER HOUSE

Q-28 How many years have you lived in your present home?

_____ NUMBER OF YEARS IN PRESENT HOME

Q-29 Thus far in your life, approximately how many moves have you made? Indicate the number of different homes, states, or countries outside the U.S. in which you have lived for TWO months or longer. (Write numbers)

_____ NUMBER OF HOMES OR RESIDENCES

_____ NUMBER OF STATES IN THE U.S.

_____ NUMBER OF COUNTRIES OUTSIDE THE U.S.

Q-30 Are you (Check one box): ☒ MALE ☐ FEMALE

Q-31 What is your current marital status? (Circle one number)

- 1 NEVER MARRIED
- 2 MARRIED
- 3 SEPARATED
- 4 DIVORCED
- 5 WIDOWED

Q-32 How many children do you have? (If none, enter 0)

_____ NUMBER OF CHILDREN

Q-33 What is the age of the youngest child? (If none, enter 0)

_____ AGE OF YOUNGEST CHILD

Q-34 For how many children are you currently providing the main financial support? (If none, enter 0)

_____ NUMBER OF CHILDREN PROVIDING MAIN FINANCIAL SUPPORT

Please answer these questions for yourself and your spouse or other adult partner (if you have one):

YOURSELFSPOUSE OR PARTNER

Q-35 Describe your current health:

- 1 EXCELLENT
- 2 GOOD
- 3 FAIR
- 4 POOR

35a Describe your spouse/partner's health:

- 1 EXCELLENT
- 2 GOOD
- 3 FAIR
- 4 POOR

Q-36 What year were you born?

_____ YEAR BORN

36a Year he/she was born?

_____ YEAR BORN

Q-37 Are you employed:

- 1 FULL TIME
- 2 PART TIME
- 3 ON A TRANSITIONAL
RETIREMENT PLAN

37a Is he/she:

- 1 EMPLOYED FULL TIME
- 2 EMPLOYED PART TIME
- 3 EMPLOYED ON A TRANSITIONAL
RETIREMENT PLAN
- 4 HOMEMAKER
- 5 UNEMPLOYED
- 6 RETIRED

Q-38 Your usual occupation?

_____ JOB TITLE

_____ NAME OF COMPANY OR BUSINESS

38a His/her usual occupation when
employed (or before retirement)?

_____ JOB TITLE

_____ NAME OF COMPANY OR BUSINESS

Q-39 What is your highest level of education? (Circle below arrow)
What is his/her highest level of education? (Circle below arrow)

- | | |
|---|--|
| 1 | 1 8TH GRADE OR LESS |
| 2 | 2 GRADES 9 THROUGH 11 |
| 3 | 3 HIGH SCHOOL GRADUATE OR EQUIVALENT |
| 4 | 4 TECHNICAL OR TRADE SCHOOL BEYOND HIGH SCHOOL |
| 5 | 5 SOME COLLEGE (NO DEGREE EARNED) |
| 6 | 6 COMMUNITY (TWO-YEAR) COLLEGE DEGREE OR CERTIFICATE |
| 7 | 7 COLLEGE OR UNIVERSITY DEGREE (BACHELOR'S) |
| 8 | 8 GRADUATE OR PROFESSIONAL DEGREE (MASTER'S) |
| 9 | 9 GRADUATE OR PROFESSIONAL DEGREE (DOCTORAL) |

Q-40 Which one of these categories describes your total family income before taxes in 1986? (Please circle the number of the appropriate category)

- | | |
|------------------------|------------------------|
| 1 LESS THAN \$10,000 | 6 \$35,000 TO \$49,999 |
| 2 \$10,000 TO \$14,999 | 7 \$50,000 TO \$64,999 |
| 3 \$15,000 TO \$19,999 | 8 \$65,000 TO \$79,999 |
| 4 \$20,000 TO \$24,999 | 9 \$80,000 TO \$94,999 |
| 5 \$25,000 TO \$34,999 | 10 \$95,000 OR MORE |