

What we know about gifts in wills

Will
WONDERS
NEVER CEASE.

IAC WEEK 4-10 SEPTEMBER



Give a gift to the future

**Legacy
Futures**

This morning

- 1 Welcome and intros
- 2 The Australian market
- 3 Attitudes and motivations
- 4 Over to you

A woman with red hair and glasses, wearing a blue and white floral dress, stands on the left. A man in a dark suit and light shirt stands on the right. They are in front of a brick building with arched windows and potted plants. A white circle in the center contains the text "Legacy Futures".

**Legacy
Futures**

Meet the Legacy Futures family



Meet the Legacy Futures family

Legacy Futures

**Legacy
Foresight**

Insight & Analysis

**Legacy
Voice**

Communications Strategy

**Legacy
Link**

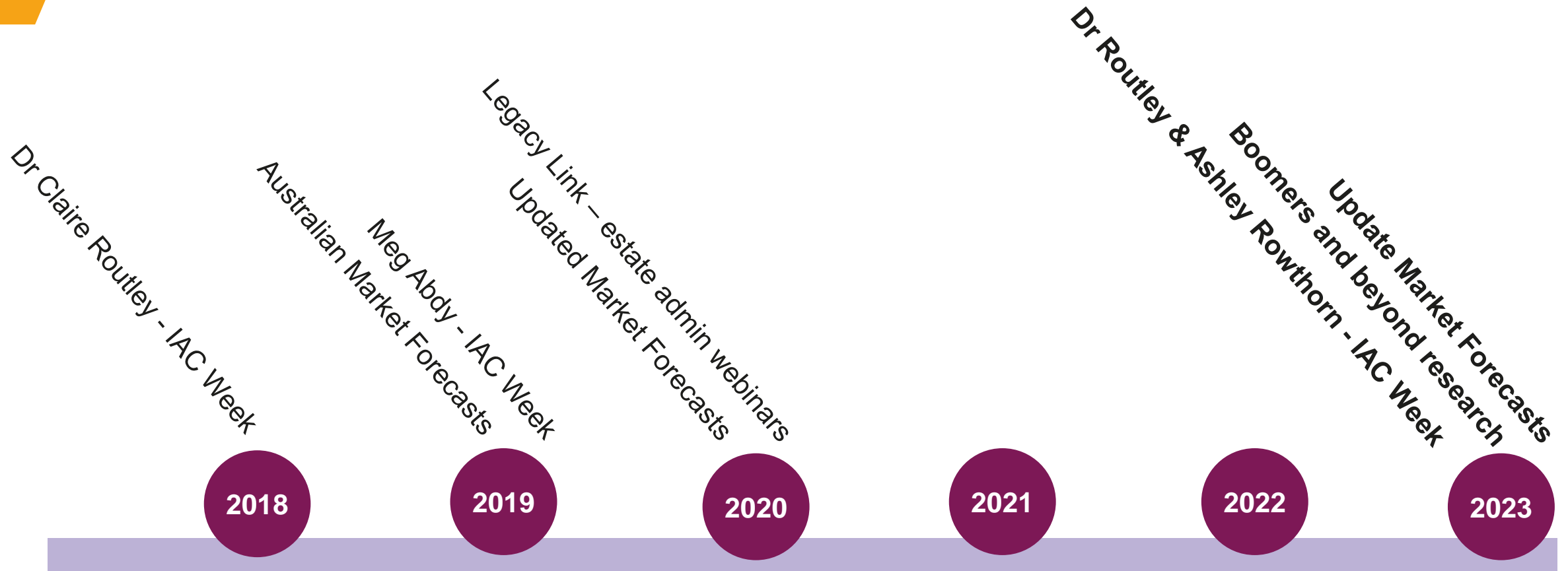
Estate Administration

Helping charities grow through the
transformative power of legacy giving.

Some of our recent partnerships



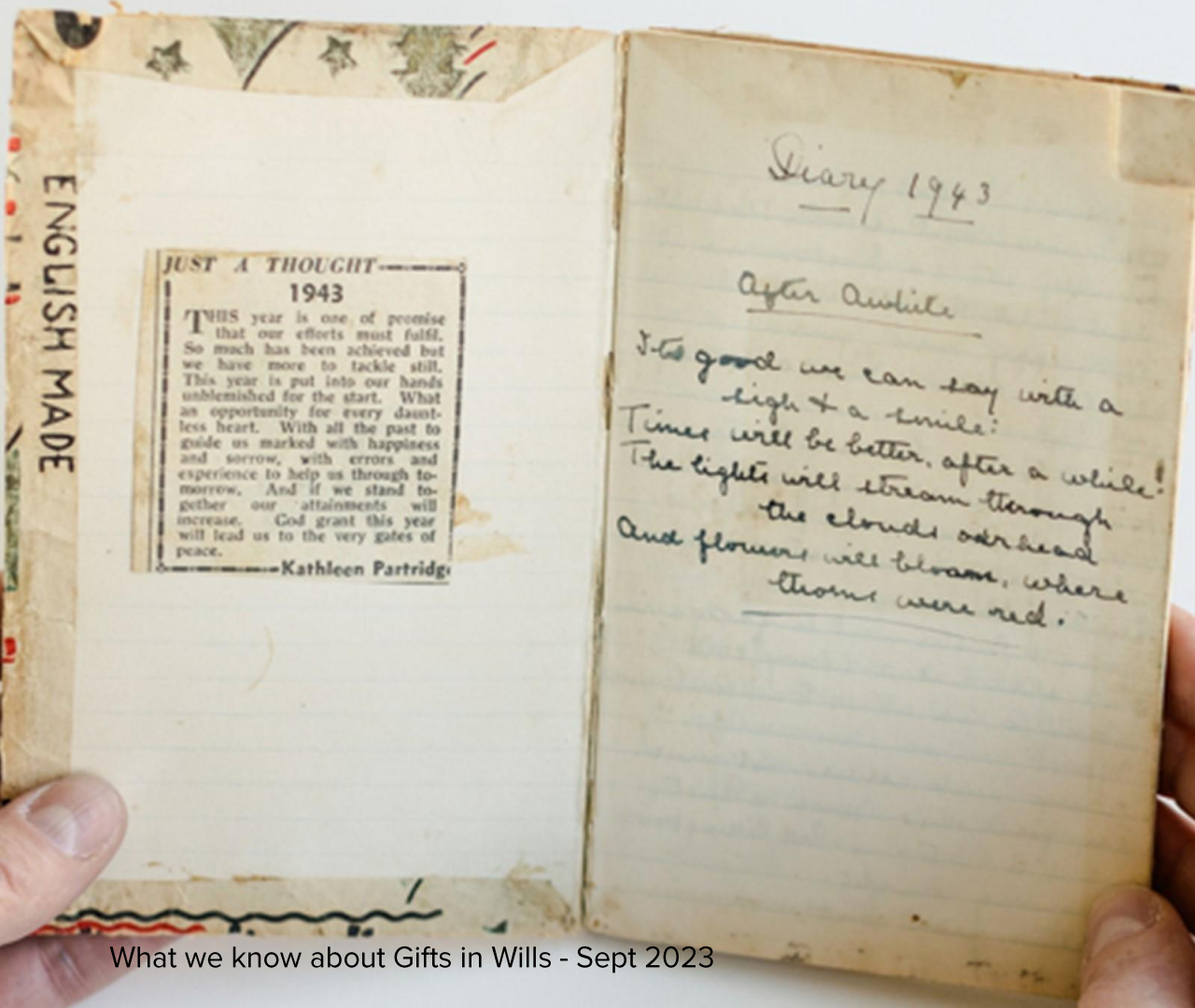
Our work with IAC so far







It will take 50 years and 4 million more London Marathon runners to raise as much as is donated in gifts in wills, every year.



Behind every gift
is a person,
and every
person, a story.



