

## **Charitable Bequest Attitudes among Minorities**

### **Objective**

As the U.S. population ages, much discussion has surrounded the associated transfer of estate wealth from older generations to younger. A significant, and particularly policy relevant, part of this transfer involves potential transfers to nonprofit and charitable institutions. For example, charitable estate transfers provide more income to U.S. nonprofits than all corporate charitable giving combined (Giving USA 2015).

My research will present results from the first nationally representative study of attitudes regarding end of life charitable planning with detailed respondent information. Previously published research on U.S. charitable estate planning has been limited to post-mortem transfer data from very large estates subject to taxation (Kopczuk & Slemrod, 2003), small single location explorations of probate records (Barthold & Plotnick, 1984) and the presence of a charitable component in estate plans of those aged 50 and older (James, 2009).

The current study adds to available empirical information on the increasingly important phenomenon of charitable estate transfers by

1. Providing results from the first nationally representative study of attitudes regarding end of life charitable planning with detailed respondent information using data from the Panel Study of Income Dynamics.
2. Contrasting these findings with previous results from behavior of those age 50+ (from the health and retirement study) and from post-mortem transfers (from the IRS statistics of income), thus providing the first insights in this area regarding those under age 50.
3. Providing the first comparison of charitable estate transfer attitudes among current donors to different types of charities, specifically those giving to religion, combination purposes, for the needy, health, education, youth, cultural, neighborhoods, environment, international, or other.
4. Contrasting attitudes regarding estate gifts towards religious charities and with attitudes regarding estate gifts towards other charities.
5. Providing details regarding the health, economic, and demographic characteristics of those with varying attitudes towards end of life charitable planning.

### **Significance**

These results will provide the first source of empirical information regarding an economically and socially important behavior where no comparable source of published information currently exists.

## Method

The core data used in the study comes from the 2007 Panel Study of Income Dynamics (PSID), the only wave of the PSID in which these particular questions were asked. The PSID is a well-known nationally representative longitudinal study in continuous existence since 1968. Comparison data comes from the Health and Retirement Study (HRS), a nationally representative study of longitudinal adults over the age of 50 in the U.S.

Attitudinal measurements are associated with key economic, demographic, and health characteristics by (1) reporting of significant differences in cross-tabulations, (2) reporting significant differences in an ordered probit regression incorporating each level of attitudinal agreement, (3) reporting differences in an ordered probit regression including interaction variables with a dummy variable indicating age 50+ (for which we have previous data from the HRS) or age under 50 (for which we have no previous data), (4) reporting differences in an ordered probit regression including a series of interaction variables with a dummy variable for the presence of current giving to each separate giving category, (5) contrasting factors associated with positive attitudes towards charitable estate gifts and religious charitable estate gifts by completing steps 1-4 for the outcome variable of attitude towards religious charitable estate gifts both with and without controls for general charitable estate giving attitudes.

## Conclusions/Relevance

The upcoming transfer of generational wealth has drawn much attention. The current study adds important context to understanding the charitable component of that transfer. In particular, the importance of childlessness suggests that charitable estate transfers will become increasingly important as the rate of childlessness among older adults in the US will be increasing substantially over the next two decades and beyond. Further, the results provide interesting contrasts in racial attitudes towards estate giving to charitable and religious organizations. Finally, these results provide the first glimpse of information about the charitable estate planning attitudes of those under age 50.

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