When the CFO Dies: The Wealth Cost of Succession in Older Households

Sungyoun Chung*

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Abstract

Within couples, one spouse typically manages the household's wealth, the household's CFO. Using the Health and Retirement Study (HRS), I estimate the cost of CFO loss. For the main analysis, I use a difference-in-differences (DiD) design on a balanced panel of 1,124 couples to compare the wealth of couples who lost the CFO spouse with that of couples who lost the non-CFO spouse to death. The CFO loss reduces net worth by about 16 percent relative to the non-CFO loss. A stacked triple difference (DDD) built from couples of the same type who lost a spouse three waves later gives a similar estimate. Wealth drops immediately after the CFO's death and does not recover over the following four years. The loss is concentrated in the retirement account, bank balances, and home equity, the parts of the estate that must be transferred to the survivor. Other potential wealth loss channels (income, transfers to family members, medical spending, family structure, the survivor's health, and gender) do not explain the loss. What governs the loss is the CFO's cognition, not the survivor's. Losing a cognitively normal CFO costs 23 percent of net worth, whereas losing a cognitively declined CFO produces no significant loss. Together, the evidence identifies a succession cost, the cost that older couples pay to transfer the estate to a survivor who did not manage it.

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*University of Colorado Boulder, Department of Economics. Email, sungyoun.chung@colorado.edu.

1 Introduction

Wealth management in old age has become a household responsibility. A generation ago most retirement wealth arrived as a pension that paid a fixed income, but today it sits in accounts the household must run. Households headed by someone aged 55 or older hold about $138 trillion, 75 percent of U.S. household net worth, up from 56 percent in 1989. The composition of that wealth has shifted toward assets that require decisions. Stocks and mutual fund shares were 10 percent of these households' assets in 1989 and are 35 percent today, $52 trillion and 80 percent of all household stock holdings (Board of Governors of the Federal Reserve System, 2026). In addition, defined-contribution plans held 28 percent of private pension assets in 1975 and 76 percent, or $9.4 trillion, in 2023 (U.S. Department of Labor, Employee Benefits Security Administration, 2025).

Managing wealth of this size requires human capital, knowledge of what the household owns, where it is held, and what to do with it. That knowledge is accumulated over decades, and within a couple it is concentrated in one spouse, the household's chief financial officer (CFO), as the gains from specialization within households predict (Becker, 1981). However, the CFO can be lost late in life when the couple's wealth is largest and the capacity to replace the knowledge is smallest. Industry estimates put the wealth that will pass between spouses at 54 trillion dollars through 2048, more than 95 percent of it to surviving wives (Cerulli Associates, 2025). About 1.5 million Americans lose a spouse each year, most of them past age 65 (U.S. Census Bureau, 2021), and in the population this paper studies roughly 330,000 couples a year lose the spouse who managed their wealth. One in nine Americans aged 65 and older, 7.4 million people, has Alzheimer's dementia (Alzheimer's Association, 2026). The survivor who takes over the finances is therefore typically old, often cognitively declining, and rarely prepared. Whether a household loses wealth when the CFO dies may then depend on the cognition of the CFO before the death and on the capacity of the survivor who takes over.

In this paper I use the Health and Retirement Study (HRS) from 1998 to 2020 to estimate the effect of losing the household CFO, the spouse who manages the household's finances, on the wealth of the household that survives. In the HRS this spouse is the financial respondent, and I define the CFO as the spouse who held that role at the last interview before the death. When the CFO dies, the survivor inherits not only the wealth but the task of settling the estate, claiming and retitling the accounts in the decedent's name, transferring the retirement account, paying the household's bills, and managing the household's wealth thereafter. A couple that loses the CFO may therefore lose more wealth than a couple that loses the non-CFO spouse, because the death removes the spouse who held the role for decades and accumulated the household-specific human capital that the role requires. To estimate this effect, I construct a balanced panel of 1,124 couples that lost a spouse between 2002 and 2020. Each couple is observed from six years before the death to four years after, and 52 percent of them lost the CFO. The main outcomes are household net worth, financial wealth including individual retirement accounts (IRAs), and the non-financial components of net worth.

I estimate the CFO penalty with two designs that share the same event, a spousal death, but

construct the counterfactual differently. The first is a difference-in-differences (DiD) within spousal deaths. I compare the couples who lost the CFO (*treatment*) to the couples who lost the non-CFO spouse (*comparison*). Because both groups experience a spousal death, the comparison nets out the common consequences of the death that do not depend on the decedent's role, such as the medical and funeral costs, the lost income, and the bereavement. I include couple, event-time, and calendar-wave fixed effects, which absorb all observable and unobservable time-invariant differences between couples, the common path of wealth around a death, and market conditions, respectively. The estimates are intention-to-treat (ITT) effects of the CFO's death, since treatment is defined by the role the decedent held before the death rather than by whether the survivor in fact had to take over the finances. The identifying assumption is parallel trends, that wealth in the two groups would have followed the same proportional path through the death had the decedent's role not differed. Two pieces of evidence support the assumption. The event-study coefficients for the two interviews before the death are small and statistically indistinguishable from zero, so there are no differential pre-trends. And the groups are balanced at baseline on income, the decedent's earnings, marriage length, health, and the survivor's education and cognition. Where they differ, in wealth and in the survivor's gender, I reweight the comparison group to the treatment group's covariate distribution by inverse-probability weighting and by entropy balancing, and the estimate is unchanged.

The threat to the DiD is selection into the treatment group on time-varying unobservables, that is, the possibility that couples that lose the CFO differ from couples that lose the non-CFO spouse in ways the data do not record and that also move their wealth around the death. The CFO is not assigned at random. The CFO is typically the healthier spouse and the one with greater financial ability, and the characteristics that determine who holds the role and who dies first can also shape how the couple's wealth evolves around the death. The couple fixed effect removes any difference in the level of wealth between the two groups, and the baseline covariates interacted with the post-death indicator allow the post-death path to differ with the spouses' ages, the survivor's gender and education, and the decedent's self-rated health. What remains is what these do not capture, in practice the course of the decedent's final illness and the decline of the CFO's ability before the death. For example, if the CFO's final illness erodes the household's finances in the years before the death, because the CFO stops monitoring the accounts while care spending rises, CFO-exit couples would already be on a steeper decline than non-CFO-exit couples in ways that a self-rating of health at the last interview does not capture, and the DiD would count that decline as part of the penalty. The biennial survey makes such a decline hard to detect, since most of the final illness falls between the last pre-death interview and the first post-death one. Section 5 therefore re-estimates the penalty with the baseline set two interviews before the death and with a placebo health shock that removes no CFO, and neither changes the estimate.

The second design, a stacked triple difference (DDD) across event timing, addresses the part of the threat that pre-trends cannot test (Fadlon and Nielsen, 2021). A pre-trend test asks whether the two types of couple moved in parallel before the window. It cannot detect a difference that begins inside the window, when the final illness, the market, and the drawing down of savings

all move at once. CFO-exit couples are wealthier at baseline, hold about 30,000 dollars more in IRAs, and more often lose the older husband, so their wealth could have fallen faster through these years even if the decedent had held no role at all, and the DiD would count that difference as part of the penalty. The DDD measures the difference directly. For each cohort of couples that lose a spouse, the control group is couples that lose a spouse of the same role three waves later, observed over the same calendar window and still intact. These later-treated couples are the same type of household, with a CFO who will die, so they carry whatever unobserved characteristics come with being a CFO-exit couple, but they have not yet experienced the death. I estimate the design in a single stacked regression with three terms. The early-by-post term is the common cost of losing a spouse, which is about zero. The CFO-by-post term, estimated within the late cohort where no death has yet occurred, is the differential trend between the two types in the absence of an exit. It is about one percent of net worth and statistically indistinguishable from zero, which means the trend the DiD must assume away is small, and the two designs should agree. The triple interaction, the penalty net of that trend, is 12 percent of net worth, against 16 percent in the DiD, and the two are statistically indistinguishable. The two designs rest on different assumptions. The DiD fails if the two types trend differently through the window, and the DDD fails if selection on the timing of a death within a six-year window differs by role. Agreement between them means the estimate does not rest on either assumption alone. The cost of the DDD is a shorter horizon, since the control cohort experiences its own death three waves later, which is why the DiD is the main specification.

I find that losing the CFO reduces the surviving household's net worth by 16 percent over the four years after the death, relative to losing the non-CFO spouse, about seven years of the earnings and pension income the decedent had been contributing. The estimate is 13 percent under inverse-probability weighting and 15 percent under entropy balancing, and it is similar on every balanced window available. The loss appears at the first interview after the death, held within two years of it, at 13 percent, and is 15 and 12 percent at the two interviews that follow, so the penalty is incurred at the succession and neither grows nor recovers afterward. The DDD puts the common cost of losing a spouse at about zero over this window, while the cost of losing the CFO is 13 to 18 percent across outcomes. The loss is spread across the estate. Financial wealth declines by 16 percent and non-financial wealth by 15 percent. Within financial wealth, the retirement account falls by 17 percent, and by 20 percent among the couples that held one, and bank balances fall by 17 percent, while stocks and bonds held outside retirement accounts do not change. Home equity, the largest asset most of these couples own, falls by 7 percent. The loss is concentrated in the accounts titled to the decedent, which must be claimed and retitled, and in the cash the survivor draws on before that is done, and not in the investments that require active management.

I then test the channels through which a spousal death could lower wealth independently of the succession. Controlling for the decedent's earnings and pension income leaves the penalty unchanged, and household income does not fall after a CFO exit relative to a non-CFO exit, and household consumption, measured directly for the couples that complete the HRS consumption survey, does not rise. Transfers to and from children do not differ between the two groups after the

death, and withdrawals from retirement accounts fall by 23 percent rather than rise. The survivor's out-of-pocket medical spending, the co-residence and proximity of children, and the survivor's own health, cognition, and depressive symptoms do not differ between the two groups after the death. The penalty is the same for male and female survivors, so the effect follows the role rather than the sex of the person left to fill it. The survivor does report wealth less exactly after a CFO exit, but the decline is not an artifact of reporting, since the penalty remains among the observations with less than 20 percent of asset value imputed. None of these channels accounts for the penalty.

The size of the penalty depends on the cognition of the CFO who died, measured by the HRS cognition score at the last interview before the death, not on the capacity of the survivor. Losing a CFO who was cognitively normal before the death reduces net worth by 23 percent. Losing a CFO whose cognition had already declined produces no significant loss. When the CFO's cognition had declined, the survivor had in practice already taken over the finances while the CFO was alive, although the survey designation had not changed, and the death removed a CFO who no longer managed the money. This contrast is the one predicted by a model in which the non-CFO spouse learns the task as the CFO's death approaches, so a death that arrives before the transfer is costly and one that arrives after it is not (Hsu, 2016). When the CFO was still managing the money, the death removed the person who held the accounts, the beneficiary designations, and the knowledge of where the wealth was, and the household paid for the transfer. Part of this cost is a liquidity cost, since the household's bills fall due before the decedent's accounts are the survivor's, and the penalty is about half as large when the decedent held life insurance, whose payout covers those months. Together, the evidence identifies a succession cost, the cost that older couples pay to transfer the estate to a survivor who did not manage it.

This paper contributes to three literatures. The closest is the literature on cognitive aging and household finances. Financial capability peaks in middle age and declines thereafter, cognitive decline degrades financial outcomes and often goes unrecognized, and wealth begins to erode through impaired management years before dementia is clinically recognized (Agarwal et al., 2009; Nicholas et al., 2021; Li et al., 2026). Older people underestimate their own decline, and those with a severe decline who do not recognize it lose wealth (Mazzonna and Peracchi, 2024). These papers estimate the cost of a financial manager whose cognition declines while the manager keeps the role, and the remedy they point to is detecting the decline and protecting the manager's decisions. I estimate the cost of the transfer of the role, which in these data occurs almost only at death. The transfer costs about a quarter of net worth when the CFO was still functioning and produces no statistically significant loss when the CFO had already declined, consistent with those households having already moved the money. The policy implication is different. If the loss falls at the transfer, protecting the manager is not enough, and wealth management within a couple should involve both spouses before the transfer is forced. Joint titling, beneficiary designations, and the non-CFO spouse's involvement in the accounts while the CFO is still capable turn the death into a succession that has already happened.

The second literature estimates the economic consequences of widowhood and family health

shocks. Widowhood lowers wealth and raises poverty, household wealth declines through the years surrounding a spouse's death, and health shocks within the family reshape labor supply and insurance choices (Sevak et al., 2003; Poterba and Venti, 2017; Fadlon and Nielsen, 2021). This literature organizes the loss by the sex of the spouse who dies. Widows keep losing wealth for years after the death while widowers do not, a gap attributed in part to women's inexperience with investments their husbands managed, and a partner's death lowers the survivor's credit standing most where only the deceased partner held the household's credit accounts (Streeter, 2020; Moulton et al., 2023). Sex and role are correlated, which is why the two readings have been hard to separate. Husbands usually hold the role (Hsu, 2016). In the HRS the wife is the CFO in 40 percent of couples, a share that rose from 38 percent in 1998 to 42 percent in 2020, but because husbands die first, 85 percent of the survivors of a CFO death are women, against 67 percent after a non-CFO death. A comparison of widows with widowers therefore compares, in large part, survivors who lost the CFO with survivors who did not. The death of a spouse gives me both kinds of loss within each sex. Holding the survivor's gender fixed, the penalty follows the role, and the male and female CFO effects are statistically indistinguishable. The distinction matters for policy. If the loss were a gender effect, the remedy would be financial education directed at women. If it is a role effect, the remedy is directed at whichever spouse does not hold the role, and as the share of couples in which that spouse is the husband rises, the first remedy misses a growing group. For households that lose their CFO, the widowhood wealth decline that this literature reads as a bereavement cost is a succession cost, and the common cost of the death itself is about zero in the DDD while the cost of losing the CFO is not.

The third literature is household finance. Returns to wealth differ persistently across otherwise similar households, and households make identifiable investment mistakes whose costs rise with the complexity of what they hold (Fagereng et al., 2020; Calvet et al., 2007; Gomes et al., 2021). These papers measure the skill of the household as a unit, because both spouses are present in every observation and the data cannot say whose knowledge produces the return. The within-couple design holds the household, the portfolio, and the wealth fixed and removes one spouse, following work that measures what a worker contributes to a firm by the consequences of an unexpected death (Jäger and Heining, 2022). The result is a measure of the financial human capital of one person inside a couple. It is about one sixth of the household's wealth. The evidence is consistent with a loss incurred at the transfer rather than wealth that passes to the survivor, although the HRS cannot show whether part of it passes to other heirs. This matters for how couples divide household labor. The gains from specialization that assign the finances to one spouse carry a cost that arrives when that spouse dies, and the cost is absent where the other spouse had already taken the role over. The non-CFO spouse has reason to learn the task as the CFO's death approaches, and wives do acquire financial literacy as widowhood nears, but the learning is gradual, and a death that comes before it is complete leaves the household to pay for the transfer (Hsu, 2016). Financial knowledge within a couple protects the household's wealth only to the extent that both spouses hold it.

This paper provides an estimate of what a household loses when the spouse who managed its wealth dies. The loss is large, about one sixth of net worth, it is incurred at the succession rather than accumulated afterward, it sits in the parts of the estate that must be transferred to the survivor, and it is absent when that transfer had already taken place before the death. These findings reframe part of the widowhood wealth decline as a succession cost and point to preparation, liquidity, and the rules governing the transfer of accounts as the margins on which policy can act.

The remainder of the paper is organized as follows. Section 2 describes the data, the household CFO, the succession event, and the sample. Section 3 presents the empirical strategy. Section 4 reports the main results, and Section 5 presents robustness checks. Section 6 examines mechanisms. Section 7 concludes.

2 Data and the Succession Event

2.1 Data

To identify the CFO loss effect, I use the Health and Retirement Study (HRS),[1] a nationally representative biennial panel survey of Americans over the age of 50 and their spouses. Because the cognition battery has been measured consistently since wave 4, I use waves 4 through 15 (1998 through 2020). The analysis sample is built in two steps. First, a spousal exit (E) enters the pool if the couple was interviewed together at the two waves before the event, denoted $E-2$ and $E-1$, with household wealth observed at both, and if both spouses were at least 50 years old at $E-2$. The two prior interviews ensure that the CFO role, wealth, and both spouses' cognition are measured before the exit event.[2] Because every event requires two prior couple waves, events span 2002 through 2020. The second step keeps the couples observed at every wave from six years before the death to four years after ($k = -3$ to $+2$) to construct the balanced panel used for the main estimates. Of the 2,422 couples who lost a spouse, 1,124 are observed in every period, 590 of them CFO exits.

The main outcome is household *net worth*, the RAND HRS total wealth measure covering financial assets, individual retirement accounts, housing and other real estate, businesses, and vehicles, net of all debts. A second outcome, *financial wealth*, adds IRA and Keogh balances to RAND HRS net financial wealth. I split financial wealth into a *managed* block, stocks, bonds, and IRA and Keogh accounts, and a *passive* block, checking and savings accounts and certificates of deposit. The remainder of net worth, home equity, other real estate, business assets, and vehicles, is *non-financial* wealth. All wealth variables are converted to 2020 dollars and winsorized at the 1st and 99th percentiles by wave.[3]

[1] Specifically, I use the RAND HRS Longitudinal File 2022 (v1), a cleaned and harmonized version of the HRS core data with consistently constructed variables across waves (RAND Center for the Study of Aging, 2025).

[2] The two prior couple waves serve three purposes. They establish the role and the covariates before the exit, they allow the anticipation check that uses $E-2$ rather than $E-1$ as the reference wave (Section 5), and they define the pool from which the all-exits comparisons are drawn. The age screen fixes the population as couples past the age at which the HRS samples, measured at the earlier baseline wave. Applying it at $E-1$ instead would change the main sample by about one percent.

[3] Net worth is negative for about four percent of couple-waves and is censored at zero along with its components,

Covariates are measured at $E-1$, which is also the reference wave for the event study and the dollar specification, and this last pre-event interview describes the characteristics of the households most accurately as they enter the event (Fadlon and Nielsen, 2021). However, because a spouse's death often occurs within a year after the last interview, $E-1$ wealth may already sit inside the terminal decline, after care spending has begun and while the exiting CFO's attention may be slipping.[4] In Section 5, therefore, I re-estimate the CFO loss effect with $E-2$ as the reference wave and with the $E-1$ wave dropped altogether to check the robustness of the results.

2.2 The Household CFO

The household CFO is the spouse who is most knowledgeable about the household's assets, debts, and retirement planning. In the HRS, each couple designates such a spouse, the financial respondent, who answers all household-level financial questions on the household's behalf, and I define this respondent as the household CFO. The role captures financial decision-making authority within the couple rather than a survey convenience. The financial respondent's cognition and numeracy predict household wealth outcomes, and the role assignment tracks relative cognition between the spouses (Smith et al., 2010; Hsu and Willis, 2013).

The household CFO role is notably persistent, and this persistence is central to the identification. Across all HRS couples the financial respondent changes hands by the next wave in only 0.7 percent of couple-waves. The role is not reassigned even when the respondent's cognition fails. Across all HRS couple-waves the role changes hands by the next wave in 0.6 percent of cases when the financial respondent is cognitively normal, 1.0 percent when the respondent scores in the impaired range of the Langa-Weir classification,[5] and 1.3 percent when the respondent scores in the demented range. In the main sample, 94 percent of couples reach the death without the role ever having changed hands, about five percent transfer the role to the eventual survivor before the exit, and among CFO exits the exiting spouse held the role at both baseline waves in 99 percent of cases. Because households almost never reassign the CFO role in anticipation, pre-event CFO status reflects a long-standing division of responsibilities within the household rather than a response to the coming event. A couple is a CFO-exit couple if the exiting spouse was the financial respondent at $E-1$, so CFO-exit status is predetermined and the succession is the one the event forces, not one the household chose.

