A warm glow in the after life:
Can simple prompts increase bequest giving?[1]

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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 prompts to leave money to charity substantially increase the proportion making a charitable bequest, more than doubling the number relative to baseline. The effect of a prompt that includes social/emotional factors is equivalent to a 20 per cent reduction in the price of bequest giving. We also show that there is little response to either tax incentives or prompts among people with children. For many people, leaving money to children appears to preclude leaving money to charity.

Key words: charitable giving; charitable bequests; prompts; social norms
JEL codes: D64, H24, H41

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1. Introduction

Donations through bequests are a major part 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 its importance, however, bequest giving 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; Bajika 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 (della Vigna et al, 2012; Andreoni et al, 2011) social norms (Frey and Meier, 2004; Shang and Croson, 2009; Smith et al, 2014) and personal solicitations (Meer and Rosen, 2011; Scharf and Smith, 2014). To date, however, few studies have considered the influence of such non-pecuniary factors on bequest giving.

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 include 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.

Our study makes a number of contributions to the existing literature. First, we extend the scope of recent studies on 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 to bequest giving. The effect sizes are sizeable – we show that the strong ask nearly trebles the proportion of people who make provision for charity in their will (relative to baseline). 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 just over £6,000). Increasing bequests has 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 in the context of ongoing debates in the US and UK about reforming, or even abolishing, estates taxation. We use a regression discontinuity design to estimate the effect of estate taxation on bequest giving, exploiting the single £325,000 inheritance tax threshold in the UK. We find that the tax threshold is associated with a significant increase in the proportion of people making a bequest; the magnitude of our estimates indicates that the effect of the strong ask is equivalent to a 20% reduction in the price of bequest giving.

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 a charitable bequest. This may not be surprising given that people with children have a clear alternative beneficiary; our results indicate that charitable bequests are seen as an alternative to leaving money to children ("charity or children"), rather than people making a choice to allocate money to both.

The trial involved 2,664 customers to a legal call centre who phone to arrange a will. The 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 that might affect donations. A public commitment by the firm to mention charitable giving to all their clients meant that there was no possibility of randomly selecting a control group during the treatment period. Our analysis therefore compares bequest giving under the two ask treatments to prior levels of bequest giving during an earlier, baseline period. We control for lawyer fixed effects and client characteristics. We also include time effects, controlling for month of sale. We show that the level of

giving is significantly higher during the treatment period compared to the baseline and more than double the proportion of people leave money to charity in their will. Our results are robust to the inclusion of controls, indicating a plausible causal interpretation to our findings.

We also exploit the random allocation of the two ask treatments across lawyers to compare the effect of the strong ask relative to the effect of the weak ask. With only eight lawyers, there may be a concern over the conventional approach to clustering standard errors (Wooldridge, 2003). We therefore present additional results using alternative approaches suggested by the literature as a robustness check. Across all specifications the strong ask is associated with a significant increase in giving (roughly equivalent to the baseline level of bequests), indicating the importance of social and emotional factors for decisions to leave money to charity.

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 between giving while alive and giving at death.[3] Both charitable and other bequests are increasing in total wealth, while a higher estate tax increases charitable bequests relative to other bequests. Studies such as Auten and Joulfaian (1996), Joulfaian (2000) and Bakija (2003) use tax authority data and exploit cross-state and cross-time variation to estimate price elasticities of bequest giving of between -1.7 and -2.5. We exploit the inheritance tax threshold in the UK to obtain a regression

[3] Watson (1984) presents a life-cycle model in which donors choose between spending, donations, bequests and charitable bequests, showing that the share of terminal wealth allocated to charitable bequests depends only on the estate tax and that a change in the estate tax will have no substitution effects over the life cycle.

discontinuity estimate of the effect of estate taxation. We focus on the extensive margin, but, like previous studies, we also find a substantial response.

The main contribution of our paper, however, is to consider the effect of non-financial mechanisms on charitable bequests. There is little direct evidence on this in the existing literature, although a number of studies point to the importance of social norms more generally in relation to bequests. For example, Auten and Joulfaian (1996) find no significant impact of child income on charitable bequests, indicating that parents have a strong preference to leave their assets to their children. Wilhelm (1996) also finds that the allocation of bequests across children is not sensitive to their relative incomes and suggests that there is likely to be norms about the fairness of bequests.

There is considerable evidence on the effect of non-standard factors in relation to *intra vivos* donations. Relevant to our study, Yoruk (2009) and Meer and Rosen (2011), show that being asked increases the likelihood of donating. One possibility is that an ask simply makes giving more salient, but another possibility is that it also introduces an additional moral payoff to making a charitable bequest (List and Levitt, 2007; Ferraro and Price, 2013). For example, Andreoni and Rao (2011) emphasize that an ask can heighten empathy, while Andreoni et al (2011) and Della Vigna et al (2012) provide evidence on people's desire to avoid saying no. This moral payoff is arguably less relevant in the case of the "weak ask" treatment where individuals are simply asked if they want to leave money to charity in their will. Batson (1997) suggests that people may donate in order to alleviate a negative emotional state (in this case, thinking about dying). But, the lawyer is an independent third party who, simply by asking if the person has thought about leaving money to charity, is unlikely to induce the same emotional response as a charity fundraiser or a fundraiser who is personally connected to the donor (Meer, 2011; Scharf and Smith, 2014). We therefore interpret the effect of the weak ask as a salience effect. It is much clearer that the strong ask – which introduces a social norm and an emotional prompt – is likely to change the perceived moral payoff to making a charitable bequest. Frey and Meier (2004), Shang and Croson (2009) and Smith et al (2014) provide evidence that social information (about what other people are giving) can affect both how many

and how much people give in relation to regular donations. The emotional connection to charity recipients (Small and Loewenstein, 2003, Grant et al, 2007) as well as the donor's emotional state (Lerner, Small and Loewenstein, 2004; Zak et al 2007) have also been shown to be important. Within the strong ask treatment, we cannot disentangle the effect of providing a social norm from the effect of the emotional prompt; we interpret our results as showing the effect of additional social and emotional factors. In the next section we describe the set up in more detail before estimating the effects of the ask treatments.

