PREDICTING CHARITABLE BEQUESTS

A Thesis
submitted to the Faculty of the
Graduate School of Arts and Sciences
of Georgetown University
in partial fulfillment of the requirements for the
degree of
Master of Public Policy

By

Michael H. Barker, B.A.

Washington, DC
April 10, 2007
PREDICTING CHARITABLE BEQUESTS

Michael H. Barker

Thesis Advisor: Christopher Toppe, Ph.D.

ABSTRACT

Understanding what leads an individual to engage in charitable behavior is important to a variety of public policy issues, from government tax benefit programs fostering private action to the fund-raising techniques of individual non-governmental organizations. This study is an attempt to identify personal characteristics which lead an individual to provide for a charitable bequest in his or her will. I use the data set from the Giving and Volunteering in the United States 2001 study, a national survey focusing on respondents’ charitable behavior. Using a logistic model, I will seek to identify which types of demographic characteristics as well as personal attitudes and activities which have significant predictive power on whether or not an individual leaves a charitable bequest. Before beginning the research, I expected to find that income variables, age, and community involvement would all have significant predictive effects on charitable bequests. Indeed, this was the case, with childhood volunteerism, non-income wealth, and retirement status having the most substantial effects upon the decision to leave a charitable bequest.
TABLE OF CONTENTS

Introduction ........................................................................................................... 1
Statement of Research Question ................................................................. 1
Literature Review ............................................................................................. 3
Personal Characteristics .................................................................................. 3
Attitudes and Activities ................................................................................... 6
Theoretical Model and Analytic Plan ............................................................. 8
Variable Descriptive Statistics ..................................................................... 11
Results ............................................................................................................ 13
Model 1: Differentiating Among the Entire Sample ...................................... 17
Model 2: Differentiating Among Those Who Created a Will ...................... 19
Bibliography .................................................................................................. 22
Introduction

The *Giving and Volunteering in the United States* 2001 study detailed American charitable decisions in a variety of manners, from the volunteering of time to the donation of funds to nonprofit organizations. As part of the survey for this study, respondents were asked: “Have you, a spouse, or partner, left a bequest to a charitable or religious organization in a will?” Approximately 14% of respondents answered yes.

This thesis will attempt to identify the characteristics of the population of individuals who leave charitable bequests. More specifically, through multivariate regression analysis, this paper will seek to predict membership in the group of individuals who do, in fact, provide for charitable bequests in their wills.

Utilizing the data set from the *Giving and Volunteering in the United States* 2001 study as well as drawing from a vast pool of literature regarding the field of philanthropy, this thesis will attempt to ascertain which specific personal characteristics play a substantial and significant role in the determination of whether one will leave a charitable bequest. Noteworthy studies on philanthropy and wealth transfer by John Havens and Paul Schervish from the Center for Wealth and Philanthropy at Boston College will serve to provide additional insights into the characteristic differences between those who provide for charitable bequests in their wills and those who do not.

Statement of Research Question
Understanding the factors which lead one to leave a charitable bequest in one’s will is vital to creating policies which encourage and support private-sector charitable giving. This paper will seek to identify the primary characteristics that play a role in this very individualized decision. Predicting group membership is important because recognizing and describing fundamental characteristics which lead to charitable bequests enables more informed policy decisions in the nonprofit and governmental fields. Further, noting these key characteristics may add to the body of literature on this topic by mining the data for a more detailed analysis.

The Giving and Volunteering in the United States 2001 survey obtained detailed information from respondents regarding not only their personal characteristics (such as race, gender, income, etc.) but also about such things as their willingness to volunteer in their communities and make charitable inter-vivos donations. This paper will attempt to utilize this data, as well as information about attitudes towards government and nonprofits, and membership in community activities, to predict group membership as a bequestor. Literature suggests that these various personal characteristics will play a role in whether or not an individual leaves a charitable bequest. Finally, if proper data regarding wealth and taxes are available, this could help assess the ways in which tax policy affects the process and results of charitable bequests.