2.3 Spousal Exit Events

In this paper, the main spousal exit event is death. When the spouse who dies was the household's CFO, the death forces a succession of the CFO role to the surviving spouse, who becomes the financial respondent and answers all financial questions in the survey from the next interview

as Section 3 explains.

[4] In the death arm the median time from the $E-1$ interview to the death is 14 months, 43 percent of decedents die within a year of the interview and 91 percent within two years.

[5] The Langa-Weir classification scores the HRS cognition battery, which runs from 0 to 27, as cognitively normal (12 to 27), impaired without dementia (7 to 11), or demented (0 to 6). Section 2.3 describes the scale.

onward.[6] I also define two other spousal exits that can hand the role over while both spouses are alive, entry into long-term care and functional incapacitation. In each arm the exit event is the first wave at which one spouse can no longer take part in running the household. The two living exits enter a pooled sample of all spousal exits, whose estimates, components, and balance are in Appendix Tables A10 to A12 and whose event studies are in Appendix Figure A1. Appendix Table A1 reports the CFO status of the exiting spouse by arm.

Death. A death event occurs when a spouse who was married at $E-1$ is deceased at the event wave, identified from the survivor's marital status because the exiting spouse's own interview variables become inapplicable at death. Because the exiting spouse's cognition and functioning are measured in the core interview at $E-1$, Section 6 is able to distinguish deaths of a CFO who was still managing the household's wealth from deaths of a CFO who had already ceased to do so.

Long-term care entry (LTC). An LTC event occurs when a spouse enters a nursing home for a stay of substantial length, the spouse either resides in the facility at the event interview or reports thirty or more nights of care since the prior interview.[7] Short rehabilitation stays, under thirty nights with the spouse not residing in the facility at the interview, are excluded from the arm, they remove no CFO and the spouse returns to the household.[8] These episodes are retained separately as a placebo group, followed with event time measured from their own episode and censored at the couple's first real exit (Section 5).

Functional incapacitation. An incapacitation event occurs when a spouse loses the capacity to take part in the household's affairs, which the data reveal through either of two routes. In the score route, a spouse with a cognition score in the normal range at $E-1$ scores in the demented range at the event wave. Scores are measured on the 27-point HRS cognition scale,[9] and the Langa-Weir cutoffs validated against clinical dementia assessments classify scores as normal (12–27), cognitively impaired without dementia (7–11), or demented (0–6) (Crimmins et al., 2011). A score-route event therefore requires a fall from 12 or above to 6 or below, a decline that passes entirely through

[6] The HRS designates the financial respondent within the couple, so a child or another relative who takes over the management of the money in practice is not observed, and the data cannot distinguish a survivor who manages alone from one who is helped. Section 6 shows that children do not move into the household or closer to it after a CFO exit and that transfers between parents and children do not change.

[7] The 30-night line mirrors the federal Medicaid spousal-impoverishment rules, which define an institutionalized spouse as one in a medical institution for at least 30 consecutive days (42 U.S.C. §1396r-5). Shorter stays are overwhelmingly Medicare-covered post-acute rehabilitation, which Medicare pays in full only for the first 20 days following a hospitalization. The health-services literature typically draws the long-stay line at 90 or 100 days, so the threshold used here is inclusive, any misclassification admits some longer rehabilitation stays into the LTC arm, which dilutes the LTC estimates toward zero and leaves the placebo group of short stays clean.

[8] A spouse residing in the facility at the interview with fewer than thirty accumulated nights is a recent admission, not a short stay, the observed nights are censored by the interview date rather than ended by discharge, and these cases resolve like the rest of the arm, one quarter of the spouses are deceased by the following wave. Of the 456 LTC events, 421 report thirty or more nights of care and 35 qualify through the residing condition alone.

[9] The scale sums four tests administered in the core interview, immediate recall of a ten-word list (0–10), delayed recall of the same list after roughly five minutes (0–10), five serial subtractions of seven starting from 100 (0–5), and counting backwards from 20 (0–2). It is the score on which the Langa-Weir classification is built.

the intermediate range within a single two-year interval. In the proxy route, a spouse who self-interviewed at $E-1$ requires a proxy respondent at the event wave. Because a proxy interview can occur for circumstantial reasons, a proxy-route event is set aside when the spouse returns at the following wave to self-interviewing with a score in the normal range. Every other following-wave state, continued proxy interviews, institutionalization, death, an impaired self-interview, or nonresponse, confirms the event.[10]

Figure 1 shows how each spousal exit event transfers the role to the surviving spouse among CFO-exit couples, plotting the share of couples in which the survivor is the financial respondent at each event time. The figure makes two points. First, the role is not handed over in anticipation of the event. The share is near zero in all three arms through $E-1$, so the CFO role stays with the same spouse until the event. Second, the succession happens after the event, and how completely it happens depends on the arm. Death forces the succession immediately, and the survivor becomes the CFO at the next interview. After LTC entry and incapacitation the succession is gradual and partial. The persistence of the role does not stop at the event. Among these couples, even when the financial respondent scores in the demented range, the role passes to the other spouse at the next wave in only 7 percent of cases, a higher rate than the 1.3 percent across all couple-waves because these couples are at the event, and formal succession accumulates over several waves. The LTC and incapacitation definitions are therefore intent-to-treat, and their estimates are conservative lower bounds on the effect of a completed succession. The complete and immediate succession is the reason the death arm anchors the analysis and the living exits appear in the appendix.

Three rules complete the definition. When arms coincide in the same wave, death takes precedence over LTC, and LTC over incapacitation. Couples in which both spouses experience an event in the same wave are excluded. Each couple contributes only its first event, with event time anchored there, and survivors who re-partner are censored from that wave onward. The resulting estimand is the effect of losing the household's CFO as successions occur, across the mix of sudden and anticipated exits that late life delivers.[11]

[10] A single-wave proxy episode followed by a return to self-interviewing with a normal-range score indicates that the spouse could function all along and was merely unavailable, so it is treated as a mismeasured interview state rather than as an event. The confirmation conditions only on the following wave's interview state, a second measurement of the event variable itself, never on any outcome. No such confirmation is imposed on the score route, a demented-range score is itself the documented cognitive event, and a later score recovery reads as treatment or measurement noise after a real decline.

[11] All estimates are unweighted by survey weights. The HRS oversamples Black and Hispanic households and Florida residents, sampling criteria unrelated to the succession event, and for causal parameters weighting on such exogenous criteria is unnecessary for consistency and typically costs precision (Solon et al., 2015). The estimand is the penalty at successions as they occur in the sample rather than a population-weighted average. Household weights enter only where population totals are required, the aggregate figures of the introduction. Core HRS weights are also set to zero for institutionalized respondents, so weighting would mechanically remove treated households in the long-term care arm after the event. The reweighting of Section 3 is a different object, weights that balance the comparison group on covariates, not survey weights.

2.4 Descriptive Statistics

Table 1 compares non-CFO-exit couples and CFO-exit couples in the main sample at the baseline period ($E-1$). CFO-exit couples are wealthier. They hold about $121,000 more in net worth, $633,000 against $512,000, a standardized difference of 0.15, and the gap is spread over IRA balances, checking accounts, stocks, and home equity.[12] Household income, the decedent's earnings, marriage length, both spouses' chronic conditions, the survivor's education, cognition, and depressive symptoms, and life-insurance coverage are statistically indistinguishable across groups.

The wealth gap is the reason the main specification reports proportional effects, with the dollar estimates beside them. Two groups that start from different levels move by different dollar amounts under any common shock, so a dollar comparison carries part of the treated group's higher level into the estimate, and a proportional comparison does not. Section 3 develops the point, and the dollar estimates are also reported with the comparison group reweighted to the treated group's baseline wealth.

The imbalances beyond wealth form two clusters. The first follows from gender. Because husbands more often hold the CFO role, the female share of survivors is higher after CFO exits, 85 percent against 67 percent, and the exiting spouse in these couples carries more pension income. This is the profile of a husband rather than a feature of CFO status itself. The survivor's gender and education, both spouses' ages, and the exiting spouse's self-rated health enter every specification interacted with the post-event period. Section 6 shows that the penalty is not a gender effect, since the male and female CFO effects are statistically indistinguishable. The second cluster follows from the role's assignment. The exiting spouse is less often cognitively impaired in CFO-exit couples, 30 percent against 45 percent, because spouses still functioning are more likely to still hold the role. This difference is part of what the paper measures rather than a confound to remove. The estimates average over the cognition mix at which successions occur, and Section 6 decomposes the penalty by the exiting CFO's cognition directly.

The reweighted columns of Table 1 show the comparison group after the two reweighting schemes used in the main table, which reshape the comparison group to match the CFO-exit couples on baseline covariates, including wealth, as Section 3 describes.[13] Inverse-probability weighting brings every targeted row within 0.10 of the CFO-exit mean in standardized units, with the single exception of household Social Security income at 0.14, and entropy balancing equates the targeted means and variances by construction. The untargeted rows, marriage length, the survivor's cognition score and depressive symptoms, and the annuitized income share, stay within 0.07 under both schemes.

Identification does not rest on balance in pre-event levels. The couple fixed effect removes every

[12] The standardized difference for covariate x is $(\bar{x}_{CFO} - \bar{x}_{nonCFO})/\sqrt{(s^2_{CFO} + s^2_{nonCFO})/2}$, the mean gap in units of the pooled standard deviation, invariant to scale and sample size (Rosenbaum and Rubin, 1985; Austin, 2011). Values below 0.10 are conventionally read as balanced. The closely related normalized difference carries a threshold of 0.25, so the standard applied here is conservative (Imbens and Wooldridge, 2009).

[13] The nineteen covariates, all measured at $E-1$, are both spouses' ages and chronic-condition counts, the survivor's gender and education, the exiting spouse's self-rated health, earnings, pension income, and life-insurance coverage, household income, net worth and its financial components (stocks, bonds, checking and savings, CDs, and IRA balances), and both spouses' cognitive classifications.

permanent difference between the groups, and the identifying assumption concerns proportional trends, which Section 4 tests with the event-study pre-periods. The remaining concern is the one no balance table can address, that couples who assigned the finances to the eventually exiting spouse differ in unobserved ways that would have produced different wealth trends even without an event. The stacked triple difference of Section 3.2 estimates the trend of CFO-exit-type couples relative to non-CFO-exit-type couples around dates at which no event occurs and finds that differential trend statistically indistinguishable from zero.

3 Empirical Strategy

This section describes the two designs I use to estimate the effect of losing the CFO on the surviving household's wealth. An ideal experiment would randomly assign the CFO role within couples that lose a spouse and compare the wealth of couples that lose the CFO with that of couples that lose the non-CFO spouse. In practice, couples choose the role based on the spouses' characteristics, and the CFO is typically the healthier spouse with greater financial ability. The two groups may differ in ways that affect wealth around the death. For instance, if a couple's saving depended on the CFO's ability and health, wealth may have been declining before the death and continued to decline after it, and a simple comparison would attribute this decline to the loss of the CFO. Both designs address this by constructing the counterfactual wealth of CFO-exit couples from other households, and each rests on an assumption that is plausible but not directly testable.[14] The first is a difference-in-differences design within spousal exits that compares couples who lose the CFO with couples who lose the non-CFO spouse. It requires that the two groups would have followed parallel proportional wealth paths through the event absent a role-specific effect of the exit. The second is a stacked triple-difference design that exploits event timing, comparing couples who lose the same type of spouse at different times (Fadlon and Nielsen, 2021). It requires only that any bias from exit timing within a short window be common to CFO and non-CFO exits. Because it estimates the differential path between the two groups from couples that have not yet lost a spouse, it checks the first design's assumption over the post-event window, where pre-trend tests are uninformative, and it recovers the common cost of losing a spouse, which the within-exit comparison nets out.[15] Both designs are estimated by Poisson pseudo-maximum likelihood on wealth in levels with couple fixed effects, and the parameters are proportional effects on mean wealth.

[14] Designs that borrow a counterfactual from couples that do not lose a spouse, such as a synthetic control built from intact couples or an event study against them, do not answer the question. An intact comparison reproduces the pre-death wealth path but not the death, so the gap that opens after the event is the cost of widowhood, not the cost of losing the CFO. The counterfactual required is a couple that also loses a spouse, which both designs here provide. Matching and reweighting on observables are used as robustness in Section 5, but they cannot address an unobserved differential trend, which the triple difference estimates directly. The stacked form with a fixed window keeps every control couple untreated in every period of its window, which avoids the weighting problems of two-way fixed effects with staggered timing (Cengiz et al., 2019).

[15] The within-exit design is the main specification because it uses every couple in the balanced panel over the full window and supports the component and heterogeneity analyses of Section 6. The stacked triple difference requires each treated cohort to have a later-treated control cohort inside the panel, which limits it to deaths through 2014, caps the window at two waves after the event, and reduces precision.

3.1 Difference-in-Differences within Spousal Exits

The within-exit design models the conditional mean of household wealth as

$$\mathbb{E}\big[W_{it} \,\big|\, \mathbf{Z}_{it}\big] \;=\; \exp\Big(\alpha_i + \beta\,\mathrm{CFO}_i \times \mathrm{Post}_{it} + \lambda_{k(i,t)} + \lambda_t + \alpha_{a(i,t)} + \mathrm{Post}_{it}\,X_i'\gamma\Big), \tag{1}$$

where i indexes the couple, t the survey wave, $k(i,t) = t - e_i$ is event time, with e_i the wave of couple i's event, and $\mathbf{Z}_{it}$ denotes the full set of regressors and fixed effects in the exponent. Equation (1) is a proportional rather than a linear model. It is equivalent to $W_{it} = \exp(\mathbf{Z}_{it}'\theta)\,u_{it}$ with $\mathbb{E}[u_{it} \mid \mathbf{Z}_{it}] = 1$, so $\exp(\beta) - 1$ is the proportional effect of losing the CFO on mean wealth, and I estimate it by Poisson pseudo-maximum likelihood, which is consistent whenever the conditional mean is correctly specified, for any non-negative outcome, and without distributional assumptions on u_{it} (Wooldridge, 1999; Santos Silva and Tenreyro, 2006; Chen and Roth, 2024). The specification keeps the couple-waves with zero wealth that a log specification would drop, four percent for net worth and eighteen percent for financial wealth, and Section 5 reports the dollar specification as the sensitivity check. The outcome W_{it} is household net worth in dollars, left-censored at zero, that is, with negative values set to zero, since the Poisson model requires a non-negative outcome. The same specification applies to financial wealth, to its managed and passive blocks, and to each component. The treatment indicator CFO_i equals one if the exiting spouse was the household's CFO, and $\mathrm{Post}_{it} = \mathbf{1}[k(i,t) \geq 0]$ equals one from the event wave onward. The couple fixed effect α_i absorbs every permanent attribute of the couple, including CFO_i itself and the couple's wealth level. The event-time effects λ_k absorb the common path of wealth around any spousal exit, whichever spouse is lost, such as end-of-life care spending, final expenses, and the loss of the decedent's income, and they include Post on its own. The calendar-wave effects λ_t absorb everything common to all couples interviewed in the same wave, such as asset prices, the business cycle, and wave-specific features of the survey. The two are separately identified because event timing is staggered, so they coincide within a couple but separate across couples with different event dates (Kleven et al., 2019). The survivor's current five-year age bin $\alpha_{a(i,t)}$ absorbs life-cycle decumulation. The covariates X_i are the survivor's and the exiting spouse's ages, the survivor's gender and years of education, the exiting spouse's self-rated health, and the census division of residence, all measured at $E-1$. They enter interacted with Post, since their levels are absorbed by α_i. The interactions allow the common post-exit path to differ with these characteristics, and β is therefore not identified from, for example, the higher female share among CFO-exit survivors. Standard errors are clustered on the couple.

The parameter of interest is β, the CFO penalty. Because the model is exponential, $\exp(\beta) - 1$ is the proportional change in mean wealth after the exit for CFO-exit couples relative to non-CFO-exit couples. The couple fixed effect and the event-time effects together compare each couple's post-exit wealth with its own pre-exit path, $k = -3$ to -1, net of the common path, so the estimand is the average proportional effect on the treated, the penalty averaged over the households whose successions occur. The estimates are intention-to-treat (ITT) effects of the CFO's death. Treatment is defined by the role the decedent held at $E-1$, not by whether the survivor in fact had to take

over the finances, so a couple whose survivor had already assumed the finances before the death is still a treated couple. Because each couple has one CFO, losing the CFO and the succession of the role are the same event, and the penalty is the cost of that succession.

Two further features of the outcome favor a proportional specification over a dollar one. Household wealth is heavily right-skewed, so an additive specification is driven by the wealthiest couples. CFO-exit couples hold about 24 percent more net worth at $E-1$ (Section 2.4), so any common proportional movement, a market decline or a retirement drawdown, moves the richer group by more dollars with no causal role for the exit. A dollar difference-in-differences carries that movement into the estimate, and a proportional one does not. For wealth in the HRS, the same estimator with individual and calendar fixed effects has been used around dementia onset, and equation (1) extends it to a two-group comparison with couple fixed effects and covariates interacted with post (Li et al., 2026). The censoring at zero understates losses among indebted households, and a couple whose outcome is zero in every wave of the window has no finite fixed effect and is dropped, so the number of couples differs across outcomes and the tables report it for every column. The dollar specification regresses the change in wealth since $E-1$ on the same covariates and retains negative wealth and every couple, the form used for wealth changes in the HRS (Mazzonna and Peracchi, 2024). The dollar estimate is reported beside the Poisson estimate in the main table and in full in Appendix Table A2. The two are estimators of the same effect in different units.

The main table reports equation (1) unweighted and under two reweighting schemes that keep unit weight on CFO-exit couples and reshape only the comparison group. Inverse-probability weighting fits a logit of CFO-exit status on nineteen predetermined covariates and weights each comparison couple by $\hat{p}/(1-\hat{p})$ (Hirano et al., 2003). Entropy balancing chooses comparison weights that match the CFO-exit covariate means and variances exactly while staying as close to uniform as possible (Hainmueller, 2012).[16] Because the weights balance the comparison group on $E-1$ wealth and its components, the weighted estimates also address the level gap directly.

The event-study version estimates the penalty at each event time,

$$\mathbb{E}\big[W_{it} \,\big|\, \mathbf{Z}_{it}\big] \;=\; \exp\Big(\alpha_i + \sum_{k\neq -1} \theta_k \,\mathrm{CFO}_i \times \mathbf{1}[k(i,t)=k] + \lambda_{k(i,t)} + \lambda_t + \alpha_{a(i,t)} + \mathrm{Post}_{it}\, X_i'\gamma\Big). \quad (2)$$

Each θ_k is the proportional CFO gap at event time k relative to the reference wave $E-1$. The coefficients θ_{-3} and θ_{-2} test for differential pre-trends, and θ_0 through θ_{+2} trace the dynamics of the penalty. Because the main sample is balanced on the window, every θ_k is estimated on the same couples, so a change in the coefficient from one event time to the next is a change for the same households rather than a change in who is observed. The cost is that balance conditions on being observed four years after the event, and if losing the CFO affected whether the survivor dies, leaves the survey, or re-partners, the sample would be selected on an outcome of the treatment. Section 4 reports the penalty on the other balanced windows the data allow. The figures pair each

[16] The nineteen covariates are listed in Section 2.4. Weights are estimated separately within each sample and window, and they enter the pseudo-likelihood as probability weights, and the specification itself is unchanged.

event study with the raw means of the same outcome by role, each group's mean at every event time divided by its own mean at $E-1$, which shows the paths the regression compares before any adjustment.

The identifying assumption is parallel trends in ratios rather than in dollars, that CFO-exit and non-CFO-exit couples would have followed parallel paths in log mean wealth through the event had the exiting spouse's role not differed. It does not require the two groups to be equally wealthy, since the couple fixed effect removes every permanent difference and a common proportional movement leaves the ratio unchanged. The assumption can fail in two ways, through a differential trend that exists without an exit, which the pre-event coefficients of equation (2) test and the stacked triple difference of the next subsection estimates directly, or through channels of the exit itself that are correlated with the role, such as lost pension income or life-insurance payouts, which the placebo of Section 5 and the channel tests of Section 6 address. Because the comparison group also experiences a spousal exit, β is a differential, the cost of losing the CFO over and above the common cost of losing any spouse, which the stacked triple difference recovers.

