

Unfree Wills: Inheritance Rules, Bequest Motives, and Wealth Diffusion^{*}

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March 12, 2026

Abstract

We examine how liberalizing inheritance law can affect the diffusion of wealth beyond family dynasties. Exploiting a reform that reduced mandatory estate shares for children and surviving parents, we analyze testator responses in a unique dataset of 16,887 anonymous online wills. We find that greater testamentary freedom primarily benefited spouses and life partners but also led to significant increases in transfers to nonrelatives and charitable organizations. Our estimated “diffusion elasticity” reveals that one third of newly discretionary estate shares was reallocated towards heirs outside of the core family. Extrapolating this effect suggests that liberalization could generate additional annual extra-dynastic bequests of up to 1.2% of national income in countries with restrictive inheritance rules.

JEL Classification: D64, D31, H23, K15, K36

Keywords: wealth transmission, inheritance law, testator preferences, reference-dependent preferences

^{*} We thank Sébastien Houde, Eric Nowak, Raphaël Parchet, and participants at several conferences and seminars for their useful comments. Nicolas Gehrig and [DeinAdieu.ch](https://www.deinadieu.ch) have generously granted us access to their data on anonymous online wills. Financial support from the Swiss National Science Foundation (project 192546) is gratefully acknowledged.

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1 Introduction

Wealth-to-income ratios have been rising across many mature economies (Piketty and Zucman, 2014; Baselgia and Martínez, 2025). As a result, inheritance has regained an economic weight and societal importance not seen for more than a century (Piketty and Zucman, 2015). This development has sparked renewed political debate and academic interest. The central concern is one of equity: given their highly skewed distribution, growing inheritances undermine the meritocratic ideal of *ex ante* equal lifetime opportunities.¹

Taxation is the most prominent instrument for addressing the distributional implications of inheritance. Much of the existing literature therefore evaluates the redistributive scope of bequest taxes (Kopczuk, 2013). With sufficiently progressive schedules, such taxes can offset some of the regressive effects of inherited wealth (Nekoei and Seim, 2023). Yet, bequest taxes remain persistently unpopular (Stantcheva, 2021), and stronger progressivity heightens the risk of outmigration by wealthy seniors (Moretti and Wilson, 2023).

In this paper, we explore the potential for wealth diffusion via an alternative, non-coercive policy tool: liberalizing inheritance law. A majority of nations are governed by civil law, which limits testators' freedom to pass wealth outside of the immediate family.² Such rules force transmitted wealth to remain within family dynasties, primarily by reserving compulsory minimum estate shares for direct descendants. How much additional wealth diffusion would arise if those constraints were relaxed? To our knowledge, this question has not yet been studied empirically.

We investigate the consequences of a major liberalization of inheritance law in Switzerland, drawing on a unique dataset of 16,887 anonymous online wills. The reform, which came into effect in 2023, substantially lowered compulsory minimum shares for direct descendants and abolished those for surviving parents. For testators, the freely disposable portion of the estate increased by an average of 19 percentage points, from 39% to 58%. Using simple-differences and difference-in-differences estimation, we find that testators availed of their additional freedom primarily to increase bequests to spouses and life partners. Importantly, transfers to heirs outside of the core family also increased statistically significantly. Our central estimate of the "diffusion elasticity", i.e. the share of an additional freely attributable dollar that is allocated to nonrelatives and charities, is 0.33.

These findings suggest that intra-family bequest motives remain strong but that greater testamentary freedom can broaden wealth dispersion at the time of transmission. We also find evidence of reference-dependent preferences: higher legal minimum shares are associated with larger supramarginal allocations to the same heirs. Finally, our analysis confirms charitable bequests to be particularly sensitive to taxation.

We estimate the additional wealth diffusion associated with the Swiss liberalization to have been larger in purely monetary terms than that obtained by existing inheritance taxes. Extrapolating from the Swiss experience using our estimated diffusion elasticity, we find that liberalizing inheritance law could yield additional annual wealth diffusion of up to 1.2% of national income in those countries that reserve compulsory estate shares for direct descendants.

¹Growing inheritances also have efficiency implications, e.g. by affecting the labor supply of heirs (see, e.g., Brühlhart et al., 2026a; Taşar and Voorheis, 2026).

²See Supplemental Appendix A for an overview.

The remainder of the paper is organized as follows. Section 2 situates our contribution in the related literature. Section 3 describes our empirical setting. Section 4 presents the main results. Section 5 offers some illustrative quantitative extrapolations, and Section 6 concludes.

2 Previous literature

To date, the literature on bequest motives has focused on two broad questions.

One strand of research, more “macro” in flavor, has explored the extent to which peoples’ economic choices are driven by a desire to bequeath wealth – as opposed to saving out of insurance or other motives.³ This literature shows bequests to be a luxury good, i.e. important mainly to the wealthy.

The other question is more “micro” and more closely related to this paper: given the size of their bequests, how do testators divide them?⁴ Four behavioral motives stand out: warm glow (Andreoni, 1989), altruism (Becker and Tomes, 1986), exchange (Bernheim et al., 1985) and evolution (Cox, 2007). There is strong evidence for the exchange motive (e.g. Barczyk et al., 2023) and for the evolutionary explanation (e.g. Fahle, 2025). The altruistic model is less strongly supported, considering the prevalent norm of splitting estates equally among children, irrespective of need (see e.g. Menchik, 1980, Wilhelm, 1996, Hamaaki et al., 2019). It has also been found that, other things equal, childless testators have similarly strong overall bequest motives (Fella et al., 2024).

Importantly, the literature shows that bequest motives are not immutable traits, as they can depend on testators’ health status (Light and McGarry, 2004), on cultural and gender norms (Horioka, 2014; Lekfuangfu et al., 2025), and on fiscal incentives (Escobar et al., 2023, Sturrock et al., 2022).