Each of these characteristics, attitudes, and activities must be controlled for and examined in a multivariate regression analysis in order to ensure thorough and unbiased results. This regression analysis will seek to identify which characteristics
have significant effects on whether or not an individual leaves a charitable bequest. The final model presented in this study will be the most thorough and parsimonious model available to predict charitable bequests from the individuals sampled in the *Giving and Volunteering in the United States* 2001 study.

**Literature Review**

There exists a vast body of literature regarding the fields of philanthropy, volunteerism, and wealth transfer. Despite the breadth of topical research, the articles, analyses, and studies previously performed do not specifically attempt to determine factors that lead an individual to provide for a charitable bequest in his or her estate. This paper will attempt to fill that void by analyzing the characteristics of individuals from the *Giving and Volunteering in the United States* 2001 survey who stated that they have provided for charitable bequests in their wills.

An overall review of the available literature suggests that charitable bequests (and charitable giving in general) are affected by a variety of factors. Reviewing the relevant literature for its utility in this study, this paper will outline three groupings of these factors below: personal characteristics, attitudes and activities, and tax and market variations. Within each category, this paper seeks to identify potentially significant and noteworthy variables for group membership prediction as suggested by previous published analyses.

**Personal Characteristics**
Available literature suggests that the first, and most obvious, variable of interest is household income. Because wealthier people have more resources (on average) to donate, they are more likely to leave charitable bequests. Secondly, and possibly more important, is data on total net worth. Wealth is likely a significant predictor of charitable bequests. (Schervish & Havens, 1999, p. 15).

On average, women make more charitable bequests than men. (Schervish, O’Herlihy, & Havens, 2002, p. 20). Thus, gender is an important variable to include in the model. Although men and women tend to have similar volunteerism outcomes and inter-vivos charitable contributions (when income is controlled for), because studies have shown women are more likely to leave a charitable bequest than men, gender is a vital variable in the model.

Because retired individuals tend to give more to charity than those in the workforce and because retired individuals are more likely to have created a viable will, retirement status is a vital variable in the model. (Havens & Schervish, 2005, p. 1). However, because Americans are living longer than ever, and spending increased financial resources on medical care and creature comforts, less money is available to bequest the longer an individual has lived post-retirement. (Havens & Schervish, 2003, p. 3). Thus, if data is available on the number of years a respondent has lived since retirement, this may prove useful in the analysis. There is also some evidence that retirement status is related to marital status as there seem to exist marginal differences in retired households where a living spouse is present as compared to unmarried retired households. (Havens & Schervish, 2005, p. 2).
Marital status is also an important variable to include in the model since married couples have a higher rate of charitable giving than do other households. (Schervish, O’Herlihy, & Havens, 2002, p. 21). Theory would suggest that married individuals are more likely to leave assets to surviving spouses, thus reducing their likelihood of leaving a charitable bequest. This reasoning likely extends to whether or not the decedent has surviving children. Furthermore, it would seem plausible that a childless individual without a spouse, since he or she need not care for immediate family, would be more likely to leave a charitable bequest. (Schervish & Havens, 2003, p. 5). Thus, including a variable measuring the number of the respondent’s children could also serve interesting purposes.

Occupational data could also be of interest. Separate from the effect of income on bequests, the type of occupation in which an individual works could impact his or her likelihood to provide for charity in a will. While it is not conclusive, theory suggests that the attitudes associated with more “entrepreneurial” jobs will translate into more charitable bequests since workers will desire to be entrepreneurial with their funds in the nonprofit sector post-mortem. (Schervish & Havens, 1999, p. 24).

Age is, of course, an important variable in this model. (Schervish, O’Herlihy, & Havens, 2002, p. 18). Older people are, in the first place, more likely to have written wills. Also, it is likely that older people, for a variety of reasons, are more likely to leave a charitable bequest. Furthermore, since wealth and income are correlated with age, including age in the model is necessary to avoid biased estimators.
The next important variable suggested by the literature is educational attainment. Education is important to include in the model not only to isolate the actual effects of income and wealth, but also to gauge whether or not education itself affects the way individuals view charitable bequests. Schervish, O’Herlihy, and Havens suggest that educational attainment increases charitable giving because of the social networks created by school groups in their identification thesis (described below). (Schervish, O’Herlihy, & Havens, 2002, p. 10). An interesting question would be to discover whether or not this effect carries over into charitable bequests.