3. The set up

The experiment was conducted in a legal call centre run by the Co-operative Legal Services (CLS), a national law firm. The firm is relatively small in the will-writing market, our sample consists of 2,664 wills written over the period 1st January 2012 – 15th January 2013 out of an estimated annual total of 1.8 million wills nationwide (Legal Services Consumer Panel, 2011). Table 1 presents summary statistics on the customers in our sample. The median age is 58 and median wealth is £234,500;[4] this is younger and less wealthy than would be a sample drawn from estate tax data (the threshold for UK inheritance tax is £325,000). In terms of asset values, it is more broadly comparable with the sample of all estates that go through probate, studied by Atkinson et al, 2009, which includes most of estates with any wealth. Median wealth in the Atkinson sample is £146,000, mean wealth is £221,000; these are lower than average wealth levels in our sample, but apply to an older age group.

The will-making process is done over the phone in two stages. During the initial call customers are asked a series of questions to ascertain roughly their needs (do they have children or elderly relatives, what is the size of the estate, etc.). Charity is not mentioned during this call. At the end of this first call, a second call is booked if the customer wishes to continue with making a will. Between the first and second call, participants are sent a pack of information by the firm. This pack confirms the time

[4] Note that information on wealth is captured at the time of will-writing and is entered manually by the lawyers. For reasons of confidentiality, there is no information on any bequests other than those made to charitable causes. Wealth is not recorded for all wills; the extent to which it is recorded varies significantly across lawyers. In our regression analysis we control both for lawyer fixed effects and missing wealth information. We also test the sensitivity of our results to excluding lawyers with high levels of missing wealth information.

and date of their call, the lawyer to whom they have been assigned, and the contact details of the customer. It also contains information about legal aspects of writing a will, and a guide of things to consider (including making a donation to charity). At the arranged time of the second call, the assigned lawyer calls the customer and takes him/her through the will-writing process. This process is governed by a script, which lawyers progress through in order. Amounts to be left to different individuals, causes, etc, and their conditions, are entered into a database which populates the relevant sections of the will. Our treatments, involving changes to the script, are introduced during this second call, after the customer has been asked about the bequests they want to make to family and friends.

Because of a public commitment by the firm to mention charity to all customers, we were unable to generate a randomly selected control group. Instead we compare the effects of the prompts during the treatment period (1st January 2012 to 14th September 2012) to all wills written by the same lawyers over an earlier, baseline period (15th September 2012 to 15th January 2012).

In the baseline condition, customers were not asked if they wanted to leave money to charity in their will. Even so, a sizeable number chose to do so – the proportion making any charitable bequest among the baseline group in our sample (i.e. those facing no treatments) is 5.9%. This is lower than the proportion reported by Atkinson et al (2009) in their probate sample (16%). The amounts left to charity are more similar. Comparing specific amounts (ie where individuals leave an amount specified in pounds), the median specific bequest is £3,000 in the Atkinson et al (2009) study compared to £1,500 in our sample.

The two treatments (weak ask and strong ask) were randomly allocated across lawyers during the treatment period. There were eight lawyers in total – four were allocated the weak ask and four, the strong ask.[5] Table 2 summarizes the distribution of the wills across the lawyers and the three different conditions (baseline, weak ask, strong ask).

The precise nature of the treatments was as follows:

[5] We dropped a ninth lawyer who only wrote seven wills.

Treatment 1: Weak ask

All participants in this treatment group were asked whether they would like to donate money to charity in their will. The script then instructed the lawyers to say:

"Now that you've looked after your family and friends, I'd like to talk you about charity. Would you like to leave a charitable gift in your will?"

Treatment 2: Strong ask

Participants in this treatment were also asked whether they would like to make a donation to charity in their will. However, the wording of the ask was changed to contain both a weak social norm message, suggesting that leaving a gift is common, and an emotive prompt asking the respondent to think about charitable causes that they are passionate about, so that the script read:

"Now that you've looked after your family and friends, I'd like to talk to you about charity. Many of our customers like to leave a gift to charity in their will. Are there any charitable causes that you're passionate about?"

In both of the treatment conditions the lawyer was instructed to move to the next section of the script (non-financial contingencies) if customers interrupted to indicate that they did not want to give a gift to charity.

Adherence to the script was monitored by CLS over the course of the trial by means of a 5% sample of calls recorded for quality purposes. In all cases of the weak ask, those who had the opportunity to do so (i.e. all those who were not interrupted), adhered to the control script. In the strong ask treatment, adherence was 100% for the line "are there any charitable causes you're passionate about" section of the script, but in three cases the "many of our customers like to leave a gift to charity in their will" section was omitted. Feedback from lawyers suggest that this was driven by a belief that the word "many" could be misinterpreted by customers as "most".