The literature strongly emphasizes intra-family bequests. Transfers to recipients outside of the nuclear family have been considered in analyses of bequests to charitable causes (e.g. Bakija et al., 2003, Glogowsky, 2021), with a strong focus on the elasticity of charitable bequeathing with respect to tax incentives. In a survey of this literature, Kopczuk (2013) concludes that “(t)he literature generally finds that charitable bequests are very sensitive to both their tax price and to wealth, with the first effect dominating” (p. 379). This suggests that the substitution elasticity between charitable and family bequests is large, and the division of estates is therefore responsive to external incentives.

That view is partly supported by the findings of Sanders and Smith (2016). In a field experiment with a phone-based service for legal advice on will writing, they found that testators’ substitution elasticity between bequeathing to close relatives and to charitable causes was low. No comparable evidence exists, to our knowledge, on the responsiveness of bequeathing to non-related individuals.

An original feature of the present study is our ability to leverage a change in legal inheritance rules for difference-in-differences estimation. Researchers have previously used variation in inheritance rules for cross-section estimation. Ellul et al. (2010) collected data on the maximum estate share that testators are legally allowed to bequeath to a single child, which

³See De Nardi et al. (2016), Lockwood (2012, 2018).

⁴See Laitner and Ohlsson (2001), Arrondel and Masson (2006) and Kopczuk (2013) for surveys.

they termed the “permissiveness” of inheritance law. Using variation across 38 of their 64 sample countries, they found more permissive inheritance rules to be associated with higher investment rates by family-owned firms. This adds to the evidence on bequest motives that are centered on direct descendants. [Bartels et al. \(2024\)](#) found historical intra-family inheritance rules for agricultural land that favored equal division among heirs to be associated with higher incomes and more entrepreneurship over a century later.

To the best of our knowledge, ours is the first study to exploit data from an online will-writing tool. Closest to our empirical setting is that of [Sanders and Smith \(2016\)](#), who drew on wills prepared via a phone-based advice center. This allowed the authors to randomize verbal prompts given to testators. Our data have the advantage of being provided spontaneously by users, with no risk of contamination by framing or demand effects that is inherent in data collected through human interaction. We moreover are able to leverage an exogenous policy change, and we have greater statistical power thanks to a sample that is more than six times larger.

Probably the richest source of information on the division of bequests collected to date was put together by [Elinder et al. \(2014\)](#), who gathered some 400,000 estate inventory reports covering essentially the population of Swedish estates in 2001-2005.⁵ These data have informed a number of studies on estate tax planning, including [Erixson and Escobar \(2020\)](#), [Elinder et al. \(2021\)](#) and [Escobar et al. \(2023\)](#). Our setting has the advantage of (a) allowing us to observe the unprompted wishes expressed by testators, and (b) allowing us to estimate behavioral responses, as our observation period contains a significant change in inheritance law.

3 Empirical setting

3.1 Changing inheritance rules in Switzerland

Protected heirs. Up until 2022, Swiss inheritance law reserved compulsory shares for three categories of surviving family members: spouses, children and parents. The presence of such family ties therefore determined the extent of the constraints upon testators.

In order to fully capture the effects of the legal rules, we need to distinguish different family configurations (*FamStruct*). We introduce the following notation:

$$FamStruct = cA_pB_mA, \quad A \in \{Y, N, X\}, \quad B \in \{0, 1, 2, X\}, \quad (1)$$

where c denotes the presence of surviving children or grandchildren, p denotes the presence of surviving parents, m (for “married”) denotes the presence of a surviving spouse, Y stands for “yes”, N stands for “no”, and X stands for “irrelevant”. The qualifier for the presence of parents, B , can either indicate the number of surviving parents (0, 1, 2), or it can be set to X , when the number of surviving parents is irrelevant.

We consider seven types of *FamStruct*, which are distinct in terms of the constraints imposed on them by inheritance law. We number these groups from 0 to 6, with 0 denoting

⁵The abolition of inheritance taxation in Sweden led to the discontinuation of administrative data collection in 2006.

the group which was unaffected by the reform.⁶

Table 1: Inheritance rules by family structure, pre- and post-reform

| Family structure (<i>FamStruct</i>) | 0 | 1 | 2 | 3 | 4 | 5 | 6 | |
|--|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|-------|
| | cN_{p0_mX} | cY_{pX_mY} | cY_{pX_mN} | cN_{p2_mN} | cN_{p1_mN} | cN_{p2_mY} | cN_{p1_mY} | |
| Children | No | Yes | Yes | No | No | No | No | |
| Parents | No | Yes/No | Yes/No | Both | One | Both | One | |
| Spouse | Yes/No | Yes | No | No | No | Yes | Yes | |
| Default legal share | Children | | 0.50 | 1.00 | | | | |
| | Parents | | | | 1.00 | 0.50 | 0.25 | |
| | Spouse | 1.00/0.00 | 0.50 | | | | 0.75 | |
| | $Sum(A)$ | 1.00/0.00 | 1.00 | 1.00 | 1.00 | 0.50 | 1.00 | |
| Compulsory minimum share pre-2023 | Children | | 0.38 | 0.75 | | | | |
| | Parents | | | | 0.50 | 0.25 | 0.13 | |
| | Spouse | 0.50/0.00 | 0.25 | | | | 0.38 | |
| | $Sum(B)$ | 0.50/0.00 | 0.63 | 0.75 | 0.50 | 0.25 | 0.50 | |
| Compulsory minimum share post-2023 | Children | | 0.25 | 0.50 | | | | |
| | Parents | | | | 0.00 | 0.00 | 0.00 | |
| | Spouse | 0.50/0.00 | 0.25 | | | | 0.38 | |
| | $Sum(C)$ | 0.50/0.00 | 0.50 | 0.50 | 0.00 | 0.00 | 0.38 | |
| p.p. change in min. share | $= 100 \times [Sum(C) - Sum(B)]$ | 0 | -12.5 | -25 | -50 | -25 | -12.5 | -6.25 |

Notes: Default and compulsory minimum estate shares according to Swiss inheritance law, before and after the reform of 2023. The seven types of family structure (*FamStruct*) are defined such as to cover all possible changes in testator freedom due to the reform. ‘Children’ are defined here as including grandchildren (i.e. all direct descendants).

