



5



Russell N. James III, J.D., Ph.D., CFP® Professor, Texas Tech University

- Professor in the Department of Personal Financial Planning at Texas Tech University
- Directs the on-campus and online graduate program in Charitable Financial Planning (planned giving)
- Graduated, cum laude, from the University of Missouri School of Law
- Holds a Ph.D. in consumer economics from the University of Missouri, where his dissertation was on charitable giving
- Worked as the Director of Planned Giving for Central Christian College and later served as president of the college where he had direct and supervisory responsibility for all fundraising.
- During his presidency the college successfully completed two major capital campaigns, built several new debt-free buildings, and more than tripled enrollment.

6



Russell N. James III, J.D., Ph.D., CFP® Professor, Texas Tech University

- Has published research in over 40 different peer-reviewed scientific journals
- Has been quoted on charitable and financial issues in a variety of news sources including The Economist, The New York Times, The Wall Street Journal, CNN, MSNBC, CNBC, ABC News, U.S. News & World Report, USA Today, the Associated Press, Bloomberg News and the Chronicle of Philanthropy
- His financial neuroimaging research was profiled in The Wall Street Journal's Smart Money Magazine

7

 An illustration depicting a collaborative business environment. Several stylized figures in professional attire are interacting with a large, curved digital screen. The screen displays various data visualizations, including a bar chart, a line graph with an upward arrow, and a checklist with a red checkmark. One figure is climbing a ladder to reach the top of the screen, while others are pointing at the data or working on laptops. The scene is surrounded by abstract geometric shapes and lines, suggesting a dynamic and innovative workspace.

Professor Russell James
Texas Tech University

Putting Research to Work in Your Planned Giving Program

8

When slides don't look the same in Zoom

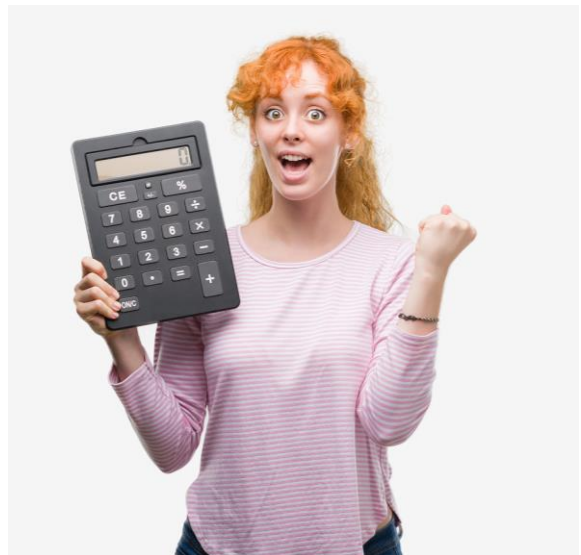
Thanks to Simon Williams at The Nature Conservancy for sharing this photo with me from a presentation for Planned Giving Round Table of Northern Nevada



9

We've got numbers

- We've got new data!
- We've got new results!
- We've got new longitudinal, empirical, regression analyses!
- Woohoo!



10



But, let's get practical

The numbers can be interesting, but to put research to work it must help you

- Sell your work to your organization
- Get more dollars in the door

11

Selling to the CEO

Statistics and stories to get leadership support for planned gift fundraising

12

Planned giving conferences are great!

- Then we go back to the office
- And budgets get cut
- And other responsibilities get added

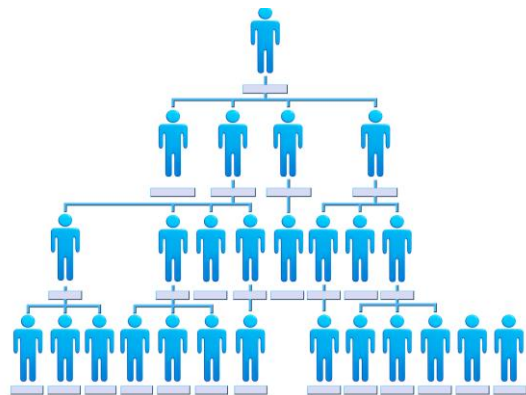


13

Before we sell planned giving to donors, we've got to sell it to our organization

Decision-makers might be development director, executive director, board members or others

But let's focus on the toughest customer, the CFO



14



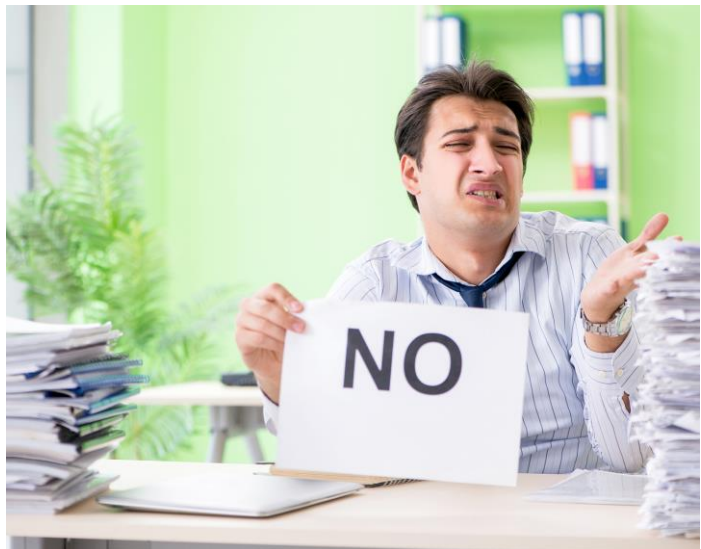
The target

The risk-averse, herd animal known as the nonprofit CFO

15

This guy is not a fan of planned gift fundraising

- We'll get to that someday but right now, we've got pressing, urgent needs
- Legacy giving "metrics" are just fundraiser fantasy-land happy-talk
- Donor restrictions are the devil. Blended gifts and complex instruments are just a deeper level of hell. Donor's should just write the check and go away.



