

# PRESBYTERIAN PANEL SUMMARY

*Listening to Presbyterians*



## AUGUST 1994 CHARITABLE GIVING AND ESTATE PLANNING

	<u>Members</u>	<u>Elders</u>	<u>Pastors</u>	<u>Specialized Clergy</u>
Number of Panelists . . . . .	1,465	1,348	1,257	686
Number of questionnaires returned . . . . .	852	841	894	490
Percent returned . . . . .	58%	62%	71%	71%

The August 1994 Presbyterian Panel focused on charitable giving and estate planning. The survey questionnaire was developed by staff members within the Research Services Office of the Presbyterian Church (U.S.A.) in conjunction with the Presbyterian Church (U.S.A.) Foundation.

### **MANY CLERGY BUT FEW MEMBERS FAMILIAR WITH PC(USA) FOUNDATION**

Survey findings reveal that members of the clergy (i.e., pastors and specialized clergy) are far more familiar with the Presbyterian Church (U.S.A.) Foundation than are lay persons. When asked if they are familiar with the PC(USA) Foundation, 91% of pastors and 80% of specialized clergy indicated that they were generally familiar with the PC(USA) Foundation. In contrast, only 40% of elders and 26% of members said they were generally familiar with the Foundation.

Similar differences were found to exist between members of the clergy and members of the laity when panelists were questioned about their familiarity with the services that the Foundation offers to individuals and to congregations. In each instance, pastors were *most* familiar with the services of the Foundation and members were *least* familiar with the Foundation's services.

Regarding services the Foundation offers *to individuals*, 70% of pastors, 56% of specialized clergy, 24% of elders, and only 14% of members indicated that they were familiar with the Foundation's services for

individuals. Similarly, 78% of pastors, 59% of specialized clergy, 27% of elders, and 16% of members said that they were familiar with the services that the Foundation offers for congregations.

### **FEW MEMBERS HAVE HAD OPPORTUNITIES TO TALK WITH FOUNDATION REPRESENTATIVES**

Few members have had opportunities to talk with Foundation representatives. Indeed, when asked, "Have you ever been given the opportunity to talk with a representative of the PC(USA) Foundation?" only 9% of members indicated that they had been given such opportunities. In contrast, 80% of pastors and 62% of specialized clergy said they have been given such opportunities.

### **CLERGY MORE LIKELY TO BE EXPOSED TO PC(USA) FOUNDATION BROCHURES**

When we asked panelists if they had seen materials or brochures within the last two years that explain the services of the PC(USA) Foundation, another discrepancy was found between members of the clergy and laity. The vast majority (86%) of pastors have seen PC(USA) Foundation brochures (or other materials) in the last two years. In contrast, only 12% of members said they had seen such materials in the last two years. Indeed, these findings suggest that—to a certain extent—pastors receive information from the Foundation, but either do not pass that information on to members, or are selective in doing so.

## **INFORMATION PROVIDED BY THE FOUNDATION IS EVALUATED FAVORABLY**

Judging from the results of this survey, it appears that Presbyterian members, elders, pastors, and specialized clergy are pleased with the quality of resource materials provided by the Foundation. In fact, among those panelists who have seen Foundation materials, 82% of pastors, 82% of specialized clergy, 78% of elders, and 74% of members expressed their belief that the information provided is "generally accurate." Similarly, more than 80% of respondents in each sample indicated that the information provided is "quite helpful," more than 75% in each sample said that such information is "informative," and over 70% of respondents in each sample reported that the information provided by the Foundation is "interesting."

Respondents were a little more critical of the Foundation when it came to evaluating the technicality of the information the Foundation provides. When asked if the information provided by the Foundation is "too technical," approximately one-third of the respondents in each sample indicated that the information is "too technical." In contrast, approximately one-half of respondents in each sample indicated that they do *not* believe the information is "too technical."

## **LITTLE CONGREGATIONAL EMPHASIS ON "PLANNED GIVING" PROGRAMS**

When asked if their congregations "actively seek gifts through 'planned giving' programs" whereby individuals are encouraged to leave gifts from their estates to the church after their deaths, relatively modest percentages of respondents reported such congregational activities. Rather, 60% of elders and 61% of pastors indicated that their congregations do not actively seek gifts through "planned giving."