The seven types of *FamStruct* and their associated inheritance rules are shown in Table 1. We list compulsory minimum shares by type of *FamStruct*, category of heir and time period (pre-/post-reform). For completeness, we also show the default legal estate shares that apply in the absence of a will.⁷

Only testators with no direct descendants and no surviving parents (*FamStruct* of type o) saw no change in their freely attributable share after the reform. These testators therefore form a natural reference group, which we shall refer to as the “narrow control group” – distinct from the “enlarged control group” that includes also *FamStruct* of types 1, 5 and 6.

The 2023 reform. Swiss inheritance law was reformed by an act of parliament, passed in December 2020 and entered into force on 1 January 2023. A central component of the reform was the lowering of compulsory minimum shares on two of the three previously protected heir categories: direct descendants and parents. Minimum estate shares for children were reduced by one third, and those for surviving parents were abolished. The minimum share reserved for the surviving spouse, however, was left unchanged.

The bottom row of Table 1 shows the effects of the reform in terms of percentage-point (p.p.) changes in the freely attributable estate share. Changes range from zero (for group o) to –50 p.p. (for testators without children, two surviving parents and no spouse, i.e.

⁶The positive numbers are chosen in descending order of the size of the respective group in our data (see Table 1).

⁷Supplemental Appendix Figure F.1 illustrates the order of preference among parentelic lineages in Swiss inheritance law.

FamStruct of type 3).⁸ It is these differences that we exploit in our empirical analyses below. The weighted average drop in the compulsory share, across all types of *FamStruct*, was 19 p.p.

Importantly, while the reform implied a significant liberalization for all testators with children or living parents, no other relevant factors changed over the same time interval. Inheritance taxes, which are zero for direct descendants and spouses in 23 of the 26 Swiss cantons, remained constant over our observation period 2020-2024.⁹ Also, the structure and presentation of the online will preparation tool that generated our data did not change in any relevant way. The tool nudges users toward considering charities, but those nudges remained unchanged in the relevant period. We now turn to a description of the online tool.

3.2 Data

Our data are drawn from the Swiss online service [DeinAdieu.ch](https://www.deinadieu.ch). This service offers a seven-step interactive tool that allows users to prepare their wills in conformity with legal constraints. Users enter relevant information such as their marital status and presence/absence of direct descendants, and the tool then automatically limits the range of their allocation choices, which they can make by moving a set of sliders.¹⁰

The online service is anonymous and free at the point of use. Once users have made their choices by completing the seven steps, they are invited to provide an email address, to which the tool sends a typeset document. It is then incumbent upon users to copy this document by hand and to sign it, to turn it into a valid will. Our data include 16,887 forms that were completed online and emailed.

[DeinAdieu.ch](https://www.deinadieu.ch) is funded by charities seeking to attract legacies. Being the only such platform in Switzerland to date, the range of supporting charities is broad, without any discernible ideological or religious slant. The online tool reflects its focus on attracting charitable giving in two ways. First, when choosing recipients (step 4), users are presented with an explicit list of charities, from which they are free to select. Users are also given an option to add organizations not included in the list. No charity is pre-selected by the system, and therefore including a charity is always an active choice. When users choose a charity, however, the system automatically proposes a share of the estate to be given to that charity in step 5. This starting allocation is a mere nudge, however, as users can adapt their choice of estate share for the previously selected charity to any value within the available range, including zero. Users can also navigate backward and change earlier choices at any stage until final submission.

The data at our disposal contain estate shares attributed by individual users to the following heir categories: spouse, a non-married life partner, family members of the 1st parentelic lineage (children etc.), family members of the 2nd lineage (parents etc.), family members of the 3rd lineage (grandparents etc.), nonrelatives, and charities.¹¹ Users may also enter de-

⁸Supplemental Appendix Figure F.2 provides an illustration of changed minimum shares for three types of *FamStruct*.

⁹This can be verified using the [inheritance tax calculator](https://www.est.vwd.admin.ch/inheritance-tax-calculator) of the Swiss Federal Tax Administration.

¹⁰In Supplemental Appendix Figure F.3, we present a screenshot of step 5, at which the main choices are made.

¹¹Supplemental Appendix Figure F.1 illustrates the legal hierarchy among and within the three parentelic lineages. In our illustrations throughout the paper, we use a consistent color scheme: red for spouses, pink for unmarried life partners, blue for blood relatives (lighter shades for higher lineages), yellow for nonrelatives and green for

mographic information and indications on their place of residence. The subset of users who provided such information allows us to consider gender, age and language region (German, French, Italian) as correlates of testator choices. We have this information for 6,962 observations (41% of the full sample). The date of submission is recorded automatically by the system. Our sample covers the universe of completed forms submitted between January 2020 and March 2024. For 105 testators (0.6% of the sample), we observe repeat entries pre- and post-2023, allowing for within-individual estimation.¹²

3.3 Empirical model

The Swiss reform affected testators differently depending on (pre-determined) family structures. We can therefore turn to difference-in-differences (DiD) estimation, based on the following general specification:

$$Y_{i,b} = \alpha_b + \beta_b \text{Treated}_i + \gamma_b \text{Post-2023}_i + \delta_b \text{Treated}_i \times \text{Post-2023}_i + \epsilon_{i,b}, \quad (2)$$

where Y denotes estate shares ($Y \in [0, 1]$), i denotes individual wills, b denotes beneficiaries ($b \in \{\text{spouse, non-married partner, etc.}\}$), and ϵ is a random term. In some estimations, we add a triple interaction with an indicator variable for single testators.¹³ We also report estimations for a subsample of wills that allow us to control for potentially influential observables. Those controls include age decade dummies, a female dummy and dummies for language regions.

The coefficient of main interest is δ_b , the differential post-2023 change in the share given to beneficiaries of category b by testators in the treatment group relative to testators in the control group.