16

Selling near term results

We need statistics AND we need story



17

THE NEW STATISTICS OF ESTATE PLANNING: LIFETIME AND POST-MORTEM WILLS, TRUSTS, AND CHARITABLE PLANNING

By Russell W. James III*

- I. INTRODUCTION..... 2
- II. THE HEALTH AND RETIREMENT STUDY..... 3
- III. GENERAL DEMOGRAPHIC TRENDS AMONG U.S. POPULATION AGED 55+..... 6
 - A. Births, Deaths, and Living Persons..... 6
 - 1. Results..... 6
 - 2. Discussion..... 10
 - B. Childrenlessness..... 12
 - 1. Results..... 12
 - 2. Discussion..... 13
 - C. Education..... 13
 - 1. Results..... 13
 - 2. Discussion..... 14
- IV. TRENDS IN ESTATE DOCUMENT USAGE AMONG U.S. POPULATION AGED 55+..... 15
 - A. Document Usage by Age..... 15
 - 1. Results..... 15
 - 2. Discussion..... 16
 - B. Document Usage by Race and Ethnicity..... 18
 - 1. Results..... 18
 - 2. Discussion..... 19
 - C. Document Usage by Offspring..... 20
 - 1. Results..... 20
 - 2. Discussion..... 20
 - D. Document Usage by Education..... 21
 - 1. Results..... 21
 - 2. Discussion..... 22
 - E. Document Usage by Gender and Marital Status..... 23
 - 1. Results..... 23
 - 2. Discussion..... 24
 - F. Document Usage by Wealth..... 25
 - 1. Results..... 25
 - 2. Discussion..... 26

* Russell W. James III is a professor and the Director of Graduate Studies in Charitable Planning at Texas Tech University in the Department of Personal Financial Planning.



AMERICAN CHARITABLE REQUEST TRENDS: A CROSS-CENTURY EMPIRICAL INVESTIGATION OF DONOR BEHAVIOR AND PRACTICE

By Russell W. James III*

- I. Introduction..... 108
- II. Empirical Literature..... 109
 - A. Charitable Giving..... 109
 - B. Charitable Requests..... 110
 - C. Charitable Requests and Donor Behavior..... 111
- III. Data..... 112
 - A. Data Sources..... 112
 - B. Data Description..... 113
 - C. Data Limitations..... 114
- IV. Empirical Results..... 115
 - A. Charitable Requests and Donor Characteristics..... 115
 - B. Charitable Requests and Donor Behavior..... 116
 - C. Charitable Requests and Donor Wealth..... 117
 - D. Charitable Requests and Donor Age..... 118
 - E. Charitable Requests and Donor Education..... 119
 - F. Charitable Requests and Donor Marital Status..... 120
 - G. Charitable Requests and Donor Health..... 121
 - H. Charitable Requests and Donor Retirement..... 122
 - I. Charitable Requests and Donor Health and Retirement..... 123
 - J. Charitable Requests and Donor Wealth and Retirement..... 124
 - K. Charitable Requests and Donor Wealth and Health..... 125
 - L. Charitable Requests and Donor Wealth and Marital Status..... 126
 - M. Charitable Requests and Donor Wealth and Health and Marital Status..... 127
 - N. Charitable Requests and Donor Wealth and Health and Retirement..... 128
 - O. Charitable Requests and Donor Wealth and Health and Marital Status and Retirement..... 129

These results are all published (or forthcoming) in academic journals

Please connect with me on LinkedIn or send an email for a copy of these (and other) articles

The Emerging Potential of Longitudinal Empirical Research in Estate Planning: Examples from Charitable Requests

Russell W. James III*

Increasingly, empirical research in estate planning has become a key part of the profession's toolbox. This article discusses the challenges and opportunities of longitudinal empirical research in estate planning, with a focus on charitable requests. It highlights the importance of data quality, sample representativeness, and the need for careful interpretation of results. The article also discusses the potential of longitudinal research to provide insights into donor behavior and practice that are not possible through cross-sectional studies.



UC DAVIS LAW REVIEW

18



The story: Gifts of assets not income

- The single most powerful donor transformation is to shift donations from disposable income (cash) to wealth (assets)
- Changes size of reference points
- Makes wealth donation-relevant (mental accounting)
- The first gift from wealth (not income) changes the future mindset

19

The statistics: Gifts of assets not income

A study of one million nonprofit tax returns over six years shows that shifting to gifts of noncash assets drives total fundraising growth in every nonprofit sector, at every fundraising size, in every time period (same year, 3 years later, and 5 years later)

Cash is not king for fund-raising: Gifts of noncash assets predict current and future contributions growth

Russell N. James III

Professor of Nonprofit Planning, Penn State University, Lehigh, PA
 Assistant
 Board & Case, New York University, Director of the Center for Nonprofit Research, New York University, NY, USA
 Email: russj@psu.edu

Both fundraising practitioners and theoretical scholars have long recognized that increasing gifts of noncash assets may increase charitable giving. This paper analyzes data from 1,000,000 nonprofit tax returns (IRS Form 990) that chronologically list the tax year 2010-2016 to explore the relationship between various types of noncash gifts and intergenerational contribution growth. Compared with organizations starting at the same general contribution level in 2010 that reported only cash contributions in 2010, six those reporting any non-cash contributions in 2010 received 41% more general contributions 3 years later, and six those reporting any tangible personal property contributions received nearly 50% more in 2010 received 160% more general contributions 5 years later. A fixed effects regression incorporating all types of non-cash gifts demonstrates that increasing the share of contributions coming from cash (i.e., increasing the share of non-cash assets was strongly associated with intergenerational contribution growth. The largest growth accompanied increase in the share of contributions from non-cash gifts, including gifts of non-cash assets, and not cash. Relatively smaller or insignificant changes were observed when increasing the share of contributions from household goods, clothing, food, books, and collections. Shifting contributions from cash to non-cash assets, particularly asset types representing substantial wealth, was strongly associated with contribution growth.

KEYWORDS
 charitable giving, fund-raising, IRS Form 990, philanthropy, financial giving

Cash is Not King in Fundraising: Results from 1 Million Nonprofit Tax Returns

Professor Russell N. James III, Ph.D., Penn State University

Based on 1,000,000 nonprofit tax returns (IRS Form 990) that chronologically list the tax year 2010-2016 to explore the relationship between various types of non-cash gifts and intergenerational contribution growth.

5 year average growth in total fundraising	NONCASH ASSETS	NONCASH ASSETS	NONCASH ASSETS
CASH	ANY	SECURITIES	PROPERTY
11% GROWTH	50% GROWTH	66% GROWTH	160% GROWTH

These data show that reporting non-cash gifts of substantial value, such as securities, real estate, and other non-cash assets, is strongly associated with intergenerational contribution growth. The largest growth accompanied increase in the share of contributions from non-cash gifts, including gifts of non-cash assets, and not cash. Relatively smaller or insignificant changes were observed when increasing the share of contributions from household goods, clothing, food, books, and collections. Shifting contributions from cash to non-cash assets, particularly asset types representing substantial wealth, was strongly associated with contribution growth.

What happens IN THE SAME YEAR when gifts shift from cash to assets?

Year	NONCASH ASSETS	CASH	TOTAL
2010	11%	11%	11%
2011	11%	11%	11%
2012	11%	11%	11%
2013	11%	11%	11%
2014	11%	11%	11%
2015	11%	11%	11%
2016	11%	11%	11%

What happens IN THE SAME YEAR when gifts shift from cash to assets?