Respondent’s race is also a potentially essential variable to include in the regression. Previous studies, including, most prominently, that of Havens and Schervish, have shown that whites are more likely to contribute to charity in their wills than blacks or Hispanics. (Havens & Schervish, 2004, p. 6). Yet this study notes that the difference may be due to the low level of African-American households with million dollar estates. Nevertheless, until it can be shown that a race variable is insignificant in the model when wealth is controlled for, the variable should be included. (Schervish, O’Herlihy, & Havens, 2002, p. 24).

**Attitudes and Activities**

Breakthrough work by Schervish and Havens suggests that a key to charitable giving in general is self-identification with others. (Schervish & Havens, 1999, p. 5). They note that a person’s involvement in social and community organizations will lead to contact with potential recipients, thus increasing the chance that an individual will
donate time or money to that cause. This line of reasoning would seem to apply to charitable bequests as well. Thus, the model should include variables recognizing group association such as church attendance, social club membership, and professional associations as well as volunteering activities.

Clearly, charitable bequests are highly related to the amount of inter-vivos charitable donations since an individual with a predilection for one is likely to have it for the other. (Schervish, Coutsoukis, & Havens, 1998, p. 10). Thus, a key variable is the amount of charitable giving donated inter-vivos. (Havens, 2001, p. 6). However, since it is possible that those preferring inter-vivos gifts may donate all their allotted charitable dollars during their lifetimes, it may be prudent to include a quadratic form of the inter-vivos variable to account for this fact. (Havens & Schervish, 2003, p. 6).

Another interesting variable to include in the model (if data is available on the subject) would be the source to what individuals credit their income and wealth. Havens and Schervish refer to this notion as “gratitude;” they find a significant difference in charitable donations from people who credit their financial resources to something other than their own industry and ability. (Schervish & Havens, 1999, p. 21). Furthermore, greater proportions of inherited wealth are associated with lower charitable donations. (Schervish, O’Herlihy, & Havens, 2002, p. 29). Because this reasoning could extend to charitable bequests, this data could aid in the prediction of group membership.

In addition, general attitudes towards government and charitable organizations could serve to predict group membership in this field. It has been shown that how a
respondent views the trustworthiness and effectiveness of nonprofit and government organizations affects their levels of social participation and charitable giving. (Schervish & Havens, 1997, p. 248). Those with high trust in nonprofit groups and low trust in governmental organizations are, in theory, more likely to provide for charitable bequests.

**Theoretical Model and Analytical Plan**

In this paper, I seek to identify characteristics which lead an individual to provide for a charitable bequest in his or her will. Based upon scholarly literature in the field of charitable giving, I expect to find that numerous personal characteristics, attitudes, and activities, as well as various market forces have significant and substantial effects on whether an individual bestows a charitable donation through his or her estate. I further expect to include considerably more variables in the regression model than those revealing statistically significant effects.

To analyze this question, this study will utilize the *Giving and Volunteering in the United States* 2001 national survey data. This nationwide survey captures important demographic and attitudinal data in addition to data on individual volunteering and charitable giving. Thus, in order to capture the precise effects of each variable, I will employ a multivariate regression including each of the important explanatory variables obtained from this cross-sectional data set.
In order to test the effect of various characteristics on the probability of leaving a charitable bequest, this analysis will rely upon a logistic model so as to eliminate the problematic effects of a linear probability model. The logistic model is the appropriate option in the context of indicator dependent variables because it will produce the best linear unbiased estimators for each of the independent variables in the model; because the logistic model constrains the predicted value to be between zero and one, and because it removes the problem of incorrectly yielded standard errors resulting from heteroskedasticity in the linear probability model, the result is precise estimates from which proper inference can be made. This is vital to the proper interpretation of the ultimate effects of each variable.