3.2 Stacked Triple Differences across Event Timing

The stacked triple difference adds a second comparison group, households that experience the same kind of exit later. Each exit cohort is compared to households that experience the same-arm exit three waves later (Fadlon and Nielsen, 2021). For every event wave g, the early cohort experiences the exit at g, while the late cohort experiences it at $g+3$ and is assigned the placebo event date g. The early cohort is the treated group and the late cohort its control. Placebo event time $k_p(g,t) = t - g$ is measured from that date, so for the early cohort it coincides with event time, while a late-cohort household at $k_p = 0$ is still three waves from its own exit. In the original design, the identifying assumption is that the timing of a shock within a short window is as good as random, so the late cohort traces the counterfactual path of the early one. The triple difference here requires less, only that any relation between the timing of an exit and wealth paths be the same for CFO and non-CFO exits.

For example, a couple that loses its CFO in 2010 is matched to couples that lose theirs in 2016, which are assigned the placebo event date 2010. Over the placebo window the 2016 couples still have both spouses at home and their CFO in place, so their wealth path shows what the 2010 couples' wealth would have done without the loss. The same matching is done for non-CFO exits, and the triple difference compares the two resulting gaps. The window is capped at placebo event time $k_p = +2$ because in 2016 the late cohort experiences its own event and stops being a counterfactual. For the same reason, an early cohort needs its late partner inside the panel, so early cohorts cover exit waves from 2002 through 2014, and exits after 2014 serve only as late cohorts. The cohort panels are stacked on the window $k_p \in [-3, +2]$, the same window as the main design, and the main version of the stack applies the same balance rule, each household-stack is observed at every k_p in the window. A couple can serve in the late cohort of one stack and in the early cohort of its own, which is why standard errors are clustered on the couple across stack appearances.

The stacked specification is a triple difference in the same exponential form,

$$\mathbb{E}\big[W_{igt} \,\big|\, \mathbf{Z}_{igt}\big] \;=\; \exp\Big(\alpha_{ig} + \delta\,\mathrm{Early}_i \times \mathrm{Post}_{gt} + \eta\,\mathrm{CFO}_i \times \mathrm{Post}_{gt} + \varphi\,\mathrm{CFO}_i \times \mathrm{Early}_i \times \mathrm{Post}_{gt} \\ + \lambda_{g,k_p} + \alpha_{a(i,t)} + \mathrm{Post}_{gt}\,X_i'\gamma\Big), \tag{3}$$

where Early_i indicates the early cohort and $\mathrm{Post}_{gt} = \mathbf{1}[k_p(g,t) \geq 0]$ equals one from the placebo event date onward. The household-in-stack fixed effect α_{ig} absorbs CFO_i, Early_i, and their interaction, so the specification is saturated in the three treatment dimensions. The cohort-by-placebo-event-time cells λ_{g,k_p} confine every comparison to households in the same stack at the same point in placebo time, so each early cohort is compared only with its own late cohort, and they absorb calendar shocks, such as the 2008 market decline, separately for each stack. No separate calendar-wave term appears because the cells already determine the wave within a stack, $t = g + k_p$. The covariates X_i are the survivor's gender and education, interacted with post. Because no already-treated household ever serves as a control, the negative-weighting problems of two-way fixed effects under staggered timing cannot arise.

The three parameters answer three questions. The term δ is the effect of an early exit, relative to a late one, for non-CFO households, the common cost of losing a spouse that the within-exit design nets out. The term η is the CFO-by-post differential within the late cohort, households approaching a CFO exit around a date at which nothing occurs. This term directly estimates the differential trend between CFO-exit and non-CFO-exit households in the absence of an exit, the bias that a comparison by role alone would carry. The parameter of interest is φ, the CFO penalty net of that differential trend. Abstracting from covariates, the triple difference equals the role contrast within the early cohort, the within-exit comparison on the stacked sample, minus the same contrast within the late cohort,

$$\varphi \;=\; \big[\,\beta^{early}_{CFO} - \beta^{early}_{nonCFO}\,\big] \;-\; \big[\,\beta^{late}_{CFO} - \beta^{late}_{nonCFO}\,\big], \tag{4}$$

where the second bracket is a placebo version of the within-exit comparison estimated on the late cohort, in which no event has yet occurred. If CFO-exit and non-CFO-exit couples followed different trends even without an event, the within-exit design would absorb that differential trend into β. The triple difference subtracts the differential trend, so the DDD is not an independent replication but the within-exit design purged of that bias. I report the design in two steps. The first estimates the effect of an early exit relative to a late one separately for CFO exits and for non-CFO exits, each a difference-in-differences across timing within one role. The second reports their difference, φ, together with δ and η. The first step shows the two objects the paper separates, the cost of losing the CFO and the common cost of losing a spouse, before they are differenced, and the figure that accompanies it plots the four cell paths from which both steps are built.

Timing selection itself is permitted. Early-cohort households are older, poorer, and sicker than late-cohort households, but the triple difference requires only that this selection be common across the role split. Appendix Table A3 shows that it largely is. One feature of the construction works against finding an effect. A late-cohort household at placebo $k_p = +2$ sits one wave before its

own event, so any role-specific anticipatory decline in the late cohort shrinks the estimated penalty rather than inflating the penalty.

One threat is common to both designs. The exit may affect wealth through channels correlated with the role, and this threat operates at the event itself, where neither design has leverage. The most direct version is that health events destroy wealth through care costs rather than through the loss of the CFO. The short rehabilitation stays excluded from the LTC arm, genuine health shocks with no succession, provide a placebo group for which the design predicts no role contrast. Section 5 reports the test, and Section 6 tests the remaining channels directly.

4 Results

Section 4.1 presents the difference-in-differences estimates of the CFO penalty within spousal exits, beginning with the raw wealth paths and the event study, and then the pooled estimates under the three weighting schemes and in dollars. Section 4.2 re-estimates the penalty with the stacked triple difference across event timing, and Section 5 reports the remaining checks. Throughout, the tables report Poisson coefficients and the text reports the implied percent change, $\exp(\beta) - 1$, and the implied dollar change at the $E-1$ mean of CFO-exit couples.

4.1 Difference-in-Differences within Spousal Exits

Figure 2 presents the paper's central result, the difference-in-differences of equation (2) within spousal deaths. Panels A and B plot the raw means of net worth and of financial wealth by event time, separately for couples whose exiting spouse was the CFO and couples whose exiting spouse was not, each group's mean divided by its own mean at $E-1$. Panels C and D plot the corresponding CFO-exit differentials at each event time from equation (2), unweighted and under the two reweighting schemes, with 95 percent confidence intervals.

Before the event the two groups move together. In the raw net-worth paths both groups sit within five percent of their $E-1$ level at $k = -3$ and $k = -2$. None of the unweighted pre-event differentials in panels C and D is distinguishable from zero, 3 and 4 percent for net worth, and the two pre-event coefficients are jointly indistinguishable from zero for both outcomes. After the event the groups separate. Non-CFO-exit couples decline gradually, to 85 percent of their $E-1$ net worth four years after the death, the common cost of the exit and the decumulation ordinary at these ages. CFO-exit couples fall in the exit wave itself, to 86 percent, and continue to 76 percent at $k = +2$. The adjusted differentials in panel C show the same pattern. The unweighted net-worth gap is 13 percent in the exit wave, 15 percent two years later, and 12 percent four years later. The three gaps are statistically indistinguishable from one another. The loss arrives in the exit wave and persists over the following two waves. Financial wealth in panel D follows the same path, with gaps of 15, 18, and 15 percent.

The reweighted event studies in panels C and D trace the same post-event path at a smaller size, and they reveal one feature of the reference wave. Under inverse-probability weights and entropy

balancing, the pre-event coefficients for net worth are positive, about 10 percent. Relative to the reweighted comparison group, CFO-exit couples therefore fall at $E-1$ by about ten percent from their level at the two earlier waves. The coefficients measured from $E-1$ understate the post-exit gap relative to the whole pre-event period under reweighting. The pooled specification therefore compares the post-exit waves with all three pre-exit waves, and measured that way the reweighted penalties are close to the unweighted one.

Table 2 reports the pooled estimates of equation (1), with net worth, financial wealth and its managed and passive blocks, and non-financial wealth and its four components in the columns and the three weighting schemes in the panels. Below each coefficient is the implied change in dollars, the percent effect applied to the $E-1$ mean of CFO-exit couples. Losing the CFO reduces the surviving household's net worth by 15.5 percent unweighted, significant at the 1 percent level, on 1,120 couples. At the $E-1$ mean net worth of CFO-exit couples, \$632,000, the loss is about \$98,000. With the comparison group reweighted to the CFO-exit covariate distribution the penalty is 13.0 percent under inverse-probability weights and 15.0 percent under entropy balancing, about \$82,000 and \$95,000. Removing the baseline gap in observables therefore accounts for at most a fifth of the penalty. The dollar specification gives the same answer in its own units. The change in net worth since $E-1$ falls by \$104,624 more for CFO-exit couples than for non-CFO-exit couples, significant at the 1 percent level, against a mean post-event decline of \$38,672 among non-CFO-exit couples. The reweighted dollar estimates are \$79,162 and \$92,951 (Appendix Table A2). The penalty is large relative to the comparison group's own decline. In proportional terms the penalty exceeds the entire post-event loss of households that lose the non-CFO spouse to the same event, and in dollars the penalty is more than twice that loss.

The remaining columns locate the loss, and the location is broader than the managed accounts. Financial wealth falls by 16 percent, about \$47,000, under every weighting. Within financial wealth, the passive block of checking, savings, and CDs falls by 17 percent, about \$11,000, while the managed block of stocks, bonds, and IRAs falls by 10 percent, about \$18,000, an estimate indistinguishable from zero and from the passive-block estimate. In dollars the managed block carries the larger loss, \$31,825 against \$7,709 (Appendix Table A2), because it holds the larger balances. The proportional loss runs across financial wealth rather than concentrating in the accounts that demand attention. Figure 3 shows the two blocks in event time. The passive block falls in the exit wave and recovers part of the loss by $k = +2$. The managed block does not move in the exit wave and falls over the following two waves, and at $k = +2$ the two differentials are the same size. The components of non-financial wealth show the same pattern on a smaller scale. Home equity falls by 7 percent, about \$13,000, and other real estate, business assets, and vehicles carry negative point estimates that the small number of holders leaves imprecise. Non-financial wealth as a whole falls by 15 percent, about \$53,000, under every weighting, and by 11 to 13 percent in each post-event wave (Appendix Figure A2). The loss therefore runs across the estate, financial and non-financial, and Section 6 asks what produces a loss of that shape.

4.2 Stacked Triple Differences across Event Timing

The stacked triple difference of Section 3.2 addresses the concern that CFO-exit couples were already on different wealth paths even without a death. Figure 4 plots the four cell paths from which the design is built, net worth in the upper row and financial wealth in the lower, CFO exits on the left and non-CFO exits on the right. Within each panel the solid line is the early cohort, couples whose death occurs at the placebo date, and the dashed line is the late cohort, couples whose death arrives three waves later and who are assigned the early cohort's date. Each line is the Poisson path of the cell relative to its own placebo $E-1$, with household-in-stack fixed effects. The vertical gap between the two lines in a panel is the within-role effect of an early exit relative to a late one. The difference between the gaps in the left and right panels is the triple difference.

The two rows of the figure show the two objects the paper separates. In the CFO-exit panels the early cohort falls from the placebo event wave onward, to about 24 percent below its placebo $E-1$ level for net worth at $k_p = +2$, while the late cohort, which still has both spouses at home and its CFO in place, moves within seven percent of its placebo $E-1$ level. In the non-CFO-exit panels the two lines stay together through $k_p = +1$ and separate modestly only at $k_p = +2$, the wave at which the late cohort sits one wave before its own death. The role-specific anticipation that this last point carries works against the design, as Section 3.2 notes, since that anticipation shrinks rather than inflates the estimated penalty.

Table 3 quantifies both patterns, on the balanced death stacks and by wealth block. Panel A reports the effect of an early exit relative to a late one separately by role. Among CFO exits, losing the CFO now rather than three waves later reduces net worth by 13 percent, significant at the 1 percent level, and financial wealth by 17 percent. The managed block falls by 14 percent and the passive block by 17 percent, both significant. Among non-CFO exits the same comparison gives estimates within two percent of zero for net worth, financial wealth, and both blocks, none distinguishable from zero. The common proportional cost of losing a spouse, measured against couples who lose the same spouse three waves later, is therefore about zero over this window, while the cost of losing the CFO is 13 to 18 percent on every outcome.

Panel B reports the pooled triple difference. The early-exit term for non-CFO households, δ, is within two percent of zero. The term η, the CFO-by-post differential within the late cohort around a date at which nothing occurs, is about one percent for net worth and within eight percent of zero for financial wealth and the two blocks, none distinguishable from zero. CFO-exit-type couples and non-CFO-exit-type couples follow the same trend in the absence of an exit, which is the direct test of the within-exit design's parallel-trends assumption. The parameter of interest, φ, is 12 percent for net worth, significant at the 10 percent level, 16 percent for financial wealth, 13 percent for the managed block, and 20 percent for the passive block, significant at the 5 percent level, on 2,016 household-stacks from 1,616 couples. A second version weights each late cohort by the share of early households its stack contributes, the cohort-share weights under which the pooled coefficient is the aggregate effect on the treated (Wing et al., 2024). That version gives 13 percent for net worth, 18 percent for financial wealth, 14 percent for the managed block, and 21 percent for the

passive block, all but the managed block significant at the 5 percent level, and about $86,000 for net worth in dollars. The triple difference is the within-exit estimate purged of the differential trend, and because that trend is about zero the two are close, 12 percent against 15.5 percent, with the smaller triple difference reflecting the late cohort's anticipation at $k_p = +2$. Appendix Table A5 reports the same design in dollars. Appendix Table A3 shows that timing selection, early-cohort households being older and poorer than late-cohort ones, is the same for CFO and non-CFO exits. Figure 5 traces the triple difference in placebo event time, flat before the placebo date and negative after it.

5 Robustness

The main sample is a balanced panel, and the first question a reader will ask is whether the penalty is a product of that selection. The checks in this section take that question first. They then turn to the two threats that operate at the event itself, anticipation in the reference wave and the health event that precedes most deaths. They next consider the possibility that the loss is an artifact of how a new respondent reports wealth. They close with the influence of the wealthiest couples and the wealth at which the penalty appears. Appendix Table A4 and Appendix Figure A3 report the penalty on the other balanced windows, Tables 5 and 6 the reporting outcomes and the penalty on reliably reported observations, Appendix Table A6 the specification checks for net worth and financial wealth, and Table 4 the penalty by baseline wealth.

Selection into the balanced panel. Balance conditions on the survivor's household being observed four years after the death. If losing the CFO affected whether the survivor died, left the survey, or re-partnered, the balanced sample would be selected on an outcome of the treatment, and the penalty would be a property of the couples who remain rather than of the loss. The test is whether the penalty depends on the window. If selection into the panel drove the penalty, requiring more post-event waves would change the estimate, since each additional wave screens out more of the couples whose survivors fare worst, and requiring fewer would change the estimate the other way. Appendix Table A4 re-estimates the full main table on the panel balanced from $k = -2$ rather than $k = -3$, which admits 1,424 couples. The net-worth penalty is 18 percent, and every column keeps its sign and size. Appendix Figure A3 plots the event studies on the panels balanced to $k = +1$, $+2$, and $+3$. The first requires only one post-event interview and so keeps the most couples, 1,500. The third follows survivors six years after the death and keeps 833. On each the pre-period coefficients are flat and the differential turns negative in the exit wave and the wave after it. The step is smaller on the shortest window, where the second post-event wave that carries most of the loss is not yet observed, and on the longest window the four-year coefficients match the main ones while the six-year coefficient is imprecise. The estimate does not depend on the window, and therefore not on which survivors remain observed.

Anticipation. The $E-1$ interview precedes the death by a median of 14 months, so wealth at $E-1$ may already sit inside the terminal decline, after care spending has begun and while the exiting CFO's attention is slipping. If CFO-exit couples had already begun to lose wealth by $E-1$, measuring the penalty from that wave would understate the loss, and if the decline were specific to CFO-exit couples for reasons unrelated to the succession, that decline would contaminate the pre-period. Dropping the $E-1$ wave altogether compares the post-exit waves with $k = -3$ and $k = -2$ only. That comparison gives a penalty of 16 percent for net worth and 16 percent for financial wealth, against 15.5 and 16 percent in the main specification. The dollar specification, which measures each couple's change in wealth from a single baseline wave, is equally insensitive. Differenced against $E-2$ instead of $E-1$, the dollar penalty is \$102,628 rather than \$104,624 for net worth and \$49,137 rather than \$49,041 for financial wealth. The penalty is not an artifact of the reference wave.

A health shock without a succession. The placebo group comprises the short rehabilitation stays excluded from the LTC arm (Section 2.3), 610 couples in which a spouse enters a nursing home for fewer than thirty nights and returns home. Event time is measured from each couple's own episode, covariates at that episode, and follow-up is censored at the couple's first real exit. Whether or not the admitted spouse was the CFO, that spouse returns and the household's CFO remains in place, so the episode carries the care costs and the disruption of a health event without a succession. If a health shock to the CFO were more costly to the household than one to the non-CFO spouse, through care spending, lost earnings, or the distraction of the CFO, a role contrast would appear here even though no succession occurs. No such contrast appears. The role contrast is zero for net worth and 4 percent for financial wealth in the Poisson specification, and about \$11,000 and \$6,000 in dollars, none distinguishable from zero. A health shock that removes no CFO produces no penalty, which is what the succession reading predicts and what a care-cost reading does not.

Misreporting by the new respondent. Part of the measured loss may be reporting rather than wealth, because the exit changes the respondent. The financial respondent reports each asset category in turn, whether the household owns it and, if so, its value. A respondent who cannot give a dollar amount is led through unfolding brackets until the amount is placed in a range, and RAND imputes a value within the range or, when no bracket is given, from the distribution of similar households. The RAND file carries a flag for every category that records which of these occurred, so the data distinguish an amount the respondent stated from one the survey constructed.[17] After a CFO exit the person answering the asset questions is, by construction, the spouse who did not

[17]The RAND imputation flags take the values exact amount reported, complete bracket, incomplete bracket, no value or bracket given, asset not owned, and ownership unknown. The IRA and housing items carry their own flags on the same logic. Since 2002 the HRS has also asked the respondent to verify an asset whose reported value differs from the previous wave's by more than \$50,000 when total wealth differs by more than \$150,000, which limits gross keying and recall errors, but only when the same financial respondent reported the asset in both waves, so the first reports of a new respondent after a CFO exit are not verified against the decedent's.

manage the money, and the flags show the consequence. Table 5 finds that the share of owned financial assets not reported as an exact amount rises by 5.8 percentage points after a CFO exit, from a base of 25 percent, with the increase concentrated in the managed block, 9.1 points, and smaller in the passive block, 3.6 points. The probability that the respondent reports any owned asset inexactly rises by 7.2 points. The probability that the respondent does not know whether an asset is owned at all does not change. Survivors know what they own and are less sure what it is worth. Appendix Figure A5 shows that the change arrives in the exit wave and persists.

Table 6 asks whether the penalty survives when reporting is reliable. Panel B re-estimates the main specification for every outcome on the observations with less than 20 percent of their asset value imputed, which retain 70 percent of couple-waves. For net worth the penalty is 10 percent, significant at the 10 percent level, on 999 couples. Financial wealth falls by 16 percent, significant at the 10 percent level, and the passive block by 19 percent, significant at the 5 percent level. The managed block falls by 9 percent, the same magnitude as in the full sample, estimated less precisely on the smaller sample. The screened estimates are a lower bound rather than a corrected estimate. The new respondent imputes more, so the screen drops more CFO-exit couple-waves than non-CFO ones, and precisely the ones in which the survivor has not yet located the accounts. On that reading, at least three fifths of the headline loss is wealth that is reliably measured, and the full-sample estimate is the loss as the household itself perceives it. In either reading the loss is not a reporting artifact, since the loss appears with the same sign and size in every block among the observations that pass the screen.

