

The Charitable Bequest Gap Among African-Americans: Exploring Charitable, Religious, and Family Estate Planning Attitudes

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Abstract

Previous research reports that African-Americans are significantly less likely than Whites to have a charitable estate plan, even when controlling for other socio-economic characteristics. Two possible explanations are a documentation barrier or lack of charitable intent. Evidence for a documentation barrier includes relatively lower engagement with the formal financial system in general. The evidence further indicates that, among those who *have* estate planning documents, African-Americans are not less likely to include a charitable component. Using nationally representative data from the 2007 Panel Study of Income Dynamics (n=8,289), we present direct evidence of attitudes regarding charitable, religious, and family estate planning. In absolute terms, African-Americans rated the importance of charitable and religious bequest gifts higher than others did. This suggests a documentation barrier—a barrier that advisors can actively address—rather than a lack of charitable intent. Additionally, consistent with theories and findings in current charitable giving, African-Americans were also more likely to give religious bequests greater importance relative to other charitable or family bequests.

Introduction

Previous research has identified two distinctive characteristics, *inter alia*, of charitable behavior among African-Americans. First, even when circumstances are otherwise similar, African-Americans are less likely than others to have charitable estate plans (James, 2009). However, among those who have estate planning documents, African-Americans are not significantly less likely to include a charitable component (James, 2009). One explanation is that completing estate planning documents may be the key barrier to charitable estate planning, rather than a lack of underlying charitable intent. Second, in line with predictions from the economics of religion (Iannaccone, 1994), in current giving African-Americans (as compared with Whites) are more likely to be donors to religion (especially exclusively religious charitable donors), but they are not more likely to be donors to non-religious charities (James & Sharpe, 2007). The extent to which this current giving tendency also applies to charitable bequest giving is unknown.

This paper presents results from the first nationally representative study of attitudes regarding religious and other charitable estate 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 the estate plans of those aged 50 and older (James, 2009; 2015). The current study provides the first nationally representative results examining religious, other charitable, and family estate planning attitudes across all adult ages.

Exploring whether underlying charitable estate giving attitudes, rather than estate planning documentation, may serve as the key barrier to charitable estate planning among African-Americans, data from the Panel Study of Income Dynamics (PSID) indicate that, in absolute terms, African-Americans attribute greater importance to both religious and non-religious charitable bequests. Thus, a lack of underlying charitable intent (especially for religious giving) does not explain the relative lack of charitable estate planning, again pointing to the possibility that estate planning documentation may be the key barrier.

Investigating if lifetime religious giving tendencies extend to religious estate giving attitudes, the results demonstrate that, as compared with others, African-Americans attribute significantly higher importance to religious bequests, both in absolute terms and relative to either family bequests or other charitable bequests. This suggests that the preference for lifetime religious giving also extends to religious bequest giving attitudes.

Literature Review

The importance of charitable estate planning

Charitable estate bequests are a significant part of total charitable income for nonprofit organizations, providing more income to U.S. nonprofits than all corporate charitable giving combined (Giving USA, 2017). In 2016, Americans made over \$281 billion in *inter vivos* charitable gifts, U.S. corporations gave \$18.55 billion, and charitable bequests totaled \$30.36 billion (Giving USA, 2017). The significance of such gifts is likely to grow in coming years. Some economists estimate that baby boomers will pass on \$59 trillion by the year 2061, which would complete the biggest wealth transfer of all time (Davies, 2016). As the aging of the population generates greater estate transfers (Davies, 2016), charitable estate transfers are likely to grow as well. This is especially true as the "Baby Boom" generation is much more likely to be childless than previous generations (James, 2015; Luckerson, 2015; U.S. Census Bureau, 2014) and childlessness is the strongest predictor of including charity in an estate plan (James, 2009; 2015). Among donors age 55+ with a will or trust, approximately half of those without children or grandchildren included a charitable provision, while less than 10% of those with grandchildren included a charitable provision (James, 2009).

Beyond the current and growing importance of charitable estate bequests, there may be a much larger untapped potential for such philanthropy. Currently, only a small fraction of substantial lifetime donors include a bequest to charity in their wills. Roughly 90% of donors giving over \$500 per year will die with no charitable bequest (James, 2009). This relatively low participation rate, even among generous donors, suggests substantial unrealized potential for even greater charitable estate transfers resulting from a greater understanding of motivations and barriers for such charitable estate decisions.