## **FEW CONGREGATIONS OBSERVE WILLS EMPHASIS SUNDAY**

When asked about congregational observance of "Wills Emphasis Sunday," fewer than one-third of panelists reported that their congregations have observed a "Wills Emphasis Sunday" in the last two years. In contrast, 74% of elders and 66% of pastors indicated that their congregations have *not* observed a "Wills Emphasis Sunday" in that period.

## **HALF OF PRESBYTERIAN CONGREGATIONS HAVE ENDOWED FUNDS**

Judging from the responses of pastors and ruling elders to this Panel questionnaire, it appears that slightly more than one-half of all Presbyterian congregations hold endowment funds. When asked whether or not their congregations have endowment funds or programs, 59% of pastors and 51% of elders indicated that their churches do have endowment funds.

When Panel respondents whose churches have endowed funds were asked about management of their churches' endowments, their responses revealed that such endowments are frequently managed by congregational committees, local banks, boards of trustees, and by the PC(USA) Foundation. Indeed, 53% of pastors indicated that some of the endowed funds of their congregations are managed by "congregational committees," 48% reported that such funds are managed by "local banks," 47% indicated that their endowments are managed by the congregation's "board of trustees," and 42% of pastors said that the congregation's endowed funds are managed by the PC(USA) Foundation.

## **MAJORITIES CONFIDENT IN THEIR ABILITIES TO MANAGE THEIR PERSONAL FINANCES**

While majorities in all samples report they are confident in their abilities to manage their personal finances, it appears that members of the clergy are less confident than lay persons in their abilities. Among respondents to this survey, 55% of pastors and 56% of specialized clergy reported that they are confident or very confident in their abilities to manage their personal finances. In contrast, 69% of members and elders indicated that they are confident or very confident in their abilities to manage personal finances.

## **MANY PRESBYTERIANS WORRY ABOUT RETIREMENT INCOME**

Panel survey responses show that pastors are slightly more likely than other panelists to worry about their future retirement incomes. Indeed, 64% of pastors who responded to this survey indicated that they do worry about their future retirement income. By way of comparison, only 55% of members, 55% of elders, and 56% of specialized clergy said they worry much about their future retirement incomes.

**MOST PRESBYTERIANS EXPECT TO HAVE ACCUMULATION OF ASSETS AT DEATH**

When asked if they think they will have remaining assets at the time of their deaths, approximately three in four Panelists indicated that they *do* expect to have remaining assets at the time of death. In contrast, 15% or fewer in each sample indicated that they do *not* expect to have remaining assets at the time of death. (The remainder of respondents in each sample said that they “don’t know” whether or not they will have remaining assets).

**FOUR IN TEN MEMBERS WANT TO SUPPORT THE CHURCH AFTER DEATH . . .**

It appears that pastors have a greater desire to support the church after death than do members, elders, or specialized clergy. Indeed, when asked, “Would you like to support the church after your death?” 76% of pastors answered affirmatively. In contrast, 62% of specialized clergy, 52% of elders, and only 41% of members said they would like to support the church after their deaths.

**. . . BUT ONLY TWO IN TEN PLAN TO MAKE A BEQUEST TO THE CHURCH**

Similar differences among the Panel samples emerged regarding plans to make a bequest to the church. Half of pastors said that they currently plan to bequeath a portion of their assets to the church when they die. In contrast, 40% of specialized clergy, 30% of elders, and 20% of members reported similar plans.

**LARGE MAJORITIES OF PRESBYTERIANS HAVE WRITTEN WILLS**

Most Presbyterians have written wills. Indeed, 77% of members, 78% of elders, 78% of pastors, and 79% of specialized clergy reported that they have written wills. What’s more, nearly half of all respondents indicated they have taken steps to update their wills since they wrote them initially—50% of members, 40% of elders, 47% of pastors, and 46% of specialized clergy have updated their wills.

**ATTORNEYS MOST LIKELY TO BE CONSULTED FOR ASSISTANCE WHEN WRITING WILLS**

More than 90% of respondents in each of the samples indicated that they had consulted an attorney when

writing their wills. As can be seen in the table, far fewer respondents reported that they consulted with family members or with financial advisors when they wrote their wills. Even fewer reported that they consulted with representatives of private charities or private foundations, including representative of the PC(USA) Foundation.