The wealthiest couples. A proportional estimator weights couples by their conditional mean, so the couples with the largest balances contribute most to the estimate. A few of the largest estates could in principle produce a penalty that most households do not experience. Winsorizing net worth at the 95th percentile of its distribution within each wave gives a penalty of 11 percent, and winsorizing financial wealth gives 13 percent, both significant at the 1 percent level. The wealthiest couples contribute to the size of the estimate, as they must under any proportional specification, but the penalty does not depend on them.

Baseline wealth. This check concerns interpretation rather than identification. A loss that arises in the settlement of an estate should be absent where there is no estate to settle. Table 4 splits the main sample at the median of $E-1$ financial wealth, \$57,856, and at \$10,000. Above the median the penalty is 17 percent for net worth and 18 percent for financial wealth, both significant. Below the median the penalty is 7 percent and 2 percent, neither distinguishable from zero. Among the third of couples with less than \$10,000 of financial wealth the penalty is about 1 percent, and among the rest the penalty is 16 percent on both outcomes. The couple counts differ between the two panels because the Poisson estimator uses only couples with a positive balance in at least one window wave. The pattern is the one a loss on an estate implies, and the pattern also means that the main estimate averages a near-zero effect among the poorer half of couples with a loss of about 17 percent among the wealthier half. The upper columns give the penalty for households with wealth to lose.

6 Mechanisms

Losing the CFO costs the surviving household about 16 percent of its net worth. This section asks what produces the loss. The timing already constrains the answer. The event study of Figure 2 shows a differential within four percent of zero before the death, a fall of 13 percent in the exit wave, and three post-event coefficients of the same size, so the loss arrives at the succession and the household does not keep losing afterward. A story in which the survivor keeps making the same mistake, keeps paying the same fee, or keeps earning a lower return would produce a gap that widens with each wave after the exit, and the gap does not widen. The loss was incurred at the succession, and its size was set there. I answer in four steps. The first establishes where in the estate the loss sits. The second rules out the channels through which a spousal death ordinarily affects wealth. The third shows that the loss depends on the cognition of the CFO who died rather than on the capacity of the survivor. The fourth says what the evidence identifies the loss to be.

6.1 Where the Loss Sits

Table 7 estimates the penalty component by component in Poisson, unweighted and under the two reweighting schemes, with the share of couples holding each component. Among the components of financial wealth, the IRA and Keogh balance falls by 17 percent among the 40 percent of couples that hold one. The estimate is of the same size under both reweightings. Certificates of deposit fall by 25 percent, and checking and savings balances by 12 percent, imprecisely. Stocks and mutual funds held outside retirement accounts and bonds do not move. Among non-financial components, home equity falls by 7 percent, while business assets, other real estate, and vehicles carry negative but imprecise estimates. Debt does not change.

The pattern does not match a story about the complexity of what the household holds. The managed block, stocks, bonds, and IRAs, is the block that demands attention, and its proportional loss, 10 percent, is smaller and less precise than the loss on the passive block of bank balances, 17 percent, or on home equity. The accounts that fall are not the ones that require skill. They are the ones that pass through the estate when a spouse dies, the retirement account in the decedent's name, the bank accounts, the house, and a loss of that shape points to the succession itself rather than to the quality of the management that follows it.

Table 8 separates the participation margin from the loss among holders, by asset class. Panel A shows that the exit does not change what the household holds. The probability of holding any managed asset moves by about one percentage point, stocks by two, and the passive block by one and a half, none distinguishable from zero. The one exception is the IRA, whose holding probability falls by 3.9 percentage points, significant at the 5 percent level, about a tenth of the couples that held one. Panel B estimates the loss among couples that held the class at $E-1$, a pre-event characteristic. Among IRA holders the balance falls by 20 percent, and among stockholders by 23 percent. Among holders of the managed block as a whole the balance falls by 12 percent, imprecisely, and among holders of the passive block by 17 percent. The IRA is the only class on which both margins move,

some holders no longer report one and those who keep one hold less. The loss follows the portfolio the household had, and appears in whichever account the household held.

Appendix Figure A4 shows the IRA in event time. The balance of CFO-exit couples falls to 81 percent of its $E-1$ level in the exit wave, 73 percent two years later, and 69 percent four years later. The balance of non-CFO-exit couples does not fall at all. The Poisson differentials are 11, 26, and 26 percent, the last two significant under every weighting. The IRA is the component in which the loss is most visible.

6.2 Ruling Out Alternative Channels

The loss is not the decedent's income. Columns (2) and (4) of Table 9 add the exiting spouse's earnings and pension income at $E-1$, interacted with post, to the main specification, which allows households that lose more income with the death a different post-event path. The penalty is unchanged, 15.5 percent with and without the income controls. Column (5) uses household income itself as the outcome. After a CFO exit household income changes by less than one percent relative to a non-CFO exit, against a post-event mean of $42,933 a year among non-CFO-exit couples. The loss of the CFO is therefore not the loss of an income.

The loss is not consumption or a transfer. Table 10 reports the flows that would carry the money if the survivor were spending it or giving it away. Transfers to children fall by 9 percent and transfers from children by 3 percent, neither distinguishable from zero. Household withdrawals from IRAs fall by 23 percent, significant at the 5 percent level, while the IRA balance falls by 17 percent at the same time. Part of the fall in withdrawals is mechanical, since the decedent's required minimum distributions end at death and a survivor below the distribution age owes none on a rolled-over account, and a lump-sum distribution of the decedent's own account may not be recorded as a household withdrawal. Within what the survey records, the balance declines while the withdrawals fall rather than rise, so the recorded withdrawals do not empty the account. Consumption measured directly points the same way. Among the couples in the main sample that also complete the HRS Consumption and Activities Mail Survey (CAMS), total household consumption after a CFO exit differs from that after a non-CFO exit by 2 percent, with a 95 percent interval from 8 percent lower to 5 percent higher, and nondurable spending and consumption per capita show the same (Appendix Table A13 and Appendix Figure A6). To account for the wealth loss by the first post-death interview, CFO-exit survivors would have to spend about two thirds more than non-CFO-exit survivors for two years, and the upper end of the interval allows less than one tenth of that. The survivor's own out-of-pocket medical spending does not differ after a CFO exit from what it is after a non-CFO exit, so the final illness does not cost CFO-exit households more.

The loss is not a reallocation. No asset class rises when the IRA, the bank balances, and home equity fall, and participation is unchanged (Table 8). The loss is not bereavement or the cost of the final illness, because both groups lose a spouse and the design differences out what they share. A health shock that removes no CFO, a short nursing-home stay from which the spouse returns, produces no role contrast (Section 5). The loss is not a gender effect. Table 11 estimates the male

and female CFO effects in one fully interacted regression, 19 percent for male survivors and 14 percent for female survivors, a difference indistinguishable from zero. Husbands hold the role more often, so the survivors who lose the CFO are mostly women, but a man who loses the CFO loses as much.

The loss is not a reorganization of the family or a collapse in the survivor's health. Table 12 estimates the main specification on the number of the couple's children living in the household and within ten miles, the corresponding indicators, and the survivor's self-rated health, chronic conditions, cognition score, and depressive symptoms. None of the eight differentials is distinguishable from zero, and the estimates for co-residence and proximity are a few hundredths of a child on bases of 0.2 resident children and 1.1 children nearby. Children do not move in or move closer after a CFO exit more than after any other spousal death, and the survivor's health does not worsen more, so the wealth loss does not reflect a household that reorganized around the survivor or a survivor who fell ill.

6.3 The CFO's Cognition, Not the Survivor's

Two characteristics of the household at $E-1$ govern the size of the loss, and together they identify what the loss is. The first is the cognition of the CFO who died. Table 13, Panel A, interacts the penalty with whether the exiting CFO was cognitively impaired at $E-1$, scoring in the impaired or demented range of the Langa-Weir classification. When the CFO was cognitively normal, the penalty on net worth is 23 percent, significant at the 1 percent level. The penalty is 25 percent on financial wealth, 21 percent on the managed block among holders, 21 percent on the passive block, and 25 percent on the IRA, every one significant. When the CFO was impaired, the interaction offsets the penalty on every outcome, and the implied penalty is indistinguishable from zero for net worth, financial wealth, and each block. Figure 6 shows the two paths in event time for net worth, financial wealth, the managed block among holders, and the passive block. In every panel the differential for couples whose CFO was normal falls in the exit wave and stays down, and the differential for couples whose CFO was impaired does not move. The pattern holds on the window balanced from $k = -2$ and on the unbalanced panel (Appendix Table A7), and a different marker of the same state gives the same answer. Appendix Table A8 takes couples whose first exit was a long-term care entry or an incapacitation and whose exiting spouse died one or two waves later, 229 couples in all, with event time anchored at the death and the window balanced around it. The penalty in these couples is within one percent of zero for net worth and within nine percent of zero for financial wealth and both blocks, none distinguishable from zero. A death that arrives after the succession has begun produces no significant loss, whichever marker identifies the succession.

A household whose CFO was already impaired before the death had, in most cases, already begun the succession. The survivor had taken over the accounts, or the couple had simplified them, while the CFO was still alive, although the financial respondent designation had not changed, and the death removed a CFO who no longer managed the money. The penalty is the cost of a succession that has not yet happened when the CFO dies, and where the succession has happened there is no

cost. This is also why the main estimate, which averages over the cognition mix at which deaths occur, understates the loss for the two thirds of couples whose CFO was still functioning. Restricting both groups to decedents who at $E-1$ had no nursing-home stay, no limitation in activities of daily living, no reported difficulty managing money, and normal cognition gives a penalty of 24 percent for net worth and 20 percent for financial wealth on 455 couples (Appendix Table A6).

The second characteristic is the survivor's own cognition, which matters less than the CFO's. Panel B of Table 13 adds the survivor's cognitive impairment at $E-1$. The CFO's interaction is unchanged. The survivor's interaction is small and imprecise, and the implied penalty for an impaired survivor of a cognitively normal CFO is 31 percent, significant at the 5 percent level for net worth but not for financial wealth. The two interactions differ significantly for net worth and not for financial wealth. Across the remaining columns of Panel B the survivor's interaction is unstable in sign. An impaired survivor may lose more, but the evidence is that the loss is set by the state of the CFO who left, not by the capacity of the survivor who remains.

One further split bounds the mechanism. The penalty is concentrated among couples with something to settle, above the median of baseline financial wealth, and absent among the third of couples with less than $10,000 (Table 4).

6.4 Insurance

The loss is about half as large when the decedent held life insurance. Panel A of Table 14 splits the penalty by whether the decedent held life insurance at $E-1$, which 70 percent of decedents did in both groups. Among the uninsured the penalty on net worth is 24 percent, and among the insured the penalty is 10 percent. The difference is significant at the 10 percent level for net worth and at the 5 percent level for financial wealth, where the uninsured lose 34 percent and the insured 7 percent. Panel B asks whether the size of the policy matters, splitting coverage at the median face value among insured CFO exits, about $28,000 in 2020 dollars. For net worth both groups of insured couples lose less than the uninsured, 8 percent with a policy at or below the median and 16 percent with one above it, against 24 percent, with no gradient in the size of the policy. For financial wealth the loss falls from 32 percent among the uninsured to 13 percent with a policy at or below the median and 4 percent with a larger one, neither distinguishable from zero. The difference between the uninsured and the larger policies is significant at the 5 percent level. What matters is that a payout arrives, and for the financial accounts a larger payout helps more. A policy the size of a typical one covers the expenses of the months after the death, and a larger one covers the shortfall in the accounts as well. The insurance does not change what the survivor knows or does. The payout changes whether the succession has to be financed out of the wealth being transferred, in the months when the estate is unsettled and the accounts in the decedent's name are not yet the survivor's.

6.5 The Succession Cost

Taken together, the timing, the location, the exclusions, and the gradients point to one object. When the spouse who managed the household's wealth dies, the survivor must settle the estate, claim and retitle the accounts in the decedent's name, transfer the retirement account, pay the household's bills in the meantime, and manage the household's wealth thereafter. Accounts held jointly pass to the survivor automatically, whereas an account in the decedent's name, such as an IRA, must be claimed and retitled by the survivor, and the household's bills fall due before that is done. These steps have deadlines, and they have costs. An IRA that is distributed rather than rolled over may be taxed as income in a single year, although the fall in recorded withdrawals in Table 10 suggests that this is not the main route of the loss. Assets that are not claimed sit where the survivor cannot see them. Expenses met before the estate is liquid are met from whatever can be sold. A survivor who did not manage the money, and who learns what the household owns while reporting it, pays these costs at the succession, and the household's wealth steps down and stays down.

Each piece of evidence fits. The loss is a step because the task is done, or not done, at the succession. It sits in the IRA, the bank balances, and home equity because those are the parts of the estate that pass through the succession, and it does not sit in brokerage holdings, which pass with no such step. It is absent when the CFO had already stopped managing, because the succession had already happened. The loss is about half as large with life insurance, because the payout finances the months before the estate is settled. It is absent among couples with little wealth, because they have little to settle. And it is not income, consumption, transfers, medical spending, a reorganization of the family, the survivor's health, gender, or reporting.

A will does not reduce the loss. Appendix Table A9 splits the penalty by whether the decedent, the survivor, or either spouse had a written and witnessed will at $E-1$, which about seven in ten did in both groups. The penalty is 15 percent when the decedent had a will and 12 percent when the decedent did not, a difference indistinguishable from zero, and the survivor's will and either spouse's will give the same answer. The result is consistent with where the loss sits. A will governs the probate estate, whereas the accounts in which the loss appears pass outside probate, the retirement account by beneficiary designation and the bank accounts by title, and the expenses of the months before settlement fall on the survivor in either case. The cost is the transfer of the accounts and the financing of those months rather than the settlement of a probate estate, and the instruments that bear on it are beneficiary designations, joint titling, and liquidity. Trusts, which would move assets outside probate altogether, are reported by fewer than three percent of decedents and cannot be tested.

7 Conclusion

This paper uses spousal deaths in the HRS to estimate the wealth cost of losing the household's CFO, the spouse who manages its wealth. When the CFO dies, the surviving household's net worth

falls by about 16 percent, about seven years of the earnings and pension income the decedent had been contributing, relative to households that lose the non-CFO spouse to the same event. The two kinds of couples show no differential pre-trends before the death and no differential trend around dates at which no death occurs. The loss arrives at the succession and does not recover, and sits in the parts of the estate that pass through the succession. The size of the loss is set by the cognition of the CFO before the death rather than by the capacity of the survivor, and the loss is about half as large when the decedent held life insurance. The loss is not income, consumption, transfers, medical spending, a reorganization of the family, the survivor's health, gender, or reporting. The evidence identifies a succession cost, incurred when the CFO dies and not recovered, the cost of settling an estate without the person who managed it.

The household-level penalty aggregates to substantial stakes. Weighted by the HRS household weights, roughly 330,000 American couples over age 50 lose their CFO each year, about 214,000 of them through the CFO's death. At the death-arm penalty, the successions that deaths force place roughly $20 billion of household wealth at risk annually.[18] These losses are not transfers to the recipients the data measure. The money does not reach children, care providers, or the survivor's own income, the channels Section 6.2 rules out. The lost money is wealth that leaves the estate at the succession. Both terms of the product are growing. The annual flow of successions will rise as the large cohorts now holding self-directed retirement wealth age into those events, and the share of household wealth that passes through a succession has grown for decades with the shift from employer pensions to individual accounts. That shift also removed a succession default. A defined-benefit pension must pay a married participant a joint-and-survivor annuity unless both spouses waive it in writing, so the survivor keeps an income without making any decision. A 401(k) plan is generally exempt from that requirement if it pays the account in full to the surviving spouse (Internal Revenue Service, 2026). The survivor inherits an account to claim rather than an income.

The mechanism has clear policy implications. Because the loss is incurred at the succession rather than accumulated through poor management afterward, protections aimed at survivors' later decisions, fraud screens, cooling-off rules, and suitability standards, arrive after the cost has been paid. The findings point to three margins that act earlier. The first is preparation. Successions are foreseeable events in an identifiable population. The CFO role is observable years in advance, households almost never reassign it before the event, and the penalty is absent where the succession happened before the death because the CFO had already stopped managing. Joint titling, beneficiary designations, and the involvement of the non-CFO spouse in the accounts while the CFO is still capable are the steps that make a death a succession that has already happened. A will on its own is not one of them, since the penalty is the same with and without one. The second is liquidity. The part of the loss that is absent when the decedent held life insurance is the part financed out

[18] The flow is the weighted sum of analysis events recorded at the 2002 through 2020 waves, which cover deaths occurring between the 2000 and 2020 interviews, using the RAND household analysis weight at $E-1$, divided by twenty years. The dollar figure multiplies the flow of deaths by the implied dollar penalty at the $E-1$ mean of CFO-exit couples, $98,138. The count is conservative, since the sample requires interviews as a couple at the two waves preceding the exit, with both spouses over age 50, and the calculation assumes the estimated penalty applies to the weighted population of such couples.

of the estate in the months before settlement, and a payout, or any other source of cash that does not require the estate to be liquidated, bridges those months. The third is the succession itself. The institutions that hold the accounts observe the death directly, and a default that treats an inherited retirement account as rolled over to the surviving spouse unless the survivor elects otherwise could reduce the cost incurred at that step, although the HRS does not show whether survivors distribute the inherited accounts or how much tax they pay. Such a default would follow the model of the qualified defaults that already govern saving (U.S. Department of Labor, Employee Benefits Security Administration, 2007).[19]

Several limitations qualify these conclusions and point to next steps. The HRS records what the estate is worth, not the transactions through which it is settled, so the succession-cost reading remains an inference from timing, location, and exclusion rather than a direct observation of a tax paid or an account distributed. Administrative records linked to bereavement events, estate filings, or custodial data on inherited accounts could observe the mechanism at the transaction level. The cognition patterns are heterogeneity within cells whose membership is not assigned. The living exits, long-term care entry and incapacitation, are intent-to-treat, since their successions are gradual and partial, and the appendix estimates for them bound the effect of a completed succession from below. Finally, the paper measures the penalty in wealth rather than welfare. How much of the lost wealth survivors would have consumed, left as bequests, or needed in late-life emergencies is the question that turns the accounting loss into a welfare statement. The sample also bounds what the estimates speak to. The couples are American, over 50, and observed between 2002 and 2020, and the estimate is for a role transfer forced by death. Where accounts pass to the survivor without a claim, where community-property or probate rules differ, or where both spouses already share the accounts, the same death should cost less, and the near-zero penalty where the succession had already happened is the within-sample version of that prediction. In younger cohorts in which the wife holds the role more often, the gender composition of the loss would change but, if the role rather than the sex drives it, not its size. The same mechanism should operate at other involuntary transfers of the role, such as dementia or divorce, which the living exits in the appendix approach only partially.

Beyond the succession event, the findings bear on how household wealth outcomes are understood. A large literature relates portfolio outcomes to financial literacy and cognitive ability measured at the individual level. In couples these inputs operate through a division of labor, and the household's outcome at the succession depends on whether the division of labor has been prepared for the death of the spouse who holds the role. The results also identify a contribution that standard accounts of what spouses produce for each other omit. The management of household wealth is a form of home production whose value the data reveal only when it stops, and in these data the income a CFO's death removes, about $14,000 a year of earnings and pension income at $E-1$ (Table 1), is far smaller than the wealth the household loses when the estate passes to the

[19] The Government Accountability Office has recommended a similar extension of defaults for small 401(k) balances moved into IRAs without their owners' direction (U.S. Government Accountability Office, 2014).

spouse who did not manage it.