Charitable estate planning and African-Americans

In an analysis of the 2006 Health and Retirement Study, a nationally representative survey of the non-institutionalized U.S. population age 52 and over, James (2009) found that African-Americans were significantly less likely than Whites to have a will or trust with a charitable component. Even when controlling for income, wealth, education, age, current giving, volunteering, religious attendance, and health conditions, African-Americans were significantly less likely ($p < .001$) to report having a charitable estate provision. However, they were also significantly less likely to have any will or trust document at all. When the analysis was restricted to only those respondents who reported having a will or trust document, there was no statistically significant relationship between race and the presence of a charitable provision in the will or trust document. This led to the suggestion that “the primary barrier for minority estate gifts was not donative preference but the planning process itself” (James, 2009, p. 1034). Although reasonable, this suggestion was made without direct information about charitable estate giving attitudes among those without planning documents.

Other evidence suggests that completing estate planning documentation may be an important barrier in particular for African-Americans. In previous research, whenever a statistically significant relation has been observed, Whites have been more likely than other racial groups to have will documents (Goetting & Martin, 2001; Lee, 2000; O’Connor, 1996; Palmer, Bhargava, & Hong, 2006). For example, Goetting & Martin (2001) in a logistic regression using data from the Study of Aging and Health Dynamics of the Oldest Old (AHEAD) found four significant factors positively associated with having a will in place: White race, higher education, higher net worth, and higher self-assessment of chances of leaving a financial bequest.

The lack of estate planning documents among African-Americans may be part of a tendency to be less engaged with traditional financial institutions and financial planning in general. Lack of engagement with financial processes is a significant issue in the U.S. Roughly 17 million adults lack a bank account (Cover, Fuhrman-Spring, & Garshick-Kleit, 2011). The issue is even more significant among African-Americans. An analysis of 2004 Survey of Income Program Participation data showed the African-American race to be negatively associated with whether the family was banked (Rhine & Greene, 2013) and over half of all African-American households are unbanked or

underbanked (FDIC, 2009). Similarly, Chiteji and Stafford (1999) found that African-Americans are less likely to hold stocks or transaction accounts, even while controlling for income, age, education, marital status, and number of children. In the 2007 wave of the PSID analyzed in the current paper, African-Americans made up 34% of the sample but accounted for 60% of those without checking, savings, money market, CD, U.S. savings bonds, or Treasury bills.

Religious giving and African-Americans

Donations to religious organizations historically have constituted the largest segment of charitable giving (Brown, 2004), encompassing 32% of all donations in 2015 (DeBoskey, 2017). Although the percentage of religiously unaffiliated adults has been growing, African-Americans are the least likely racial group to report being religiously unaffiliated (Pew Research Center, 2015). Iannaccone (1994) found that minorities, especially African-Americans, donate more to religious groups during their lifetimes than non-minorities. Similarly, James and Sharpe (2007) found that African-Americans tend to donate less to charity in general but more to religious organizations during their lifetimes. It is unknown whether the same holds true for charitable bequests.

Such preferences for religious giving are consistent with the predictions of Iannaccone’s (1998) economics of religion model. In this approach, a religious group is a club that produces shared goods. Groups with highly committed members can produce a high level of shared goods for their members. However, in order to be sustainable, such high-benefit groups must prevent free-riders, i.e., those who take benefits but are not truly committed. Thus, as an external guarantee of internal commitment, strict religious groups often require the rejection of some secular behaviors. Such rejection of secular behavior has a cost, but such costs are lower for those who otherwise have fewer secular opportunities—for example, those who face discrimination in secular opportunities. In fact, the theory predicts that African-Americans subject to secular discrimination will have an increased propensity for religious participation in strict religious groups (Iannaccone, 1994). Such groups are more likely to have strict religious giving expectations (Iannaccone, 1994). Thus, the increased propensity to affiliate with strict religious groups could explain an increased propensity for religious giving, especially for exclusively religious charitable giving (James & Sharpe, 2007). In opposition to the

self-interested, purely transactional model from the economics of religion, Showers, Showers, Beggs, and Cox (2011) posit that religious giving is unique, and “may be the result of an enduring, internal motivation or a faith factor” (p. 182). In contrast to the self-interested economics of religion model, this points to something more than the external motivation of getting shared goods or services in return for religious giving.

An examination of charitable bequests may provide some insight into this dispute. Current charitable giving can be purely transactional. A donor may give with the expectation of receiving benefits (such as symphony tickets, a tax deduction, or access to shared resources) as a result of the gift. However, bequest giving is different. Advancing benefits to the bequest gift donor before death is problematic because estate plans are typically unobserved and, even if observed, are constantly revocable. Thus, advancing benefits in exchange for a revocable estate plan creates no incentives to prevent the donor from later changing the plan. As a result, it is much more difficult to receive personal benefits in exchange for a revocable planned charitable bequest than in exchange for a current gift. Removing this self-interested or transactional incentive should, under a purely rational economics of religion approach, dramatically reduce or eliminate the giving. In contrast, an internal motivation or faith factor model (Showers, et al., 2011) would suggest a sustained interest in supporting religious causes through bequest gifts, even in the absence of a transactional benefit to the donor. However, to this point, no research has explored whether the preference for current religious giving among African-Americans also extends to attitudes in religious bequest giving.