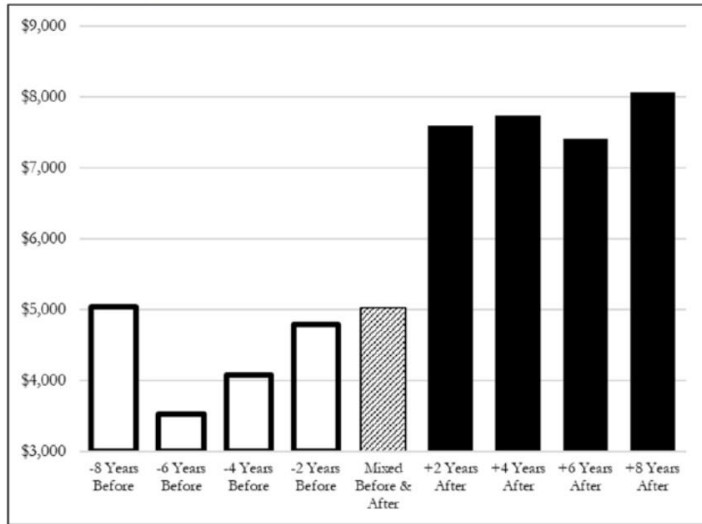
Year	NONCASH ASSETS	CASH	TOTAL
2010	11%	11%	11%
2011	11%	11%	11%
2012	11%	11%	11%
2013	11%	11%	11%
2014	11%	11%	11%
2015	11%	11%	11%
2016	11%	11%	11%

What happens IN THE SAME YEAR when gifts shift from cash to assets?

Year	NONCASH ASSETS	CASH	TOTAL
2010	11%	11%	11%
2011	11%	11%	11%
2012	11%	11%	11%
2013	11%	11%	11%
2014	11%	11%	11%
2015	11%	11%	11%
2016	11%	11%	11%

20

Figure 1. Average Annual Charitable Donations Before and After Adding Charity to an Estate Plan



The statistics: Gifts of assets not income



UC DAVIS LAW REVIEW

The Emerging Potential of Longitudinal Empirical Research in Estate Planning: Examples from Charitable Bequests

Russell N. James III¹

Traditionally, empirical analysis of estate planning has been limited to data from probate or estate tax records along with occasional one-time surveys of current plans or opinions. Additionally, the internet now allows easy access to online convenience samples of survey-takers. However, each of these sources has problematic features. Estate tax returns include only the wealthiest estates, and individual-level data is confidential. Probate data is time-consuming to access and includes information only for one specific location. Popular internet panels, although potentially useful for experiments, are not nationally representative.

Today, an important additional source of data, The Health and Retirement Study ("HRS") is available. It provides high-quality, nationally representative, longitudinal information on participants' estate planning. It not only tracks changes throughout the participants' lives but also includes details of subsequent post-mortem transfers. Critically, this study, originating in 1992, has now accumulated a sufficient number of deceased participants (over 14,000) to permit sophisticated analyses of post-mortem wealth transfers. This Article reviews the advantages of HRS data for empirical research in estate planning and demonstrates the new types of analyses that are now possible. It does so by comprehensively outlining current knowledge regarding charitable bequests gleaned from both new and previous analyses of this data. By illustrating how much this data can illuminate one particular estate planning decision (charitable bequests), this Article is intended to spur those interested in the empirical analysis of estate planning to make further use of it.

¹ Copyright © 2020 Russell N. James III, Professor and CH Foundation Chair in Personal Financial Planning, Texas Tech University; B.A., Economics, Ph.D., Consumer Economics, University of Missouri-Columbia; J.D., University of Missouri School of Law.

21



Current giving propensity
increases after planning

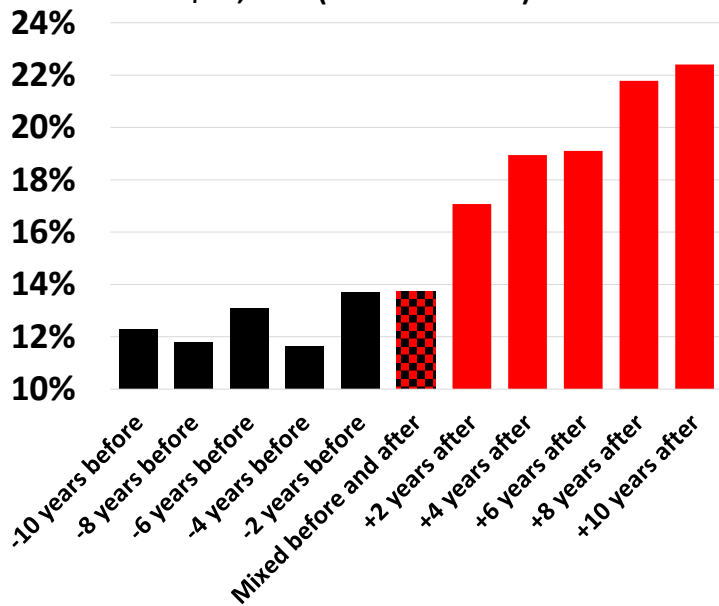
The propensity to make inflation-adjusted gifts of \$1,000 or more rose from 51.5% in the years before the charitable component was added to the estate plan to 61.8% in the years after the charitable component was added to the estate plan.

Normally the propensity to donate begins to decline at around age 65 to 75, but the median age for those measured here was about age 75.

22

Major giving propensity increases after including charity in the estate plan

Before and after adding charity to estate plans: Share making current gifts of \$10,000+ (in 2020 dollars)



Data from 1992-2016 Health and Retirement Study

23

Words have power

The story: Gifts of assets not income

- Stop selling leadership on “planned giving”
- Start selling them on “major gifts of assets”
- It’s big. It’s now (and later). It’s not “death talk.”

24

The magic message: You're losing!

- Remember these are risk-averse herd animals
- Show them someone who is doing it better
- The day they let a tenured professor talk to the foundation board at Texas Tech...