4. Estimation of treatment effects

Our main outcome variable is the probability of making a charitable bequest. Information on the size of the bequest was not collected at baseline and is missing from the data for around one-quarter of cases in the treatment period. Also, looking

at amounts is complicated by the fact that, while some people make a pecuniary gift (i.e. a specific amount of money left to charity), the majority of bequests are residuary gifts (i.e. a percentage share of the total estate or of the residual estate once all other bequests have been taken care of). In the treatment period, 252 people report that they will give to charity in the two treatments. 73 make a specific donation and 121 a residuary gift, of which 116 include a percentage of the residuary estate. For residuary gifts we estimate the amounts as the specified percentage of the person's current wealth (where the bequest is a share of the total estate) and the specified percentage of half the current wealth value (where the bequest is a share of the residuary estate). We test the sensitivity of our results to this assumption. The value of specific gifts (mean = £26,053, median = £2,000) is less than the value of residuary gifts (mean = £112,369, median = £37,250). This is in line with previous studies (Atkinson et al, 2009). We present plausible evidence below that an increase in the proportion of people making a charitable bequest from the strong ask relative to the weak ask is not associated with any reduction in the magnitude of bequests. We take this as evidence that an increase in the proportion of people leaving money to charity in their will is likely to translate directly into an increase in income for charities.

Figure 1 summarizes the proportion of people making a charitable bequest in each of the three conditions – the baseline period, and the two ask treatments. Compared to the baseline level of bequest giving (5.6%), the weak ask and the strong ask are associated with significantly higher levels of giving (11.8% and 16.5% respectively), but, given the non-experimental introduction of the two ask treatments, these differences do not have a direct causal interpretation. We address this in the analysis in this rest of this section.

Baseline/ treatment period comparison

We first compare levels of bequests across the baseline and treatment periods, pooling over the two ask treatments. There is evidence of differences in client characteristics between the two periods (Table 1, panel b). We therefore control for a number of demographics, including age, children, marital status and wealth, as well as including lawyer fixed effects.

We estimate the following linear probability model:

$$D_{ijt} = \alpha + \beta T_t + \gamma' X_i + \varphi_j + u_{ijt}$$

where D_{ijt} is a binary indicator for whether individual *i* allocated to lawyer *j* at time *t* makes a charitable bequest, T_t is an indicator for writing a will during the treatment period and X_i is a vector of client characteristics. ϕ_j is a set of lawyer fixed effects.

One concern might be that there are additional, time-varying factors that would have affected bequest giving during the treatment period, even in the absence of the ask treatments. We therefore look for evidence of underlying trends in bequest giving. The date of the second interview (i.e. when the will is actually written) is not recorded in our data, but we have information on month of sale (i.e. when the client paid for the will). Note that the sale date could be before the will is written if the client pays upfront or after.

Figure 2 plots the proportion of people making a bequest, by month of sale, and also the proportion of all clients that received one of the ask treatments for the month. The figure indicates an increase in bequests associated with the treatment, without any obvious, prior upward trend. It also shows that for most sale months there are both baseline and treatment observations, allowing us to control additionally for month of sale (as a set of binary indicators) in the regression analysis.

Table 3 reports regression results analysing bequest giving in baseline and treatment periods. In column (1) we focus on bequest giving at baseline. Giving is lower among married people (compared to single) and for people with children (compared to those without). Unlike previous studies, we find no effect of wealth on the probability of leaving a bequest which may reflect selection into writing a will.

Our results show that the probability of making a charitable bequest is significantly higher during the treatment period and that this is robust to a number of controls. Focusing on the results in column (5) with full controls, including month of sale, bequest giving is 8.1 percentage points higher (i.e. nearly one and a half times greater) in the treatment period compared to baseline.

In column (6) we include separate indicators for the two ask treatments. We find no significant change in giving for the lawyers allocated to the weak ask compared to

baseline, while the proportion leaving a bequest increases by 10.3 percentage points among the lawyers allocated to the strong ask relative to baseline. We explore differences between the effect of the two asks in the next section.

Weak ask versus strong ask

The weak ask and strong ask treatments were allocated randomly across lawyers. The characteristics of clients in the two groups are balanced (Table 1, panel c). We can therefore estimate the causal effect of the strong ask relative to the weak. For the probability of making a bequest, we estimate the following linear probability model:

$$D_{ij} = \alpha + \beta Strong_j + \gamma X_i + u_{ij}$$

As before, D_{ij} is a binary indicator for whether individual *i* allocated to lawyer *j* makes a charitable bequest, *Strong* is an indicator for receiving the strong ask treatment (compared to the weak ask) and *X* is a vector of characteristics. We cluster the standard errors at the lawyer level. Because of concerns about the relatively small number of clusters (Wooldridge, 2003) we implement a between-groups estimator, using lawyer averages as the dependent variable. We also follow the approach suggested by Donald and Lang (2007), first regressing the dependent variable on a full set of group indicators (with no constant), together with control variables and then using the coefficients on the group indicators as the dependent variable in a second-stage regression on the treatment indicator (*Strong ask*).

We perform a similar analysis for amounts given (conditional on making a bequest). These include both specific and residuary gifts. Our base assumption for gifts that are specified as a proportion of the residuary estate is that the residuary estate is equal to half current wealth. We also show results for an assumption that it is equal to one-quarter current wealth and for specific gifts only.

The results are shown in Table 4. Across all specifications, we find a positive effect of the strong ask relative to the weak ask on the probability of leaving a bequest, indicating that social/emotional factors are important for motivating the decision. The size of the effect is substantial – between 82 – 112% of the baseline level of bequests. The effect of the strong ask on the amount given is weakly positive. Thus,

there appears to be no trade-off for charities in terms of increasing the number of bequests at the expense of smaller amounts given.

Further analysis at the lawyer level, shown in Figure 3, provides some insights into why the strong ask works more effectively than the weak ask. The strong ask is associated with a similar-sized, significant increase in giving for all four lawyers allocated to this treatment, while the weak ask is associated with a significant increase for only one of the four lawyers. This gives some indication that the effect of the strong ask is stronger overall because it is more consistent than the effect of the weak ask.