Hypotheses

Consistent with an argument that another issue, such as estate planning documentation, rather than a lack of underlying charitable intent, is the primary barrier to charitable estate planning among African Americans, the first hypothesis proposes:

H1. African-Americans will not indicate that charitable estate bequests are of less importance than will other groups.

Consistent with an argument that greater current religious giving among African-Americans is driven, at least in part, by an internal or faith factor (Showers, et al., 2011) and that such internal motivations will also be expressed in estate giving attitudes (where personal benefit is likely absent) just as they

are in current giving (where personal reciprocal benefit is more feasible), the second hypothesis proposes:

H2. African-Americans will indicate that religious estate bequests are of greater importance than will other groups.

Data and Methods

Data

The core data used in the study come from the 2007 Panel Study of Income Dynamics (PSID), the only wave of the PSID in which these charitable bequest questions were asked. The PSID is a nationally representative, longitudinal study that has been regularly fielded since 1968 by the University of Michigan’s Survey Research Center. Sample weights are included in the PSID data to account for the original sample design and subsequent attrition. Since the survey began with a goal of assessing President Johnson’s War on Poverty, lower income households were oversampled. The survey has been administered via computer-assisted telephone interviews since 1993.

There were 8,289 observations in the full original sample. We treated answers such as “don’t know” and “don’t care to answer” as missing values, as well as answers by someone other than the husband, wife, or head of household. No values were missing from the “wealth” variable because the PSID provides imputed estimates when these contain missing information. Missing values for each analysis variable were: family size – none, presence of a bank account – 47, ethnicity – 49, race – 69, importance of leaving a bequest to family – 238, importance of leaving a charitable bequest – 245, importance of leaving a religious bequest – 258, education – 432. Deleting those observations with missing values for any of the analysis variables reduced the sample from 8,289 to 7,604 when importance of leaving a charitable bequest was the dependent variable, 7,595 when importance of leaving a religious bequest was the dependent variable, and 7,611 when importance of leaving a bequest to family was the dependent variable. In sum, roughly 8% of the original observations were dropped from the sample.

Race, ethnicity, wealth, education and family size were included in some subsequent analyses. Only the primary race of the head of household was considered; if the head of household listed a secondary race, it was not considered. In the original survey responses for the full sample, excluding the .81% answering NA or “don’t know” to the race question,

60.95% identified as White, 34.26% as African-American, 2.77% as Other, 1.33% as Asian, .61% as American Indian or Alaska Native, and .09% as Native Hawaiian or Pacific Islander. After applying weights, 80.64% identified as White, 14.06% as African-American, and 5.30% as Other. With regard to ethnicity, 7.38% identified as Hispanic, while 92.62% of survey respondents identified as not Spanish, Hispanic or Latino.

The wealth variable is an imputed variable for total household wealth at the time of the 2007 interview, including equity in the main home (Duffy, 2011). The conversion of wealth to the natural log of wealth in the model aids in the management of large wealth outliers and makes regression coefficients more usefully interpretable. (A 1% change in wealth is more consistently meaningful than a \$10,000 change in wealth.) Other studies have found wealth to be a significant factor for the presence of a charitable estate plan (James, 2009; James, 2015; Joulfaian, 2000).

The education variable represents the number of years of completed education, ranging from 1-17. Values in the 1-16 range represent the actual grade completed, with 12 representing a high school graduate and 16 representing a college graduate. An answer of 17 means the household head completed at least some graduate education. Family size represents the number of people living in the household, and ranges from 1 to 10. Previous research has found childlessness to be a powerful predictor for the presence of a charitable estate plan (James, 2009).

The survey used a Likert scale to rank the importance of bequests to family, charity, and religious organizations, in three separate questions. The wording of the questions was as follows:

Some people think that leaving an estate or inheritance to their children or other relatives is very important, while others do not. Would you say this is very important, quite important, not important, or not at all important?

What about leaving an estate or inheritance to a church, synagogue, mosque or religious organization? (Would you say this is very important, quite important, not important, or not at all important?)

(What about) leaving an estate or inheritance to a charity? (Would you say this is very important, quite important, not important, or not at all important?)

