



Can simple prompts increase bequest giving? Field evidence from a legal call centre[☆]



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ABSTRACT

We report the findings of a field study demonstrating the importance of non-pecuniary mechanisms for bequest giving. We show that a prompt to leave money to charity that includes social/emotional factors made during the will-making process increases by 50 per cent the proportion of wills that include a charitable bequest. In terms of magnitude, we show that this is one-third of the effect of a 40% estates tax at the threshold. We find little response to either prompts or tax-price changes among people with children indicating that, for many, leaving money to their children appears to preclude leaving money to charity.

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1. Introduction

Donations through bequests form a major component of charitable income. In the US, bequests account for nearly 8 per cent of charities' voluntary income, while in the UK, the figure is higher at around 20 per cent. In spite of the importance of bequest giving, however, it has received relatively little attention, compared to other forms of giving. Moreover, the existing literature on bequest giving has primarily focused on the effect of wealth and estate taxation (Auten and Joulfaian, 1996; Joulfaian, 2000; Bakija et al., 2003), while a number of recent studies of *intra vivos* giving have demonstrated the potential role of non-pecuniary factors, including social pressure (Carman, 2004; Andreoni et al., 2011; DellaVigna et al., 2012), social norms (Frey and Meier, 2004; Shang and Croson, 2009; Smith et al., 2015) and personal solicitations (Meer and Rosen, 2011; Scharf and Smith, 2014; Castillo et al., 2015). To date, however, few studies have considered the influence of such non-pecuniary factors on bequest giving.

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In this paper we report the findings from a unique field experiment in which prompts to leave money to charity were introduced into the will-making process at a legal call centre where clients ring up to make a will over the phone. We test the effectiveness of these prompts on the probability that people make provision for leaving money to charity in their will. The prompts included both a *weak ask* in which clients are simply asked whether they want to leave money to charity and a *strong ask* which introduces additional social and emotional factors to the ask. We find that the strong ask resulted in a sizeable increase in the proportion of people leaving money to charity in their will relative to the weak ask.

Our study makes a number of contributions to the existing literature. First, we extend the scope of recent studies on the effect of non-standard mechanisms to consider a type of giving that has not been previously studied in this way and we demonstrate that non-pecuniary factors are important in bequest giving. Comparing the strong ask to the weak ask, we show that the additional social and emotional factors result in a 50 per cent increase in the proportion of people who make provision to leave money to charity in their will. Charitable bequests represent an important setting to study the effect of these types of mechanisms because of the sizeable sums of money involved (the typical gift in our sample is the just over £12,000 = approx. \$19,000). Increasing bequests has potential practical significance for the charity sector.

Second, we add to a small number of papers that compare the effect of non-pecuniary mechanisms with that of standard economic incentives (see for example [Ferraro and Price, 2013](#)). This is particularly important for bequest giving in the context of ongoing debates in the US and UK about reforming, or even abolishing, estates taxation, which would have implications for the price of charitable bequests because of their tax-exempt status. We use a regression discontinuity design to estimate the effect of estates taxation on bequest giving, exploiting the single £325,000 (= \$500,000) inheritance tax threshold in the UK. We find that the tax threshold is associated with a sizeable and significant increase in the proportion of people making provision for a charitable bequest; our estimates indicate that the magnitude of the effect of the strong ask (relative to the weak ask) is equivalent to one-third of the effect of a 40% estates tax at the threshold.

Finally, our study offers more general insights into bequest giving. We show that individuals without children are more responsive to both non-pecuniary and price mechanisms than those with children. Indeed, we find no evidence of any significant effect of either type of mechanism on the probability of people with children making provision for a charitable bequest. This may not be surprising given that people with children have other obvious beneficiaries; however our results indicate that charitable bequests are seen by many as an alternative to leaving money to children (“charity or children”), rather than there being a choice to allocate money to both.

The trial involved 2664 customers to a legal call centre who phoned to arrange a will. Will-writers (lawyers) were randomly assigned to two treatments that prompted the callers to leave money to charity. The first treatment is a “weak ask” where callers are simply asked whether they have thought about leaving money to charity. The second treatment is a “strong ask” in which the lawyer additionally suggests that leaving money is a social norm and prompts the will-maker to think about a cause that they feel passionate about. This introduces further social and emotional factors into the ask that might affect donations.

Comparing the strong ask to the weak ask, we are able to exploit the random allocation of the two treatments across lawyers to say something about the effect of the additional social and emotional factors on bequest giving. With only eight lawyers, there may be a concern over the conventional approach to clustering standard errors ([Wooldridge, 2003](#)) and we present results using alternative approaches suggested by the literature as a robustness check. Across all specifications the strong ask is associated with a significant and sizeable increase in the proportion making provision to leave a bequest (roughly equivalent to the baseline level of bequest giving), indicating the importance of social and emotional factors for decisions to leave money to charity and the effectiveness of seemingly small changes to the way an ask is made.

Of course, many lawyers may not currently make any ask during the will-making process. A public commitment by the firm to mention charitable giving to all their clients meant that there was no possibility of randomly selecting a no-ask control group during the treatment period. However, we are able to compare bequest giving during the treatment period to prior levels of bequest giving during an earlier, baseline period, and we can control for lawyer fixed effects, client characteristics and month of sale. We show that the level of giving is significantly and substantially higher during the treatment period; more than double the proportion of people make provision to leave money to charity in their will during the treatment period (with an ask) compared to baseline (with no ask). Although the non-random allocation of clients to baseline and treatment periods means that we cannot give this a strict causal interpretation, we find it plausible evidence that making an ask does not reduce the proportion making a bequest.

The structure of the rest of this paper is as follows. The next section discusses the potential effects of estate tax and non-pecuniary factors on bequest giving. Section 3 presents the design of our study and our sample. Section 4 summarizes the main results on the effects of the ask treatments, while Section 5 presents estimates of the effects of estate taxation. Section 6 concludes.

2. Background

The focus of the existing economic literature on charitable bequests has been on responses to estate taxation. Bequest giving is typically modelled as a problem of how to allocate terminal wealth ([Joulfaian, 2000](#)), ignoring the possible trade-off

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