25

	2017 Texas Tech Foundation	2017 Iowa State Foundation
Cash contributions	\$63,495,539	\$73,406,700
Noncash contributions	\$7,475,636	\$109,538,183
Total contributions	\$70,971,175	\$182,944,883
Noncash share	10%	60%
Publicly traded securities	X	X
Closely held securities	-	X
Partnerships, LLC, trust interests	-	X
Miscellaneous securities	-	X
Residential real estate	-	X
Commercial real estate	-	X
Art	-	X
Historical Art	-	X
Books	-	X
Collectibles	-	X
Historical Artifacts	-	X
Other-Grain, Gold, Life Insurance	1 gift	102 gifts

26

In estate giving: We're going blind



- Estate tax numbers are disappearing (exemption amounts)
- Probate data is disappearing (TODs/Trusts)
- Estimations are more just guesses

27

Charity Name	Rank	Fundraised income	A/c Year	*Legacies	*Donations
Cancer Research UK	1	368.171	Mar-09	156.708	133.862
Oxfam	2	189.800	Apr-09	10.500	61.800
British Heart Foundation	3	175.462	Mar-09	50.322	30.583
Royal National Lifeboat Institution	4	146.900	Dec-08	94.500	0
NSPCC	5	126.788	Mar-09	20.654	98.468
Macmillan Cancer Support	6	119.727	Dec-08	45.434	26.045

Why is legacy fundraising investment so much stronger in the UK?

- They know who is winning
- They know who is losing
- They know who to copy
- “Best practices” aren’t just “practices”

28

The magical solution

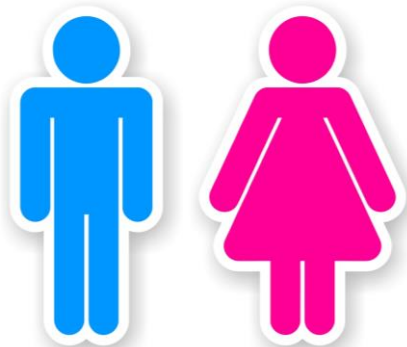
- IRS Form 990 already has separate reporting for contributions from fundraising events, federated campaigns, related organizations, and 26 different types of noncash gifts
- A simple addition to Part VIII 1d: “Bequests or other death transfers”



29

We can't see it precisely,
but you have competition

Among charitable decedents in 1998, females, on average, supported 4.0 charitable organizations, while males supported 3.0 organizations.



30



You have competition

Among charitable estate tax returns filed in 2003, 38% gave to only one charitable organization, 30% gave to two, 32% gave to three or more, and only 5% gave to 10 or more, for an overall average of 3.5 organizations.

31

Selling LONG TERM results

Statistics AND we need story



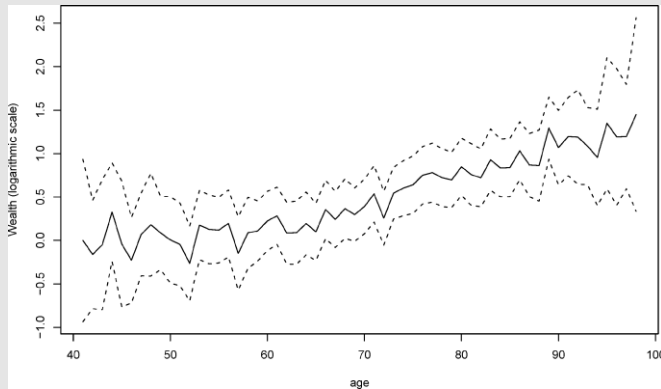
32

It's how rich people give



33

Wealthy people like to hold wealth!



Wojciech Kopczuk, *Bequest and Tax Planning: Evidence from Estate Tax Returns*, 122 THE Q.J. ECON. 1801 (2007)

Among the top 6% of wealth holders, wealth increases with every year of age, even up to age 98

34

The eternally forthcoming charitable wealth transfer

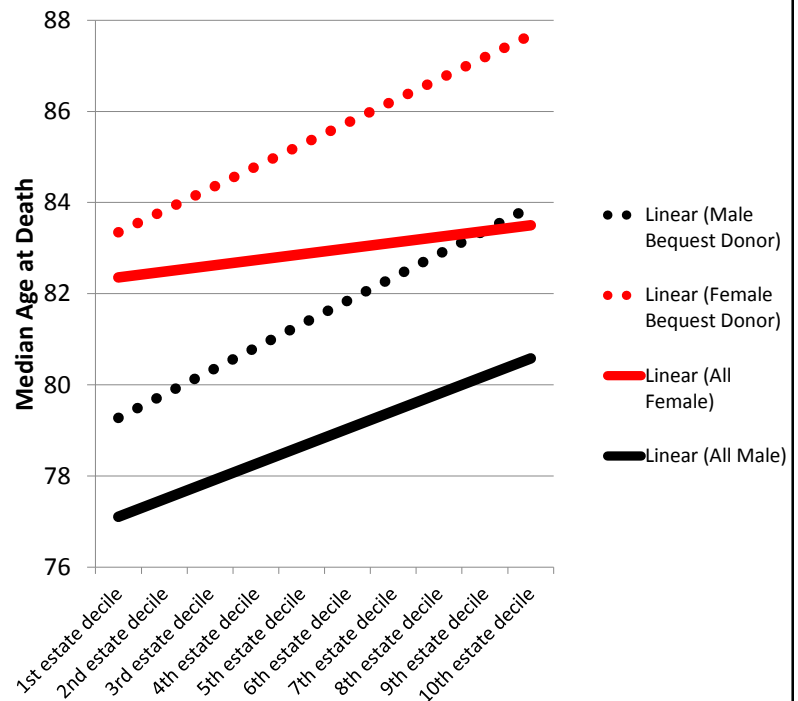
When was this supposed to happen?



35

Crying "wolf" too soon

- The charitable "wealth transfer" publicity was premature (or just wrong)
- Wealthy people die old
- Wealthy donors die even older