The data were coded so that 1 represented "not at all important," 2 was "not important," 3 was "quite important," and 4 was "very important." Thus, a higher number or coefficient represents a higher level of importance.

Methods

To explore whether the previously identified differences in propensities to give to religious and non-religious charities among African-Americans also applied to religious and non-religious charitable bequest attitudes, we used three regressions with dependent variables of the importance of leaving a charitable bequest (Table 3), the importance of leaving a religious bequest (Table 4), and the importance of leaving a family bequest (Table 5). Non-Hispanic and White were omitted categories in the regression analyses. Following previous literature and Iannaccone's (1998) theoretical model related to disadvantaged minorities, the focus here is on how those in minority categories compare with those in the White category, with a particular focus on how African-Americans compare with those in the White category.

The regression analysis employed an ordered probit model because the dependent variables have ordinal interpretations – with 1 representing "not at all important," 2 being "not important," 3 being "quite important," and 4 being "very important." These numbers do not have formally numerical meaning, but do rank from lowest to highest. Thus, a latent variable model with a monotonic ordering of these otherwise qualitative responses is appropriate, such as the ordered probit model. The regressions included independent variables representing African-Americans, Whites (the omitted category), and those of other races. Additionally, the regression included variables for Hispanic ethnicity (with non-Hispanic as the omitted comparison category), wealth, education, and family size. Hypothesis 1 proposes that the coefficient for the African-American variable will be non-negative for both religious and non-religious charitable bequests combined. Hypothesis 2 proposes that the coefficient will be positive for religious bequests.

The control variables allow not only a partially *ceteris paribus* exploration of race, but also an exploration of the extent to which previous associations of these control variables with current giving or the presence of charitable estate plans applies to bequest attitudes. Both greater wealth and greater education have been associated with a higher propensity to have

charitable estate planning documents (James, 2009). Greater wealth and greater education have also been associated with greater propensity to make current charitable gifts (Bekkers & Wiepking, 2011a, 2011b; Wiepking & Bekkers, 2012). However, even though lower income and lower education were associated with lower levels of charitable giving in general (secular and mixed), they were also associated with higher levels of wholly religious giving (James & Sharpe, 2007). This is an important distinction because, unlike other studies, the current survey separated the importance of leaving a religious bequest and a, presumably non-religious, charitable bequest.

The importance rating for the three forms of estate transfers may be considered in both absolute terms and in relative terms. Absolute levels of interest in the various estate transfers are relevant for decisions on current consumption versus bequest transfers and for decisions on engaging in estate planning at all. However, what goes into an actual estate plan likely depends upon an individual's relative preference over the three bequest options – religion, charity, and family. For example, a person who rates a charitable estate transfer as being “not important,” but rates a family estate transfer as being “not at all important” may be more likely to make a charitable transfer than one with an identical rating for a charitable estate transfer who rates a family estate transfer as being “very important.”

In the following analysis, relative preferences were measured by a ratio comparing the importance of leaving one type of bequest to the total importance of all three bequests. In this scenario, the highest possible numerator value was 4 (when the absolute importance of leaving that type of bequest was reported as “very important”) while the lowest possible numerator value was 1 (when the absolute importance of leaving that type of bequest was reported as “not at all important”). The highest possible denominator value was 12, if the absolute importance of all three bequest types was 4, and the lowest possible denominator value was 3. Relative preferences were also measured by a ratio comparing the importance of leaving one type of bequest to the importance of leaving another specific type of bequest. In this scenario, the highest possible numerator and denominator values were both 4. Thus, relative preference was measured by ratios comparing the importance of leaving one type of bequest to total importance of all three bequests, as well as ratios comparing the importance of leaving one type of bequest to the importance of leaving another type of bequest.

Results

Table 1: Sample statistics (unweighted)	
Dependent variables	Mean (standard deviation)
Importance of leaving a charitable bequest	2.2389 (.8423)
Importance of leaving a religious bequest	2.1705 (.8747)
Importance of leaving a bequest to family	3.1979 (.8581)
Explanatory variables	Mean (standard deviation)
White	.6095
African-American	.3426
Asian	.0133
American Indian or Alaska Native	.0061
Native Hawaiian or Pacific Islander	.0009
Other races	.0277
Hispanic	.0736
Non-Hispanic	.9262
Wealth	\$265,754 (1,159,006)
Ln (wealth)	9.1028 (4.4051)
Education	12.9565 (2.6194)
Family Size	2.6664 (1.4619)
Dependent variables, 1: not at all important, 2: not important, 3: quite important, 4: very important	

Table 1 reports unweighted sample means for the variables used in the analysis. For the sample as a whole, the summary statistics in Table 1 indicate that leaving a bequest to family was most important, while leaving a religious bequest was least important. (However, it is interesting to note that the importance of leaving a religious bequest had the largest standard deviation.)