We consider two definitions of treated and control groups. In our definition of a “narrow” control group, all testators affected by the reform are considered as treated (*FamStruct* types 1-6), and the control group contains only the completely unaffected testators (*FamStruct* type 0). In our definition of an “enlarged” control group, we only consider strongly affected testators as treated (*FamStruct* types 2-4) and include weakly affected testators in the control group (*FamStruct* types 0, 1, 5, 6). Weighting by our sample distribution shown in Table 1 and considering the narrow control group, the average change in the freely attributable estate share is 22 p.p. in the treatment group and zero in the control group. With the enlarged control group, the weighted average change in the freely attributable share is 32 p.p. in the treatment group and 9 p.p. in the control group.

Our baseline DiD model of equation 2 captures determinants of changes in estate shares $Y_{i,b}$. In complementary DiD regressions, we decompose those “total effects” into changes in the share given to beneficiaries of type b conditional on that share being nonzero (the

charities.

¹²Summary statistics by types of family structure are provided in Supplemental Appendix B.

¹³Simple-difference analyses can be informative as well in our setting. In Supplemental Appendix C, we quantify the extent of testators’ use of increased freedom, confirming that testators significantly lowered the estate shares of heirs to whom they were allowed by the reform to give less. In Supplemental Appendix D, we show that summed across all family types, non-married life partners were the main beneficiaries of the reform, their overall share rising from 11.4% to 19.6% of estates.

“intensive margin”) and changes in the probability of giving anything to beneficiaries of type b (the “extensive margin”).

Despite the bounded nature of our outcome variables, we choose to estimate the DiD model with OLS, as this is most transparent and lends itself easily to quantitative interpretation while being conditional-mean consistent. For our main regressions, we also show estimates and implied average marginal effects (AMEs) obtained with the fractional logit estimator.

4 Estimation results

4.1 Baseline difference-in-differences

Our main results are presented in Table 2, with estimates for bequests to nonrelatives shown in columns (1) to (3) and estimates for bequests to charities shown in columns (4) to (6). Corresponding logit estimates are shown in Supplemental Appendix Table E.5.

The top panel of Table 2 reports our DiD results with the narrow definition of the control group. According to these estimates, nonrelatives did not benefit statistically significantly from the reform, but charities did. The corresponding logit estimates, however, are statistically significant. The regression models underlying these results are attractive conceptually, as control-group testators were completely unaffected by the reform. However, that control group is relatively small (14% of the sample) and somewhat volatile in our data.

It turns out that we can gain statistical precision for the linear model by employing the enlarged version of the control group. Those results are shown in the middle panel of Table 2. Standard errors are smaller in all cases compared to the estimates based on the narrow control group. We find that both nonrelatives and charities have benefitted in a statistically significant way. The average share given by treated testators to nonrelatives increased by 4.9 p.p. and that given to charities increased by 1.3 p.p. The corresponding logit AMEs are similar, at 4.0 p.p. and 1.5 p.p. respectively. While the increase in bequests to nonrelatives was driven by both intensive-margin and extensive-margin changes, the increase in bequests to charities appears to be due entirely to intensive-margin changes.

We can alternatively present those estimations as event studies, showing quarterly average estate shares for treated and untreated testators relative to Q4 2022, the last pre-reform quarter. Figure 1 shows that the increase in giving to nonrelatives clearly coincides with the entry into force of the liberalizing reform.¹⁴

Another alternative is to split the treatment group into types of *FamStruct*. These results are shown in Supplemental Appendix Tables E.6 and E.7. They show that increased giving to nonrelatives is mainly due to childless testators (*FamStruct* types 3 and 4).

The data contain 105 wills that can be identified as having been revised by their authors after the entry into force of the reform.¹⁵ This allows us to conduct within-testator estimations. The resulting estimates, shown in Supplemental Appendix Table E.8, are consistent with the reform facilitating additional giving to nonrelatives and to charities: all estimated treatment

¹⁴Corresponding event study graphs for shares allocated to charities are shown in Supplemental Appendix Figure E.7.

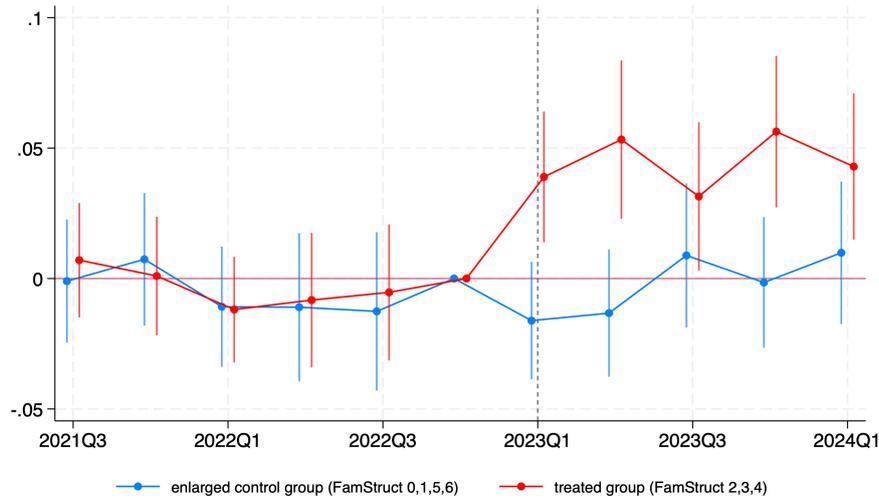
¹⁵Although use of the tool is entirely anonymous, repeat users can be identified as such by the platform via their IP addresses.