Heterogeneous treatment effects

We explore whether the effect of the ask treatments varies by the presence of children. We split the sample in this way since the response to prompts to leave money to charity is likely to depend on people's preferences for other bequests. Our results support this. Already at baseline, the probability of bequest giving is significantly higher among childless people (6.7% compared to 4.5%). The effect of the ask treatments is to widen the gap. In Table 5 we report the results from regressions in which we interact treatment indicators with indicators for the presence/ absence of children. We repeat the same specifications as above – i.e. we estimate the effect of the treatments relative to baseline (including lawyer fixed effects) and also the effect of the strong ask relative to the weak ask. In all cases, we find no significant effects of the ask treatments on people with children. By contrast, there are sizeable effects among people without children, particularly from the strong ask – the social/emotional prompts increases bequest giving by 30 percentage points relative to baseline (a more than four-fold increase), while the strong ask increases bequest giving by 20 percentage points relative to the weak ask.

5. Pricing the effect of non-pecuniary factors

Our results indicate that social/emotional prompts can have a sizeable effect on leaving a charitable bequest. How does this compare with the effect of financial incentives which have also been shown to be effective? This is particularly relevant to ongoing debates in the UK and US about reform to – and even abolition of – estate taxation, which would have implications for bequest giving. In the UK,

inheritance tax is payable at 40 per cent on the value of estates over £325,000, but charitable bequests are tax-exempt, lowering the price of leaving money to charity compared to other potential beneficiaries. We exploit the threshold to obtain an estimate of the tax-price effect using a regression discontinuity (RD) design.

There are a number of factors which could potentially limit our ability to identify a clean tax-price effect with our data. First, among our sample of will-makers, we observe current wealth rather than wealth at death, which is the determinant of actual estate tax liability. Second, married couples can bequeath wealth tax-free to their spouses and pass on their inheritance tax allowance but we have no information on whether wealth is measured at the individual or household level. Our identification strategy is therefore a "fuzzy" RD design, since not all individuals just below the threshold will be exempt from inheritance tax and not individuals just above the threshold will be liable. In spite of these potential issues which would tend to dampen our estimates, we find a significant tax-price effect on the probability of leaving a charitable bequest.

We follow a standard regression discontinuity design and estimate an equation of the following form:

$$D_{ij} = \alpha + \beta I(W_i \geq 325{,}000) + f(W_i) + \varphi_j + u_{ij}$$

As before, D_{ij} is a binary indicator if individual *i* allocated to lawyer *j* makes a charitable bequest. *I* is an indicator equal to one if the individual reports wealth above the inheritance tax threshold. We also allow the probability of making a charitable bequest to depend continuously on wealth levels. We show results with no controls for wealth and including a linear wealth term; higher-order terms are insignificant within the relatively narrow windows around the threshold that we look at: $(\pm£20{,}000;\ \pm£30{,}000; \pm£40{,}000; \pm£50{,}000)$.

Figure 4 (panel a) provides preliminary, graphic evidence indicating a discrete change in the probability of making a charitable bequest at the threshold. The identifying assumption is that participants with wealth just below/ above the £325,000 threshold are identical apart from their rate of inheritance tax. Table 6 (panel a) reports p-values for tests of equality of key characteristics for those on either side of

the threshold, confirming that this is the case. We also show in Figure 4 (panel b) that the distribution is continuous through the threshold, i.e. there is no evidence of any "bunching" in the distribution just below the threshold.

Regression results are reported in Table 6. We find a positive effect of tax eligibility on bequest giving (people above the threshold are more likely to leave money to charity), which is statistically significant in most specifications. Given that we focus on the extensive margin, our findings are not directly comparable with elasticity estimates from the US studies, but they are consistent in finding a strong response to estate taxation. Focusing on the specifications that control for wealth, the magnitude of the estimated effect lies within the range 0.186 – 0.233. This estimated magnitude is roughly twice as great as the effect of the strong ask.

As a robustness check, we report results using a placebo estate tax threshold which is £50,000 lower than the actual one (i.e. £275,000) and also one which is £50,000 higher (i.e. £375,000). We find no significant effects associated with either of these thresholds, strengthening the plausibility of our results using the true threshold.[6]

Given the issues with using current wealth data, it may seem surprising that we estimate a significant estate-tax effect. One explanation is likely to be the salience of the tax threshold in the UK, particularly around the time of the experiment because of proposals to increase the threshold/ abolish the tax altogether. Our results also suggest that individuals put weight on current wealth levels when thinking about their future inheritance tax liabilities.

Finally, we test whether the tax-price effect differs across people with and without children. As with the effect of the ask treatments, we find a stronger response to the inheritance tax threshold among people without children. Although the estimated tax-price effect is positive among those with children, it is not statistically significant. By contrast, we find sizeable and statistically significant effects among people without children with the magnitude of the estimated effect between 0.346 – 0.413.

[6] Another potential issue is that there is rounding in the wealth data, which may be attributable to reporting by the individual or coding by the lawyer. This will also tend to reduce the extent to which we are able to identify a price effect using a regression discontinuity design. In a further robustness check we re-estimate the regression using only people with wealth values for which there are five or fewer observations. The sample size is reduced but the magnitude of the estimated price effect increases.

As before, our interpretation is that people with children have relatively stronger preferences for other bequests, making it harder to induce a response among this group.

5. Discussion

This is the first field experiment that we are aware of to explore the effect of non-pecuniary fundraising mechanisms on charitable bequests. It sheds light on the determinants of an important component of overall donations; it also provides an opportunity to test such fundraising mechanisms in a context where people are donating considerable amounts of money to charity.