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Tables

Table 1: Pre-event balance by CFO status of the decedent, unweighted and reweighted

	Unweighted					IPW-weighted			Entropy
	non-CFO	CFO	Diff.	Std. diff.	p-value	non-CFO	Diff.	Std. diff.	Std. diff.
Wealth and income at $E-1$ (thousand 2020 dollars)									
Net worth	512.0	633.1	121.1	**0.145**	0.015	592.9	40.2	0.046	-0.000
Household income	65.7	67.3	1.6	0.025	0.679	63.8	3.5	0.058	0.000
Decedent earnings	4.6	4.7	0.1	0.006	0.914	5.0	-0.3	-0.018	-0.000
Decedent pension income	5.6	9.5	3.8	**0.241**	0.000	10.1	-0.6	-0.030	-0.000
Household Social Security income	21.5	23.2	1.7	**0.151**	0.012	21.7	1.5	0.135	0.138
Household pension income	17.5	13.7	-3.8	-0.044	0.475	15.5	-1.8	-0.049	-0.057
Wealth components at $E-1$ (thousand 2020 dollars)									
Stocks and mutual funds	68.6	87.6	19.0	0.087	0.147	81.8	5.8	0.025	-0.000
Bonds	9.7	10.5	0.8	0.019	0.756	8.2	2.3	0.053	-0.000
Checking and savings	35.8	45.2	9.4	**0.121**	0.042	45.8	-0.6	-0.007	-0.000
CDs and T-bills	21.7	20.0	-1.7	-0.029	0.627	20.9	-0.9	-0.016	-0.000
IRA and Keogh	53.0	82.8	29.7	**0.190**	0.001	68.8	14.0	0.086	-0.000
Other real estate	34.9	38.2	3.3	0.022	0.711	40.5	-2.3	-0.014	-0.051
Business and farm	32.7	34.8	2.0	0.014	0.818	34.1	0.6	0.004	0.010
Home equity	160.2	187.2	27.0	**0.140**	0.018	176.2	10.9	0.055	0.028
Non-housing debt	3.2	3.0	-0.2	-0.021	0.725	2.9	0.0	0.005	-0.018
Demographics, health, and cognition									
Survivor age	72.53	71.58	-0.95	**-0.112**	0.061	71.58	-0.00	-0.000	-0.003
Decedent age	74.34	74.85	0.52	0.060	0.318	74.99	-0.14	-0.017	-0.001
Marriage length (years)	43.98	43.76	-0.22	-0.014	0.820	42.97	0.80	0.051	0.027
Survivor education (years)	12.34	12.28	-0.06	-0.020	0.742	12.14	0.14	0.046	0.004
Survivor female	0.67	0.85	0.18	**0.428**	0.000	0.85	-0.00	-0.005	0.003
Survivor chronic conditions	2.08	2.08	0.00	0.004	0.953	2.05	0.03	0.024	-0.001
Decedent chronic conditions	3.09	3.10	0.01	0.009	0.883	3.10	0.00	0.003	-0.003
Decedent self-rated health (1 to 5)	3.66	3.55	-0.11	-0.094	0.117	3.53	0.03	0.023	-0.001
Individually managed wealth share	0.48	0.54	0.06	**0.116**	0.053	0.50	0.04	0.079	0.071
Annuitized income share	0.67	0.69	0.02	0.061	0.311	0.70	-0.01	-0.041	0.002
Survivor cognition (TICS 27)	15.36	15.22	-0.15	-0.036	0.548	15.28	-0.06	-0.015	-0.049
Survivor CES-D	1.35	1.43	0.08	0.043	0.473	1.42	0.02	0.008	0.021
Decedent has life insurance	0.69	0.70	0.01	0.023	0.707	0.70	0.00	0.004	0.002
Survivor cognitively impaired	0.16	0.19	0.04	0.098	0.101	0.20	-0.01	-0.013	-0.002
Decedent cognitively impaired	0.45	0.30	-0.15	**-0.305**	0.000	0.30	-0.00	-0.006	0.000
Couples	531	589				531			

Notes. Death-arm couples in the estimation sample, observed at every wave from $k = -3$ to $+2$ and entering the net-worth estimation, one event per couple. All covariates are measured at $E-1$ and never updated after the event; dollar rows are in thousands of real 2020 dollars, wealth measures winsorized at 1/99 by wave. Unweighted columns report group means, the difference, its standardized value (the mean gap divided by the pooled standard deviation, in bold when 0.10 or more in absolute value), and the p-value of the difference with standard errors clustered on the couple. The IPW columns report the comparison mean, difference, and standardized difference after weighting comparison couples by the odds from a logit of CFO-exit status on the 19 balance covariates; the last column is the standardized difference after entropy balancing on the same covariates' means and variances. CFO-exit couples carry unit weight throughout.

Table 2: The wealth cost of losing the household CFO

		Financial wealth			Non-financial wealth				
	Net worth	Total	Managed	Passive	Total	Home equity	Other real estate	Business	Vehicles
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Panel A. Unweighted									
CFO exit × post	−0.169***	−0.178**	−0.107	−0.182**	−0.165***	−0.075*	−0.150	−0.251	−0.013
	(0.052)	(0.075)	(0.094)	(0.082)	(0.064)	(0.042)	(0.211)	(0.233)	(0.055)
implied change, 2020 dollars	-98,138	-47,023	-18,325	-10,839	-52,524	-13,463	-5,316	-7,717	-263
Panel B. Inverse-probability weights									
CFO exit × post	−0.139**	−0.170**	−0.110	−0.129	−0.118*	−0.065	0.069	−0.129	−0.017
	(0.055)	(0.074)	(0.090)	(0.090)	(0.066)	(0.042)	(0.222)	(0.248)	(0.060)
implied change, 2020 dollars	-82,135	-45,223	-18,771	-7,864	-38,292	-11,720	2,707	-4,195	-324
Panel C. Entropy balancing									
CFO exit × post	−0.163***	−0.187**	−0.135	−0.135	−0.154**	−0.065	−0.087	−0.217	−0.023
	(0.060)	(0.075)	(0.090)	(0.095)	(0.075)	(0.045)	(0.234)	(0.257)	(0.064)
implied change, 2020 dollars	-94,891	-49,270	-22,757	-8,243	-49,165	-11,811	-3,187	-6,774	-457
Pre-trend test, p	0.62	0.82	0.76	0.86	0.56	0.61	0.18	0.50	0.48
Mean at $E-1$, CFO-exit couples	632,395	288,721	180,578	65,095	344,697	187,225	38,150	34,718	19,736
Couples	1,120	1,087	767	1,103	1,114	1,050	358	197	1,097
Couple fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Event-time fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Calendar-wave fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Age-bin fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Baseline covariates × post	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: Poisson pseudo-maximum likelihood. Baseline covariates are both spouses' ages, the survivor's gender and years of education, the exiting spouse's self-rated health, and the census division, all at $E-1$, interacted with post; their levels are absorbed by the couple fixed effects. Coefficients are log points; $\exp(\beta)-1$ is the proportional change in mean wealth, and the implied change multiplies it by the mean of the outcome among CFO-exit couples at $E-1$. Outcomes are 2020 dollars censored at zero; the five right-hand columns are non-financial wealth and its components, home equity (primary and secondary residence net of mortgages), other real estate, business and farm, and vehicles. Sample: death-arm couples observed at every wave from $k=-3$ to $+2$, 1,124 couples (590 CFO exits); the Poisson sample drops couples with a zero outcome in every wave. Weights are ATT weights built within the sample from a logit on 19 baseline covariates (Panel B) and entropy balancing on their means and variances (Panel C); CFO-exit couples carry unit weight. The pre-trend test is the joint test of the pre-event coefficients in the unweighted event study with $k=-1$ as the reference wave. Standard errors clustered on the couple. * $p<0.10$, ** $p<0.05$, *** $p<0.01$.

Table 3: The CFO penalty in the event-timing design

	Net worth	Fin. wealth	Managed	Passive
Panel A. Effect of an early exit relative to a late one, by the exiting spouse's role				
CFO exits	-0.143^{***}	-0.185^{***}	-0.147^{**}	-0.192^{***}
	(0.045)	(0.063)	(0.074)	(0.074)
Non-CFO exits	-0.015	-0.009	0.006	0.018
	(0.046)	(0.061)	(0.084)	(0.079)
Panel B. Pooled triple difference				
Early exit × post	-0.016	-0.017	-0.007	0.011
	(0.048)	(0.063)	(0.083)	(0.079)
CFO exit × post	-0.014	0.078	0.081	0.084
	(0.040)	(0.058)	(0.070)	(0.072)
CFO exit × early exit × post	-0.127^{*}	-0.170^{*}	-0.137	-0.218^{**}
	(0.065)	(0.088)	(0.112)	(0.109)
with cohort-share weights	-0.137^{**}	-0.193^{**}	-0.153	-0.235^{**}
	(0.066)	(0.088)	(0.111)	(0.109)
Household-stacks	2,016	1,954	1,438	1,987
Couples	1,616	1,571	1,161	1,598

Notes: Poisson with household-in-stack and early-cohort × placebo-event-time fixed effects, survivor age bins, and gender and education interacted with post; outcomes censored at zero; coefficients in log points. Death arm, stacks balanced on $k_p = -3$ to $+2$. Each early cohort g (exits 2002 to 2014) is compared with the late cohort, couples whose death arrives three waves later, assigned the early cohort's date as a placebo. Panel A estimates the early-exit effect separately for CFO and non-CFO exits; their difference is the triple-difference coefficient in Panel B. The CFO exit × post row is the CFO drift within the late cohort. The weighted row re-estimates the triple difference with the cohort-share weights of Wing et al. (2024), which weight each late cohort by the share of early households its stack contributes, so that the pooled estimate is the trimmed aggregate treatment effect on the treated. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 4: The CFO penalty by baseline financial wealth

	Below the median	Above the median	Under $10,000	$10,000 or more
	(1)	(2)	(3)	(4)
Panel A. Net worth				
CFO exit × post	−0.077	−0.189***	−0.008	−0.175***
	(0.095)	(0.062)	(0.128)	(0.056)
Couples	558	562	366	754
Panel B. Financial wealth				
CFO exit × post	−0.020	−0.195**	0.131	−0.175**
	(0.198)	(0.079)	(0.295)	(0.077)
Couples	525	562	333	754

Notes: Poisson with couple, event-time, calendar-wave, and age-bin fixed effects, census division and baseline covariates (both spouses' ages, survivor's gender and education, exiting spouse's self-rated health, all at $E-1$) interacted with post; coefficients in log points, $\exp(\beta) - 1$ is the proportional change; death arm, couples observed at every wave from $k = -3$ to $+2$ (the main sample). Each cell is a separate regression on the couples in that range of financial wealth at $E-1$, unweighted; couples differ across panels because Poisson uses only couples with a positive value in at least one window wave. The median is 57,856 dollars; the share of couples under 10,000 dollars is 0.33. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 5: Reporting quality after the exit

	Share of owned financial assets not reported as an exact amount			Any owned asset not reported exactly	Does not know whether an asset is owned
	All	Managed block	Passive block		
	(1)	(2)	(3)	(4)	(5)
CFO exit × post	0.058***	0.091**	0.036	0.072***	0.014
	(0.022)	(0.036)	(0.022)	(0.026)	(0.011)
Non-CFO post-event mean	0.25	0.34	0.22	0.32	0.05
Couples	1,120	1,120	1,120	1,120	1,120

Notes: Linear probability models with couple, event-time, calendar-wave, and age-bin fixed effects, census division and baseline covariates interacted with post, on the main sample. Reporting quality comes from the RAND HRS imputation flags: an amount is exact when the respondent states a dollar figure, and not exact when it is placed in a complete or incomplete bracket or is imputed with no bracket. The share in columns (1) to (3) is computed over the owned financial assets of the household; column (4) is an indicator for any owned asset without an exact amount, and column (5) an indicator for a respondent who does not know whether at least one asset is owned. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 6: The CFO penalty on reliably reported observations

	Net worth (1)	Fin. wealth (2)	Managed (3)	Passive (4)
Panel A. All observations				
CFO exit × post	-0.169^{***}	-0.178^{**}	-0.107	-0.182^{**}
	(0.052)	(0.075)	(0.094)	(0.082)
Couples	1,120	1,087	767	1,103
Panel B. Observations with under 20 percent of asset value imputed				
CFO exit × post	-0.105^{*}	-0.177^{*}	-0.097	-0.211^{**}
	(0.054)	(0.097)	(0.121)	(0.101)
Couples	999	956	625	977

Notes: Poisson with couple, event-time, calendar-wave, and age-bin fixed effects, census division and baseline covariates (both spouses' ages, survivor's gender and education, exiting spouse's self-rated health, all at $E-1$) interacted with post; coefficients in log points, $\exp(\beta) - 1$ is the proportional change; death arm, couples observed at every wave from $k = -3$ to $+2$ (the main sample). Panel A repeats the unweighted estimates of the main specification. Panel B re-estimates them on couple-waves with under 20 percent of total asset value imputed, the rule that Mazzonna and Peracchi (2024) apply to their sample; 0.70 of couple-waves pass the screen. Outcomes censored at zero; couples differ across columns because Poisson uses only couples with a positive value in at least one window wave. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 7: Where the loss sits: the CFO penalty by wealth component

	Financial wealth					Non-financial wealth				
	Stocks and funds	Bonds	IRA and Keogh	Checking and savings	CDs and T-bills	Home equity	Business	Other real estate	Vehicles	Debt
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Panel A. Unweighted										
CFO exit × post	−0.066	0.093	−0.186*	−0.131	−0.285**	−0.075*	−0.251	−0.150	−0.013	−0.030
	(0.151)	(0.341)	(0.110)	(0.099)	(0.133)	(0.042)	(0.233)	(0.211)	(0.055)	(0.169)
Panel B. Inverse-probability weights										
CFO exit × post	−0.112	0.006	−0.161	−0.084	−0.229*	−0.065	−0.129	0.069	−0.017	−0.007
	(0.150)	(0.359)	(0.109)	(0.112)	(0.133)	(0.042)	(0.248)	(0.222)	(0.060)	(0.189)
Panel C. Entropy balancing										
CFO exit × post	−0.192	0.323	−0.165	−0.113	−0.199	−0.065	−0.217	−0.087	−0.023	0.037
	(0.146)	(0.368)	(0.114)	(0.113)	(0.143)	(0.045)	(0.257)	(0.234)	(0.064)	(0.194)
Mean at $E-1$, CFO-exit couples	87,449	10,502	82,627	45,132	19,963	187,225	34,718	38,150	19,736	2,961
Share holding at $E-1$	0.31	0.08	0.40	0.86	0.29	0.87	0.10	0.16	0.91	0.25
Couples	571	227	637	1,103	591	1,050	197	358	1,097	620

Notes: Poisson with couple, event-time, calendar-wave, and age-bin fixed effects, census division and baseline covariates (both spouses' ages, survivor's gender and education, exiting spouse's self-rated health, all at $E-1$) interacted with post; coefficients in log points, $\exp(\beta) - 1$ is the proportional change; death arm, couples observed at every wave from $k = -3$ to $+2$ (the main sample). Here the sample is the main sample. Each column is a separate Poisson regression on that component, censored at zero, with the comparison group unweighted (Panel A), reweighted by inverse-probability weights (Panel B), and reweighted by entropy balancing (Panel C). Couples are those with a positive value in at least one window wave, since a couple at zero throughout carries no information about proportional change. The share holding is the share of couples with a positive balance at $E-1$. Stocks and funds are holdings outside retirement accounts. Debt is non-housing debt. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 8: Participation and the loss among holders, by asset class

	Managed block (1)	Stocks and funds (2)	IRA and Keogh (3)	Passive block (4)
Panel A. Participation: holds the class (linear probability, couple fixed effects)				
CFO exit × post	−0.011	−0.021	−0.039**	0.015
	(0.019)	(0.019)	(0.019)	(0.015)
Non-CFO-exit mean after the event	0.44	0.24	0.37	0.85
Couples	1,123	1,123	1,123	1,123
Panel B. Balance among couples holding the class at $E-1$				
Poisson, CFO exit × post	−0.125	−0.263*	−0.226**	−0.188**
	(0.098)	(0.160)	(0.112)	(0.083)
Implied change at the $E-1$ mean, dollars	-38,626	-62,445	-37,523	-12,527
Poisson, inverse-probability weights	−0.131	−0.306*	−0.243**	−0.131
	(0.094)	(0.157)	(0.112)	(0.090)
Mean at $E-1$, CFO-exit couples	327,819	269,612	185,361	73,030
Couples	583	341	458	987

Notes: Main sample, death arm, balanced on $k = -3$ to $+2$. The managed block is stocks, bonds, and IRA and Keogh accounts; the passive block is checking, savings, and CDs. Panel A regresses an indicator for holding the class in the wave on CFO exit × post with couple, event-time, calendar-wave, and age-bin fixed effects, census division and baseline covariates interacted with post, on all couples. Panel B estimates the balance in the class among couples that held it at $E-1$, a pre-event characteristic; the Poisson rows use the same fixed effects and covariates with the balance censored at zero, and the implied change is $(e^b - 1)$ times the $E-1$ mean of CFO-exit couples. Couples are those with a positive balance in at least one wave of the window, a couple at zero throughout carrying no information about proportional change. Inverse-probability weights are the odds from a logit of CFO exit on the baseline covariates. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 9: CFO effect versus earner effect

	Net worth		Financial wealth		Household income
	(1)	(2)	(3)	(4)	(5)
CFO exit × post	−0.169***	−0.168***	−0.178**	−0.167**	−0.007
	(0.052)	(0.053)	(0.075)	(0.077)	(0.045)
Exiting spouse's earnings and pension × post	No	Yes	No	Yes	No
Couples	1,124	1,124	1,124	1,124	1,124

Notes: Poisson with couple, event-time, calendar-wave, and age-bin fixed effects, census division and baseline covariates (both spouses' ages, survivor's gender and education, exiting spouse's self-rated health, all at $E-1$) interacted with post; coefficients in log points, $\exp(\beta) - 1$ is the proportional change; death arm, couples observed at every wave from $k = -3$ to $+2$ (the main sample). Columns (2) and (4) add the exiting spouse's $E-1$ earnings and pension income (thousands) interacted with post, so that households losing more income with the death are allowed a different post-event path. Column (5) uses total household income in 2020 dollars per year as the outcome; its post-event mean among non-CFO-exit couples is 42,933 dollars. All columns are Poisson. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 10: Where the money did not go: transfers, withdrawals, and medical spending

	Transfers to children	Transfers from children	Household IRA withdrawals	IRA balances	Survivor's medical spending
	(1)	(2)	(3)	(4)	(5)
CFO exit × post	−0.091	−0.027	−0.263**	−0.186*	−0.132
	(0.149)	(0.299)	(0.133)	(0.110)	(0.117)
Non-CFO post-event mean	5,494	277	4,668	55,191	4,662
Couples	780	214	545	637	1,115

Notes: Poisson with couple, event-time, calendar-wave, and age-bin fixed effects, census division and baseline covariates (both spouses' ages, survivor's gender and education, exiting spouse's self-rated health, all at $E-1$) interacted with post; coefficients in log points, $\exp(\beta) - 1$ is the proportional change; death arm, couples observed at every wave from $k = -3$ to $+2$ (the main sample). Outcomes in levels, 2020 dollars; transfers and IRA withdrawals are winsorized at 1/99, and medical spending is the survivor's out-of-pocket expenditure over the prior two years. Each column is a separate Poisson regression with the outcome censored at zero. Couples are those with a positive value in at least one window wave, since a couple at zero throughout carries no information about proportional change. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 11: The CFO penalty within survivor gender

	Net worth	Financial wealth
CFO exit × post, male survivors	−0.213**	−0.170
	(0.109)	(0.200)
CFO exit × post, female survivors	−0.156***	−0.180**
	(0.059)	(0.080)
Difference, female minus male	0.057	−0.009
	(0.123)	(0.216)
Share of CFO exits with a female survivor	0.85	0.85
Couples	1,120	1,087