Table 2: Difference-in-differences: bequests to recipients outside the core family

| | (1) | (2) | (3) | (4) | (5) | (6) |
|--|--------------------------|---|---------------------------------|--------------------------|---|---------------------------------|
| | <i>b</i> = Nonrelatives | | | <i>b</i> = Charities | | |
| dep. var. = | tot. effect $Y_{i,b}$ | int. margin $Y_{i,b} \mid (Y_{i,b} > 0)$ | ext. margin $P(Y_{i,b} > 0)$ | tot. effect $Y_{i,b}$ | int. margin $Y_{i,b} \mid (Y_{i,b} > 0)$ | ext. margin $P(Y_{i,b} > 0)$ |
| Full sample, narrow control group (<i>FamStruct_0</i>) | | | | | | |
| Treated (<i>FamStruct_1</i> – 6) | -0.152*** (0.008) | -0.356*** (0.015) | -0.157*** (0.011) | -0.104*** (0.007) | -0.350*** (0.020) | -0.131*** (0.010) |
| Post-2023 | 0.023 (0.017) | 0.003 (0.029) | 0.035 (0.022) | -0.019 (0.012) | -0.081** (0.037) | -0.004 (0.019) |
| Treated × Post-2023 | 0.003 (0.017) | 0.109*** (0.031) | -0.009 (0.023) | 0.029** (0.013) | 0.142*** (0.039) | 0.018 (0.020) |
| Constant | 0.193*** (0.008) | 0.638*** (0.015) | 0.303*** (0.011) | 0.123*** (0.007) | 0.561*** (0.020) | 0.218*** (0.010) |
| Obs. | 16,887 | 2,982 | 16,887 | 16,887 | 1,860 | 16,887 |
| Adjusted R^2 | 0.072 | 0.229 | 0.022 | 0.058 | 0.228 | 0.020 |
| Full sample, enlarged control group (<i>FamStruct_0, 1, 5, 6</i>) | | | | | | |
| Treated (<i>FamStruct_2, 3, 4</i>) | 0.009** (0.003) | -0.150*** (0.013) | 0.090*** (0.007) | -0.020*** (0.002) | -0.177*** (0.016) | -0.004 (0.006) |
| Post-2023 | -0.002 (0.004) | -0.007 (0.022) | -0.003 (0.007) | -0.003 (0.003) | -0.057*** (0.020) | 0.009 (0.007) |
| Treated × Post-2023 | 0.049*** (0.007) | 0.131*** (0.026) | 0.047*** (0.013) | 0.013*** (0.004) | 0.132*** (0.027) | -0.004 (0.010) |
| Constant | 0.061*** (0.003) | 0.463*** (0.012) | 0.132*** (0.004) | 0.043*** (0.002) | 0.395*** (0.013) | 0.110*** (0.004) |
| Obs. | 16,887 | 2,982 | 16,887 | 16,887 | 1,860 | 16,887 |
| Adjusted R^2 | 0.009 | 0.049 | 0.020 | 0.004 | 0.058 | 0.000 |
| Subsample aged ≥ 65, enlarged control group (<i>FamStruct_0, 1, 5, 6</i>) | | | | | | |
| Treated × Couple (<i>FamStruct_2, 3, 4</i> with partner) | -0.078*** (0.011) | -0.447*** (0.045) | -0.093*** (0.033) | -0.036*** (0.007) | -0.375*** (0.070) | -0.028 (0.032) |
| Treated × Single (<i>FamStruct_2, 3, 4</i> w/o partner) | -0.084*** (0.016) | -0.303*** (0.044) | -0.049 (0.030) | -0.048*** (0.011) | -0.253*** (0.059) | -0.071*** (0.022) |
| Post-2023 | 0.021 (0.018) | 0.088 (0.062) | 0.008 (0.026) | 0.006 (0.012) | 0.004 (0.078) | 0.008 (0.021) |
| Treated × Couple × P-2023 | -0.006 (0.021) | 0.041 (0.090) | 0.028 (0.055) | 0.013 (0.016) | 0.217** (0.109) | 0.024 (0.053) |
| Treated × Single × P-2023 | 0.051* (0.027) | 0.091 (0.077) | 0.084* (0.051) | 0.022 (0.017) | 0.151 (0.111) | 0.053 (0.037) |
| Female | 0.065*** (0.016) | 0.068* (0.040) | 0.093*** (0.025) | 0.029** (0.011) | 0.088 (0.061) | 0.041** (0.020) |
| Constant | 0.070*** (0.012) | 0.502*** (0.049) | 0.144*** (0.020) | 0.034*** (0.008) | 0.415*** (0.069) | 0.080*** (0.015) |
| Controls | Yes | Yes | Yes | Yes | Yes | Yes |
| Obs. | 1,516 | 274 | 1,516 | 1,516 | 147 | 1,516 |
| Adjusted R^2 | 0.043 | 0.156 | 0.034 | 0.015 | 0.068 | 0.007 |

Notes: The dependent variable in columns (1) and (4) is the estate share $Y_{i,b} \in [0, 1]$ that testators allocate to recipient category $b \in \{\text{nonrelatives, charities}\}$ (total effect). The dependent variable in columns (2) and (5), $Y_{i,b} \mid (Y_{i,b} > 0)$, is the estate share allocated to recipient category b conditional on this share being nonzero (intensive-margin effect). The dependent variable in columns (3) and (6), $P \mid (Y_{i,b} > 0)$, is a binary variable equal to one when the estate share allocated to recipient category b is nonzero (extensive-margin effect). Controls include dummies for age decade, language region and gender. Robust standard errors in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Figure 1: Share given to nonrelatives: event study



Notes: This graph shows the evolution of the quarterly average shares given to nonrelatives by treated and control testators (enlarged control group), relative to the reference period Q4 2022. The dashed line indicates the entry into force of the reform in Q1 2023. 95% confidence intervals are also shown.

effects are positive. Due to the small sample size, these effects are estimated rather imprecisely, but they all lie within the confidence intervals of the corresponding between-testator estimates shown in Table 2.

The main focus of this paper is on the potential for liberalization to spur voluntary wealth diffusion. We need to take into account that not all online wills in our data are equally informative in that regard. This has two reasons. First, wills of younger people are more likely to be revised again before death – and thus less informative about eventually realized wealth transmissions – than wills by older people. Second, wills of people with a living spouse or partner typically favor the surviving partner and therefore leave less scope for wealth diffusion.