We find that non-pecuniary factors can have a sizeable effect on the probability of making a charitable bequest. The effect of the strong ask, which includes both social and emotional factors is equivalent to a 20% price reduction. In the context of ongoing debates about raising the inheritance tax threshold, or abolishing this tax altogether, this suggests plausible alternative mechanisms that could be used to encourage bequest giving. However, both non-pecuniary factors and price appear to be much less effective at increasing the proportion of people with children who make a charitable bequest. This is perhaps not surprising since the opportunity cost of leaving money to charity is much lower for this group. Those with children who are not leaving money to charity have strong preferences for leaving money to their heirs; our findings suggest that many view bequest giving as a stark choice between "children or charity".

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Table 1: Sample characteristics

1a. Full sample

	Mean	10%	50%	90%
Age	57.9	37	59	81
Married	.553			
Kids	.725			
Ln(assets)	12.17	10.82	12.37	13.24
Charitable bequest (0/1)	.057			
Size of bequest (specific)	£6,582	£200	£2,000	£15,000
Size of bequest (all)	£49,643	£500	£11,800	£125,000

Notes to table: All characteristics refer to full sample except charitable bequest (baseline only) and size of bequest (not recorded at baseline). "Specific bequests" are reported directly by clients. "All bequests" additionally include residuary gifts which are imputed based on the proportion of the full or residual estate which is bequeathed and current wealth value. Number of obs in full sample = 2,664.

1b. Balance tests across baseline and treatment periods

	Baseline period	Treatment period	p-value
Age	59.1	57.3	.003
Married	.543	.557	.476
Kids	.681	.745	.000
Ln(assets)	12.56	12.12	.011
Number of observations	897	1767	2664

Notes to table: p-value reported is for the test of equality of means

1c. Balance tests across treatment groups (weak/strong ask). Treatment period.

	Weak Ask	Strong ask	p-value
Bequest (0/1)	.074	.051	.195
Age	57.3	57.3	.934
Married	.568	.547	.364
Kids	.738	.757	.372
Ln(assets)	12.13	12.12	.971
Number of observations	871	896	1767

Notes to table: p-value reported is for the test of equality of means. All characteristics refer to treatment period except charitable bequest (baseline only).

Table 2: Distribution of observations

		Share of observations, by condition		
Lawyer/ treatment	N	Baseline	Weak ask	Strong ask
1. Strong	639	.527	.000	.473
2. Weak	416	.151	.849	.000
3. Strong	279	.082	.000	.918
4. Weak	156	.711	.289	.000
5. Weak	234	.051	.949	.000
6. Strong	329	.827	.000	.173
7. Weak	279	.100	.900	.000
8. Strong	332	.153	.000	.846
	2664	897	871	896

Table 3: Increase in bequest giving – treatment period relative to baseline

Dependent variable = Charitable bequest (0/1)

	(1)	(2)	(3)	(4)	(5)	(6)
Treatment period (0/1)		0.085**	0.073**	0.095**	0.081**	
		(0.015)	(0.014)	(0.017)	(0.017)	
Weak ask						0.047
						(0.034)
Strong ask						0.103**
						(0.027)
Ln (assets)	-0.008			0.005	0.005	0.005
	(0.011)			(0.004)	(0.004)	(0.004)
Missing assets	-0.091			0.004	-0.008	-0.004
	(0.124)			(0.049)	(0.048)	(0.048)
Married	-0.029*			-0.056**	-0.061**	-0.060**
	(0.015)			(0.022)	(0.022)	(0.021)
Widowed	-0.014			-0.023	-0.033	-0.033
	(0.031)			(0.030)	(0.031)	(0.030)
Sep_div	-0.032			-0.006	-0.012	-0.011
	(0.041)			(0.045)	(0.043)	(0.043)
Child	-0.017*			-0.157**	-0.152**	-0.153**
	(0.010)			(0.022)	(0.022)	(0.022)
Young child	-0.068*			0.002	-0.012	-0.012
	(0.038)			(0.027)	(0.030)	(0.030)
Age	-0.005			0.029*	0.026*	0.026*
	(0.021)			(0.014)	(0.014)	(0.014)
Age^2	-0.000			-0.005*	-0.004*	-0.004*
	(0.005)			(0.002)	(0.002)	(0.002)
Constant	0.199	0.057**	0.065**	0.128**	0.156**	0.165**
	(0.129)	(0.006)	(0.009)	(0.052)	(0.050)	(0.052)
Lawyer indicators			Y	Y	Y	Y
Month of sale					Y	Y
p-value: Weak = Strong						.219
N	897	2664	2664	2664	2664	2664
R-sq	0.009	0.016	0.008	0.077	0.087	0.088

Notes to table: Column (1) reports results only for the baseline period. Columns (2) – (6) report results for the full sample. Standard errors are reported in brackets. *p<0.10 **p<0.05

Table 4: Effect of the strong ask, relative to the weak ask

Panel a. Extensive margin. Dependent variable = Charitable bequest (0/1)

	OLS	OLS + clustered SE	OLS + clustered SE	Between groups	Donald Lang
Strong ask	0.047**	0.047*	0.045*	0.063**	0.056*
	(0.017)	(0.022)	(0.023)	(0.024)	(0.025)
Constant	0.118**	0.118**	0.195**	0.109**	0.207**
	(0.012)	(0.008)	(0.072)	(0.017)	(0.017)
Controls			Y		Y
N	1767	1767	1767	8	8

Panel b. Intensive margin. Dependent variable = Ln (amount). Givers only.