Table 2 reports means for groups giving specific responses to each bequest importance question. The hypotheses propose that African-Americans will give greater importance to religious bequests, and simultaneously will not attribute lower importance overall to both types of charitable bequests combined (religious and non-religious), as compared with other groups. The descriptive statistics in Table 2 support both propositions. Non-Hispanic African-Americans made up a much larger share of the respondents giving higher importance ratings to

	1	2	3	4
Importance of Bequest to Family				
Non-Hispanic White	66.01%	71.48%	63.03%	43.98%
Non-Hispanic African-American	23.51%	18.88%	25.57%	45.67%
Non-Hispanic Other race	2.22%	3.12%	3.58%	3.14%
Hispanic (any race)	8.26%	6.52%	7.82%	7.21%
Ln (wealth)	9.01	9.88	9.25	8.74
Education level	12.7	13.4	13.2	12.8
Family size	2.42	2.51	2.62	2.81
Importance of Bequest to Charity				
Non-Hispanic White	66.14%	60.35%	47.61%	35.77%
Non-Hispanic African-American	25.05%	29.88%	39.03%	53.58%
Non-Hispanic Other race	2.82%	4.21%	6.79%	4.74%
Hispanic (any race)	6.31%	6.70%	9.26%	7.80%
Ln (wealth)	9.68	9.41	8.45	8.24
Education level	12.9	13.2	12.9	12.4
Family size	2.61	2.70	2.69	2.68
Importance of Bequest to Religion				
Non-Hispanic White	67.18%	61.15%	45.01%	29.12%
Non-Hispanic African-American	23.69%	28.14%	43.21%	60.11%
Non-Hispanic Other race	2.68%	3.19%	3.68%	3.85%
Hispanic (any race)	6.45%	7.52%	8.10%	6.92%
Ln (wealth)	9.55	9.45	8.39	8.14
Education level	13.1	13.3	12.7	12.2
Family size	2.56	2.69	2.76	2.71
Note: 1 = not at all important, 2 = not important, 3 = quite important, 4 = very important				
N = 7,640				

bequests to religion and charity. Indeed, nearly 58% of those who state a religious bequest as being “very important” were non-Hispanic African-Americans, while only 23% of those who rated this as “not at all important” were non-Hispanic African-American.

Tables 3, 4, and 5 show results from ordered probit regressions on the importance of the three bequest types: charity, religion, and family. Table 3 indicates that when estimating an ordered probit with importance of a charitable bequest as the dependent variable and race, ethnicity, wealth, education, and family size as explanatory variables, race, ethnicity, and wealth were significant at conventional levels, while education and family size were not.

Hispanics were more likely than non-Hispanics to rate a charitable bequest as quite important or very important, all else being equal. African-Americans, and those of other races, were more likely than Whites to rate a charitable bequest as quite important or very important, all else being equal (providing support for the proposition that African-Americans will not indicate that charitable estate bequests are of less importance). As wealth increases, respondents were slightly more likely to rate a charitable bequest as not at all important or not

important, and slightly less likely to rate a charitable bequest as quite important or very important, all else being equal.

Table 4 indicates that when estimating an ordered probit with importance of a religious bequest as the dependent variable and race, ethnicity, wealth, education, and family size as explanatory variables, race, wealth, education, and family size were significant at conventional levels. African-Americans, and those of other races, were more likely than Whites to rate a religious bequest as quite important or very important, all else being equal (Given that religious bequests are a special type of charitable bequest, this supports the proposition that African-Americans will not indicate that charitable estate bequests are of less importance.). As wealth increased, respondents were slightly more likely to rate a religious bequest as not at all important or not important, and slightly less likely to rate a religious bequest as quite important or very important, all else being equal. Those with higher levels of education were less likely to rate a religious bequest as quite important or very important, all else being equal. In other words, the higher the level of education, the less important a religious bequest became. As family size increased, respondents were slightly more likely to rate a religious bequest as quite important or very important, and slightly less likely to rate a religious