Gifts in Wills in Australia



Gifts in Wills in Australia

\$465 million

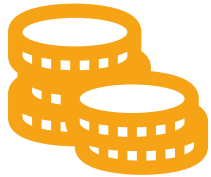
25% of fundraised income

6.3% annual growth

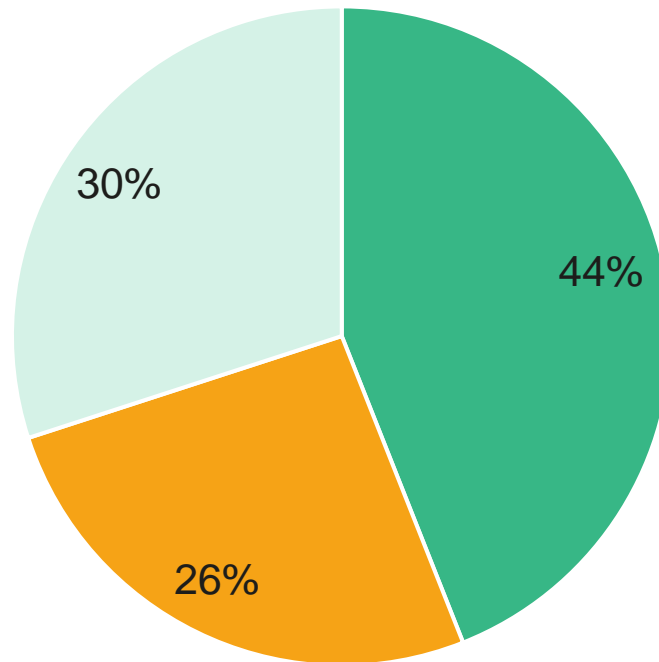
Include a Charity benchmarking, More Strategic, 2021/22

Gifts in Wills volume by type

Pecuniary



26% of gifts are cash (pecuniary)
Average gift around \$18,000



■ Residual ■ Pecuniary ■ Other

Residuary



44% of gifts are a share of estate (residuary)
Average gift around \$174,000

Include a Charity Benchmarking, 2021/22

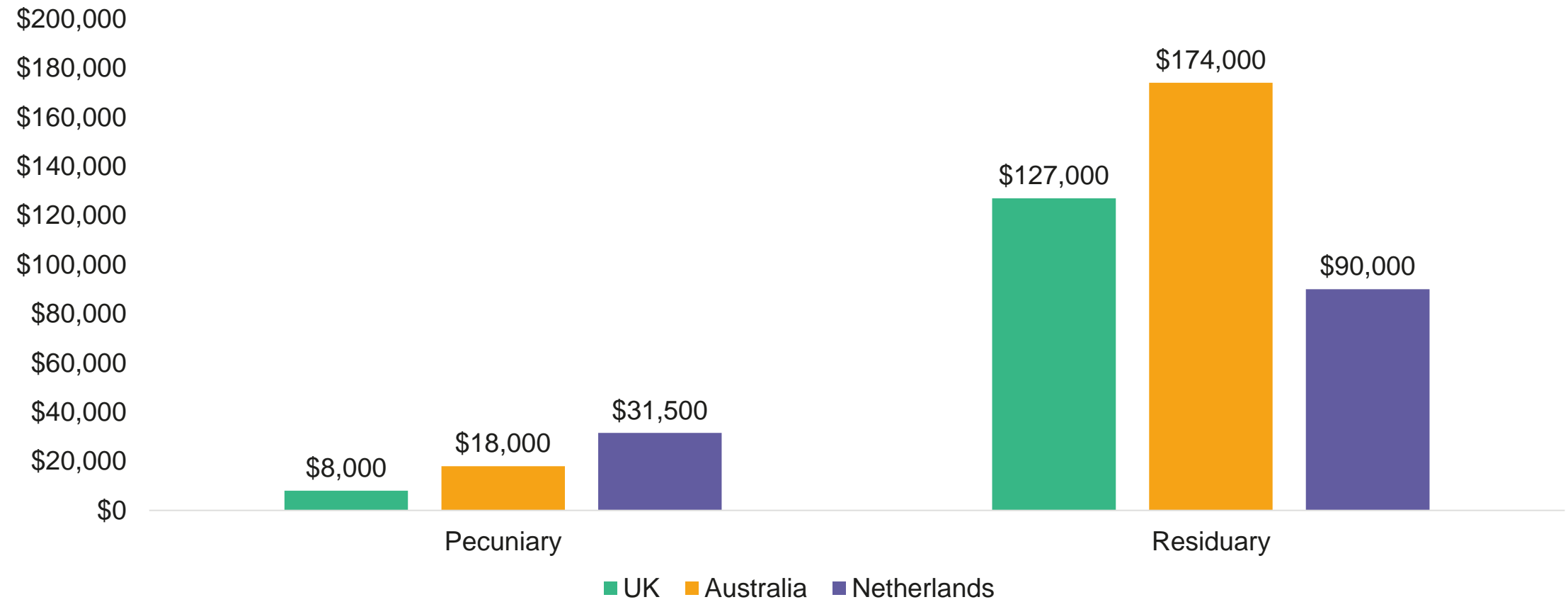
Residuary gifts contribute majority of income

80% of income from less than half of gifts.



Australian Gifts in Wills are bigger

Residuary gifts almost 50% bigger in Aus than UK



Smaller percentage of final estates with a charitable gift

7.6%

Australia
Swinburne Business School

15%

UK
Smee & Ford



UK gifts in wills market x3 bigger

Adjusted for population and exchange rate

Comparison of top 100 charities gifts in wills income



Key factors driving gifts in wills income

Demographics

Birth rates
Death rates
Life expectancy
Family circumstances

Economy and Wealth

House prices
Share prices
Wealth distribution
Super annuation
Care costs
Equity release

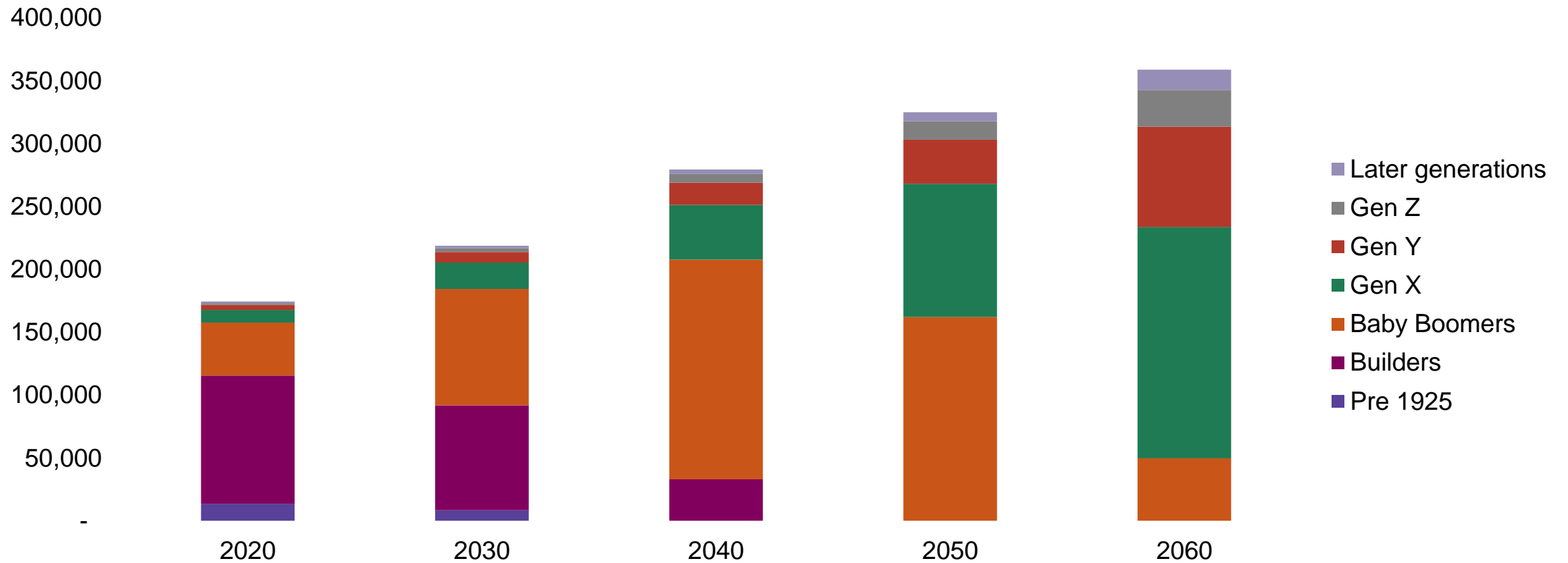
Attitudes towards charities

Attitudes to giving
Awareness and trust
Volunteering

Deaths to rise

Boomers majority of deaths by 2040, Gen X by 2060

Projected deaths by cohort





70%

Between now and 2050, 50% of gifts will come from the baby boomer generation, another 20% from Gen X.



Who are Boomers and Generation X?