For those reasons, we report DiD estimates specifically for the subsample of single testators aged 65 and over. These results are shown in the bottom panels of Table 2 and Supplemental Appendix Table E.5. Inference in these estimations is more challenging than in those for the full sample, as the sample size shrinks by an order of magnitude.¹⁶ Nonetheless, we find a statistically significant increase in the share given by elderly singles to nonrelatives. We also find a positive effect on the share given to charities, although that coefficient is statistically significant only with the logit estimator. The magnitudes of the effects are only slightly larger than those found in our baseline estimations for the enlarged control group: the average share given to nonrelatives by single testators aged over 65 increased by 5.1 p.p. and that given to charities increased by 2.2 p.p. The corresponding logit AMEs are again similar, at 4.8 p.p. and 4.3 p.p. respectively. This confirms that our estimates based on wills in the full sample are likely to be informative about eventual wealth transmissions at the passing of the second member of a couple.

¹⁶Supplemental Appendix Table E.9 shows how the addition of control variables and the associated reduction in the sample size in themselves affect the estimates. It turns out that adding age, gender and language controls affects the main coefficient estimates only very marginally.

4.2 Continuous effects

As an alternative to looking at absolute changes in shares given to non-family beneficiaries, as we do in DiD Table 2, we can scale those changes to the change in the freely available shares implied by the reform. We show such continuous first-difference effects in Figure 2. We group family structure types into non-singles (left panels) and singles (right panels), and we subdivide the sample into over-65 and under-65 age categories.¹⁷

Figure 2 confirms that wealth diffusion mainly occurs at the death of the second spouse. We observe that non-singles exploited the additional post-reform freedom more than twice as intensely as singles. That difference is visible in the blue bars of the two charts. Non-singles reallocated 81% of their newly free share away from children and parents (Panel a), while singles only used 40% of their newly free share (Panel b). The evident reason why non-singles exploited their new freedoms more fully than singles is that non-singles sought to leave more to their partners. Panel (a) shows that the drop in bequests to children and parents is almost perfectly offset by the increase in bequests to partners. The estate shares of other recipients are, however, essentially unchanged. The apparent desire to reallocate estates towards surviving partners appears to be even stronger for young testators (panel e) than for older testators (panel c).

The scope for wealth to spread beyond the core family upon the death of the first partner therefore appears limited. Hence, we again look at single testators – a category which in our data includes widows and widowers. Panel (b) of Figure 2 confirms that the reform led to a wider sharing of wealth by such testators. Overall, singles used some 34% of their newly free share for nonrelatives, and some 9% for charities. Among older singles (panel d of Figure 2), the share reallocated to nonrelatives and charities was 32%.

4.3 Heterogeneity and reference dependence

Our data allow us to analyze changes not just in averages but in the full distribution of estate allocations. In particular, we can study potential reference dependence of people’s last wishes.

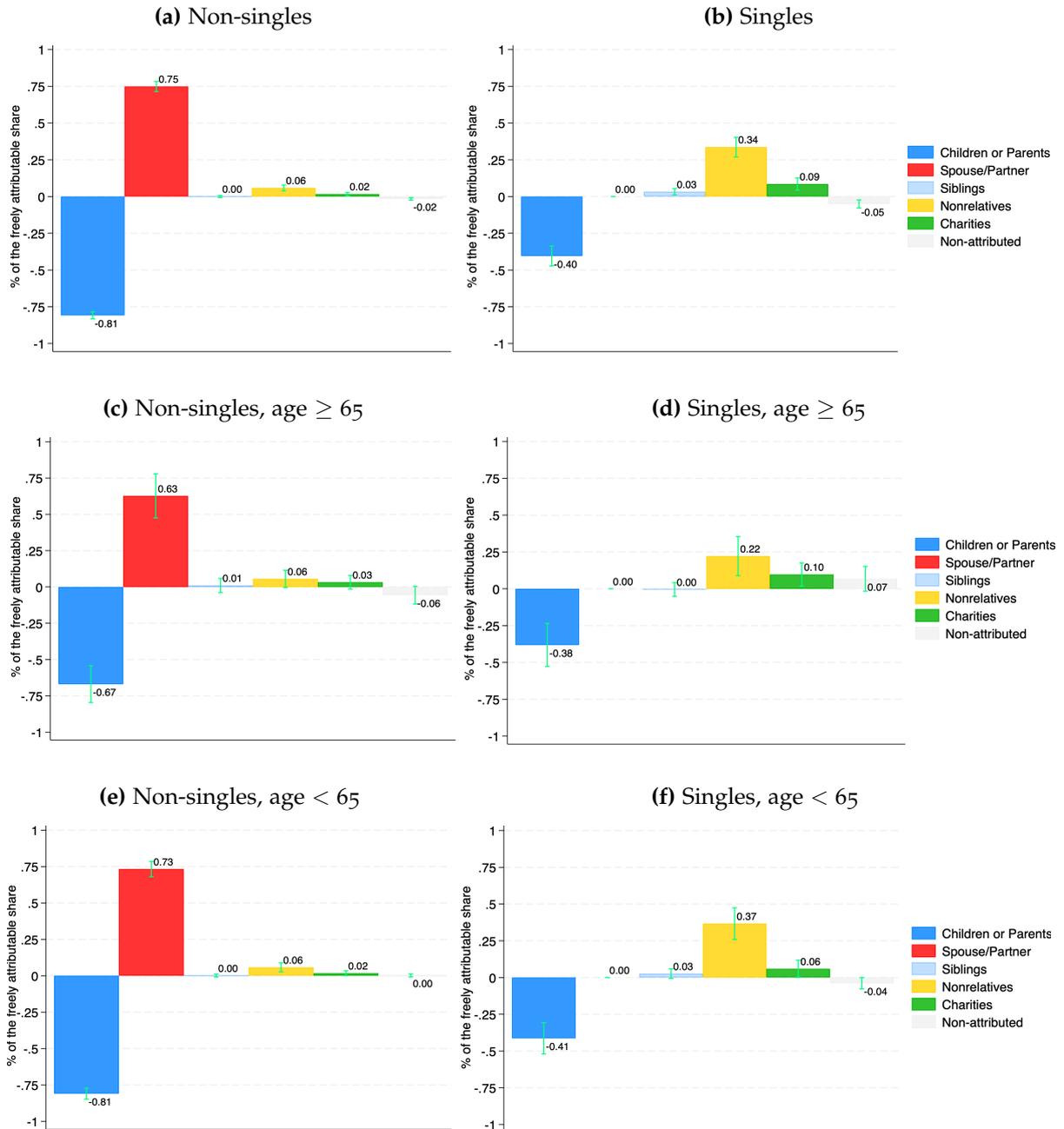
If testators were perfectly rational and held preferences that were independent of statutory constraints, then the distribution of estate shares above the pre-reform threshold (“supra-marginals”) would not be affected by the lowering of the threshold. Put differently, in the absence of reference dependence only the testator types who bunched at the pre-reform compulsory minimum (“bunchers”) should lower their estate shares post-reform. Conversely, if the distribution of estate shares above the pre-reform minimum also shifts after the reform, this is consistent with reference-dependent choices, whereby testators allocate their estates in part as a function of legal minimum shares even when they are non-binding.