As Schervish and Havens (1999) have consistently shown, income, marital status, and age all have significant effects on charitable giving. I expect these results to carry over to charitable bequests as well. Because of the sheer importance of financial resources to charitable giving, I anticipate income to have a statistically significant and economically substantial positive effect on the probability of charitable bequests. Although Schervish, O’Herlihy, and Havens (2002) find that married persons donate more money to charity than unmarried people, I expect the effect of marital status to have a negative effect on charitable bequests since individuals with surviving spouses will be more likely to provide funds for their spouses than for charitable organizations. Further, because age is essential to the existence of a will and central to financial security (often a prerequisite of charitable giving), it is expected that age will have also have a positive effect. It would not be surprising, however, to obtain a negative effect
for the quadratic of age since as age continues to increase, especially after retirement, excess available personal funds are likely to decrease.

Certainly, though, a variety of other demographic, attitudinal, and market-force variables may also be important to this model. While many of the variables included in the model may not produce statistically significant estimates, they are nevertheless included in the model in order to increase the overall explanatory value of the model. In order to capture a variety of effects and maintain unbiased estimators, formally, I will run the following model:

\[
\text{Bequest} = \beta_0 + \beta_1(\text{income}) + \beta_2(\text{married}) + \beta_3(\text{white}) + \beta_4(\text{female}) + \beta_5(\text{asked to give}) + \beta_6(\text{age}) + \beta_7(\text{age})^2 + \beta_8(\text{education}) + \beta_9(\text{retired}) + \beta_{10}(\text{involvement}) + \beta_{11}(\text{intervivos}) + \beta_{12}(\text{source}) + \beta_{13}(\text{attitude}) + u,
\]

where: Bequest = an indicator variable denoting whether or not a person left a charitable bequest; income = a vector of indicator variables determining household income levels; married = an indicator variable for marital status; white = an indicator variable for whether or not a person is self-described as white; female = an indicator variable for sex; asked to give = an indicator variable describing whether or not a respondent was asked to donate to a charitable organization by another person; age = variable accounting for age; age^2 = quadratic of age variable; education = variable accounting for years of education; retired = indicator variable for whether or not the individual is retired; involvement = a vector of variables accounting for frequency of participation in various social activities such as religious, social, political, and community organizations; intervivos = variable accounting for level of inter-vivos charitable giving; source = an indicator variable describing whether or not an individual credits the source of his or her level of wealth to something other than his or her own industry and ability; attitude = a vector of variables relating to an individual’s attitudes towards government and charitable organizations.

This model should aid in the analysis of what factors do, in fact, contribute to a person’s decision to provide for a charitable bequest.
**Variable Descriptive Statistics**

The strongest predictor of whether or not a person leaves a charitable bequest in his or her will is whether or not a person has made inter-vivos charitable donations. Thus, it is not surprising to note in the table below that 99.62% of those who provided for a charitable bequest had made previous charitable donations. Indeed, a substantial number of people who make charitable donations also leave charitable bequests: 15.17%.

**Descriptive Statistics Table: Bequest by Volunteer**

<table>
<thead>
<tr>
<th>VOLUNTEER</th>
<th>BEQUEST</th>
<th>0</th>
<th>1</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>103</td>
<td>1459</td>
<td>1562</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.65</td>
<td>79.99</td>
<td>85.64</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6.59</td>
<td>93.41</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>99.04</td>
<td>84.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>261</td>
<td>262</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.05</td>
<td>14.31</td>
<td>14.36</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.38</td>
<td>99.62</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.96</td>
<td>15.17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>104</td>
<td>1720</td>
<td>1824</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5.70</td>
<td>94.30</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