The Future of Bequest Giving: Boomers and Beyond

Project Overview



The future of bequest - Boomers vs Gen X

Programme has three key elements



Desk research

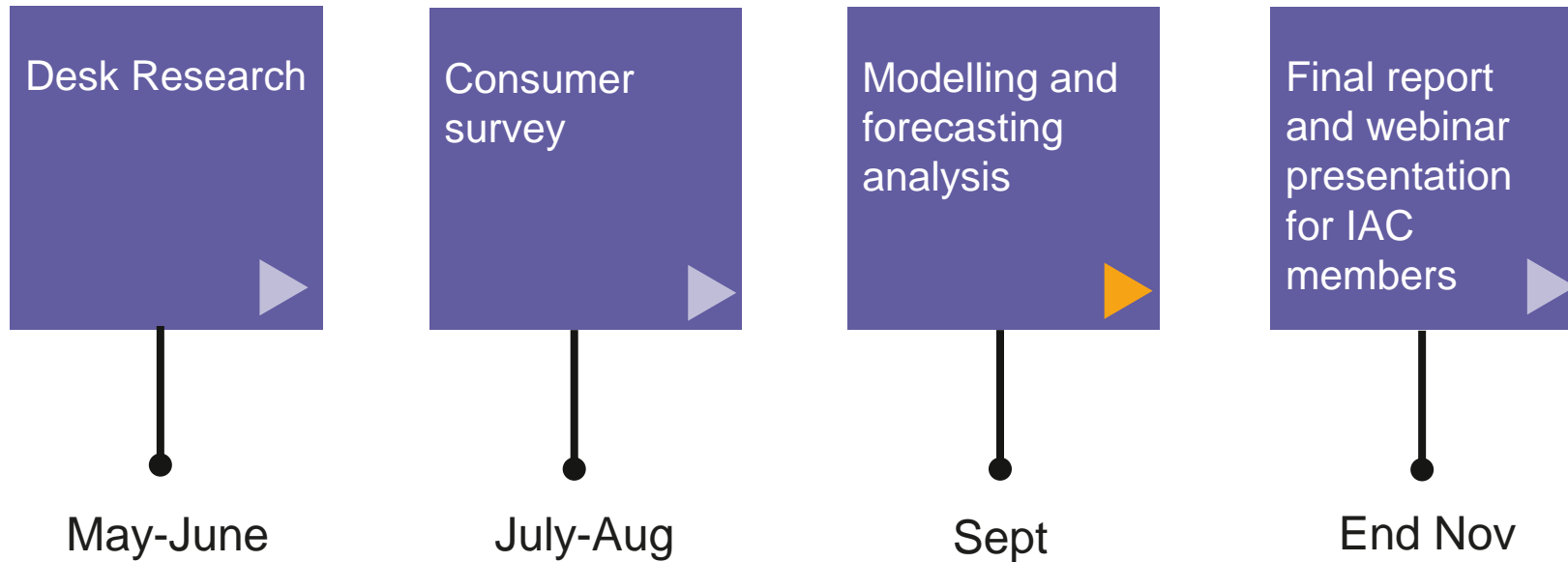


Consumer
research



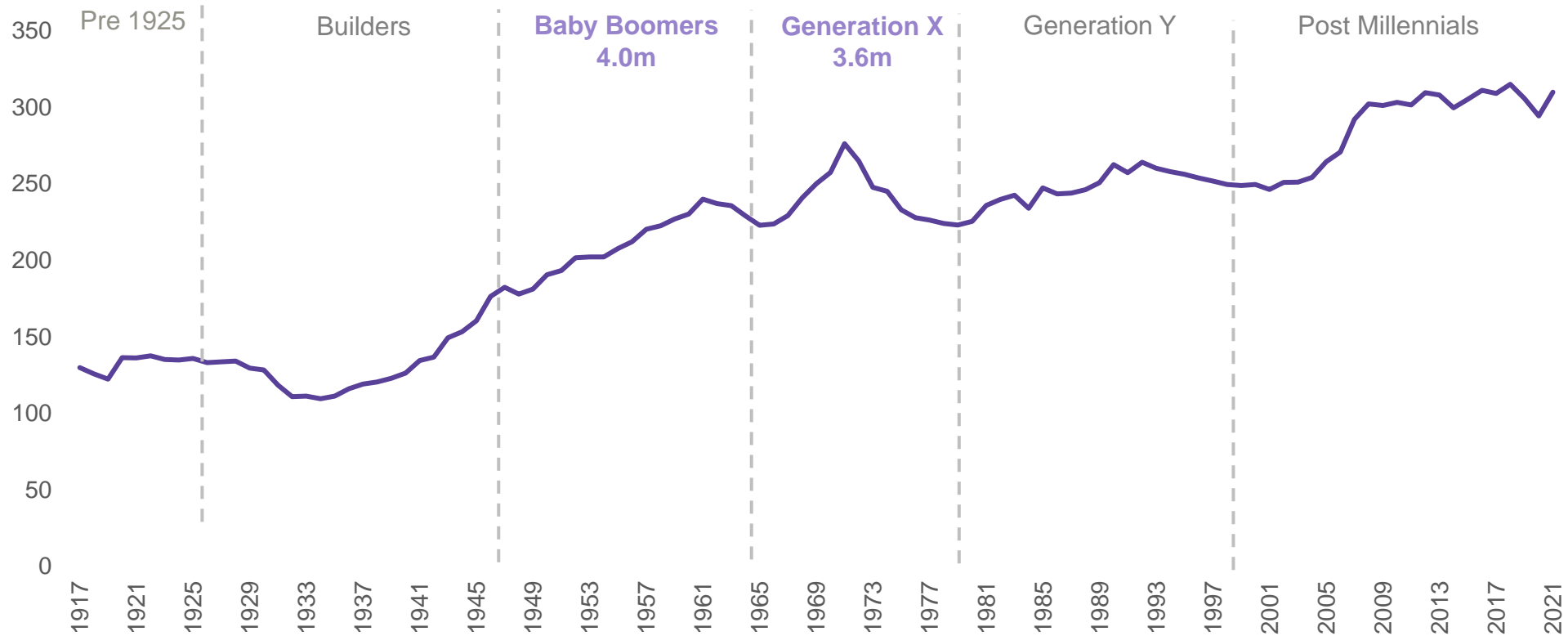
Modelling and
forecasting

Key project stages and timings



4m Baby Boomers born between 1946-1964, 3.6m Gen X born between 1965-1979

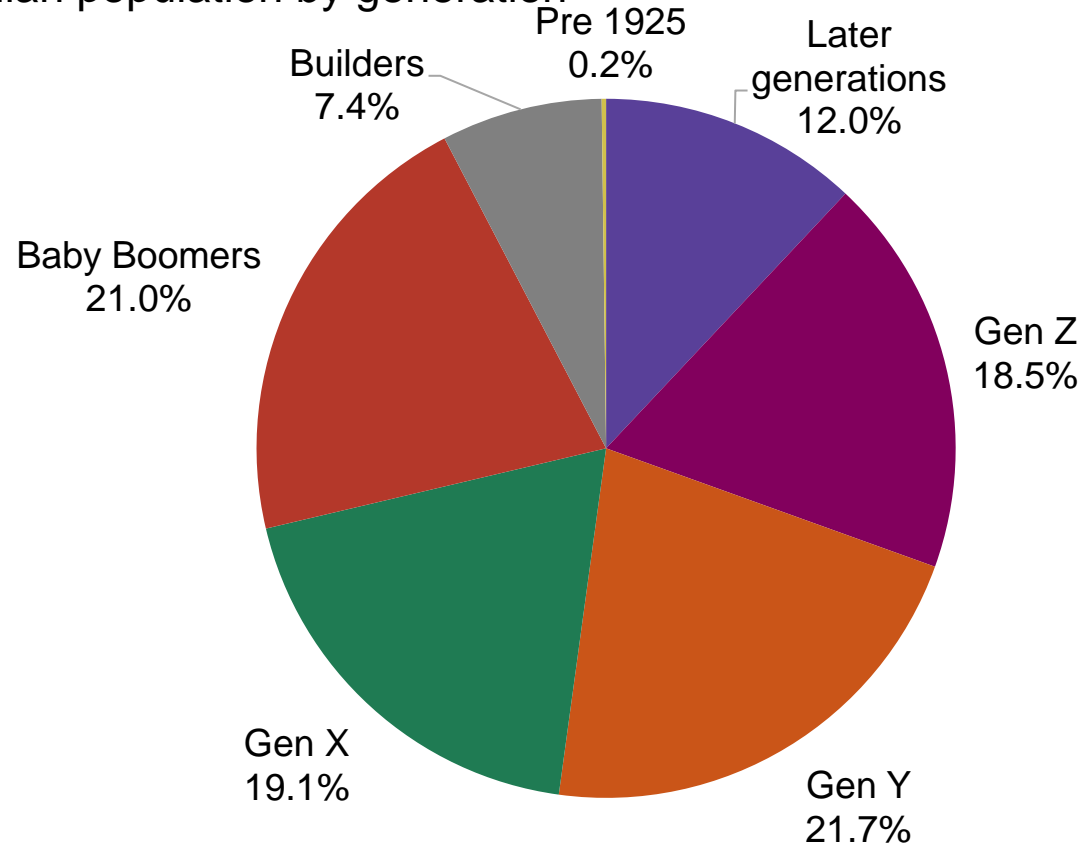
Annual births, 1917 – 2021, Australia, '000s