Notes: Poisson with couple, event-time, calendar-wave, and age-bin fixed effects, census division and baseline covariates (both spouses' ages, survivor's gender and education, exiting spouse's self-rated health, all at $E-1$) interacted with post; coefficients in log points, $\exp(\beta) - 1$ is the proportional change; death arm, couples observed at every wave from $k = -3$ to $+2$ (the main sample). One regression per column with the survivor-gender indicator fully interacted; the female-survivor row is the sum of the male coefficient and the interaction. A female survivor means the exiting spouse was the husband. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 12: Family structure and the survivor's health after the exit

	Children				Survivor's health			
	Resident children	Any resident child	Children within 10 mi	Any child within 10 mi	Self-rated health (1–5)	Chronic conditions	Cognition score (0–27)	CES-D (0–8)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
CFO exit × post	0.034	0.028	0.046	0.024	0.006	−0.045	0.082	0.006
	(0.024)	(0.020)	(0.051)	(0.022)	(0.040)	(0.040)	(0.148)	(0.095)
Non-CFO post-event mean	0.23	0.19	1.07	0.60	2.86	2.51	14.61	1.89
Couples	1,089	1,089	1,078	1,078	1,123	1,123	1,117	1,117

Notes: Linear regressions with couple, event-time, calendar-wave, and age-bin fixed effects, census division and baseline covariates interacted with post, on the main sample. Resident children and children within ten miles count the couple's children in the household and nearby, from the RAND family respondent file, with the any columns the corresponding indicators. Self-rated health runs from 1 (excellent) to 5 (poor); chronic conditions is the count ever reported; the cognition score is the 27-point HRS score among self-interviews; CES-D is the eight-item depressive-symptom score. A restructuring account of the wealth loss would require movement in co-residence or proximity, and a health account would require the survivor's health to worsen more after a CFO exit. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 13: Whose cognition prices the loss

	Net worth	Fin. wealth	Managed, holders	Passive	IRA
Panel A. By the exiting CFO's cognition at $E-1$					
CFO exit × post, CFO cognitively normal	-0.266^{***}	-0.292^{***}	-0.241^{**}	-0.234^{**}	-0.290^{**}
	(0.061)	(0.087)	(0.111)	(0.100)	(0.130)
× CFO impaired	0.364^{***}	0.449^{***}	0.471^{**}	0.240	0.532^{**}
	(0.101)	(0.143)	(0.199)	(0.156)	(0.224)
Penalty, CFO impaired (sum of the two coefficients)	0.098	0.157	0.229	0.006	0.242
	(0.086)	(0.123)	(0.175)	(0.130)	(0.194)
Couples	1,120	1,087	583	1,103	637
Panel B. Adding the surviving spouse's cognition at $E-1$					
CFO exit × post, both normal	-0.255^{***}	-0.293^{***}	-0.226^{**}	-0.289^{***}	-0.297^{**}
	(0.062)	(0.088)	(0.113)	(0.104)	(0.132)
× CFO impaired	0.372^{***}	0.460^{***}	0.507^{***}	0.196	0.522^{**}
	(0.103)	(0.140)	(0.196)	(0.154)	(0.223)
× survivor impaired	−0.118	−0.029	−0.430	0.561^{**}	0.172
	(0.151)	(0.268)	(0.398)	(0.234)	(0.388)
Penalty, CFO impaired (sum of the two coefficients)	0.117	0.167	0.282	−0.093	0.225
	(0.092)	(0.124)	(0.177)	(0.129)	(0.192)
Penalty, survivor impaired (sum of the two coefficients)	-0.373^{**}	−0.323	-0.656^{*}	0.272	−0.125
	(0.152)	(0.265)	(0.397)	(0.231)	(0.387)
p-value, equal interactions	0.01	0.11	0.04	0.19	0.42
Couples	1,120	1,087	583	1,103	637

Notes: Poisson with couple, event-time, calendar-wave, and age-bin fixed effects, census division and baseline covariates (both spouses' ages, survivor's gender and education, exiting spouse's self-rated health, all at $E-1$) interacted with post; coefficients in log points, $\exp(\beta) - 1$ is the proportional change; death arm, couples observed at every wave from $k = -3$ to $+2$ (the main sample). Impairment is a 27-point cognition score of 11 or below at $E-1$ (CIND or dementia range). In the main sample 178 CFO exits had an impaired CFO and 199 couples an impaired survivor. Panel A interacts the penalty with the exiting CFO's impairment only; the managed-block column is restricted to couples holding managed assets at $E-1$. Panel B adds the survivor's impairment; the penalty rows are sums of the base coefficient and the interaction, with the standard error of the sum. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table 14: The CFO penalty by the exiting spouse's life insurance

	Net worth	Financial wealth
Panel A. Coverage at $E-1$		
CFO exit × post, uninsured	-0.278^{***}	-0.413^{***}
	(0.080)	(0.118)
CFO exit × post, insured	-0.109^{*}	-0.077
	(0.061)	(0.088)
Difference, insured minus uninsured	0.169^{*}	0.337^{**}
	(0.095)	(0.137)
Share insured, CFO exits	0.70	0.70
Share insured, non-CFO exits	0.69	0.69
Couples	1,106	1,075
Panel B. Coverage at $E-1$ by face value		
CFO exit × post, uninsured	-0.273^{***}	-0.384^{***}
	(0.080)	(0.116)
CFO exit × post, face value at or below the median	-0.081	-0.143
	(0.077)	(0.128)
CFO exit × post, face value above the median	-0.174^{*}	-0.036
	(0.099)	(0.123)
Difference, above the median minus uninsured	0.099	0.348^{**}
	(0.120)	(0.159)
Median face value, insured CFO exits (2020 dollars)	28,181	28,181
Share of insured CFO exits reporting a face value	0.90	0.90
Couples	1,014	985

Notes: Poisson with couple, event-time, calendar-wave, and age-bin fixed effects, census division and baseline covariates (both spouses' ages, survivor's gender and education, exiting spouse's self-rated health, all at $E-1$) interacted with post; coefficients in log points, $\exp(\beta) - 1$ is the proportional change; death arm, couples observed at every wave from $k = -3$ to $+2$ (the main sample). Panel A interacts the penalty with an indicator for the exiting spouse holding life insurance at $E-1$, fully interacted; the insured row is the sum of the uninsured coefficient and the interaction. Panel B splits coverage at the median face value among insured CFO exits, taken from the HRS core interview at $E-1$ in 2020 dollars, and interacts the penalty with the two coverage groups; each insured row is the sum of the uninsured coefficient and the group's interaction, and the difference row is the interaction for the above-median group. Insured decedents without a reported face value are dropped from Panel B. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Figures

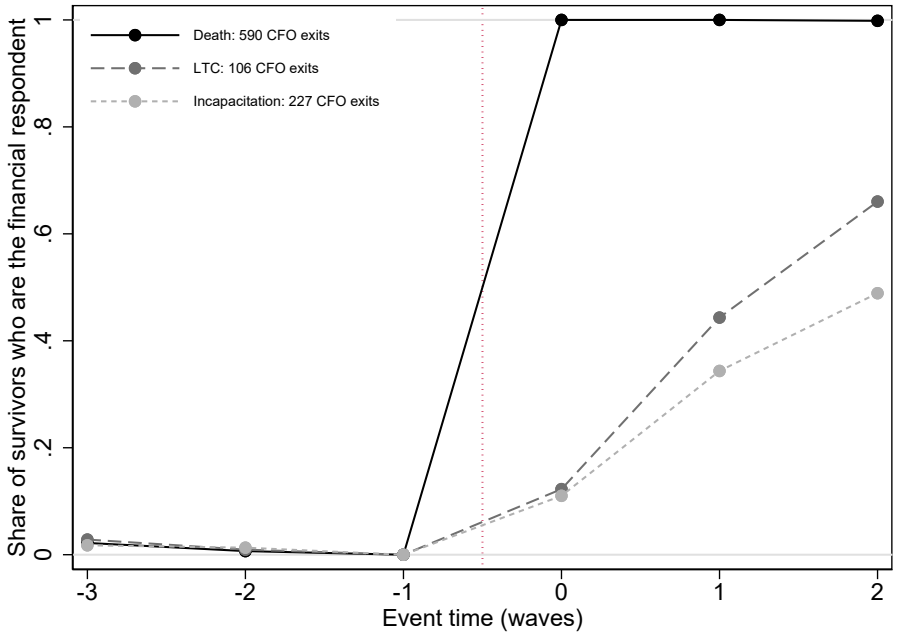


Figure 1: Survivor Takeover of the Financial-Respondent Role, by Exit Arm

Notes. Share of surviving spouses who are the household's financial respondent, by event time, among CFO exits in the main sample of each arm, couples observed at every wave from $k = -3$ to $+2$. At $E-1$ the exiting spouse holds the role by definition, so the shares at $k = -3$ and $k = -2$ show whether the role was handed over in anticipation. The legend reports the number of CFO exits in each arm.

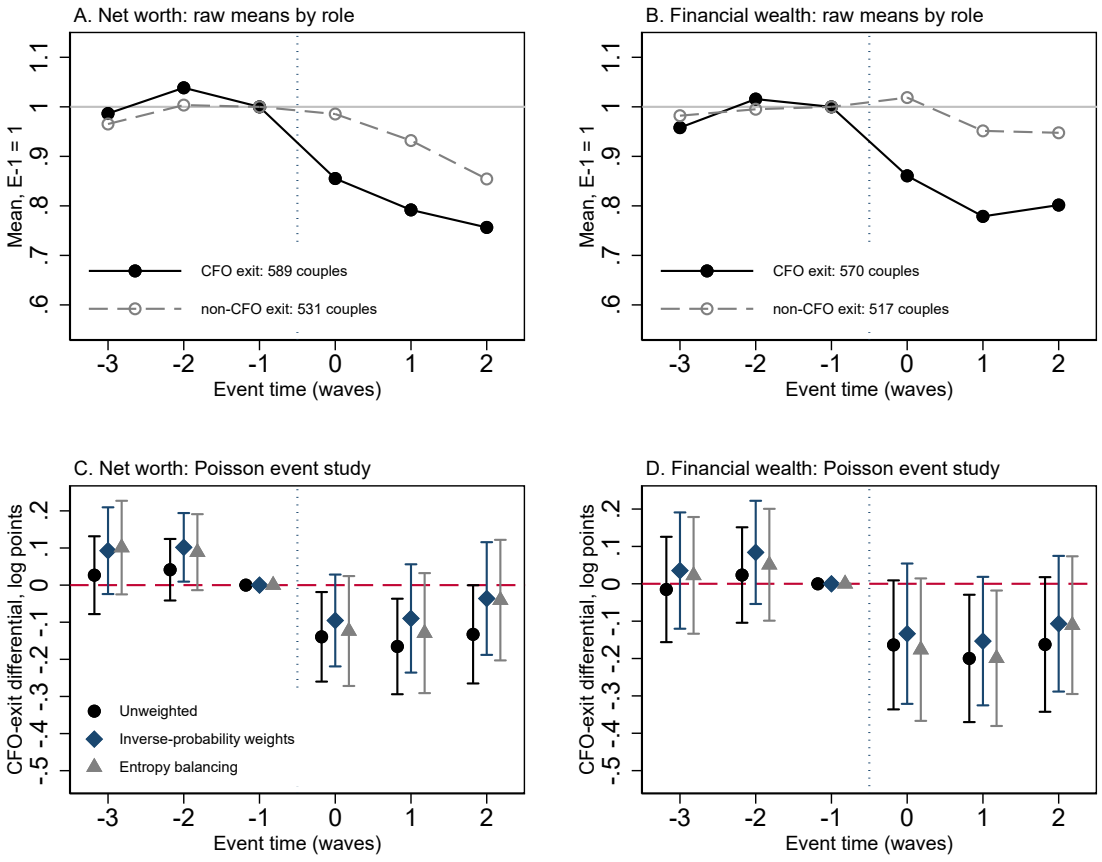


Figure 2: Net Worth and Financial Wealth Around a Spousal Death, by the Deceased Spouse's Role

Notes. Main sample, death arm, 1,124 couples observed at every wave from $k = -3$ to $+2$. Panels A and B plot the raw mean of the outcome by event time for CFO-exit and non-CFO-exit couples, each divided by the same group's mean at $E-1$; the legends report the couples in each group, those with the outcome observed. Panels C and D plot the CFO-exit differential at each event time from equation (2), Poisson with couple, event-time, calendar-wave, and age-bin fixed effects and baseline covariates interacted with post, relative to $k = -1$, unweighted, with inverse-probability weights, and with entropy balancing, with 95 percent confidence intervals clustered on the couple. The vertical line marks the death.

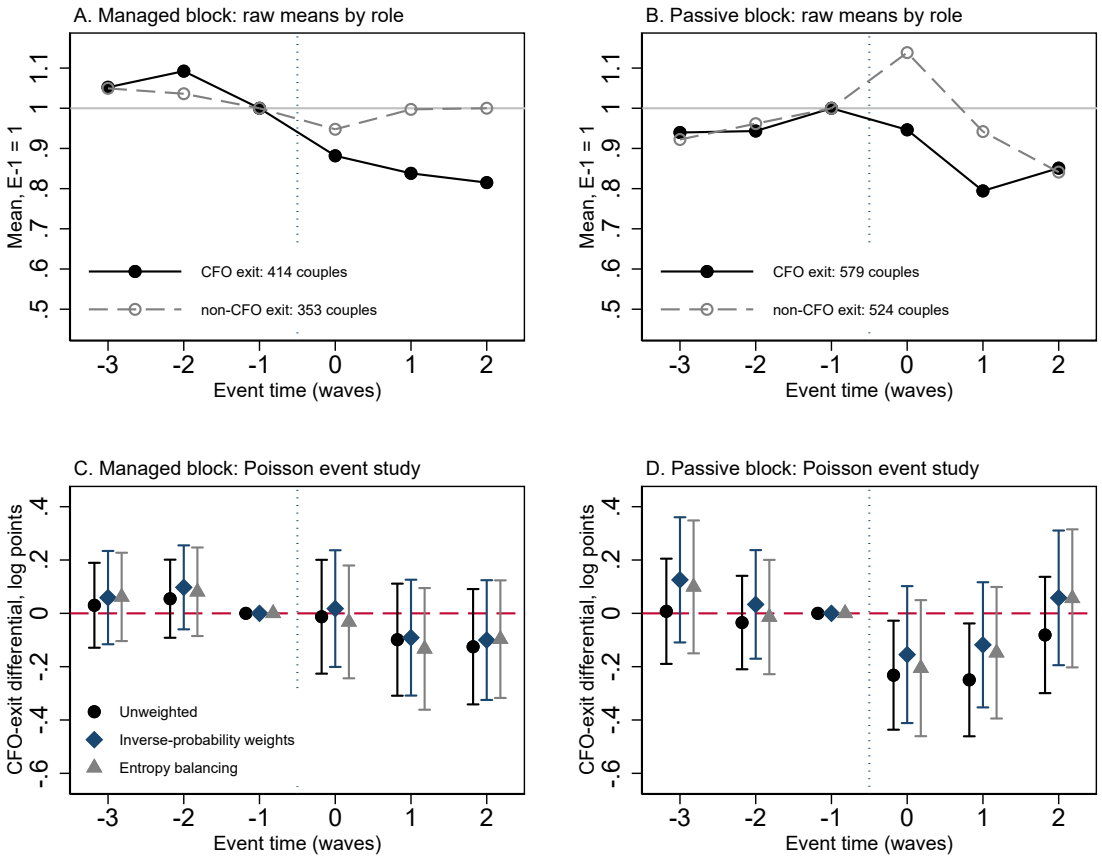


Figure 3: Managed and Passive Assets Around a Spousal Death

Notes. As in Figure 2, for the managed block (stocks, bonds, and IRA and Keogh accounts) and the passive block (checking and savings accounts and CDs). The raw panels index each group's mean to its own mean at $E-1$; the Poisson panels report the CFO-exit differential at each event time relative to $k = -1$ with 95 percent confidence intervals.

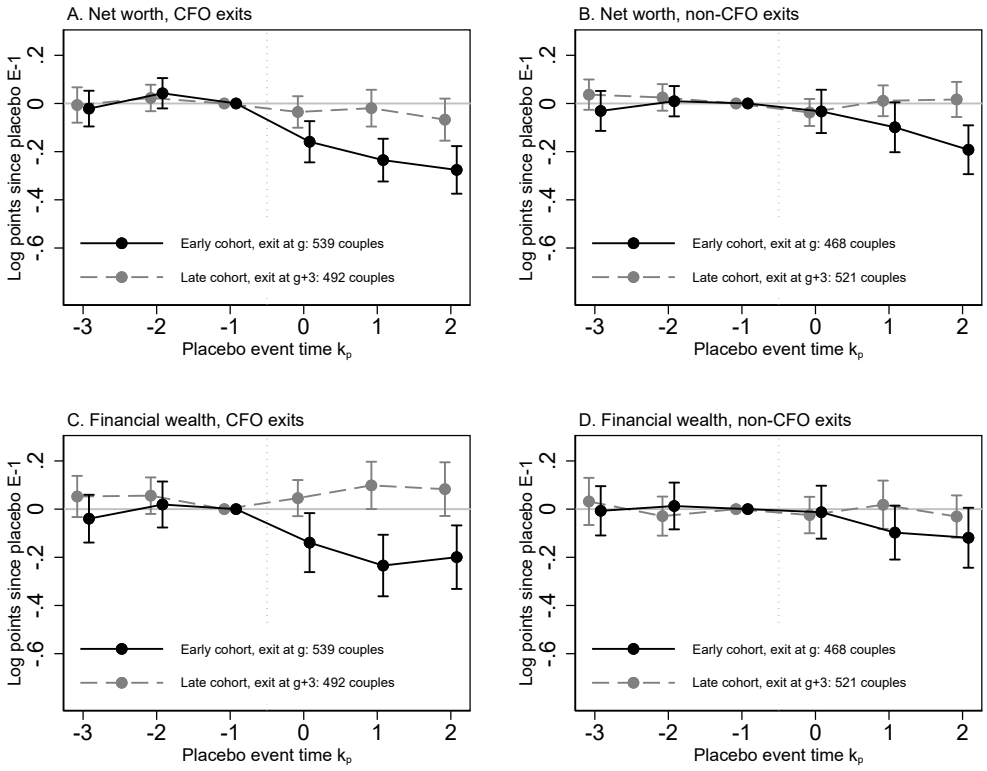


Figure 4: Wealth Paths in the Event-Timing Design

Notes. Balanced death stacks. Each panel plots, for one role, the Poisson path of the early cohort (couples whose death occurs at the placebo date, solid) and of the late cohort (couples whose death arrives three waves later, assigned the early cohort's date, dashed), relative to placebo $k_p = -1$, with household-in-stack fixed effects and 95 percent intervals clustered on the couple. The vertical gap between the lines in a panel is the within-role effect of an early exit relative to a late one (Panel A of Table 3); the difference between the gaps in the left and right panels is the triple difference (Panel B). Legends report household-stacks in each cohort.