	Importance of bequest to charity			
	Not at all important	Not important	Quite important	Very important
African-American	-.0925*** (.0074)	-.0361*** (.0033)	.0752*** (.0059)	.0534*** (.0045)
Hispanic	-.0468*** (.0134)	-.0182*** (.0053)	.0380*** (.0109)	.0270*** (.0078)
Other race	-.0798*** (.0163)	-.0311*** (.0064)	.0649*** (.0132)	.0461*** (.0095)
Ln (wealth)	0.0048*** (0.0008)	0.0019*** (0.0003)	-0.0039*** (0.0006)	-0.0028*** (0.0005)
Education	-.0020 (.0013)	-.0008 (.0005)	.0016 (.0011)	.0011 (.0008)
Family size	-.0007 (.0022)	-.0003 (.0009)	.0006 (.0018)	.0004 (.0013)
n = 7,604, *p<.05, **p<.01, *** p<.001, reporting standard errors in parentheses, omitted race category was White, omitted ethnicity category was non-Hispanic				
Data source: Panel Study of Income Dynamics, 2007 wave, survey weights applied				

Table 4: Marginal effect of ethnicity, race, wealth, education, and family size on the importance of leaving a bequest to a religious organization (ordered probit)				
	Importance of bequest to religion			
	Not at all important	Not important	Quite important	Very important
African-American	-.1497*** (.0081)	-.0261*** (.0029)	.0972*** (.0053)	.0787*** (.0049)
Hispanic	-.0298 (.0151)	-.0182*** (.0053)	.0380*** (.0109)	.0270*** (.0078)
Other race	-.0805*** (.0180)	-.0140*** (.0034)	.0522*** (.0117)	.0423*** (.0095)
Ln (wealth)	0.0029*** (0.0009)	0.0005*** (0.0002)	-0.0019*** (0.0006)	-0.0015*** (0.0005)
Education	.0052** (.0015)	.0009** (.0003)	.0016 (.0011)	.0011 (.0008)
Family size	-.0050* (.0025)	-.0009* (.0004)	.0033* (.0016)	.0026* (.0013)
n = 7,595, *p<.05, **p<.01, *** p<.001, reporting standard errors in parentheses, omitted race category was White, omitted ethnicity category was non-Hispanic				
Data source: Panel Study of Income Dynamics, 2007 wave, survey weights applied				

Table 5: Marginal effect of ethnicity, race, wealth, education, and family size on the importance of leaving a bequest to a family (ordered probit)				
	Importance of bequest to family			
	Not at all important	Not important	Quite important	Very important
African-American	-.0526*** (.0035)	-.1049*** (.0057)	-.0629*** (.0038)	.2204*** (.0109)
Hispanic	-.0075 (.0049)	-.0150 (.0098)	-.0090 (.0058)	.0316 (.0204)
Other race	-.0151* (.0057)	-.0301* (.0112)	-.0180* (.0067)	.0632* (.0235)
Ln (wealth)	.0001 (.0003)	.0002 (.0006)	.0001 (.0003)	-.0005 (.0012)
Education	.0013 (.0005)	.0025 (.0010)	.0015 (.0006)	-.0053 (.0021)
Family size	-.0053*** (.0009)	-.0105*** (.0016)	-.0063*** (.0010)	.0220*** (.0034)
n = 7,611, *p<.05, **p<.01, *** p<.001, reporting standard errors in parentheses, omitted race category was White, omitted ethnicity category was non-Hispanic				
Data source: Panel Study of Income Dynamics, 2007 wave, survey weights applied				

bequest as not at all important or not important, all else being equal.

Table 5 indicates that when estimating an ordered probit with importance of a bequest to family as the dependent variable and race, ethnicity, wealth, education, and family size as explanatory variables, race and family size were significant at conventional levels, while ethnicity, wealth and education were not significant at conventional levels. African-Americans, and those of other races, were more likely than Whites to rate a family bequest as very important, all else being equal. As family size increased, respondents were slightly more likely to rate a family bequest as very important, and slightly less likely to rate a family bequest as not at all important, not important, or quite important, all else being equal.

Both the descriptive and regression results show that, in absolute terms, African-Americans placed higher importance on every form of bequest transfer. Because testators must still divide bequest transfers between these potential beneficiaries, this suggests the value of investigating the *relative* importance of different bequest types. Table 6 reports results

from ordered probit regressions where the outcome was the importance of each bequest type relative to another bequest type or all bequest types. Column 1 of Table 6 indicates that among African-Americans (as compared with Whites), religious bequests had an increased likelihood of being relatively important compared to charitable and family bequests. The other significant variable, education, had a negative association; thus, among those with higher levels of education, religious bequests had a decreased likelihood of being relatively important compared to charitable and family bequests.