ABS

Boomers and Gen X are 40% of population

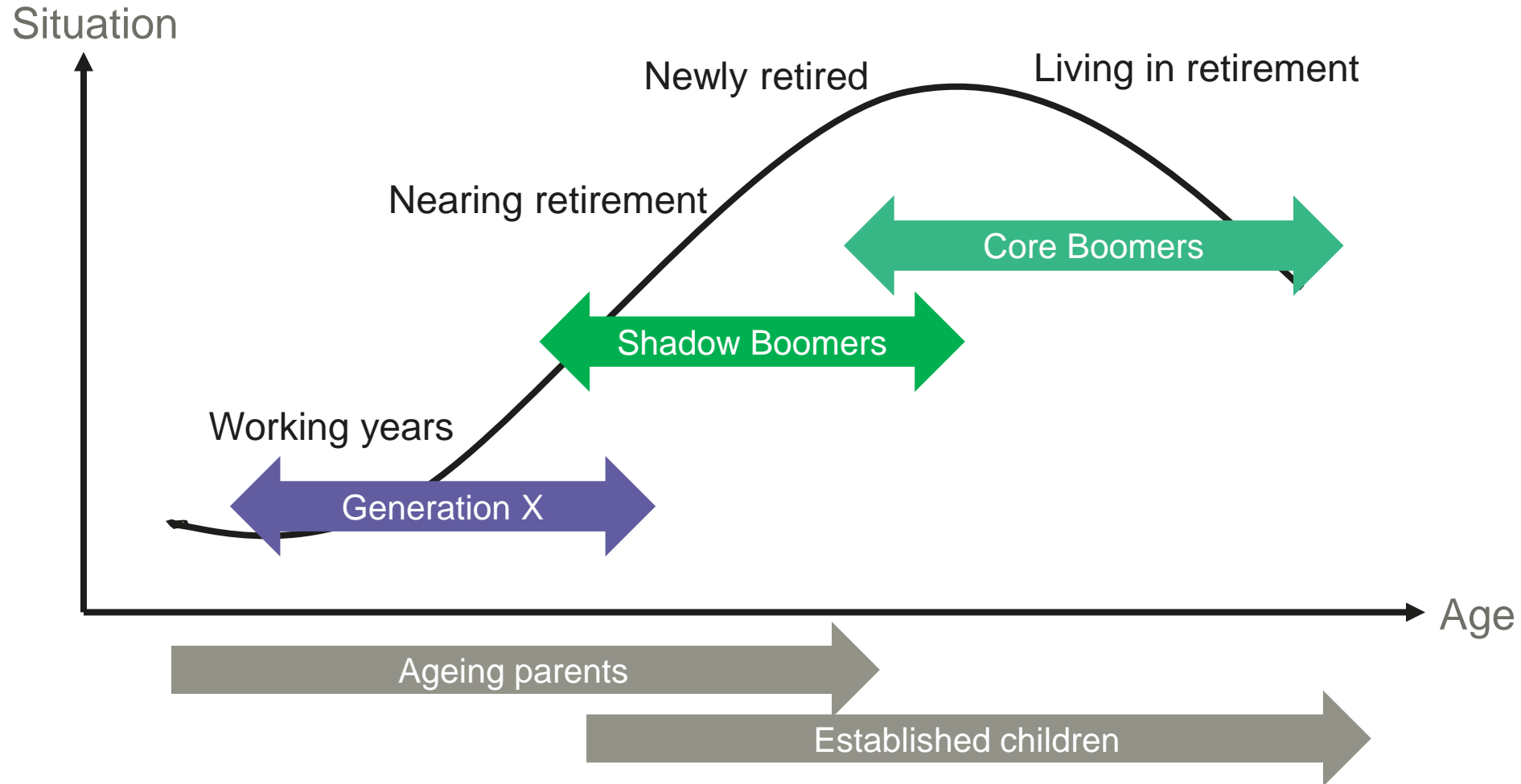
Australian population by generation



Boomers
now
5.0m
Aged 59-77

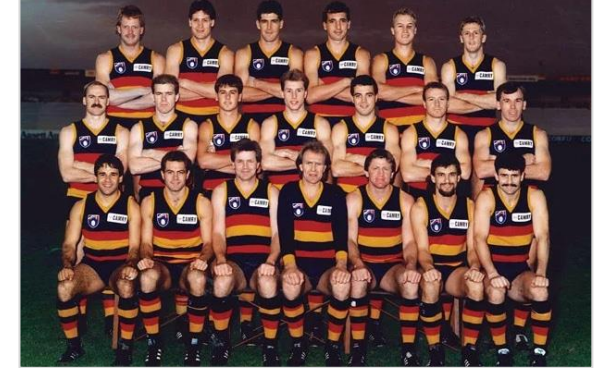
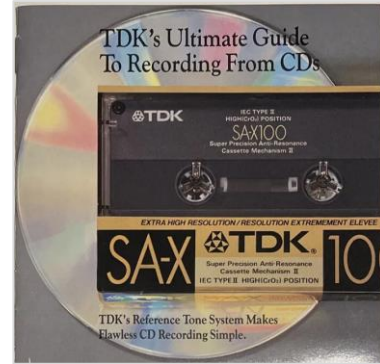
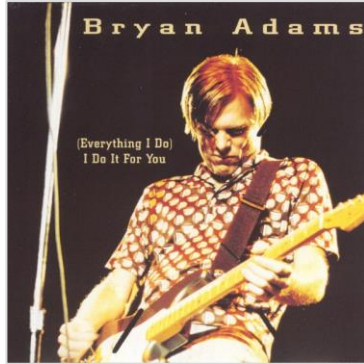
Gen X
now
5.2m
Aged 43-58

Lifestages and situations



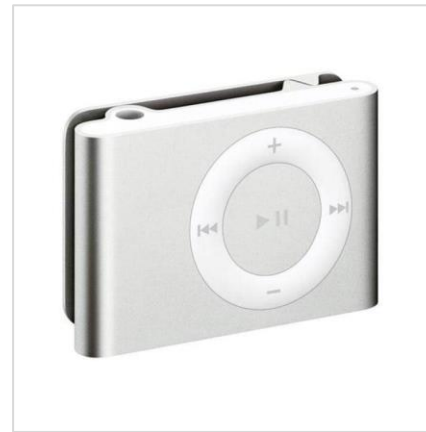
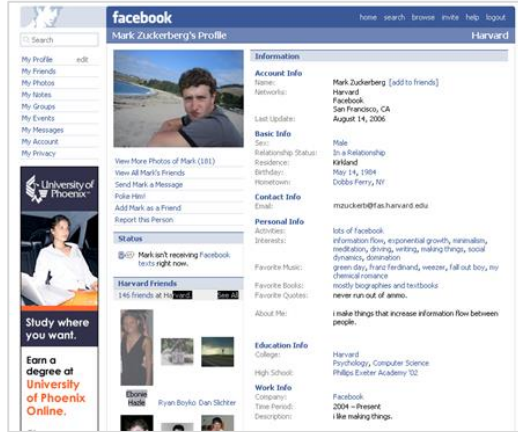
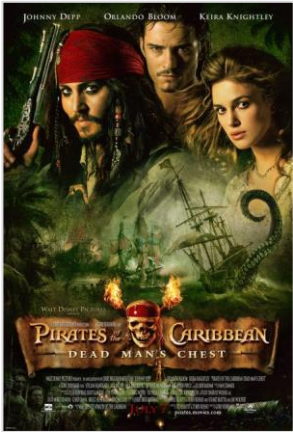
Baby boomers

Life at 40.