Other interesting descriptive statistics include the relationships between bequests and race, marriage, and volunteering variables. Firstly, almost 97% of those who leave charitable bequests are white (defined as non-black). Of blacks, though, almost 9% leave a bequest to a charitable organization. Secondly, over 44% of those who left a charitable bequest are unmarried; and of those unmarried persons, 16.3% left a charitable bequest. Another variable of interest implicates the relationship between
volunteering and leaving a charitable bequest. Because Schervish and Havens find that identification with others through group membership is a key explanatory variable to charitable giving, it is not surprising to find that more than two-thirds (66.92%) of those who left charitable bequests are individuals who had volunteered their time at community and charitable organizations. Furthermore, over 17% of volunteers provide for charitable bequests in their wills. Thus, this data set provides a variety of useful and interesting variables with which to analyze charitable bequests and predict group membership. A table describing the general characteristics of a few of these notable variables is shown below.

**General Statistics**

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>N</th>
<th>MEAN</th>
<th>STD. DEV.</th>
<th>MINIMUM</th>
<th>MAXIMUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>4178</td>
<td>0.4591</td>
<td>0.4984</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Black</td>
<td>4178</td>
<td>0.0960</td>
<td>0.2946</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Giver</td>
<td>4078</td>
<td>0.8874</td>
<td>0.3161</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Volunteer</td>
<td>4178</td>
<td>0.4569</td>
<td>0.4982</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Itemize</td>
<td>4178</td>
<td>0.4950</td>
<td>0.5000</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Children</td>
<td>4178</td>
<td>0.3870</td>
<td>0.4871</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Education</td>
<td>4178</td>
<td>0.3112</td>
<td>0.4630</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Confidence</td>
<td>4084</td>
<td>1.8171</td>
<td>0.5503</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>Age</td>
<td>4178</td>
<td>48.3978</td>
<td>16.3939</td>
<td>21</td>
<td>96</td>
</tr>
<tr>
<td>Attend</td>
<td>4178</td>
<td>0.5397</td>
<td>0.4985</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Income</td>
<td>4178</td>
<td>55379.63</td>
<td>46062.16</td>
<td>1100</td>
<td>500000</td>
</tr>
</tbody>
</table>

**Results**

Two different regression models were used to predict charitable bequesting behavior. The first model utilizes a binary dependent variable to identify and distinguish between those individuals who both left a will and a charitable bequest and those respondents who neither left a will nor a bequest. Comparing between these two groups allows one to differentiate between the “extremes” – noting differences between those who engage in both activities of interest and those who engage in neither. This is advantageous both because it allows the model to be run on the entire set of data (instead of limiting the results to the small subset of individuals who created a will) and also because it enables the discovery of the factors which drive the entire charitable bequest process, from inception to completion.

The second model, run only on the restricted data set of those respondents who created a will, is simply an indicator dependent variable noting whether or not one left a charitable bequest. This model is important because it allows for differentiation among those who created wills in determining the driving forces behind leaving a bequest. Utilizing both models is instrumental to creating a functional picture of the motivating forces which lead to charitable bequests.
Each of the two models, both with the functional form of a binary logistic model, predicts the indicated outcome based on the following nine explanatory indicator variables: retired, married, college graduate, church attendance, volunteer, itemize, child volunteer, giving attitude, and trusting, defined as follows: retired = whether or not the individual is retired; married = marital status; college graduate = whether or not the respondent graduated from college; church attendance = whether the respondent personally attends religious services; volunteer = whether or not respondent volunteers his or her time for nonprofit or community organizations; itemize = whether respondent itemizes his or her tax returns; child volunteer = whether respondent volunteered for nonprofit or community organizations as a child; giving attitude = whether respondent believes that those who have more resources should give more; trusting = whether respondent generally believes that other people are trustworthy.

These variables can be categorized into two primary groups. The first group is made up of the variables describing respondents’ attitudes and activities. Activities such as attending church, volunteering and childhood volunteering are included in this group. The attitudinal variables include the individual’s trust in other people and feelings regarding wealth and philanthropy. The second category of variables in the model consists of those that describe respondents’ personal characteristics, such as retired, married, college graduate, and itemize. These data on characteristics can also serve as proxies for other variables of interest. For example, the itemize variable, which indicates whether or not the respondent itemizes his or her tax return, reveals information about the role of wealth (specifically non-income wealth) in charitable
bequests without the problem of multicollinearity. Further, the retired variable can not only provide insight into the important role that retirement plays in charitable bequests, but also, more generally, reveal information about the role of age in this process. By categorizing the variables into these two segments, I hope to clarify and elucidate the results below in an understandable and accessible manner.