	OLS + clustered SE Resid=50%	Between groups Resid=50%	Donald Lang Resid=50%	OLS + clustered SE Resid=25%	OLS + clustered SE Specific gifts
Strong ask	0.606**	0.376*	0.336	0.416	0.393
	(0.206)	(0.162)	(0.531)	(0.263)	(0.378)
Ln (assets)	0.725**			0.744**	0.736**
	(0.067)			(0.063)	(0.184)
Missing assets	7.120**			7.762**	8.957**
	(0.839)			(0.776)	(2.189)
Married	-0.258			-0.202	0.328
	(0.367)			(0.346)	(0.472)
Widowed	-0.173			-0.051	1.009*
	(0.619)			(0.559)	(0.524)
Sep_div	-0.255			-0.239	1.156
	(0.510)			(0.509)	(0.777)
Child	-0.946*			-0.905**	-0.789
	(0.420)			(0.352)	(0.638)
Young child	0.776			0.735	0.144
	(0.637)			(0.646)	(0.998)
Age	0.768**			0.677**	-0.040
	(0.260)			(0.249)	(0.258)
Age^2	-0.170*			-0.147*	-0.019
	(0.078)			(0.072)	(0.073)
Constant	0.165	8.971**	0.511	-0.351	-1.756
	(0.732)	(0.114)	(0.376)	(0.657)	(2.387)
N	163	8	8	163	73

Notes to tables: Clustering is at the lawyer level. Controls are those shown in Table 3 (assets, age, marital status, children). The between groups estimator uses the lawyer mean as the dependent variable. Donald-Lang uses the coefficients from regressing the dependent variable on a full set of group indicators, including additional control variables. The value of the bequest includes both the value of specific gifts and an estimated value of residual gifts (made either as a % of the total estate or as a % of the residuary estate). Our standard assumption is that the residuary estate is 50% of current wealth value, but we also show results assuming that it is 25% of current wealth value and we show results just for specific gifts. Standard errors are reported in brackets. *p<0.10 **p<0.05.

Table 5: Treatment effects, by presence of children

Dependent variable = Charitable bequest (0/1)

	OLS + clustered SE	OLS + clustered SE	OLS + clustered SE	Between groups	Donald Lang
Treatment_nokid	0.224**				
	(0.026)				
Treatment_kid	0.003				
	(0.012)				
Weak ask_nokid		.1641**			
		(.0387)			
Weak ask_kid		.0028			
		(.0321)			
Strong ask_nokid		.3103**	0.238**	0.204**	0.193**
		(.0254)	(0.040)	(0.065)	(0.062)
Strong ask_kid		.0301	0.028	0.033	0.023
		(.0242)	(0.020)	(0.023)	(0.023)
Controls	Y	Y	Y		Y
Lawyer indicators	Y	Y			
p-values:					
T_nokid = T_kid					
Weak_nokid = Weak_kid		.0000			
Strong_nokid = Strong_kid		.0000			
Weak_nokid = Strong_nokid		.5265			
Weak_kid = Strong_kid		.0000			
N	2664	2664	1763	8	8

Notes to tables: Clustering is at the lawyer level. Controls are those shown in Table 3 (assets, age, marital status, children). The between groups estimator uses the lawyer mean as the dependent variable. Donald-Lang uses the coefficients from regressing the dependent variable on a full set of group indicators, including additional control variables. Standard errors are reported in brackets. *p<0.10 **p<0.05.

Table 6: Tax-price effects – probability of making a bequest

a. Balancing tests

	Window around threshold			
	± £20,000	± £30,000	± £40,000	± £50,000
Give (0/1)				
Below	.068	.083	.080	.103
Above	.196	.180	.165	.171
p-values				
Give (0/1)	.068	.062	.055	.108
Age	.502	.295	.282	.264
Children	.196	.648	.230	.182
Married	.503	.673	.858	.987

Notes to table: p-value reported is for the test of equality of means above/below the threshold.

b. Fixed effects regression results:
Dependent variable = Charitable bequest (0/1)

B1. True threshold (£325,000)

	± £20,000		± £30,000		± £40,000		± £50,000	
IHT	0.145*	0.186	0.097*	0.233*	0.080*	0.227*	0.062	0.198**
	(0.063)	(0.223)	(0.056)	(0.129)	(0.037)	(0.108)	(0.040)	(0.084)
Assets/10k		-0.021		-0.043		-0.038		-0.029
		(0.089)		(0.038)		(0.022)		(0.016)
N	100		173		220		267	

B2. Placebo 1: Threshold = £375,000

	± £20,000		± £30,000		± £40,000		± £50,000	
IHT	0.042	0.043	0.024	0.057	-0.024	0.091	-0.024	0.045
	(0.061)	(0.120)	(0.041)	(0.101)	(0.040)	(0.083)	(0.040)	(0.062)
Assets/10k		-0.000		-0.011		-0.029		-0.014
		(0.035)		(0.026)		(0.018)		(0.009)
N	130		238		321		398	

B3.Placebo 2: Threshold = £275,000

	± £20,000		± £30,000		± £40,000		± £50,000	
IHT	-0.026	-0.185	0.006	-0.149	0.008	-0.089	0.005	-0.050
	(0.073)	(0.175)	(0.045)	(0.141)	(0.054)	(0.101)	(0.038)	(0.077)
Assets/10k		0.092		0.045		0.024		0.011
		(0.076)		(0.046)		(0.031)		(0.016)
N	59		134		167		210	

B4. True threshold (£325,000)

	± £20,000		± £30,000		± £40,000		± £50,000	
IHT_nokids	0.344**	0.347	0.287**	0.404**	0.277**	0.413**	0.216**	0.346**
	(0.090)	(0.220)	(0.065)	(0.140)	(0.044)	(0.118)	(0.046)	(0.086)
IHT_kids	0.071	0.073	0.024	0.146	0.003	0.143	0.001	0.134
	(0.067)	(0.242)	(0.059)	(0.126)	(0.039)	(0.110)	(0.045)	(0.086)
Assets/10k		-0.001		-0.038		-0.035		-0.028
		(0.094)		(0.038)		(0.022)		(0.016)
p-value								
I_NK=I_K	.027	.033	.000	.000	.000	.000	.000	.000
N	100		173		220		267	