Generation X

Life at 40.



Moments that defined the generations



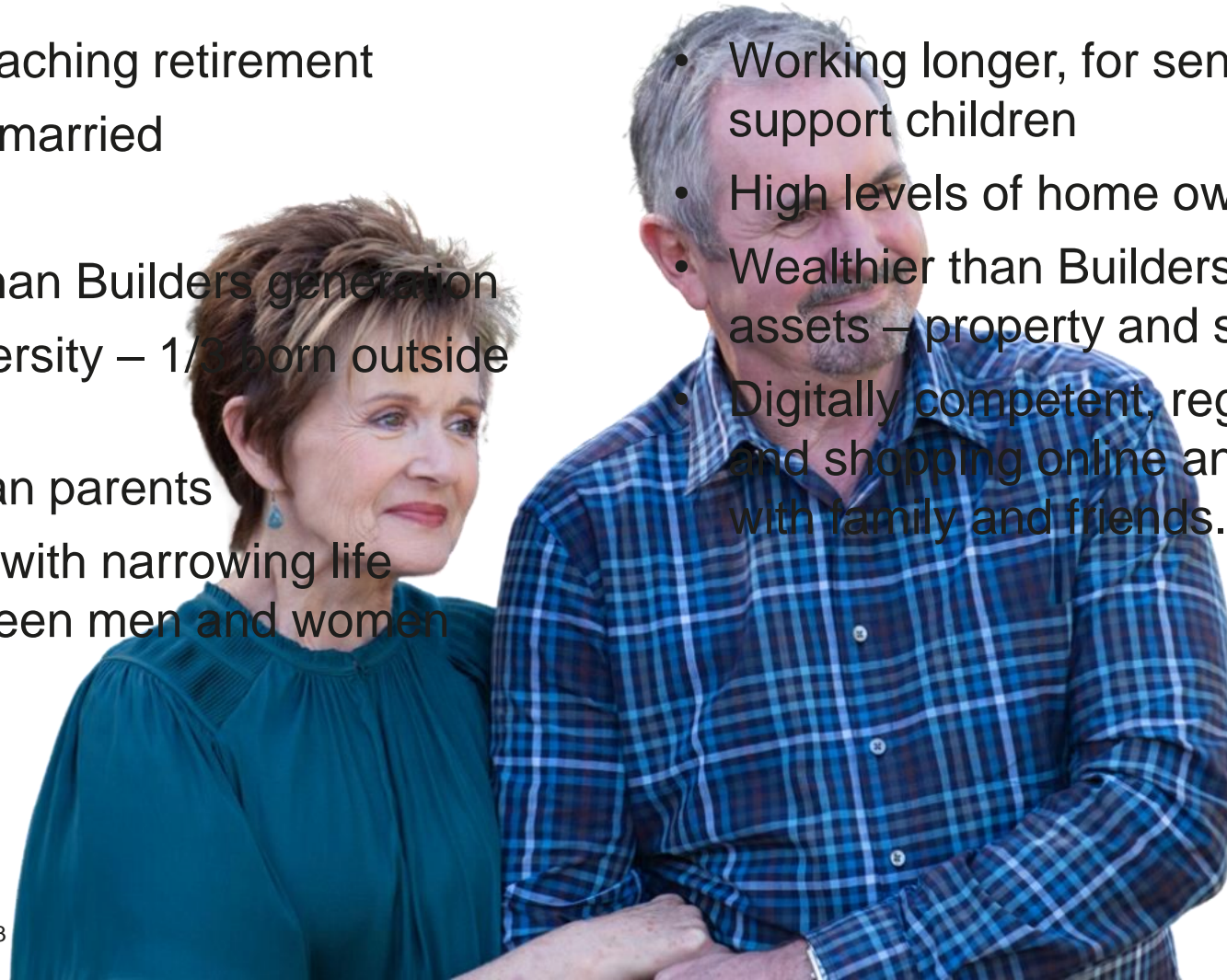
1960

1990s

Baby boomers

59 – 77 years old

- Retired, or approaching retirement
- More likely to be married
- Grandparents
- More educated than Builders generation
- Wide cultural diversity – 1/3 born outside Australia
- Less religious than parents
- Living longer but with narrowing life expectancy between men and women
- Working longer, for sense of purpose or to support children
- High levels of home ownership
- Wealthier than Builders with high levels of assets – property and superannuation pots
- Digitally competent, regularly researching and shopping online and keeping in contact with family and friends.



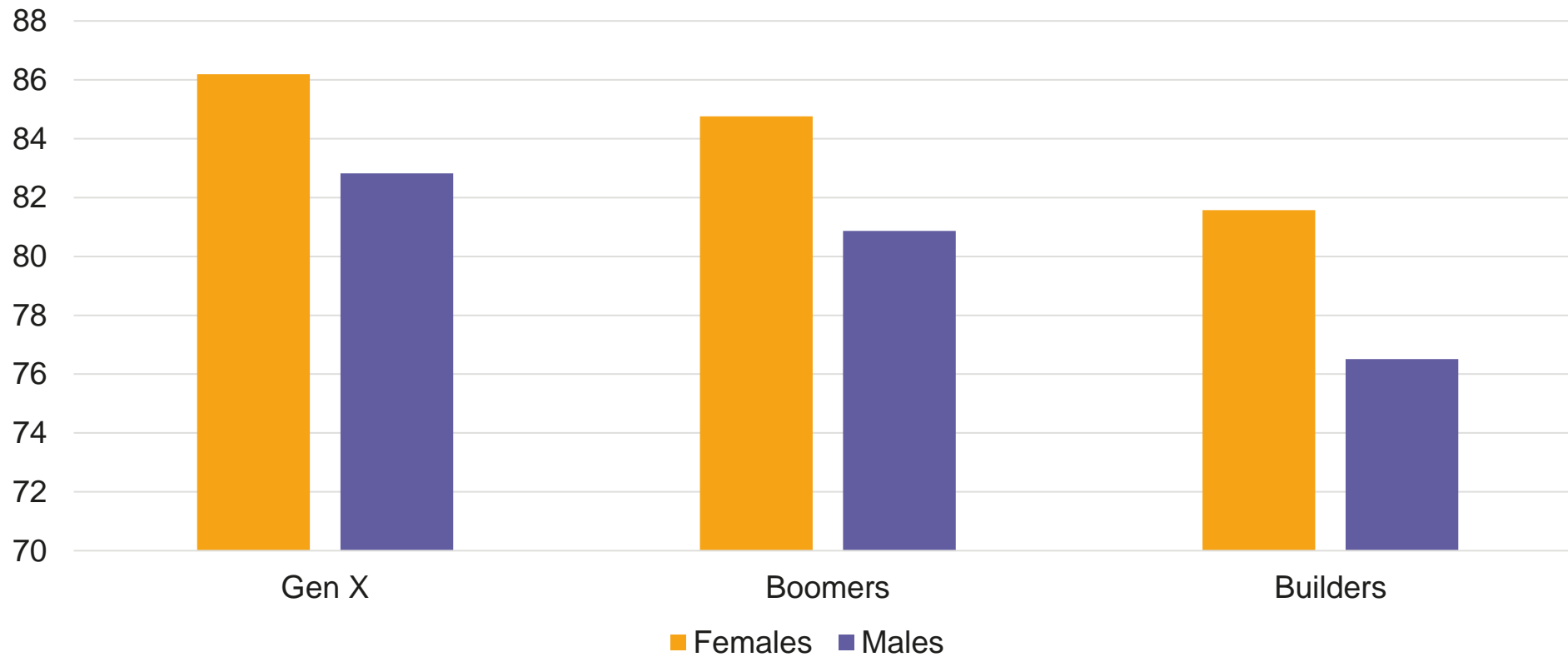
Generation X

44 – 58 years old

- Work hard, play hard mentality, striving for work-life balance
- Oldest Gen X starting to think about retirement
- More ambitious and entrepreneurial
- More likely to consider work as a career rather than just a job
- More women in the workplace and much higher levels of education
- Sandwich generation caring for parents and supporting children
- More ethnically diverse, less likely to be Christian / religious
- Many on property ladder with healthy property wealth
- More likely to have larger houses than Boomers
- But paying higher proportion of income on housing costs
- Steadily building Superannuation pots
- Digitally savvy, and see as an essential part of their life
- But appreciate their tech free childhoods (last generation that grew up without the internet / mobile phones)