36



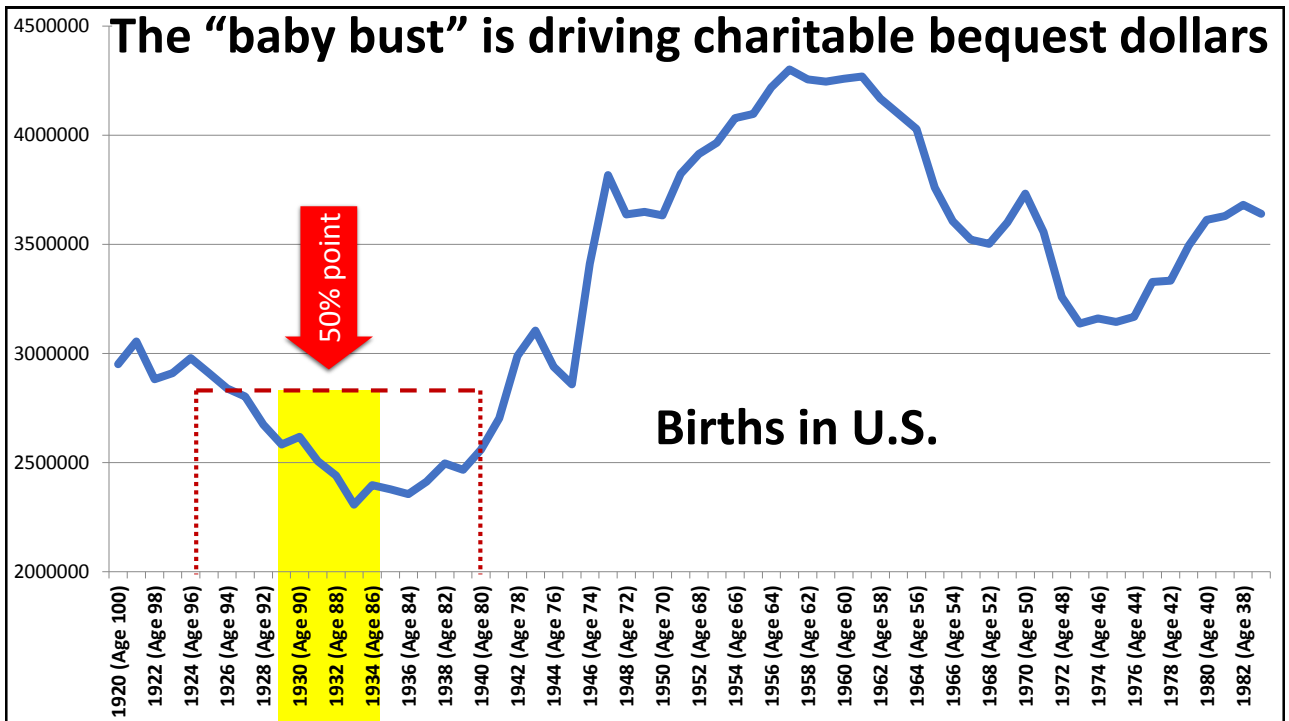
Decedents age 86+ transferred 55% of charitable estate dollars with decedents under age 65 contributing only 4% (2003 U.S. tax data)

Decedents age 90+ transferred half of charitable estate dollars (2010-12 Australian data)

This dollar midpoint age is increasing over time

It's about the oldest old

37



38



Getting
dollars in
the door

Warning:
Some results
are NSFW!

39

Getting in the plan early is GREAT!

- Increases current giving
- Increases estate giving (those who had charitable plans in place longer gave larger estate gifts)
- Leads to conversations about switching to irrevocable estate gifts (CRT, RLE, CGA)



40



But “count it and forget it” doesn’t work!

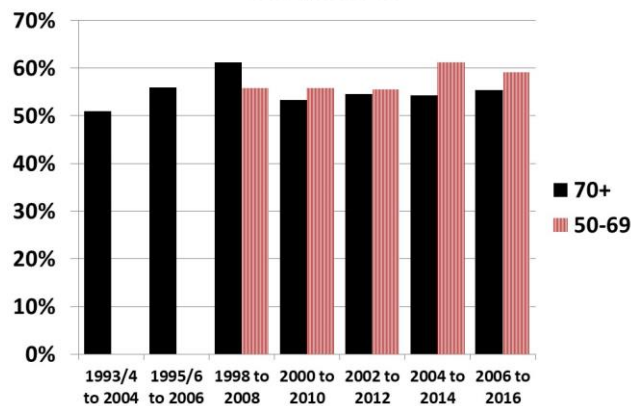
These plans are highly fluid, especially in the last 2-5 years of life

41

These plans are fluid

Among older living adults, only about 55% of charitable estate components remain in the estate plan for at least ten years

10-Year Retention of Charitable Estate Component



42



People often don't realize they are "dropping" the charity

- Estate planning lawyers rarely charge clients to read through, interpret, and understand the plan in the previous will that's about to be revoked anyway
- Instead, the process starts with client assets, family, and goals
- The charity need not be consciously "dropped"

43

New results: Legacy societies

- Should we expect this fluidity among those who report to our organization that we are in their plans?
- Do legacy societies work?



44

The study

- Ten large Australian charities provided data from those dying in 2014-2017
- Among 700 known decedents who had confirmed the presence of a planned bequest gift to the charity during life, 65% generated an estate gift at death
- Because all estate gifts are known but not all deaths are known, these retention rates are estimated maximums



Wishart, R., & James, R. N. III, The Final Outcome of Charitable Bequest Gift Intentions: Findings and Implications for Legacy Fundraising. *International Journal of Nonprofit and Voluntary Sector Marketing* [under review following request for minor revisions]

45



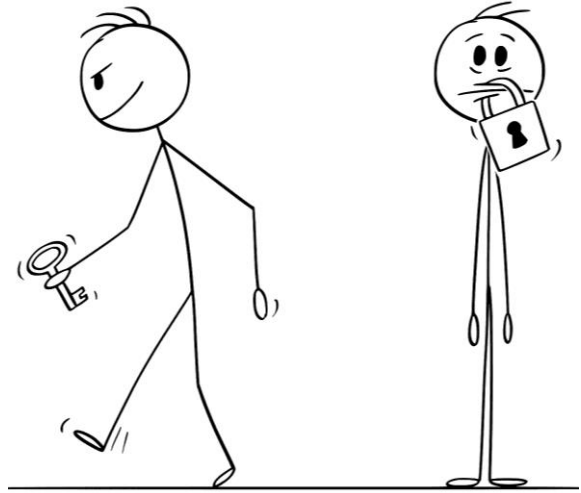
Some organizations did dramatically better than others

- The overall lost gift rate was 35%
- Different organizations' lost gift rates varied from 17% to 60%

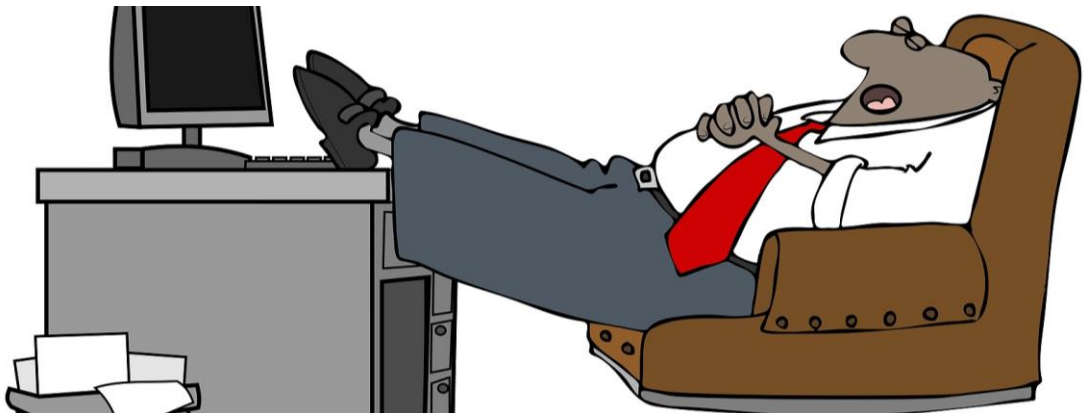
46

Don't go "radio silent"

