

Can Planned Giving Advance Diversity, Equity and Inclusion (DEI)?

A MULTI-PART SERIES EXPLORING WAYS TO
MAKE PLANNED GIVING MORE INCLUSIVE
FOR COMMUNITIES OF COLOR

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A note on language choices:

The vocabulary used to discuss non-white communities is continually evolving. In making decisions about specific words and phrases that describe people and their communities, we have consulted with organizations and individuals we believe understand each community's current best practices and preferences. Despite these efforts, we want to acknowledge three essential points:

1. No community is homogeneous;
2. There is a wide variety of language that the people and communities discussed in this paper use to describe themselves;
3. The word choices we have made may not feel accurate or fully representative for everyone.

Over the past fifteen months, Americans have increasingly focused on the historical and systemic blight of racism in many of our institutions, laws, and practices. Businesses and nonprofit organizations have begun to proactively develop strategies to decrease barriers faced by historically marginalized individuals, and are actively fostering policies to promote the success and involvement of those who have been excluded.

Many non-profit organizations have recently leaned into diversity, equity and inclusion (DEI) work. Some institutions have expanded their programmatic efforts to reach marginalized communities or provide additional resources to initiatives that support systemic change. Examples of this work include:

- **Race Forward** created a new fund to support grassroots non-profit organizations led by people of color.¹
- **Seattle Children's Hospital**, with the help of a grant from Boeing, significantly expanded the Odessa Brown Children's Clinics to increase health care access for minority and underserved children.²
- A coalition of civil rights, labor and social justice organizations—including **NAACP**, **ACLU**, **AFSCME**, **AFL-CIO**, **AFT** and **NEA**—launched **Fighting for Our Vote**, “a multiracial campaign that raises awareness and highlights the need for ongoing voting rights protections.”³
- **Texas A&M University** announced a new Certificate in Social Justice Leadership to support “public service professionals interested in addressing inequities within leadership roles at non-profits, equip them to identify and advocate regarding systemic and structural barriers within, and positively contribute to the health of the sector.”⁴

¹ Race Forward. (2021) 2020 Annual Report, <https://www.raceforward.org/our-work/2020-annual-report>.

² Boeing. (2020, August 28). Boeing Donates More Than \$10 Million to Support Racial Equity and Social Justice Nonprofits and Programs [Press release]. <https://boeing.mediaroom.com/2020-08-28-Boeing-Donates-More-Than-10-Million-to-Support-Racial-Equity-and-Social-Justice-Nonprofits-and-Programs>.

³ NAACP. (2021, August 10). Coalition to Target Multiple States with Efforts of Increasing Voter Mobilization and Combating Voter Suppression [Press release]. <https://naacp.org/articles/coalition-civil-rights-labor-and-social-justice-organizations-launch-fighting-our-vote>.

⁴ Texas A&M University Bush School of Government and Public Service. (2021, July 29). Texas A&M Bush School Center Launches Social Justice Leadership Certificate [Press release]. <https://today.tamu.edu/2021/07/29/texas-am-bush-school-center-launches-social-justice-leadership-certificate/>.

Non-profit development staff—including planned giving teams—have also been tasked with promoting their organizations’ DEI work. However, the intersection between planned giving and DEI work is not always apparent or easy. The simplest, most obvious change that many planned giving departments have implemented is to update the images used in their marketing materials to represent a broader, more inclusive cross-section of people. While increasing representation in the photos used in marketing materials is essential, it is not enough.

The question we will address in this series of reports is: How can planned giving professionals move beyond simply diversifying the images used in planned giving marketing and develop a deeper understanding of how our sector should think about making the world of planned giving more inclusive for communities of color?

Our goal is to look deeply and honestly at the roots of why there are comparatively fewer people of color leaving planned gifts to non-profit institutions. It will not always be comfortable to do so, nor is it intended to provide simple soundbytes or turn-key solutions to a multifaceted problem.