Each generation living longer

Average life expectancy at 50

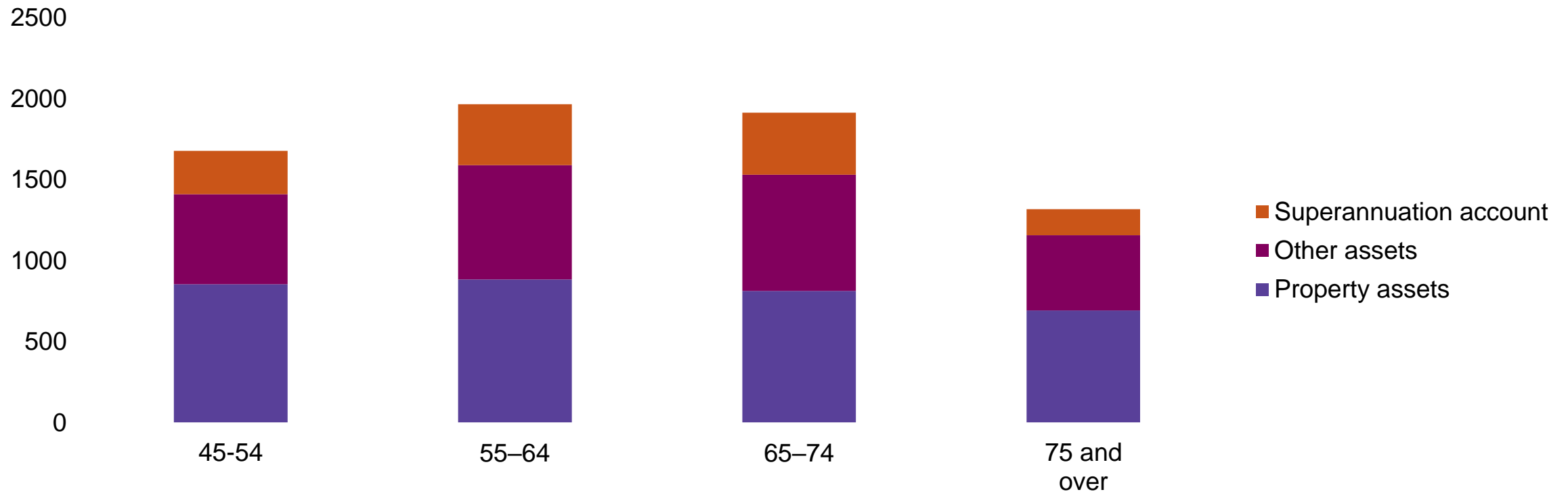


Australian Bureau of Statistics, 2023

Boomers wealthiest generation

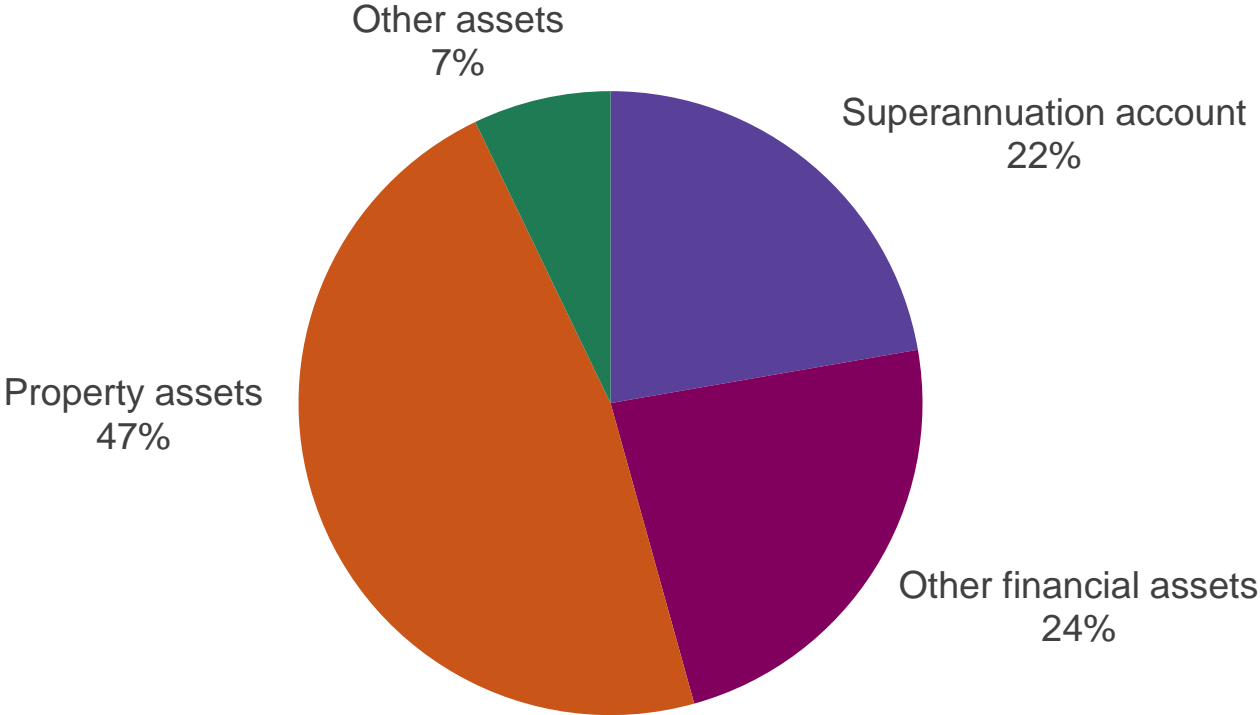
ABS statistics, 2019–20 Survey of Income and Housing, excludes liabilities

Mean household wealth, \$'000s, 2019-20



Property accounts for almost half of household wealth for older Boomers

Assets held by Australian 65-74 year olds, 2019/20



ABS Statistics, 2019-20 Survey of Income and Housing, excludes liabilities

Gen X are doing everything later...



% married
Boomers – 64%
Gen X – 57%



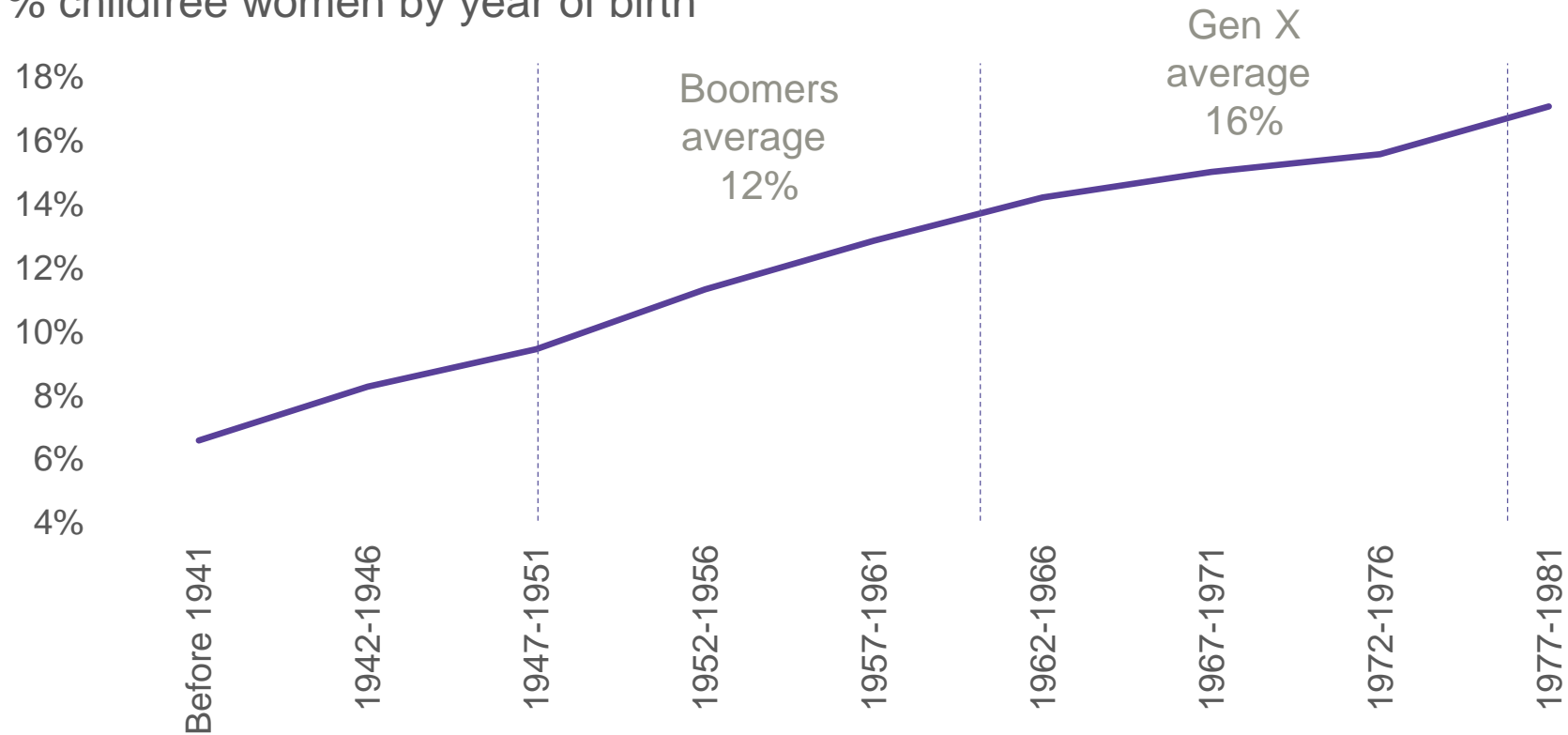
Age of marriage
Boomers – 21-25
Gen X – 24-29