Column 2 of Table 6 indicates that among African-Americans, charitable bequests had a decreased likelihood of being relatively important compared to religious and family bequests. Among other races, and Hispanics, charitable bequests had an increased likelihood of being relatively important compared to religious and family bequests. Those with higher levels of education were more likely to rate a charitable bequest as relatively important compared to religious and family bequests. Among those with higher levels of wealth, and larger family size, charitable bequests had a decreased likelihood of being relatively important compared to religious and family bequests.

Table 6: Relative bequest importance ratios (ordered probit coefficients)

	(1) Religious Bequest Importance to Total Bequest Importance	(2) Charitable Bequest Importance to Total Bequest Importance	(3) Family Bequest Importance to Total Bequest Importance	(4) Religious Bequest Importance to Family Bequest Importance	(5) Charitable Bequest Importance to Family Bequest Importance	(6) Religious Bequest Impor- tance to Char- itable Bequest Importance
African-American	.1456*** (.0268)	-.0792** (.0267)	-.0227 (.0269)	.0984*** (.0273)	-.0324 (.0272)	.1671*** (.0295)
Other race	.0796 (.0602)	.1163* (.0602)	-.1236* (.0605)	.1152* (.0613)	.1363* (.0611)	-.0012 (.0660)
Hispanic	-.0050 (.0492)	.1148** (.0492)	-.0022* (.0495)	.0394 (.0503)	.0997* (.0500)	-.0881* (.0542)
Ln (wealth)	-0.0034 (0.0028)	-0.0151*** (0.0028)	0.0120*** (0.0028)	-.0077* (.0029)	-.0153*** (.0029)	.0078* (.0031)
Education	-.0162*** (.0048)	.0222*** (.0048)	-.0022 (.0048)	-.0092* (.0050)	.0124* (.0049)	-.0264*** (.0053)
Family size	-.0086 (.0082)	-.0300*** (.0082)	.0328*** (.0082)	-.0221** (.0083)	-.0346*** (.0083)	.0174* (.0090)
N	7,538	7,538	7,538	7,561	7,570	7,570

*p<.05, **p<.01, *** p<.001, reporting standard errors in parentheses, omitted race category was White, omitted ethnicity category was non-Hispanic

Data source: Panel Study of Income Dynamics, 2007 wave, survey weights applied

Column 3 of Table 6 indicates that among other races, and Hispanics, family bequests have a decreased likelihood of being relatively important compared to charitable and religious bequests. Further, among those with higher levels of wealth, and larger families, family bequests had an increased likelihood of being relatively important compared to charitable and religious bequests. Because this column compares the relative importance of family bequests with the combination of both religious and non-religious charitable bequests, it is particularly relevant to the first hypothesis. The results show that African-Americans attribute insignificantly less importance to family bequests relative to both types of charitable bequests combined (i.e., insignificantly greater importance for both types of charitable bequests combined), providing only modest support for the hypothesis that African-Americans will not indicate that charitable estate bequests are of less importance than will other groups, when using a relative measurement.

Column 4 of Table 6 indicates that among African-Americans, compared to Whites, religious bequests had an increased likelihood of being relatively important compared to family bequests. Among those with higher levels of wealth and education, and larger family size, religious bequests had a decreased likelihood of being relatively important compared to family bequests.

Column 5 of Table 6 indicates that among Hispanics, compared to non-Hispanics, and among those of other races, compared to Whites, charitable bequests had an increased likelihood of being relatively important compared to family bequests. Among those with higher levels of wealth, and larger family size, charitable bequests had a decreased likelihood of being relatively important compared to family bequests. Among those with higher levels of education, charitable bequests had an increased likelihood of being relatively important compared to family bequests.

Column 6 of Table 6 indicates that religious bequests had an increased likelihood of being relatively important compared to charitable bequests among African-Americans (compared to Whites), those with higher levels of wealth, and those with larger families. Among Hispanics (compared to non-Hispanics), and those with higher levels of education, religious bequests had a decreased likelihood of being relatively important compared to charitable bequests.

This investigation explores, in part, whether the previous finding—that African-Americans, compared to Whites, were

more likely to be charitable donors to religion (especially exclusively religious charitable donors) but were not more likely to be charitable donors to non-religious causes (James & Sharpe, 2007)—can be applied to charitable bequest attitudes. This original finding was made using data from a different survey (Consumer Expenditure Survey) in an earlier year (2002). As a check to confirm the existence of this current giving phenomenon, Table 7 reports results from a similar analysis of current giving using the present PSID dataset. The same phenomenon is observed again in this dataset. Just as in James and Sharpe (2007), Table 7 indicates that African-Americans, compared to Whites, are more likely to be exclusively religious givers and less likely to be exclusively secular or mixed givers.