These statistical models are as interesting for what they do not contain as for what they do. Most interestingly, perhaps, is that an indicator variable representing whether or not the respondent has children ultimately remained statistically insignificant in both models. Theory would suggest that if a writer of a will had children, he or she would be more likely to bequeath his estate to his children, thereby reducing the likelihood of leaving a charitable bequest. However, the statistical insignificance of the data show otherwise. When controlling for the variables above, one cannot reject the null hypothesis that having children has no effect on tendency to leave a charitable bequest.

Similarly, while Schervish, O’Herlihy, & Havens noted that gender plays a significant role in charitable giving, that trend does not carry over into the realm of charitable bequests. In fact, while women are more inclined to give inter-vivos charitable donations, gender has no statistically significant effect on the dependent variable in either model. Thus, when one controls for the personal and attitudinal characteristics in the models, gender is not a significant predictor of charitable bequests.
Furthermore, race and ethnicity are not significant predictors of charitable bequests. In Havens & Schervish, 2004, it is noted that whites are more likely than members of other races to leave charitable bequests. This analysis, however, found no such correlation. Blacks, whites, and members of other ethnicities did not substantially or significantly diverge in their willingness to bequeath a portion of their estate to a charitable organization.

Also falling short of statistical significance was a binary variable indicating whether or not the respondent had been asked to donate to a charitable organization by another person. While the act of being asked to give generally has significant and considerable effects on whether or not a person makes inter-vivos donations, this request does not appear to affect one’s bequesting decisions. This is a substantially surprising discovery given the importance of being asked to give to charity in the realm of inter-vivos charitable donations.

On the other hand, not surprisingly, household income is a significant predictor charitable bequests. Indeed, the correlation between bequests and household income (as well as the correlation between household income and other explanatory variables) is so great that including an income variable in the model results in substantial multicollinearity error. This nearly perfect collinear relationship effectively skewed the data in such a way as to increase the values of the standard errors for each independent variable in the model, thus reducing the precision of the other predictors in the model. In order to obtain solid estimates on more interesting secondary variables, the household income variable was dropped from the final model.
In the same way, an indicator variable describing whether a respondent had engaged in inter-vivos charitable giving served to create collinearity problems. As predicted, and as indicated by Schervish, Coutsoukis & Havens, that one had donated money to charitable organizations during one’s lifetime was a significant predictor of charitable bequests. The models ultimately utilized to predict penchants for charitable bequests, therefore, do not include the inter-vivos variable in order to avoid biasing the data and results in a way that would reduce the statistical significance of other independent variables.

**Model 1: Differentiating Among the Entire Sample**

In order to compare individuals who have not created a will to those who have not only formulated a will but also donated a portion of their estate to charity, this model runs a logistic analysis on a binary indicator variable defined to achieve this purpose. The results, summarized in the table below, reveal generally that personal characteristics are more important (among the sample as a whole) in driving charitable bequest behavior than personal attitudes.

**Stepwise Results Summary for Model 1**

<table>
<thead>
<tr>
<th>STEP</th>
<th>EFFECT</th>
<th>WALD CHI-SQUARE</th>
<th>ESTIMATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Retired</td>
<td>210.0255</td>
<td>1.2607</td>
</tr>
</tbody>
</table>
As is evident in the table above, the primary driving variables in this model are three of the four descriptive personal characteristics included in the model: retired, itemize and college graduate. It is not terribly surprising that, among the general that includes both those with and without wills, that employment, financial and educational characteristics more sharply shape bequesting behavior than attitudinal characteristics. Since many individuals do not create wills until after retirement and wealth tends to increase with age and workforce experience, it rings true that these factors would indeed be the primary drivers of charitable bequesting. As will be discussed in more detail below, once the population is limited to those who have created wills, a person’s attitudes and activities play a much more vital role in determining whether or not one leaves a charitable bequest.