Age at childbirth
Boomers – 20's
Gen X – late 20's / 30's

Less and less likely to have children

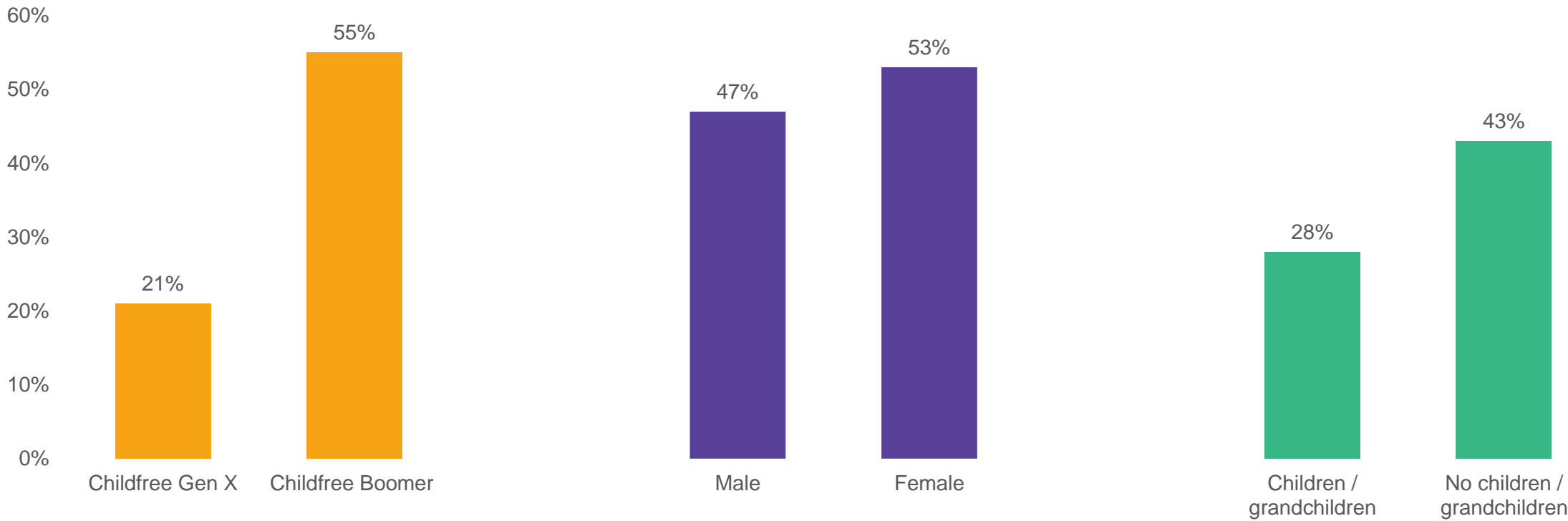
% childfree women by year of birth



ABS Census 2021

And childless people more likely to leave a gift

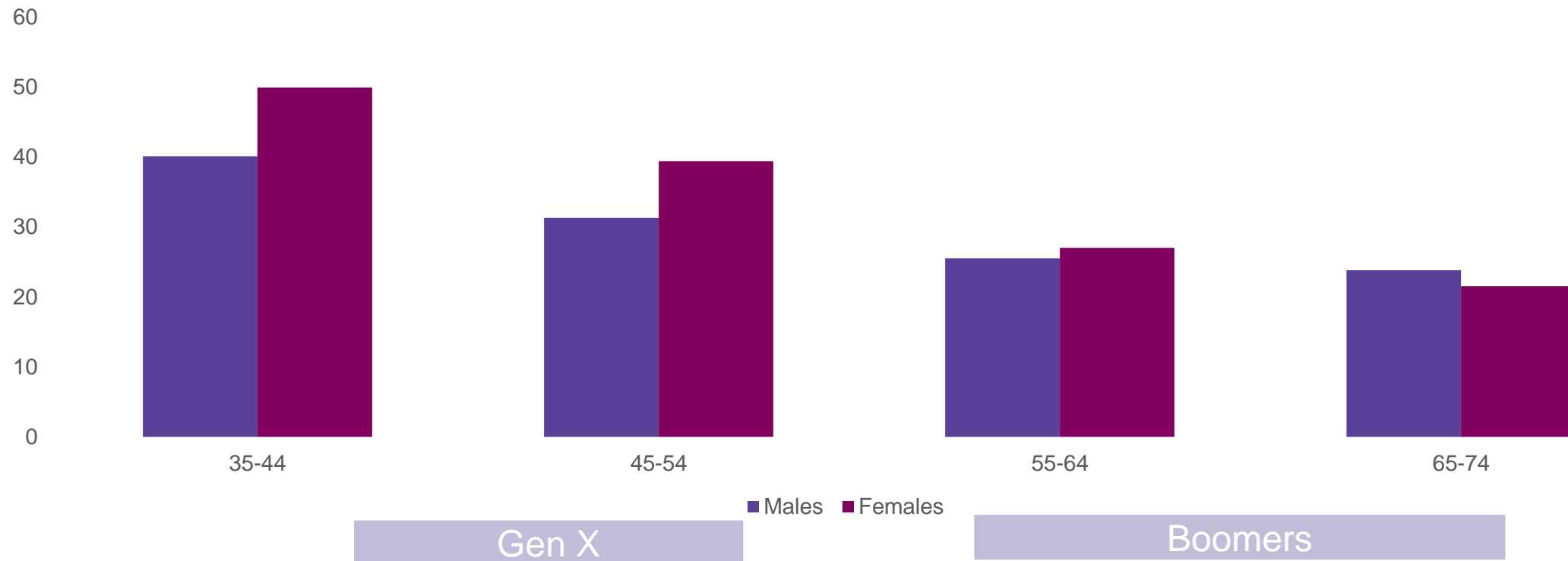
% of childfree people who have made a will that contains a gift to charity, UK



Populus online survey, June 2020, 543 adults

Increasingly educated, particularly women

% achieving a bachelor degree or above



ABS, Education and Work 2022

Boomer bequest donors expect ...

Tangibility

“ I want to picture the difference my money will make.”