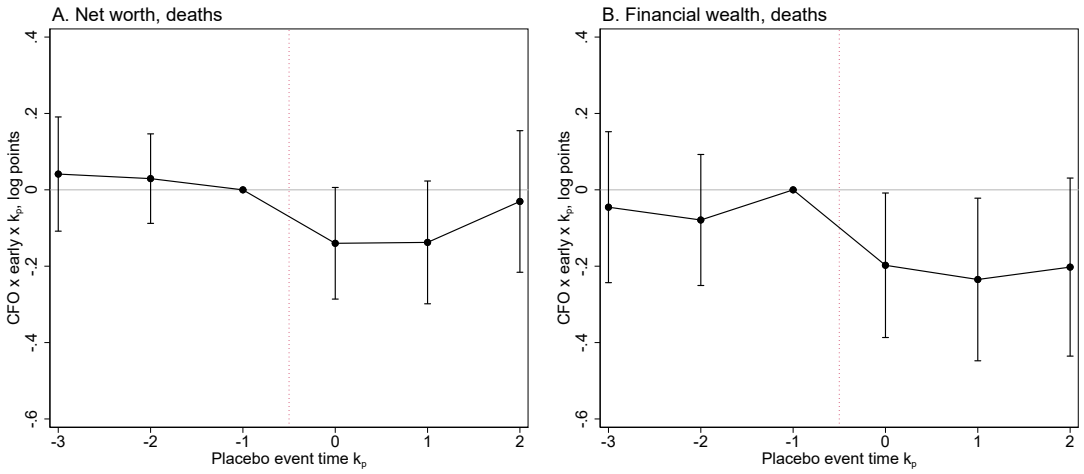


Figure 5: The Triple Difference in Placebo Event Time

Notes. Balanced death stacks. Coefficients on CFO × early × placebo event time relative to $k_p = -1$, Poisson with household-in-stack, early-cohort by placebo-event-time, and age-bin fixed effects, and gender and education interacted with post, with 95 percent intervals clustered on the couple.

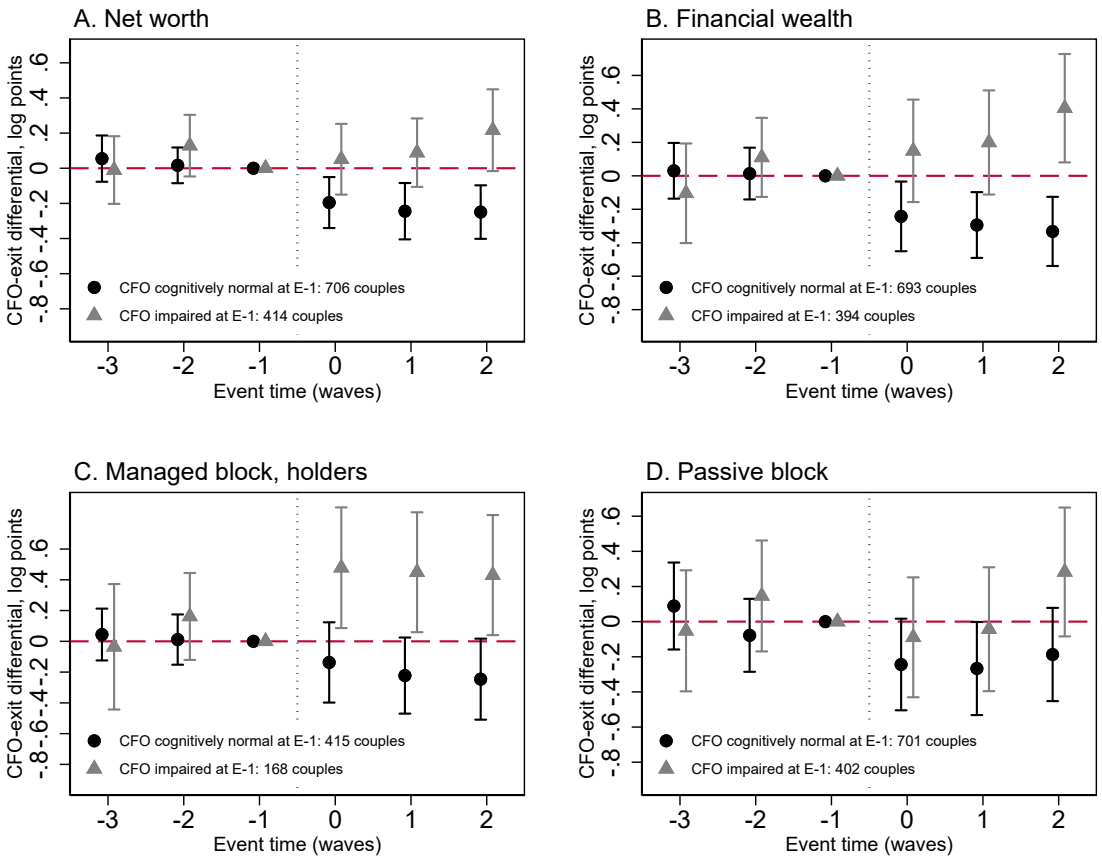


Figure 6: The CFO Penalty by the Deceased CFO's Cognition

Notes. Main sample. CFO-exit differential at each event time relative to $k = -1$, estimated separately for couples whose exiting CFO was cognitively normal at $E-1$ and for couples whose exiting CFO was in the impaired or demented range of the Langa-Weir classification, Poisson with the fixed effects and covariates of Table 2, with 95 percent intervals clustered on the couple, for net worth (A), financial wealth (B), the managed block among couples holding it at $E-1$ (C), and the passive block (D). Legends report the couples in each group.

Appendix Tables

Table A1: CFO status of the exiting spouse, by arm

	Eligible events			Main sample (balanced $k = -3$ to $+2$)		
Arm	non-CFO exit	CFO exit	Total	non-CFO exit	CFO exit	Total
Death	1,186 (0.490)	1,236 (0.510)	2,422	534 (0.475)	590 (0.525)	1,124
LTC	244 (0.535)	212 (0.465)	456	124 (0.539)	106 (0.461)	230
Incapacitation	722 (0.612)	457 (0.388)	1,179	344 (0.602)	227 (0.398)	571
All exits	2,152 (0.530)	1,905 (0.470)	4,057	1,002 (0.521)	923 (0.479)	1,925

Notes. Counts of couples with the share of the arm in parentheses. A CFO exit is one in which the exiting spouse was the household's financial respondent at $E-1$. The main sample keeps couples observed at every wave from $k = -3$ to $+2$; the death arm is the paper's estimation sample and the two living arms enter the appendix.

Table A2: The CFO penalty in dollars: change in wealth since $E-1$

	Net worth	Fin. wealth	Managed	Passive
Panel A. Unweighted				
CFO exit × post	−104,624***	−49,041***	−31,825**	−7,709*
	(28,188)	(16,923)	(13,446)	(4,527)
Panel B. Inverse-probability weights				
CFO exit × post	−79,162**	−43,954**	−22,875	−6,341
	(33,260)	(18,657)	(14,790)	(5,646)
Panel C. Entropy balancing				
CFO exit × post	−92,951***	−45,976**	−26,744*	−6,548
	(35,460)	(19,782)	(15,871)	(6,245)
Non-CFO post-event mean change	-38,672	-4,922	-2,361	-1,492
Couples	1,123	1,123	1,123	1,123

Notes: Outcome is the change in wealth since $E-1$ in 2020 dollars; linear specification with a CFO indicator, event-time, calendar-wave, and age-bin fixed effects, census division, and baseline covariates; same sample and weights as Table 2. Negative net worth is retained and every couple enters. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table A3: Timing selection in the event-timing design: early minus late cohort, by role

	CFO exits	Non-CFO exits	Triple difference
Net worth at placebo $E-1$ (thousands)	-26.77	-63.12	44.40
	(43.21)	(40.66)	(58.21)
Household income (thousands)	-3.61	1.14	-4.71
	(3.31)	(2.97)	(4.38)
Survivor age	-3.12	-3.56	0.33
	(0.44)	(0.44)	(0.60)
Exiting spouse age	-2.97	-3.09	0.04
	(0.42)	(0.45)	(0.59)
Survivor female	0.03	0.08	-0.05
	(0.02)	(0.02)	(0.03)
Survivor education (years)	-0.39	-0.52	0.10
	(0.15)	(0.15)	(0.20)
Exiting spouse self-rated health	0.02	0.08	-0.04
	(0.05)	(0.06)	(0.08)
Household-stacks	1,031	989	

Notes: Death-arm stacks balanced on $k_p = -3$ to $+2$, measured at the placebo $E-1$ wave. Each cell is the early-minus-late difference from a regression with stack fixed effects; the last column is the difference of the two role-specific gaps. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table A4: The CFO penalty on the panel balanced from $k = -2$ to $+2$

		Financial wealth			Non-financial wealth				
	Net worth	Total	Managed	Passive	Total	Home equity	Other real estate	Business	Vehicles
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Panel A. Unweighted									
CFO exit × post	−0.201***	−0.241***	−0.217**	−0.155**	−0.183***	−0.101***	0.051	−0.314	−0.029
	(0.050)	(0.070)	(0.088)	(0.076)	(0.063)	(0.038)	(0.207)	(0.237)	(0.051)
implied change, 2020 dollars	-111,783	-60,710	-34,760	-9,511	-55,189	-17,043	1,948	-8,651	-571
Panel B. Inverse-probability weights									
CFO exit × post	−0.131**	−0.184***	−0.151*	−0.074	−0.095	−0.081**	0.260	−0.170	−0.006
	(0.053)	(0.070)	(0.084)	(0.087)	(0.066)	(0.038)	(0.213)	(0.252)	(0.058)
implied change, 2020 dollars	-75,049	-47,584	-24,926	-4,740	-29,941	-13,868	11,183	-5,027	-109
Panel C. Entropy balancing									
CFO exit × post	−0.145**	−0.189**	−0.155*	−0.097	−0.125*	−0.076*	0.167	−0.279	0.001
	(0.059)	(0.075)	(0.086)	(0.094)	(0.075)	(0.039)	(0.224)	(0.260)	(0.063)
implied change, 2020 dollars	-82,712	-48,867	-25,546	-6,106	-38,851	-12,983	6,832	-7,818	24
Pre-trend test, p	0.69	0.79	0.56	0.94	0.73	0.31	0.22	0.69	1.00
Mean at $E-1$, CFO-exit couples	612,685	283,781	177,844	66,260	330,124	177,810	37,587	32,120	19,721
Couples	1,424	1,373	927	1,401	1,411	1,313	398	207	1,379
Couple fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Event-time fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Calendar-wave fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Age-bin fixed effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Baseline covariates × post	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: Poisson pseudo-maximum likelihood. Baseline covariates are both spouses' ages, the survivor's gender and years of education, the exiting spouse's self-rated health, and the census division, all at $E-1$, interacted with post; their levels are absorbed by the couple fixed effects. Coefficients are log points; $\exp(\beta) - 1$ is the proportional change in mean wealth, and the implied change multiplies it by the mean of the outcome among CFO-exit couples at $E-1$. Outcomes are 2020 dollars censored at zero; the five right-hand columns are non-financial wealth and its components, home equity (primary and secondary residence net of mortgages), other real estate, business and farm, and vehicles. Sample: death-arm couples observed at every wave from $k = -2$ to $+2$, 1,431 couples (748 CFO exits); the Poisson sample drops couples with a zero outcome in every wave. Weights are ATT weights built within the sample from a logit on 19 baseline covariates (Panel B) and entropy balancing on their means and variances (Panel C); CFO-exit couples carry unit weight. The pre-trend test is the joint test of the pre-event coefficients in the unweighted event study with $k = -1$ as the reference wave. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table A5: The CFO penalty in the event-timing design, dollars

	Net worth	Fin. wealth	Managed	Passive
Panel A. Effect of an early exit relative to a late one, by the exiting spouse's role				
CFO exits	−89,184***	−52,408***	−27,954*	−13,071***
	(31,859)	(19,457)	(14,620)	(4,954)
Non-CFO exits	−11,605	−2,831	1,302	961
	(25,257)	(14,106)	(11,844)	(4,369)
Panel B. Pooled triple difference				
Early exit × post	−7,478	−334	1,465	676
	(25,657)	(14,286)	(11,850)	(4,388)
CFO exit × post	−15,731	17,890	6,858	6,468
	(25,236)	(14,671)	(11,405)	(4,107)
CFO exit × early exit × post	−81,682**	−52,826**	−28,430	−14,062**
	(40,261)	(24,048)	(18,693)	(6,517)
with cohort-share weights	−85,750**	−58,157**	−31,777*	−15,407**
	(40,466)	(23,528)	(18,474)	(6,585)
Household-stacks	2,020	2,020	2,020	2,020
Couples	1,619	1,619	1,619	1,619

Notes: Change in the outcome since the placebo $E-1$ wave, 2020 dollars, with household-in-stack and early-cohort × placebo-event-time fixed effects, survivor age bins, and gender and education interacted with post. Death arm, stacks balanced on $k_p = -3$ to $+2$. Each early cohort g (exits 2002 to 2014) is compared with the late cohort, couples whose death arrives three waves later, assigned the early cohort's date as a placebo. Panel A estimates the early-exit effect separately for CFO and non-CFO exits; their difference is the triple-difference coefficient in Panel B. The CFO exit × post row is the CFO drift within the late cohort. The weighted row re-estimates the triple difference with the cohort-share weights of Wing et al. (2024), which weight each late cohort by the share of early households its stack contributes, so that the pooled estimate is the trimmed aggregate treatment effect on the treated. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table A6: Specification checks on the CFO penalty

					Placebo: short nursing-home stays		Dollars, change in net worth since	
	Main	$k=-1$ dropped	Winsorized at p95	CFO functioning	Poisson	Dollars	$E-1$	$E-2$
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Net worth, CFO exit × post	−0.169***	−0.175***	−0.120***	−0.276***	−0.001	−10,963	−104,624***	−102,628***
	(0.052)	(0.055)	(0.039)	(0.071)	(0.051)	(35,473)	(28,188)	(28,055)
Financial wealth, CFO exit × post	−0.178**	−0.175**	−0.141**	−0.226**	−0.045	−6,216	−49,041***	−49,137***
	(0.075)	(0.085)	(0.063)	(0.104)	(0.068)	(19,511)	(16,923)	(16,804)
Couples	1,120	1,120	1,120	455	610	610	1,120	1,120

Notes: Poisson with couple, event-time, calendar-wave, and age-bin fixed effects, census division and baseline covariates (both spouses' ages, survivor's gender and education, exiting spouse's self-rated health, all at $E-1$) interacted with post; coefficients in log points, $\exp(\beta)-1$ is the proportional change; death arm, couples observed at every wave from $k=-3$ to $+2$ (the main sample). Each column is a separate regression; unweighted. Column (2) drops the $E-1$ wave so that the post-exit waves are compared with $k=-3$ and $k=-2$. Column (3) winsorizes the outcome at the 95th percentile of its distribution within each wave. Column (4) restricts both roles to decedents who at $E-1$ had no nursing-home stay, no limitation in activities of daily living, no reported difficulty managing money, and normal cognition. Columns (5) and (6) use couples in which a spouse entered a nursing home for fewer than thirty nights and returned, event time measured from the episode and censored at the couple's first real exit, with the Poisson and the dollar specification. Columns (7) and (8) are the dollar specification on the main sample with the change in net worth measured from $E-1$ and from $E-2$. Standard errors clustered on the couple. * $p<0.10$, ** $p<0.05$, *** $p<0.01$.

Table A7: The CFO's cognition and the penalty across panels, net worth

	Balanced -3 to $+2$ (main)	Balanced -2 to $+2$	Unbalanced -3 to $+2$
CFO exit × post, CFO cognitively normal	-0.266^{***}	-0.252^{***}	-0.158^{***}
	(0.061)	(0.059)	(0.049)
× CFO impaired	0.364^{***}	0.206^{**}	0.211^{***}
	(0.101)	(0.101)	(0.080)
Penalty, CFO impaired (sum of the two coefficients)	0.098	-0.046	0.053
	(0.086)	(0.086)	(0.068)
Couples	1,120	1,424	2,396

Notes: Same specification as Table 13, Panel A, on three samples of the death arm. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table A8: Deaths preceded by long-term care entry or incapacitation

	Net worth (1)	Fin. wealth (2)	Managed (3)	Passive (4)
Panel A. Main death arm (Table 2)				
CFO exit × post	-0.169^{***}	-0.178^{**}	-0.107	-0.182^{**}
	(0.052)	(0.075)	(0.094)	(0.082)
Couples	1,120	1,087	767	1,103
Panel B. Deaths preceded by LTC entry or incapacitation, event time anchored at the death				
CFO exit × post	0.006	0.088	0.038	-0.025
	(0.099)	(0.173)	(0.227)	(0.198)
Couples	229	217	140	222

Notes: Poisson with couple, event-time, calendar-wave, and age-bin fixed effects, census division and baseline covariates (both spouses' ages, survivor's gender and education, exiting spouse's self-rated health, all at $E-1$) interacted with post; coefficients in log points, $\exp(\beta) - 1$ is the proportional change; death arm, couples observed at every wave from $k = -3$ to $+2$ (the main sample). Panel B uses couples whose first exit was a long-term care entry or an incapacitation and whose exiting spouse died one or two waves later, 230 couples (79 after LTC entry; 106 CFO exits), with event time re-anchored at the wave of the death and the sample balanced on $k = -3$ to $+2$ around it with no re-partnering; covariates are measured at the last interview before the first exit. For these couples the CFO had already left the household or lost the capacity to manage before the death, so the succession was under way when the death occurred. Outcomes censored at zero; couples differ across columns because Poisson uses only couples with a positive value in at least one window wave. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table A9: Estate planning at $E-1$ and the CFO penalty

	Decedent had a will		Survivor had a will		Either spouse had a will	
	Net worth	Fin. wealth	Net worth	Fin. wealth	Net worth	Fin. wealth
	(1)	(2)	(3)	(4)	(5)	(6)
CFO exit × post, no plan	−0.128	−0.128	−0.131	0.021	−0.099	−0.032
	(0.100)	(0.181)	(0.114)	(0.182)	(0.114)	(0.199)
× plan in place	−0.036	−0.049	−0.040	−0.225	−0.076	−0.162
	(0.109)	(0.195)	(0.122)	(0.197)	(0.121)	(0.213)
Penalty, plan in place (sum of the two coefficients)	−0.164***	−0.177**	−0.171***	−0.204**	−0.175***	−0.193**
	(0.056)	(0.081)	(0.056)	(0.080)	(0.055)	(0.080)
Plan × post (non-CFO exits)	−0.008	0.023	−0.050	−0.010	−0.042	−0.018
	(0.084)	(0.144)	(0.087)	(0.136)	(0.093)	(0.146)
Share with the plan, CFO exits	0.69	0.69	0.67	0.67	0.72	0.72
Share with the plan, non-CFO exits	0.64	0.64	0.62	0.62	0.67	0.67
Couples	1,115	1,083	1,117	1,084	1,119	1,086

Notes: Poisson with couple, event-time, calendar-wave, and age-bin fixed effects, census division and baseline covariates (both spouses' ages, survivor's gender and education, exiting spouse's self-rated health, all at $E-1$) interacted with post; coefficients in log points, $\exp(\beta)-1$ is the proportional change; death arm, couples observed at every wave from $k=-3$ to $+2$ (the main sample). Estate planning is taken from the HRS core interview at $E-1$, section T: a will is a written and witnessed will (item T001). Columns (1) and (2) use the decedent's own answer, columns (3) and (4) the survivor's, and columns (5) and (6) an indicator that either spouse had a will. Each column is one regression that interacts the penalty with the plan indicator; the first row is the penalty among couples without the plan, the second the difference for couples with it, and the third their sum, the penalty among couples with the plan, with the standard error of the sum. The plan × post row is the effect of the plan among non-CFO exits. Standard errors clustered on the couple. * $p<0.10$, ** $p<0.05$, *** $p<0.01$.

Table A10: The CFO penalty across all spousal exits

	Net worth	Fin. wealth	Managed	Passive
Panel A. Unweighted				
CFO exit × post	−0.105***	−0.112**	−0.058	−0.158**
	(0.037)	(0.054)	(0.067)	(0.064)
Panel B. Inverse-probability weights				
CFO exit × post	−0.089**	−0.115**	−0.069	−0.131*
	(0.038)	(0.056)	(0.066)	(0.068)
Panel C. Entropy balancing				
CFO exit × post	−0.096**	−0.118**	−0.086	−0.111
	(0.040)	(0.057)	(0.069)	(0.068)
Pre-trend test, p	0.55	0.70	0.58	0.79
Mean at $E-1$, CFO-exit couples	591,984	255,812	164,739	58,079
Couples	1,912	1,839	1,302	1,876
Couples in the sample	1,925 (923 CFO exits)			

Notes: Same specification, window, and weight construction as Table 2, on all spousal exits (deaths, long-term care entries, and functional incapacitations) observed at every wave from $k=-3$ to $+2$. The living exits are intent-to-treat, since the financial-respondent role passes to the survivor gradually after them, so the pooled estimates are lower bounds on the effect of a completed succession. Standard errors clustered on the couple. * $p<0.10$, ** $p<0.05$, *** $p<0.01$.