- The average loss rate was 24% when the charity had at least one communication with the decedent within two years of death, and 48% otherwise
- This gap is likely much larger, because deaths among those with no communications who generate no gifts are less likely to be known by the charity



47



Legacy societies
don't work unless
you do

Over 30% of those who had confirmed the presence of a bequest gift to the charity did not receive a single communication of any type from the charity during their final two years of life

48



They won't get there without us

- Among 264 people reporting to the charity that they were “intending” or “considering” an estate gift but not confirming it, 89% left no gift at death
- Among 507 people only requesting information from the charity about making a bequest gift, 95% left no gift at death

49

Beyond “Count it and forget it”

- Getting in the will is great!
- But we need to stay in touch
- The score doesn't count until the clock runs out!



50

Double discounting*

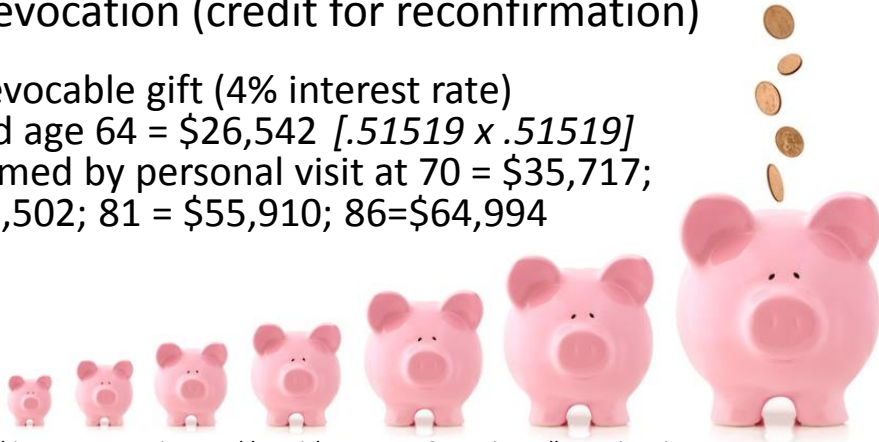
1. Multiply estimated gift amount by the IRS remainder value factor for irrevocable gift to adjust for age
2. Multiply by the same factor again to incorporate risk of revocation (credit for reconfirmation)

\$100k revocable gift (4% interest rate)

Reported age 64 = \$26,542 [$.51519 \times .51519$]

Reconfirmed by personal visit at 70 = \$35,717;

76 = \$46,502; 81 = \$55,910; 86=\$64,994



* This concept was invented by Mick Koster at Carnegie Mellon University

51



Use metrics that “work”

- If fantasy works, sell fantasy
- If reality works, sell reality
- But just because it “works” internally doesn’t mean it will get estate dollars to the organization

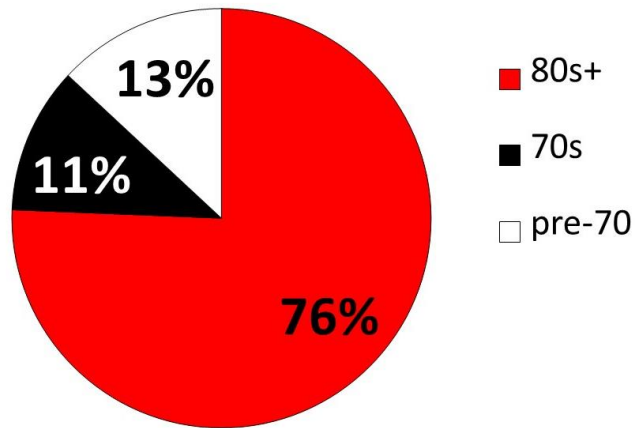
52

It's about decisions made near the end of life

A national sample of Australian wills found that 76% of charitable bequest dollars were controlled by will documents signed at age 80 or older

Age at Will Signing

(by share of total charitable bequest \$ transferred)



an data from: Baker, Christopher (October, 2013) *Encouraging Charitable Bequests by Australians*. Asia-centre for Social Investment & Philanthropy - Swinburne University

53



It's about decisions made near the end of life

In the U.S., 61% of charitable decedents indicated having no charitable estate component at some point within the last five years of their lives

54

Communicating based on recency of donation is precisely the wrong approach

Lifetime giving among decedents who actually transferred dollars to charity at death		
Years before death	Share donating (\$500+)	Share volunteering (2+ hours/week)
17-18	57%	37%
15-16	54%	32%
13-14	53%	21%
11-12	53%	26%
9-1	53%	26%
7-8	50%	26%
5-6	44%	16%
3-4	40%	15%
0-2	39%	11%

55

The typical system is designed to fail

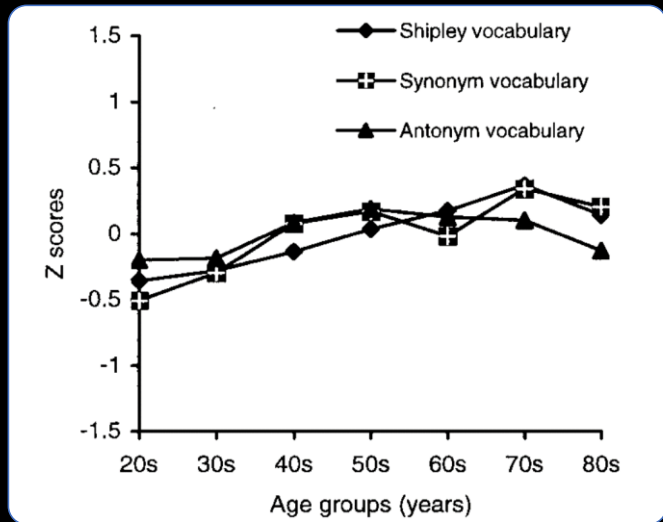


- Communicating based on recency of donation is precisely the wrong approach
- Commit SEPARATE resources to age-stratified communication
- ROI arrives much faster

56

Keep it simple.
Keep it story.