Figure 3 shows frequency distributions of estate shares allocated to children (Panel a) and to parents (Panel b), before and after the reform.¹⁸ The graphs confirm that the legal minima were binding for a large share of testators: the compulsory minimum was the modal choice in

¹⁷Corresponding analyses for the sample split married vs. unmarried are shown in Supplemental Appendix Figure F.8.

¹⁸Figure 3 considers unmarried testators, as the change in their compulsory minimum shares was particularly large. The corresponding graphs for married testators are shown in Supplemental Appendix Figure F.9. The observed frequency distributions relative to the legal minima are very similar.

Figure 2: Testators' use of new freedom, by household type



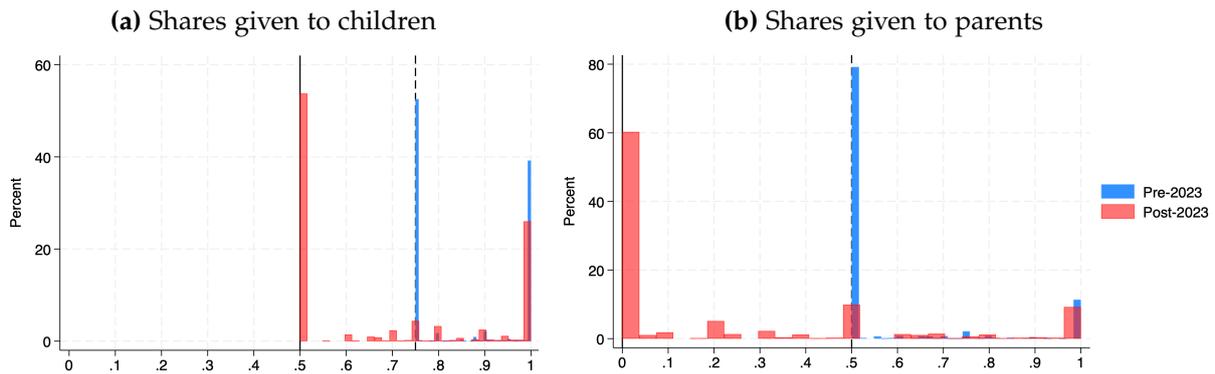
Notes: The charts show average changes post- vs. pre-reform scaled by the size of the additional free share available due to the reform. Left-hand panels are computed for all *FamStruct* types that involve a living spouse and/or life partner (self-declared). Right-hand panels are computed for all single testators. 95% confidence intervals are also shown.

all cases. A precise calculation, in which we net out post-reform bunchers at the pre-reform legal minima from the total of pre-reform bunchers, leads us to conclude that 52% of testators with children had been forced to give more to their children than they would have wanted to, and 72% of testators without children but with living parents had been forced to give more to their parents than they would have wanted to.¹⁹

For evidence of reference dependence, we can look not at the bunchers but at the supra-

¹⁹See columns (4)-(6) of Supplemental Appendix Table E.10. The reported percentages are averages weighted by the respective sample sizes, given in column (1) of Supplemental Appendix Table E.10.

Figure 3: Heterogeneous responses to changed compulsory minimum shares



Notes: The charts show frequency distributions of estate shares allocated by unmarried testators to direct descendants (Panel a, *Fam.Struct* type 2) and to parents (Panel b, *Fam.Struct* type 3) before and after the 2023 reform. Dashed black lines indicate the pre-reform compulsory minimum shares, and solid black lines indicate the corresponding post-reform compulsory minimum shares (equal to zero in case of Panel b).

marginals. In the absence of reference dependence, the distribution of those testator choices would be unchanged by the reform. Our data show consistently that the share of supra-marginals, defined with respect to the pre-reform threshold, shrank after the reform. These differences are statistically significant in five of the six types of *Fam.Struct*.²⁰ Clearly, lowering the compulsory minimum estate share shifted the entire distribution leftward. This evidence is consistent with reference-dependent testator choices also in cases where the legal minima are not binding.

4.4 Inheritance taxes

The allocation of estates across heirs has implications for taxes that are due at the time of transmission. While bequests to spouses and direct descendants are tax free in most of Switzerland, inheritance tax rates on nonrelatives can reach up to 55% (see Supplemental Appendix Table E.11). Since tax schedules vary across cantons and we know the canton of residence of a subset of our sample testators, we can interact canton-level inheritance tax rates with the terms of our DiD equation (2).²¹

Our resulting estimates for giving to nonrelatives, presented in Supplemental Appendix Table E.12, show no statistically significant effects of inheritance taxes on bequests to such heirs. Interestingly, however, we find the reform to have triggered stronger estate reallocations towards charities in high-tax cantons (see Supplemental Appendix Table E.13). Since the online will preparation tool does not mention the tax implications of testator choices, this is evidence of tax-sensitive charitable giving even in a setting with low salience of taxes, thus confirming the highly tax-sensitive nature of charitable bequests found in previous research (see, e.g., Kopczuk, 2013).