Notes to table: All regressions include lawyer fixed effects. Standard errors, clustered at the lawyer level, are reported in brackets. *p<0.10 **p<0.05

Figure 1. Proportion leaving a charitable bequest (mean and standard errors)

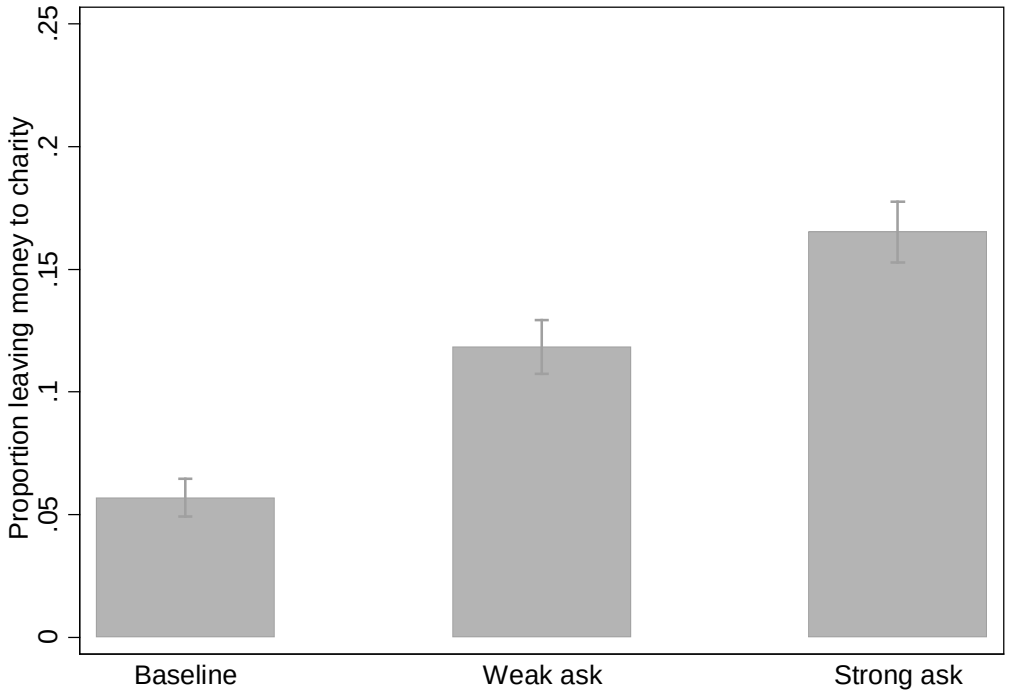
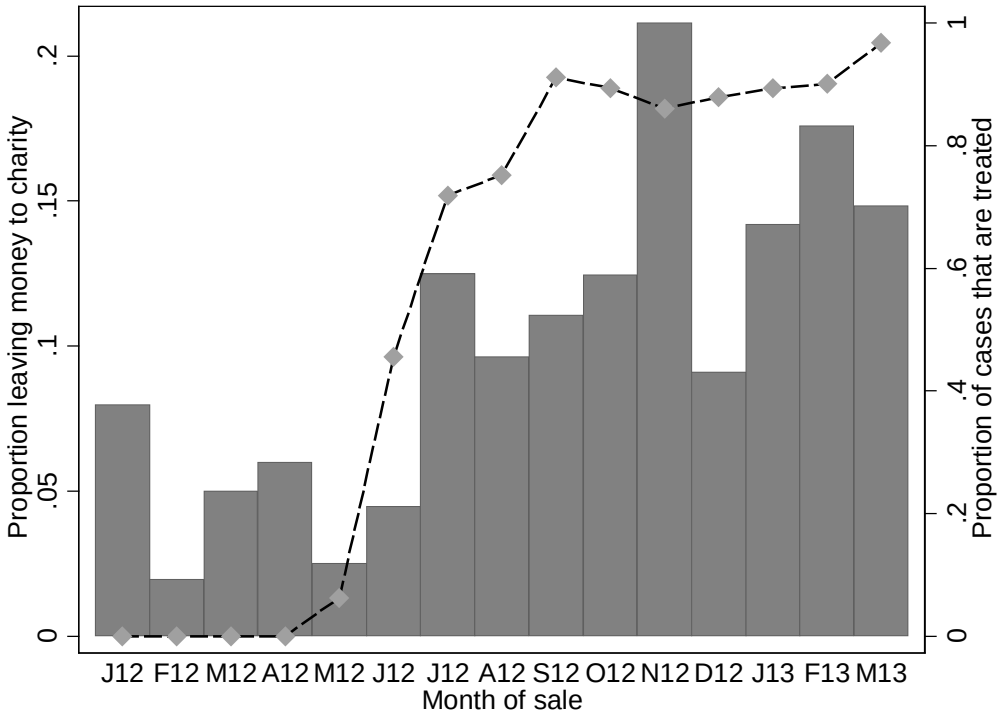


Figure 2. Proportion leaving a charitable bequest (by month of sale)



Notes to table: Month of sale refers to the month in which the customer makes a payment for the will-making service. This is not the same as month of interview; month of sale may occur before or after the interview month. The solid bars show the proportion of people making a charitable bequest, by month of sale. The dotted line shows the proportion of sales in that month that received one of the two treatments (weak ask or strong ask).