**PERCENTAGES OF PANELISTS WHO CONSULTED VARIOUS SOURCES OF ASSISTANCE WHEN WRITING THEIR WILLS**

	Members	Elders	Pastors	Specialized Clergy
An attorney . . . . .	90%	91%	93%	90%
Family members . . . . .	47%	52%	51%	58%
Financial advisor, estate planner, or financial consultant . . . . .	22%	22%	18%	21%
Friends . . . . .	13%	10%	23%	22%
Representative of the PC(USA) Foundation . . . . .	1%	*	3%	4%
Your pastor/another pastor . . . . .	1%	*	2%	4%
Representative of a college, university, or seminary . . . . .	1%	1%	2%	3%
Representative of a secular charity . . . . .	1%	-	1%	1%

\* = less than 0.5%—rounds to zero; - = zero (no cases in this category)

**FAMILY MEMBERS ARE MOST COMMON BENEFICIARIES**

Presbyterians are more likely to bequeath their assets to family members than to the church, charitable organizations, educational institutions, or other interest groups.

In each Panel sample, more than 85% of respondents indicated that their spouses are listed as beneficiaries in their wills. Similarly, 64% of members, 65% of elders, 78% of pastors, and 65% of specialized clergy said their dependent children are included as beneficiaries in their wills. And, non-dependent family members are listed as beneficiaries in the wills of approximately one-half of the respondents in each sample.

In contrast, only 11% of members, 16% of elders, 21% of pastors, and 12% of specialized clergy indicated that their congregations are designated as beneficiaries, and even fewer respondents said they have included other entities of the denomination (i.e., presbyteries, synods,

the national church, or one of its mission projects) as beneficiaries in their wills.

It is worth noting that members of the clergy are more likely than lay persons to report that their wills include a non-congregational entity of the denomination or a Presbyterian college/seminary as a designated beneficiary.

#### **MOST PRESBYTERIANS HAVE LIFE INSURANCE, BUT FEW DESIGNATE THE CHURCH AS A BENEFICIARY**

The vast majority of Presbyterians carry life insurance—90% of pastors, 87% of specialized clergy, 86% of elders, and 81% of members indicated that they have one or more life insurance policies.

When asked if they have designated any charitable organizations (such as a church or other non-profit agency) as beneficiaries of their life insurance policies, only 4% of pastors, 4% of specialized clergy, 2% of elders, and 1% of members indicated they have done so. It appears that Presbyterians are not utilizing life insurance benefits as a means by which to support the work of the church.

#### **FEW PRESBYTERIANS HAVE SET UP LIFE INCOME PLANS**

“Life income plans” are contractual agreements whereby an individual donor gives a portion of his or her assets to

a charitable group with the agreement that those assets will provide an annual income *to the donor* (or other designated recipient) throughout the remainder of the donor’s (or other recipient’s) lifetime. Following the death of the donor (or designated recipient), remaining assets are left as a gift to the charitable group.

Members of the clergy are generally more familiar than lay persons with these types of arrangements. Indeed, only 39% of members and 48% of elders said that they were aware of the existence of life income arrangements prior to receiving the Panel questionnaire. In contrast, 75% of pastors and 72% of specialized clergy said that they were previously aware of the existence of life income gifts. These findings suggest that pastors who are informed about life income gifts through the promotional materials of the Presbyterian Church (U.S.A.) Foundation may not be passing that information on to members.

Given the low levels of awareness among members and elders concerning life income gifts, it not surprising to find that very few have entered into a “life income arrangement” with the any charitable group. Even among clergy, where awareness is much higher, few report such arrangements. Indeed, only 1% in each sample reported that they have set up a “life income plan.” Presbyterians, by and large, are not utilizing life income arrangements as a means by which to support the work of the church.

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The findings of this survey are presented in greater detail in the companion *Presbyterian Panel Report*, to be published in March 1995. To order a copy of that *Panel Report*, send a check for \$5 to the address below. The *Panel* is administered by the Office of Research Services of the Presbyterian Church (U.S.A.). Copies of Panel reports are also available in synod and presbytery offices, resource centers, and in the libraries of Presbyterian seminaries.

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