Although numerical ability declines strongly with age, verbal knowledge is retained more strongly



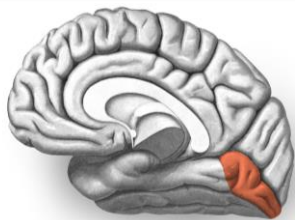
Park, et al (2002) *Psychology and Aging*, 17(2), 299-320

57

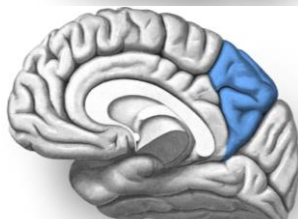
Not only visual story, but also the donor's story

Charitable bequest decisions activate visual imagery of **autobiographical** memories

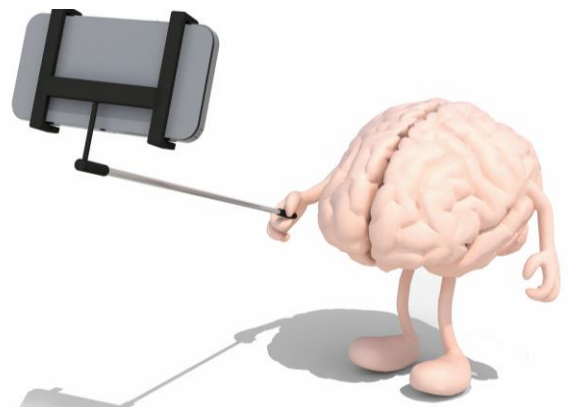
- Lingula gyrus (internal visualization)
- Precuneus (used to take an outside perspective on ourselves)



Lingula gyrus



Precuneus



Case courtesy of Assoc Prof Frank Gaillard, Radiopaedia.org, rID: 47208

James III, R. N., & O'Boyle, M. W. (2014). Charitable estate planning as visualized autobiography: An fMRI study of its neural correlates. *Nonprofit and Voluntary Sector Quarterly*, 43(2), 355-373.

58

Selling donor “instructions”



59

Large gifts come with lots of instructions



- Instructions make the gift compelling
- They reflect the donor's values, life story, and identity

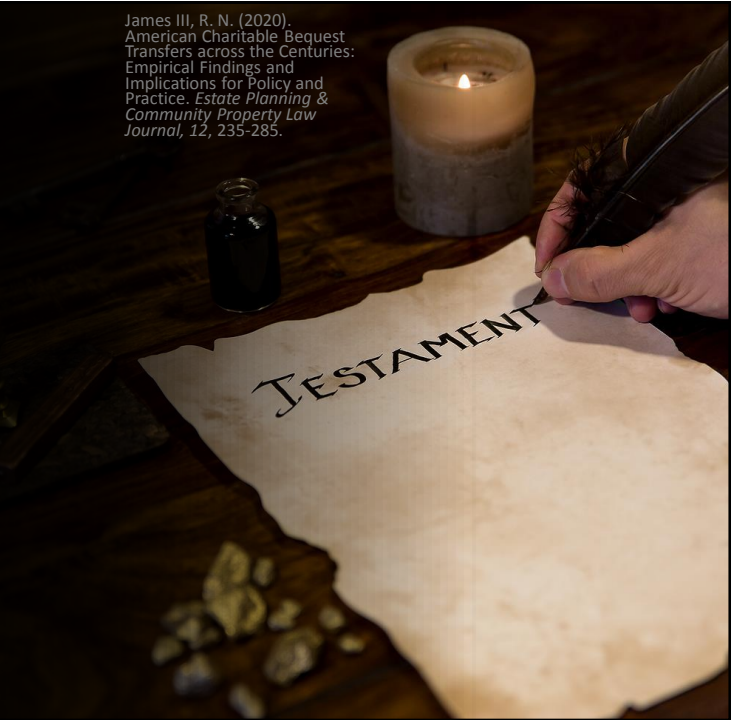
60

Large gifts HAVE ALWAYS come with lots of instructions

In two studies of wills from the 1800s, charitable bequests were restricted in

- 14% of small cash gifts
- 58% of real estate or large cash gifts
- 70% of gifts of a share of the entire estate

James III, R. N. (2020). American Charitable Bequest Transfers across the Centuries: Empirical Findings and Implications for Policy and Practice. *Estate Planning & Community Property Law Journal*, 12, 235-285.



61



Gift restrictions
make gifts larger
in experiments

The instructions make the gift compelling

Helms, S. E., Scott, B. L., & Thornton, J. P. (2012). Choosing to give more: Experimental evidence on restricted gifts and charitable behaviour. *Applied Economics Letters*, 19(8), 745-748

62



Include instructions reflecting the donor's identity

- The most extreme version of gift instructions: Foundations, funds, and trusts.
- Pages of detailed instructions controlling the gift for decades or even generations

63

We have competition for instructions: The private family foundation

78%

Among decedents in 2004 and 2007 with estates of more than \$5 million, the share of charitable dollars going to private foundations was 70% and 78%, respectively

64

The magic follow-up question for escalating estate gifts

- “Have you ever thought about how you would like your gift to be used?”
- Share stories about planned gifts from another donor of a specific size (e.g., endowing a particular item)
- Permanence goals work well in estate experiments



65

 The graphic features a white silhouette of a person standing on a red carpet that recedes into the distance. To the left and in the background, there are several grey silhouettes of people, suggesting a crowd or a line of people. The scene is set against a dark blue background.

Should I give a few people the “red carpet” or treat everyone the same?

- Is your goal to get more estate donors or more estate dollars?
- These aren’t the same.

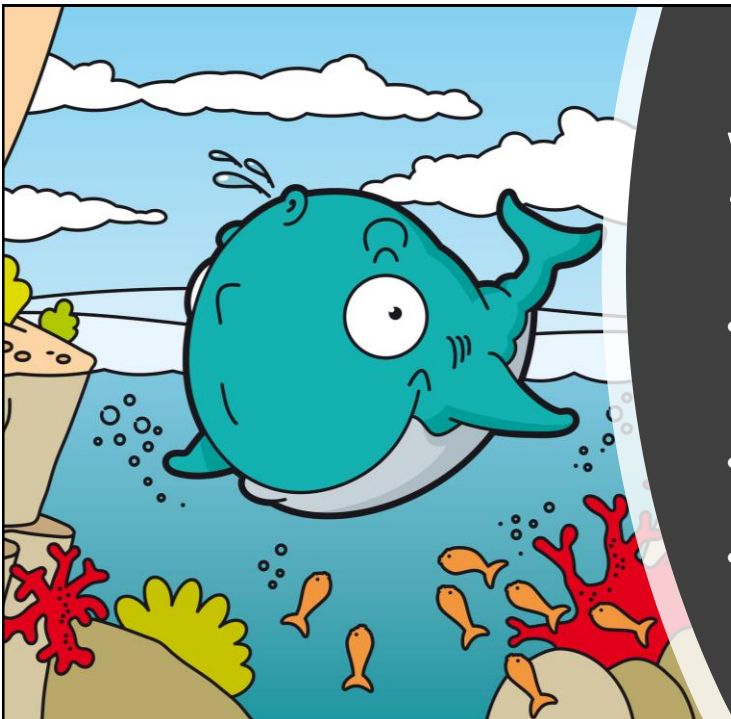
66



Welcome to the weird world of “Extremistan”

- There are no normal distributions here
- Only the outliers matter
- Typical bequest donors are financially irrelevant

67



Welcome to “Extremistan”

- Imagine fishing in an ocean with only whales and sardines.
- There is one whale for every 100 sardines.
- Sardines are typical. And they don’t matter.