Here is what we know:

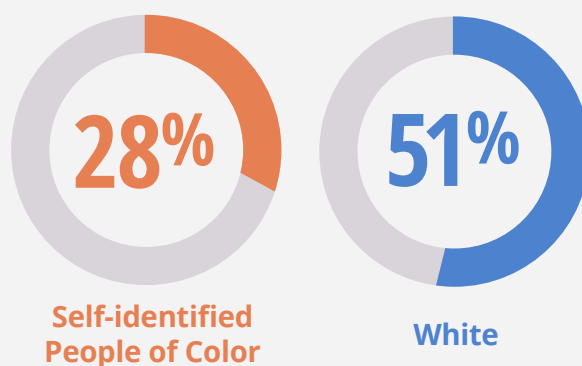
1. **People of color are not less charitably inclined than their white counterparts.**⁵
2. **To leave a planned gift, such as a bequest, a person must have a will.**
3. **People of color complete their estate plans at significantly lower rates than white people.**⁶

To illuminate the last point above, let’s look at some statistics on rates of estate planning in different racial and ethnic communities. Data on estate planning show that 28% of adults who identify as people of color have an active will, while 51% of white Americans have one.⁷ White Americans are almost three times more likely to have completed estate planning as Black or Latinx Americans.⁸ Lower rates of estate planning among communities of color have also been observed in the non-profit sector, where Black Americans typically leave fewer charitable bequest gifts than their white counterparts. While Black Americans have been found to be significantly less likely than white Americans to have a will or trust with a charitable component, this seems to be primarily correlated with lower rates of estate planning itself and not with lower rates of charitable intent.⁹



ESTATE PLANNING BY THE NUMBERS

AMERICAN ADULTS WITH AN ACTIVE WILL



Source: Jeffery M. Jones, *Majority in U.S. Do Not Have a Will*, Gallup Politics (2016)

AMERICAN ADULTS WITH COMPLETED ESTATE PLANNING



Source: Diane J. Klein, *Knocking on Heaven’s Door: Closing the Racial Estate-Planning Gap by Ending the Ban on Live Person-Person Solicitation*, 44 J. Legal Prof. 3 (2019)

⁵ Jennifer Lehman and Russell N. James III, *The Charitable Bequest Gap Among African Americans: Exploring Charitable, Religious, and Family Estate Planning Attitudes*, 17 *Journal of Personal Finance* 1, 43-56 (2018).

⁶ See, Jones, J. (2016, May 8). Politics. Gallup. Retrieved from <https://news.gallup.com/poll/191651/majority-not.aspx>; See also, Shinae L. Choi, Ian M. McDonough, Minjung Kim, and Giyeon Kim, *Estate Planning Among Older Americans: The Moderating Role of Race and Ethnicity*, 2 *Financial Planning Rev.* 3 (2019) (utilizing the Health & Retirement Study to analyze health care related planning such as advanced care directives); Marsha A. Goetting and Peter Martin, *Characteristics of Older Adults with Written Wills*, *Journal of Family and Economic Issues* 22 (2001); Diane J. Klein, *Knocking on Heaven’s Door: Closing the Racial Estate-Planning Gap by Ending the Ban on Live Person-Person Solicitation*, 44 J. Legal Prof. 3 (2019); Lehman et al., *supra* note 5.

⁷ Jones, *supra* note 6.

⁸ Choi et al., *supra* note 6; Klein, *supra* note 6; Leman et al., *supra* note 5.

⁹ Lehman et al., *supra* note 5.



The planned giving sector in the U.S. must learn from history and develop better, more inclusive practices to help overcome the barriers faced by people of color in creating estate plans that protect their families, express their values, and build the intergenerational wealth from which white Americans have benefited. Only by increasing the rate of estate planning in communities of color can we ever hope to create more inclusive and diverse planned giving programs that will grow the stream of future revenue for non-profit organizations.

Subsequent installments of this report series will explore how historical and structural policies and practices have often prevented communities of color from accumulating and transferring wealth, together with cultural and individual-level barriers within these communities. Because of the importance of proper estate planning in a family's ability to accumulate and transfer wealth (whether to heirs or charities), we will conclude this series with meaningful and specific ways that planned giving professionals can help create parity and expand inclusivity for our institutions and donors.

Coming up in the next installment:

Historical Barriers to Estate Planning in Communities of Color



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