Each of the independent variables shown in the table above is positively correlated with the dependent variable, creating a positive estimate on each. That is, each characteristic or attitude, when it is held by the respondent, increases the likelihood that he or she will leave a charitable bequest. Of the two variables in the
model not shown in the table, only church attendance was statistically significant at the five percent confidence level. Its practical importance was not substantial, however, having a lower estimate and chi-square value than all the variables in the table. Interestingly, the coefficient on the married variable in this model is negative and highly statistically insignificant. Thus, it is not unlikely according to this analysis that being married has zero effect on whether a person in this sample creates a will and includes within it a charitable bequest.

Model 2: Differentiating Among Those Who Created a Will

When the sample is narrowed so as to only include those individuals who created a will, the story told by these data changes dramatically. No longer are the personal characteristics dominant over the attitude and activities variables. Indeed, two of the top three drivers of charitable bequests are attitudes and activities. In fact, the most substantial predictor of one’s predilection for charitable bequests becomes the child volunteer variable. Individuals who volunteer their time as children for charitable or community causes are statistically significantly more likely to provide for a charitable bequest upon their death than those who did not, *ceteris paribus*. This evidence shows that once people have decided to make a will, their viewpoints and personal experiences are just as important, if not more important, than their personal characteristics such as marital status and education in making the determination to bequeath a portion of their estates to charity.
### Stepwise Results Summary for Model 2

<table>
<thead>
<tr>
<th>STEP</th>
<th>EFFECT</th>
<th>WALD CHI-SQUARE</th>
<th>ESTIMATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Child Volunteer</td>
<td>15.3194</td>
<td>0.3012</td>
</tr>
<tr>
<td>2</td>
<td>Itemize</td>
<td>16.0159</td>
<td>0.3051</td>
</tr>
<tr>
<td>3</td>
<td>Trust</td>
<td>10.6067</td>
<td>0.2262</td>
</tr>
<tr>
<td>4</td>
<td>Married</td>
<td>12.0078</td>
<td>-0.2451</td>
</tr>
<tr>
<td>5</td>
<td>Giving Attitude</td>
<td>10.9440</td>
<td>0.3195</td>
</tr>
<tr>
<td>6</td>
<td>Retired</td>
<td>10.1328</td>
<td>0.2305</td>
</tr>
<tr>
<td>7</td>
<td>College Grad</td>
<td>5.9309</td>
<td>0.1748</td>
</tr>
<tr>
<td>8</td>
<td>Church Attendance</td>
<td>3.9455</td>
<td>0.1468</td>
</tr>
</tbody>
</table>

In addition to the importance of childhood volunteerism and non-income wealth, a person’s view on whether he or she generally trusts others proves significant to this model. As evidenced by the positive coefficient on the trust variable, those who are trusting are significantly more likely to leave a charitable bequest than those who are not trusting, holding all other variables in the model constant. Combined with the fact that childhood volunteerism considerably drives charitable bequesting, this emphasis on trust sheds light on the revelation that one’s attitudes and activities are vital to the ultimate determination to leave a charitable bequest.

Another noteworthy variable in this model is the married variable. In contrast to the first model, here the married variable is statistically significant and a somewhat
substantial driver of the behavior of interest. The estimate, though, on the married variable is negative, revealing that a married person is, *ceteris paribus*, less likely to leave a charitable bequest than an unmarried person. This would seem to comport with theory as individuals are likely to bequeath their estates to their spouses rather than to charitable organizations.

These results seem to generally indicate the importance of attitudes and activities in the creation of charitable bequests. Charitable organizations are more likely to increase their revenue flows if they are able to encourage youths to participate in volunteer activities and then target volunteers for the donation of charitable bequests later in life. This cycle of contribution can serve to sustain charitable organizations for the long-term.
Bibliography