68

Typical bequest donors are financially irrelevant



Among charitable decedents, the typical behavior is to leave less than 10% of the estate to charity

Over 60% of charitable estate tax returns reported these typical donations for decedents dying in 2001 when the exemption amount was only \$675,000

However, these typical charitable decedents were also financially irrelevant, transferring only 3.8% of all charitable bequest dollars

69

Charitable bequests are from “Extremistan”



Among both 2001 and 2014 decedents filing tax returns, those who left at least 90% of their wealth to charity gave more than 55% of total charitable bequest dollars, even though they constituted only about 10% of all donors

70

Typical bequest donors are financially irrelevant



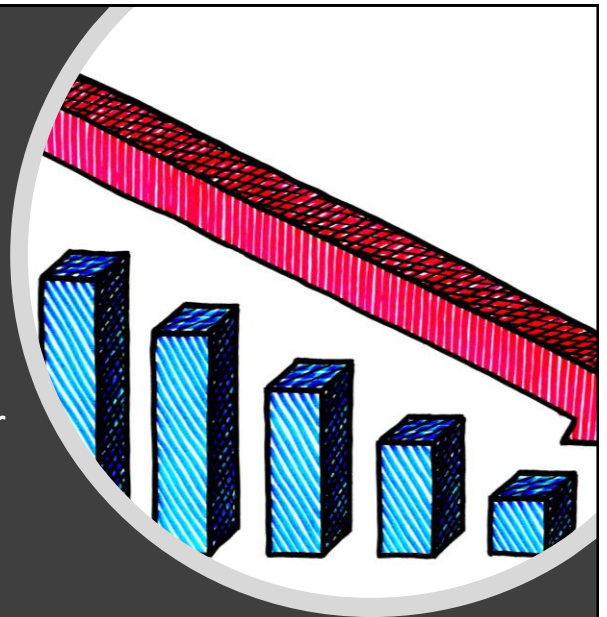
In 2003 estate tax returns (\$1MM estate tax exemption), the typical charitable decedent, representing about half of charitable estate tax returns, transferred less than \$100,000 to charity

These typical charitable decedents were financially irrelevant, transferring only 1.1% of total charitable bequest dollars

71

Extremistan is getting more extreme

- A smaller share of decedents are transferring the same overall share of total wealth to charity
- From 1982 to 2014 the share of estate wealth going to charity among decedents with wealth over \$10 million (2014\$) went up
- But the share making any gifts dropped from 41.9% and 44.8% in 1982 and 1983, respectively to 32.6% and 32.7% in 2012 and 2013



72

Who drives
charitable bequest
dollars?

- Wealthy
- Old
- Childless



73



It's about the wealthy

The gross estate category of more than \$50 million was first reported separately for returns filed in 2013.

In every year from 2013–2017, charitable decedents from this category, about 186 decedents annually, gave the majority of all charitable dollars reported on estate tax returns in the U.S.

74



It's ALWAYS BEEN about the wealthy

In 1916-1921, Over 30% of all charitable estate dollars came from the 35 wealthy decedents.

In 1922 over 55% came from 16 decedents.

75

It's INCREASINGLY about the old

Among returns filed in 1963, 1970, 1973, 1977, 1983, 1987, 1990, those aged 75 and older made up 65%, 70%, 72%, 71%, 77%, 81%, and 83% of all charitable bequest donors, respectively.

Those under 65 constituted 13%, 9%, 8%, 10%, 7%, and 5%, of all donors, respectively.



76

It's increasingly about the old

Decedents aged 80 and older contributed 68%, 70%, and 77% of all charitable dollars in 1986, 1992, and 1995.

Decedents under age 50 contributed only 0.9% and 0.4% of all charitable dollars in 1992 in 1995, respectively



77



It's about the childless

In 2016, among living adults age 55+, the childless represented 8.8% of testate people and 25.7% of charitable testate people.

In decedents from the 1995-2006 HRS, only 9.8% (581 of 5,957) were childless, but they accounted for 51.9% of all charitable dollars transferred (\$26,057,269 of \$50,244,418).

78

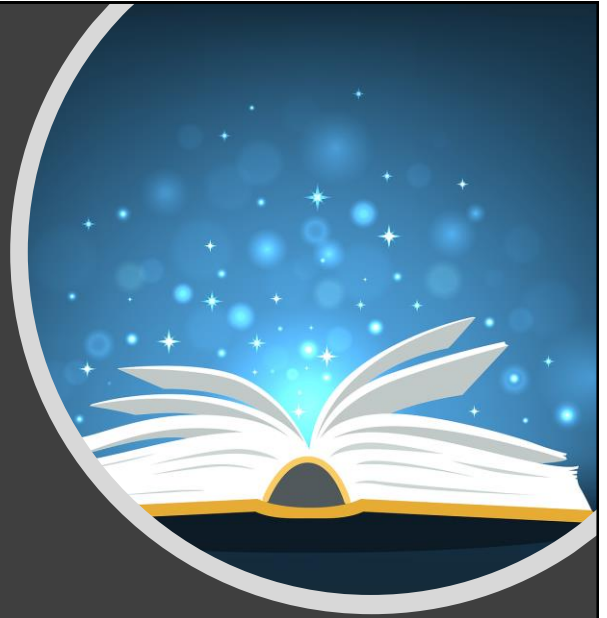
Story and Statistics

Story:

- Gifts from wealth, not disposable income
- Major gifts of assets not planned giving
- The competition is winning

Statistics:

- Gifts of assets, including planned gifts in wills, drive near term fundraising growth
- Large planned gifts come with detailed instructions
- Dollars are from the old, wealthy, and childless



79

Q&A

Russell N. James III,
J.D., Ph.D., CFP®

Professor

Texas Tech University



80

Additional Questions

- russell.james@ttu.edu
- nathan@stelter.com
- jen.Lennon@stelter.com



81

Webinar Resources

- Recording
- Presentation handouts

www.stelter.com/webinars



82