Table A11: The CFO penalty by wealth component, all spousal exits

	Financial wealth					Non-financial wealth				
	Stocks and funds	Bonds	IRA and Keogh	Checking and savings	CDs and T-bills	Home equity	Business	Other real estate	Vehicles	Debt
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Panel A. Unweighted										
CFO exit × post	0.061	0.165	−0.193**	−0.113	−0.221**	−0.046	−0.167	−0.196	−0.032	0.109
	(0.110)	(0.246)	(0.077)	(0.076)	(0.106)	(0.030)	(0.151)	(0.137)	(0.041)	(0.133)
Panel B. Inverse-probability weights										
CFO exit × post	0.019	0.221	−0.182**	−0.090	−0.191*	−0.039	−0.080	−0.071	−0.043	0.086
	(0.111)	(0.253)	(0.078)	(0.082)	(0.110)	(0.031)	(0.166)	(0.145)	(0.045)	(0.142)
Panel C. Entropy balancing										
CFO exit × post	−0.013	0.273	−0.189**	−0.077	−0.161	−0.029	−0.085	−0.116	−0.044	0.127
	(0.113)	(0.244)	(0.084)	(0.083)	(0.111)	(0.031)	(0.164)	(0.152)	(0.045)	(0.143)
Mean at $E-1$, CFO-exit couples	78,116	8,116	78,507	39,106	18,973	181,540	36,311	39,527	19,592	2,608
Share holding at $E-1$	0.30	0.08	0.41	0.84	0.28	0.86	0.10	0.17	0.91	0.26
Couples	949	390	1,084	1,876	949	1,784	353	612	1,870	1,103

Notes: Poisson with couple, event-time, calendar-wave, and age-bin fixed effects, census division and baseline covariates (both spouses' ages, survivor's gender and education, exiting spouse's self-rated health, all at $E-1$) interacted with post; coefficients in log points, $\exp(\beta)-1$ is the proportional change; death arm, couples observed at every wave from $k=-3$ to $+2$ (the main sample). Here the sample is the all spousal exits observed at every wave from $k=-3$ to $+2$. Each column is a separate Poisson regression on that component, censored at zero, with the comparison group unweighted (Panel A), reweighted by inverse-probability weights (Panel B), and reweighted by entropy balancing (Panel C). Couples are those with a positive value in at least one window wave, since a couple at zero throughout carries no information about proportional change. The share holding is the share of couples with a positive balance at $E-1$. Stocks and funds are holdings outside retirement accounts. Debt is non-housing debt. Standard errors clustered on the couple. * $p<0.10$, ** $p<0.05$, *** $p<0.01$.

Table A12: Pre-event balance, all spousal exits

	Means		Standardized difference		
	Non-CFO exit	CFO exit	Unweighted	IPW	Entropy
Net worth (thousands)	566.8	592.8	0.031	0.056	-0.001
Financial wealth incl. IRA (thousands)	223.7	255.6	0.072	0.085	0.028
Stocks and mutual funds (thousands)	69.5	78.4	0.042	0.036	-0.000
Bonds (thousands)	9.0	8.1	-0.021	0.036	-0.000
Checking and savings (thousands)	36.2	39.2	0.040	0.020	-0.001
CDs and T-bills (thousands)	20.3	19.0	-0.023	0.011	-0.000
IRA and Keogh (thousands)	65.0	78.7	0.083	0.066	-0.000
Household income (thousands)	71.6	64.8	**-0.102**	0.046	-0.001
Exiting spouse earnings (thousands)	7.2	5.2	-0.095	-0.018	-0.000
Exiting spouse pension income (thousands)	5.5	8.5	**0.193**	0.012	-0.000
Survivor age	71.33	71.19	-0.017	0.008	-0.002
Exiting spouse age	72.62	74.30	**0.192**	-0.008	-0.001
Survivor female	0.62	0.83	**0.485**	-0.012	0.001
Survivor education (years)	12.49	12.07	**-0.136**	0.077	0.003
Exiting spouse self-rated health (1 to 5)	3.42	3.42	0.008	-0.013	-0.000
Survivor chronic conditions	2.06	2.03	-0.027	0.009	0.000
Exiting spouse chronic conditions	2.76	2.86	0.062	-0.009	-0.000
Exiting spouse has life insurance	0.64	0.68	0.072	0.003	0.001
Survivor cognitively impaired	0.16	0.19	0.079	-0.024	-0.002
Exiting spouse cognitively impaired	0.42	0.30	**-0.271**	0.007	0.001
Couples	992	920			

Notes: As Table 1, for all spousal exits observed at every wave from $k = -3$ to $+2$ and entering the net-worth estimation. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table A13: Household consumption after a spousal death, by the deceased spouse's role (CAMS)

	Total consumption (1)	Nondurable spending (2)	Total spending (3)	Total consumption per capita (4)	Nondurable spending per capita (5)
Panel A. Couples with at least one CAMS report before and one after the death					
CFO exit × post	−0.016	−0.034	−0.034	−0.007	−0.018
	(0.034)	(0.048)	(0.048)	(0.042)	(0.052)
Non-CFO post-event mean	44,713	22,136	36,901	38,570	19,145
Couples	393	393	393	393	393
Couple-waves	1,826	1,826	1,826	1,826	1,826
Panel B. Couples with a CAMS report at all six waves					
CFO exit × post	−0.054	−0.084	−0.073	−0.070	−0.078
	(0.054)	(0.072)	(0.077)	(0.068)	(0.087)
Non-CFO post-event mean	45,991	23,498	38,940	40,857	20,847
Couples	100	100	100	100	100
Couple-waves	600	600	600	600	600

Notes: Poisson with couple, event-time, calendar-wave, and age-bin fixed effects, census division and baseline covariates (both spouses' ages, survivor's gender and education, exiting spouse's self-rated health, all at $E-1$) interacted with post; coefficients in log points, $\exp(\beta) - 1$ is the proportional change; death arm, couples in the main sample (observed at every wave from $k = -3$ to $+2$) that also complete the HRS Consumption and Activities Mail Survey (CAMS). Outcomes are annual household consumption and spending from the RAND CAMS file in 2020 dollars. Total consumption converts durables to service flows, total spending is the sum of reported outlays, and per-capita measures divide by the number of household residents at the wave. CAMS is fielded in odd years between core interviews, so each report is assigned to the core wave that follows it. Before the death a report from either spouse is used, and after the death the survivor's report. Panel A keeps couples with at least one report before and one after the death, and Panel B the subset with a report at every wave of the window. Non-CFO post-event mean is the mean of the outcome among non-CFO-exit couples at $k \geq 0$. Standard errors clustered on the couple. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Appendix Figures

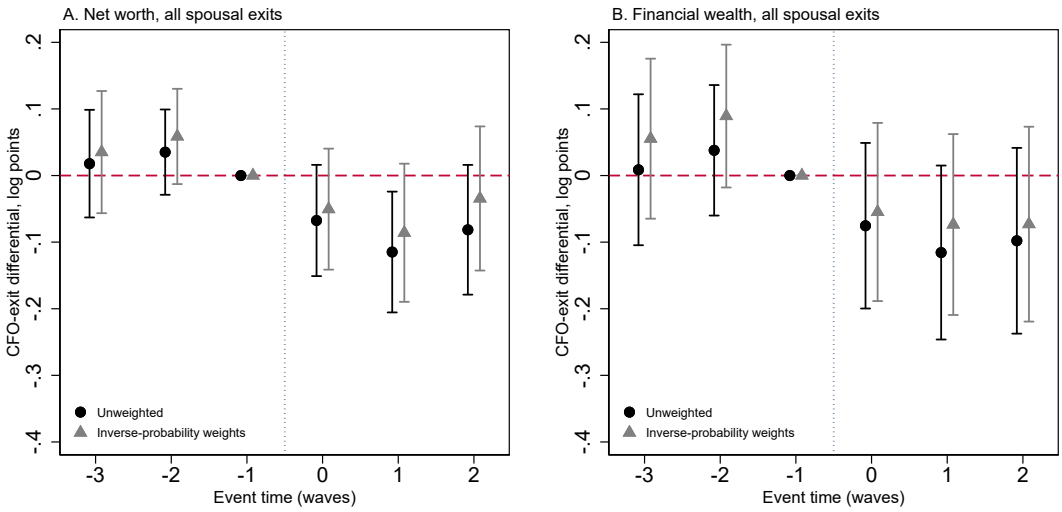


Figure A1: Event Studies, All Spousal Exits

Notes. Net worth and financial wealth on the panel of all spousal exits (deaths, long-term care entries, and incapacitations) balanced from $k = -3$ to $+2$, 1,925 couples. CFO-exit differential at each event time relative to $k = -1$, unweighted and with inverse-probability weights, with 95 percent intervals clustered on the couple.

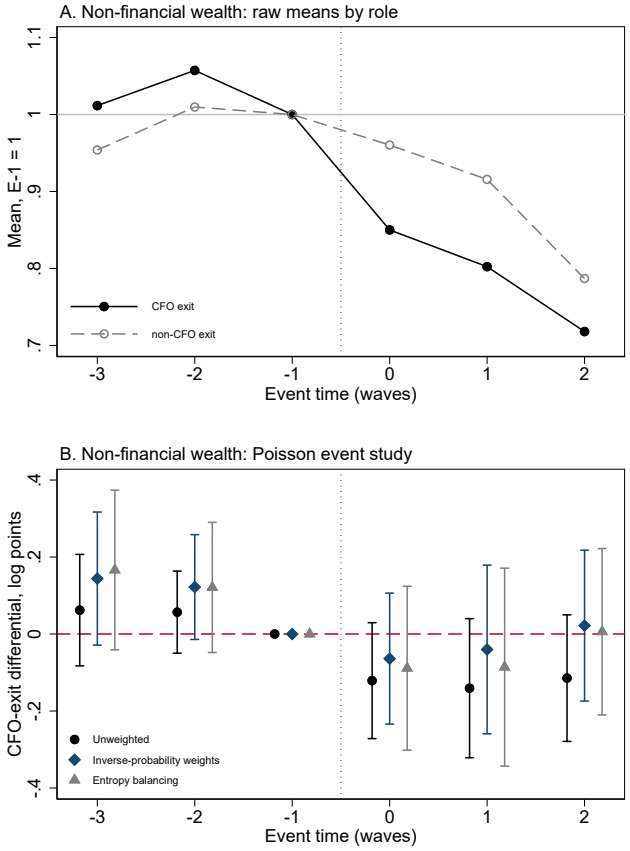


Figure A2: Non-Financial Wealth Around a Spousal Death

Notes. As in Figure 2, for non-financial wealth, the sum of home equity, other real estate, business assets, and vehicles.

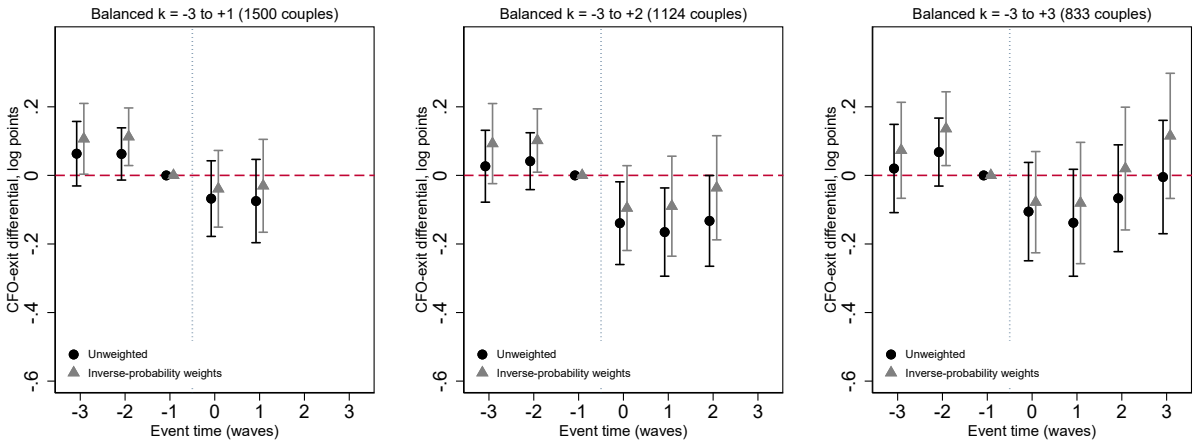


Figure A3: Event Studies on Three Balanced Windows

Notes. Net worth, death arm. CFO-exit differential at each event time relative to $k = -1$, on the panels balanced from $k = -3$ to $+1$, to $+2$ (main), and to $+3$, unweighted and with inverse-probability weights, with 95 percent intervals clustered on the couple. Titles report the couples in each panel.

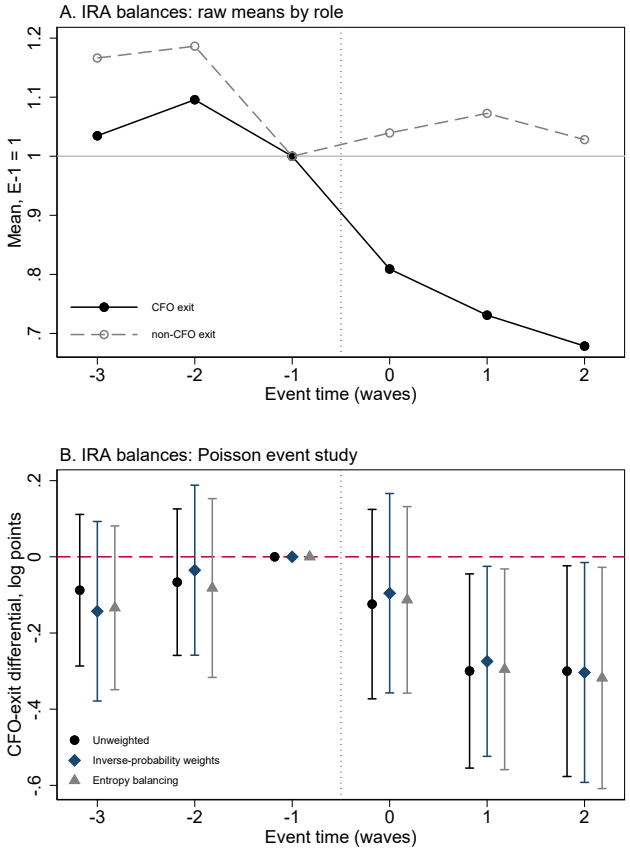


Figure A4: IRA and Keogh Balances Around a Spousal Death

Notes. As in Figure 2, for household IRA and Keogh balances censored at zero.

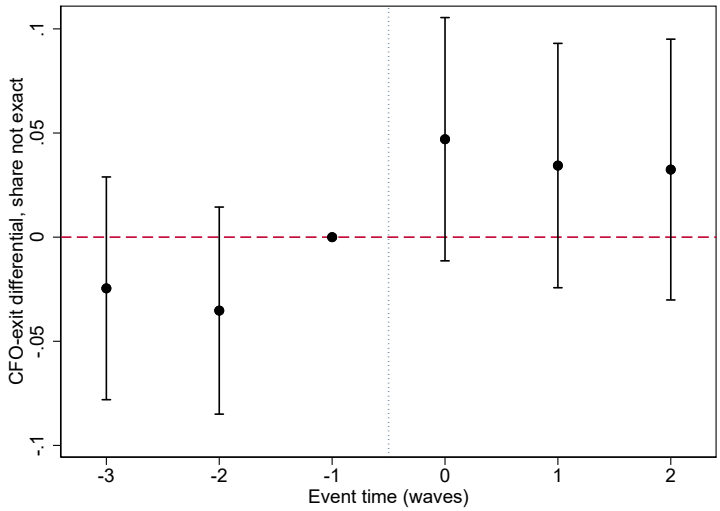


Figure A5: Reporting Quality Around a Spousal Death

Notes. CFO-exit differential at each event time in the share of owned financial assets not reported as an exact amount, linear with couple fixed effects, relative to $k = -1$, with 95 percent intervals clustered on the couple.

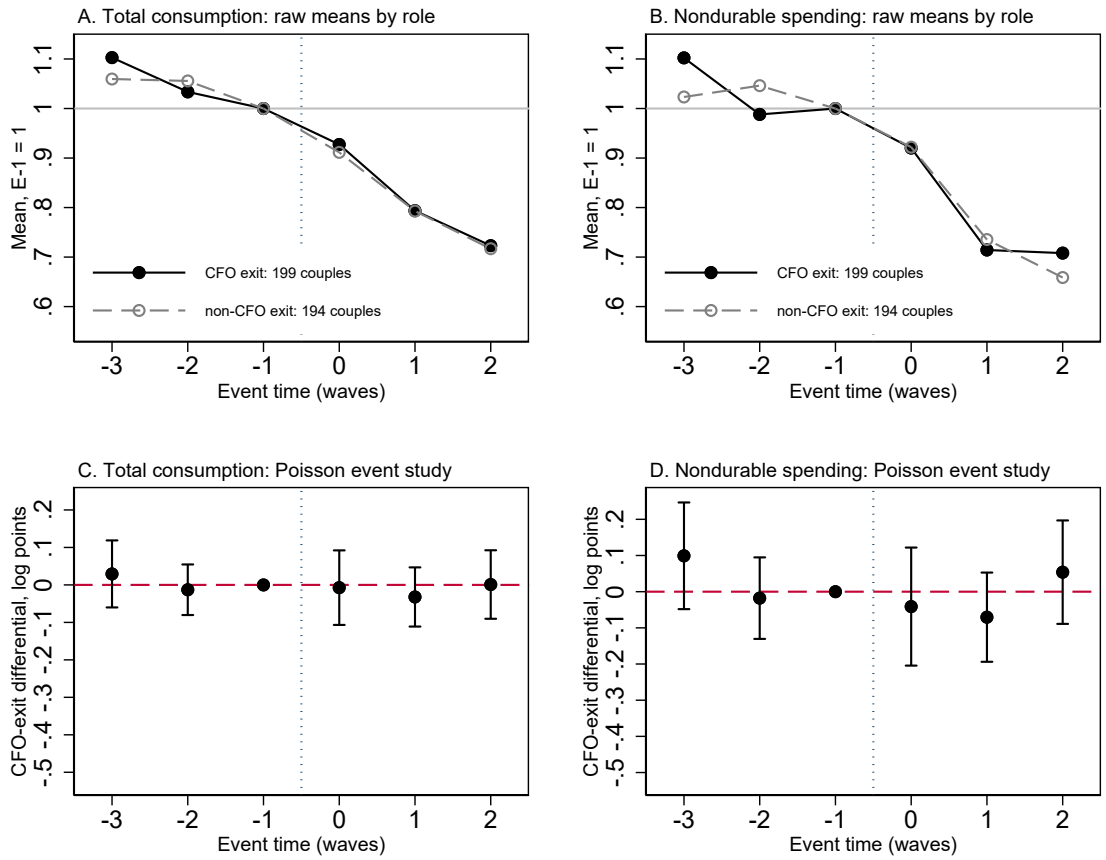


Figure A6: Household Consumption Around a Spousal Death, by the Deceased Spouse's Role

Notes. Couples in the main sample with at least one CAMS report before and one after the death, 393 couples (Panel A of Appendix Table A13). Panels A and B plot the mean of each outcome by the deceased spouse's role at each event time, divided by the group's mean at $k = -1$. Panels C and D plot the CFO-exit differential at each event time relative to $k = -1$ from the Poisson specification of Appendix Table A13, with 95 percent intervals clustered on the couple. Both groups' consumption falls after the death as the household goes from two residents to one, and the two paths do not differ at any event time.