Figure 3. Proportion leaving a charitable bequest (mean and standard errors)

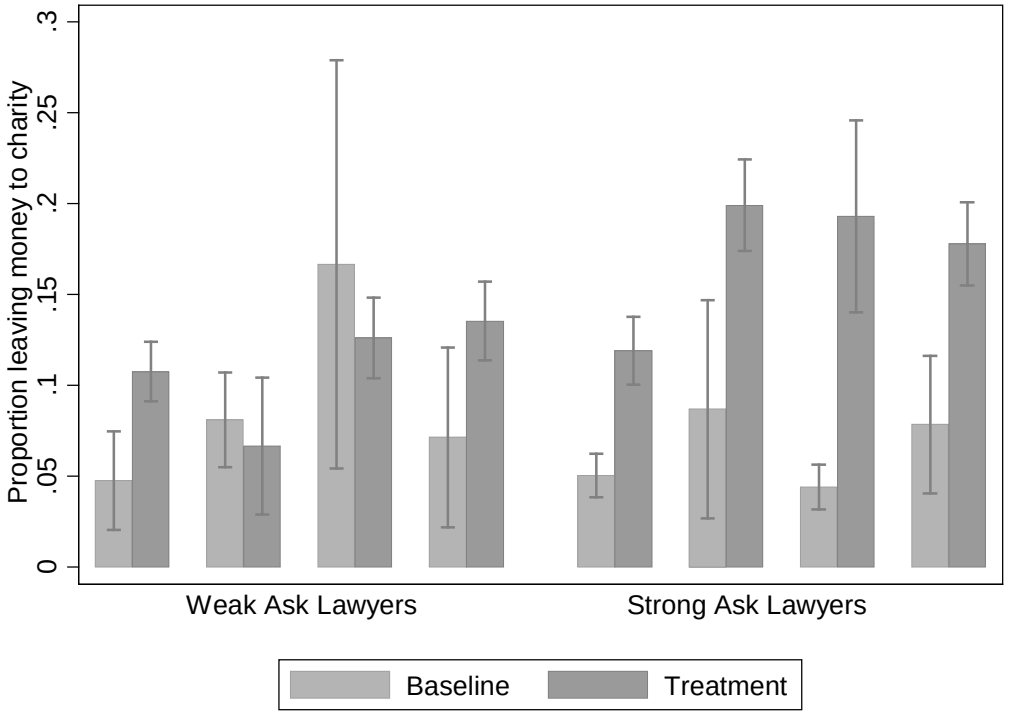


Figure 4a: Proportion leaving a charitable bequest, around the tax threshold

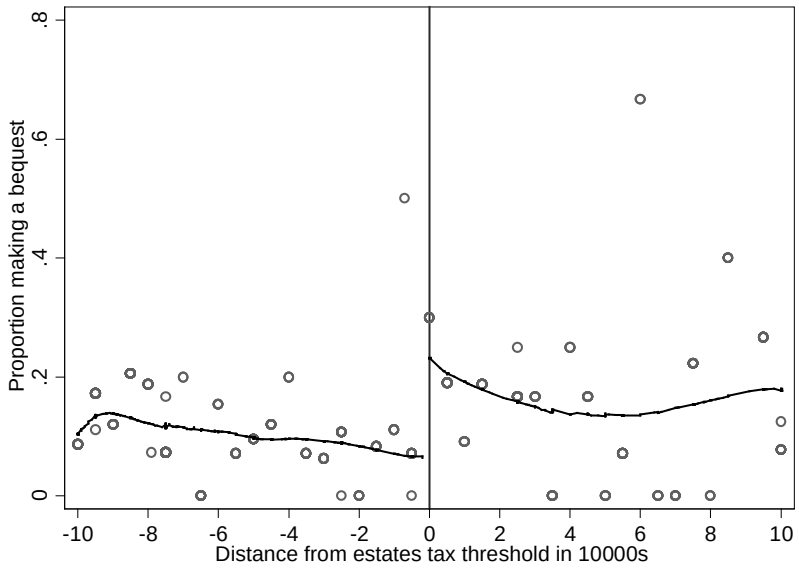
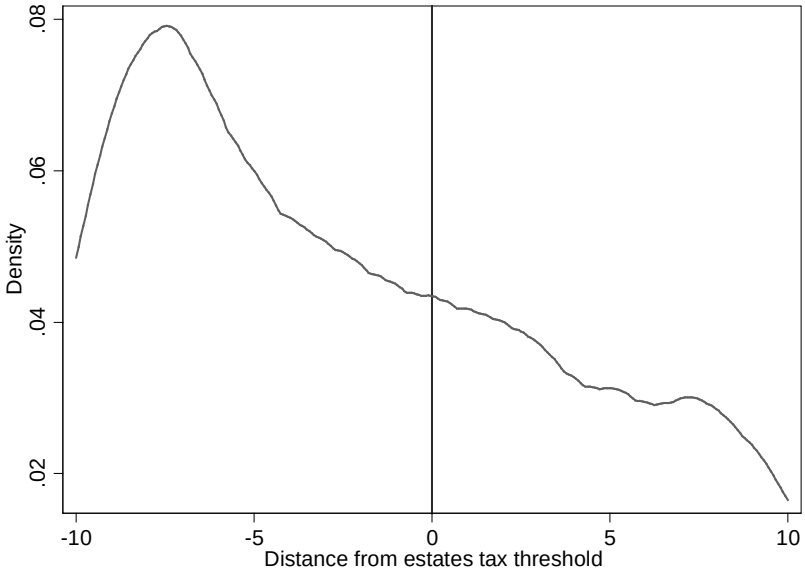


Figure 4b: Kernel density, around the tax threshold



Notes to table: In panel a. each circle represents the mean proportion making a charitable bequest, by £5,000 bands. The solid lines are drawn using running mean, least squares smoothing on the raw data. Panel b shows the underlying distribution density, illustrating the absence of any bunching at the inheritance tax threshold.