Table 7: Current charitable giving donor types (probit coefficients)			
	Exclusively religious current donor	Exclusively secular current donor	Both religious and secular (mixed) current donor
African-American	.2039*** (.0435)	-.4309*** (.0423)	-.1182*** (.0346)
Ln (wealth)	-.0015 (.0053)	.0286*** (.0049)	.0510*** (.0041)
Not married	-.3392*** (.0586)	.0315 (.0500)	-.6525*** (.0446)
Male	-.0687 (.0578)	-.0175 (.0493)	-.1809*** (.0429)
Education	-.0089 (.0077)	.0703*** (.0074)	.1533*** (.0066)
Family size	-.0249 (.0154)	-.0351* (.0141)	-.0345** (.0121)
Age	.0026 (.0013)	-.0068*** (.0012)	.0093*** (.0011)
Constant	-1.0309*** (.1655)	-1.6009*** (.1505)	-2.0383*** (.1334)
n = 7,828, *p<.05, **p<.01, *** p<.001, reporting standard errors in parentheses			
Data source: Panel Study of Income Dynamics, 2007 wave, survey weights applied			

Discussion

This study adds to the available empirical literature on the increasingly important phenomenon of charitable estate transfers by providing results from the first nationally representative

study of attitudes regarding end-of-life charitable planning with detailed respondent information. The first hypothesis proposed that African-Americans will not indicate that charitable estate bequests are of less importance than will other groups. This is consistent with an argument that some other issue, such as estate planning documentation, rather than a lack of underlying charitable intent is the primary barrier to charitable estate planning among African-Americans.

This hypothesis receives some support from the results. In absolute terms, African-Americans were significantly more likely than Whites to rate a charitable bequest as important or very important, both as a group and when controlling for wealth, education, ethnicity, and family size. This was also true for bequests to religion, which are a special form of charitable bequests. Thus, these absolute levels of interest support a rejection of the notion that African-Americans have lower overall charitable bequest intention than Whites. Comparing relative interest in the different types of bequests generated support that was more modest. African-Americans gave much greater relative importance to religious bequests than did Whites, controlling for wealth, education, and family size (Table 6 columns 1, 4, & 6). African-Americans also gave insignificantly less relative importance to other charitable bequests as compared with family bequests (Table 6 column 5). The combined importance of both religious and other charitable bequests relative to family bequests is thus only insignificantly higher for African-Americans (i.e., insignificantly lower relative interest in a family bequest in Table 6 Column 3) compared to Whites when controlling for other factors.

From an absolute perspective, African-Americans, compared to Whites, gave greater importance ratings to all forms of bequests, suggesting a high level of interest in bequest transfers and, presumably, bequest planning. However, this reported importance rating contradicts the actual use of estate planning documents, which was significantly lower for this group (James, 2009). If a lack of estate planning documentation such as wills or trusts is the primary reason for the disconnect between attitudes and actual bequests made by African Americans, this demographic could present a large untapped resource for estate planners and for fundraisers interested in encouraging religious bequests. These results suggest that the reasons for the gap between the stated importance of a bequest and actual bequest planning could be profitably explored in future research in order to identify possible interventions to address this barrier.

Showers, et al., (2011) proposed that greater current religious giving among African-Americans is driven, at least in part, by an internal or faith factor. Such internal motivations should also be expressed in estate giving attitudes, where personal benefit is likely absent. Consistent with these arguments, the second hypothesis proposed that African-Americans will indicate that religious estate bequests are of greater importance than will other groups. This hypothesis was supported by the results. The increased propensity among African-Americans compared to Whites to make current gifts to religious groups was matched by their higher rating of the importance of religious bequests in absolute terms and their higher rating of the importance of religious bequests relative to the importance of family bequests or charitable bequests.

Although such a finding fits with the argument that the attraction to religious giving may go beyond the reciprocity or self-interested economics of religion model of Iannaccone (1994)—presuming that bequest giving does not lend itself to reciprocity, it nevertheless fails to provide clear evidence contradicting this model because the measurement is limited to self-reported attitudes about charitable bequests rather than actual plans or post-mortem transfers. Thus, while giving support to the idea of other internal motivations, at least based on self-reported importance of bequests, the current finding cannot dismiss the purely self-interested religious giving model.

In conclusion, results from this study indicate that the increased propensity of African-Americans to give to religious organizations in life extends also to an increased perceived importance for religious bequests. Results also support the idea that some barrier other than underlying charitable intent, such as the lack of estate planning documentation, may be the primary barrier for encouraging charitable bequests in this group. For practitioners, understanding that estate planning intentions may not be matched by estate planning documents suggests a profitable area for discussion and intervention.

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