²⁰See Supplemental Appendix Table E.10, column (9).

²¹In Supplemental Appendix Tables E.12 and E.13, we experiment with a range of tax variables and model specifications.

5 Discussion: implications for wealth diffusion

Our estimates of Section 4 show that the liberalization of inheritance law led to significant reallocations of bequeathable wealth. How large were these effects, and what can we infer about the potential for voluntary wealth diffusion?

According to our various DiD estimations based on the enlarged control group, treatment was associated with 4.0–5.8 p.p. of additional bequests to nonrelatives, and with 1.3–4.3 p.p. of additional bequests to charities.²² For our computations below, we focus on the midpoints of those two intervals, i.e. 4.9 p.p. for nonrelatives and 2.8 p.p. for charities. These values lie within the confidence intervals of all individual estimates based on the enlarged control group.

The weighted average increase in the freely attributable share of the treated group relative to that of the enlarged control group is 23 p.p. Our DiD estimates therefore imply that an additional percentage point of freely attributable wealth translated into 0.21 ($= 0.049/0.23$) p.p. of additional transmission to nonrelatives and 0.12 ($= 0.028/0.23$) p.p. of additional transmission to charities. Taken together, these estimates imply that per percentage point of additional testator freedom, 0.33 percentage points of additional wealth diffuses beyond the core family. We refer to this quantity as the “diffusion elasticity”.²³

Weighted by the distribution of all seven family types in our data, the Swiss reform raised the freely attributable share by 19 p.p. on average. Applying our diffusion elasticity of 0.33, we obtain that the reform led to 6.3 p.p. of bequests to diffuse beyond the core family. In that sense, the reform was equivalent to a 6.3 p.p. linear increase in inheritance taxes. The estimated 2025 average effective inheritance tax rate across the Swiss cantons was 1.5% (Brühlhart et al., 2026b). Hence, in purely monetary terms, the diffusion effect of the liberalization may well have been more than four times as large as that achieved by existing inheritance taxation.

For a worldwide estimate, we can turn to the cross-country testator freedom data collected by Ellul et al. (2010). Across the 45 sample countries with constrained testator freedom, we obtain a wealth-weighted average compulsory minimum estate share of 29%.²⁴ What would happen if that share were driven to zero, i.e. if those countries’ inheritance laws were aligned with the liberal regimes that prevail in most English-speaking countries? If we apply our diffusion elasticity of 0.33 to the 29 p.p. of additional testatory freedom that would ensue, we obtain that diffusion would increase by 9.6 p.p. Given that total private wealth in the 45 countries is estimated at USD 231 trillion, and assuming 2.5% of that wealth to be bequeathed annually, this implies potential additional diffusion of some USD 550 billion.²⁵ That amounts to some USD 400 per capita of additional annual wealth diffusion in those countries, or 1.2% of their national income.²⁶

We consider these estimated magnitudes to represent upper bounds, for three reasons.

²²These bounds contain the the estimates shown in the in the middle and bottom panels of Table 2 and in the corresponding panels of Supplemental Appendix Table E.5 (marginal effects).

²³Note that this estimate is almost identical to the 32 p.p. estimated diffusion per p.p. of additional testator freedom according to our continuous-effects estimation for single testators aged ≥ 65 (panel d of Figure 2).

²⁴For this calculation, we take the legally reserved estate shares of widowed or unmarried parents of two children (measure 1 in Table 1 of Ellul et al., 2010). We weight countries by 2024 net personal wealth in PPP USD, taken from the WID (accessed on 28 Dec. 2025).

²⁵Personal wealth in 2024 PPP USD, taken from the WID (accessed on 28 Dec. 2025).

²⁶National income in 2024 PPP USD, taken from the WID (accessed on 28 Dec. 2025).

First, we linearly extrapolate our estimated diffusion elasticity for hypothetical reforms that drive compulsory shares to zero. Testators' marginal propensity to bequeath outside of the core family, however, may well be decreasing in the compulsory share of direct descendants. Second, our diffusion elasticity is based on choices by testators who elected to use an online will preparation tool. Such a sample likely underrepresents testators who are satisfied with the legal default shares and therefore see no need to write a will. Hence, we may be overestimating responses to changed minimum shares in the overall population by extrapolating from a sample of deliberate will writers. Third, our data force us to define diffusion in a way that includes estate shares of family members belonging to the third parentelic lineage (cousins, etc.). This is a somewhat broader definition nonrelatives than one would ideally wish.

Finally, wealth diffusion through testator choices is of course not equivalent to diffusion via taxation and government redistribution, as only the latter is subject to democratic control. While bequest taxation offers an interesting quantitative comparator, it is qualitatively different from voluntary wealth diffusion.

6 Conclusion

Inheritance has been shown to perpetuate inequality. We explore how relaxing forced dynastic transmission could allow wealth to diffuse more widely, without state coercion.

To do so, we track the effects of a major liberalization in Switzerland. The empirical analysis is made possible by a novel dataset consisting of 16,887 anonymous online wills, entered before and after the reform. We find that greater testator freedom was used primarily to increase estate shares allocated to spouses and life partners. The share of estates attributed to heirs outside of the core family also increased statistically significantly. We moreover observe that testator preferences are reference dependent, with changes in legal minima shifting the entire distribution of estate allocations, and we find evidence of charitable bequests being sensitive to the implied inheritance tax advantage.

Using our estimated diffusion elasticity of 0.33, we obtain that the liberalization of inheritance law could yield additional annual wealth diffusion amounting to up to 1.2% of national income in those countries that still reserve compulsory estate shares for direct descendants.

As online wills present a hitherto unexplored empirical resource, our research leaves ample scope for future work. Online tools could be used for experimental manipulations, e.g. through informational nudges with respect to tax implications or to different forms of charitable giving. Moreover, if users could be prompted to provide information on the foreseeable size of their estate, that would allow researchers to investigate non-homotheticities in testator responses. More broadly, it would be interesting to refine the analysis to allow for an estimate of the extent to which inheritance rules contribute to measured wealth inequality.

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