Transparency

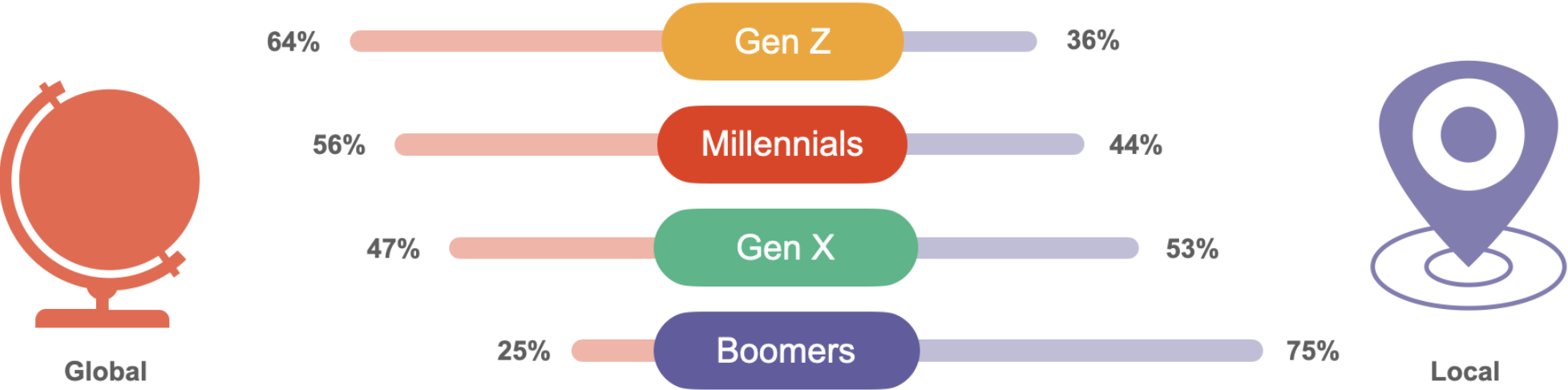
“ I want to know that my money’s being used well, not getting lost in the system”

Control

“ I want to my wishes to be taken into account, even when I’m not around”

Gen X are more likely to support global causes vs local causes for boomers

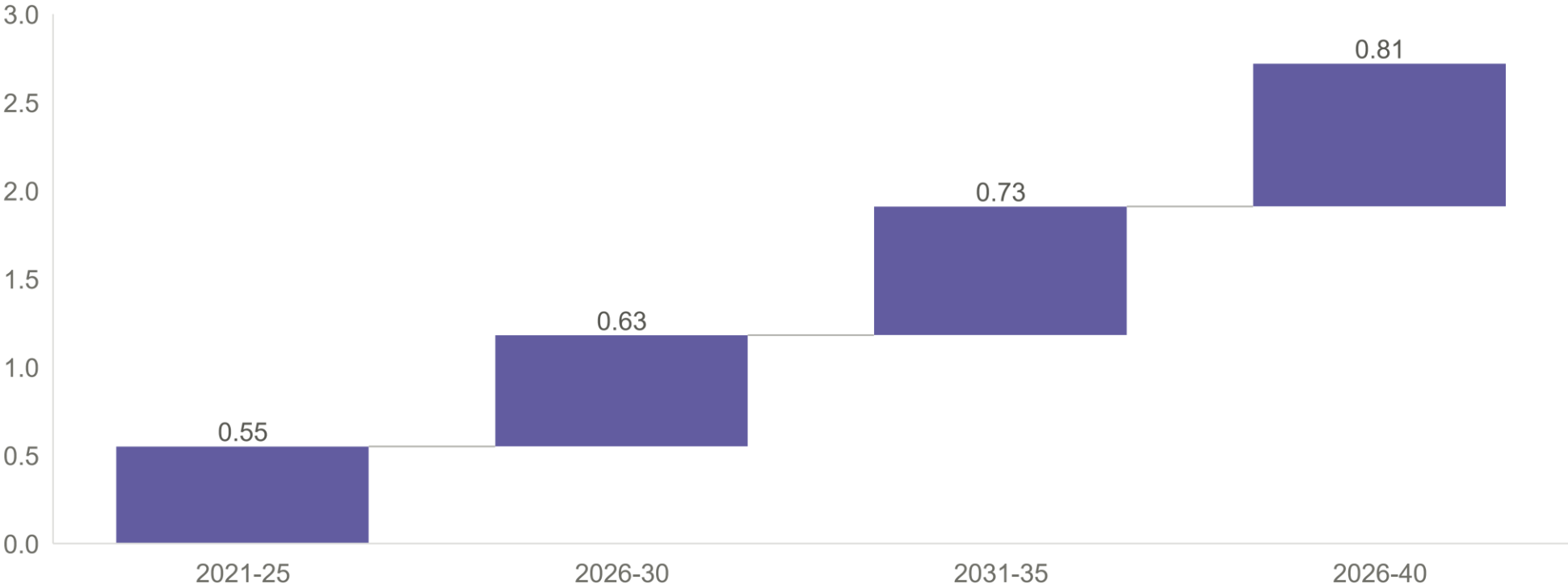
”Do you feel more of a responsibility to support global or local charities/NFPs?”



Source Mcrindle

Aging population means increasing inheritance wealth

Estimated intergeneration wealth transfer, \$ trillion

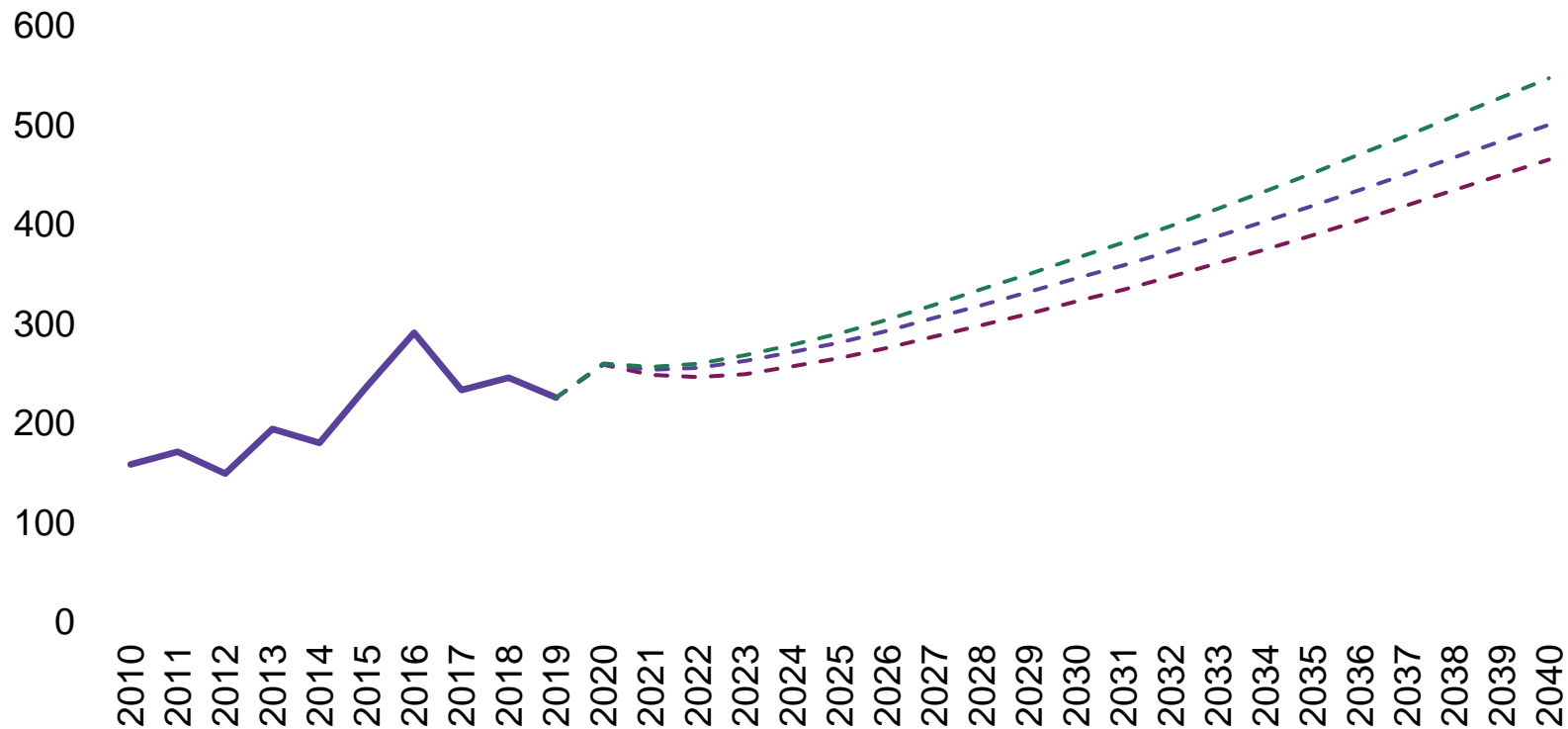


Reaching
\$2.6tn
by 2040

Philanthropy Australia, Giving trends 2023

Gifts in wills income to double over next 25 years

Real income from gifts in wills, \$ millions (2019 prices), 2010 – 2040



x.2.2

3.7% per annum

Source: Legacy Foresight 2020, IVE Benchmarking



Attitudes and motivations



What we know about Gifts in Wills

A free literature review



Forward



In 2018 I was pleased to write the forward for the first edition of this literature review. Much of what I said then would still stand, in particular that a review like this one is of value to those of us working to encourage legacy giving.

It is wonderfully encouraging to read this review of research on legacy giving, and to know that it will be available for so many who can benefit from the work. Such a work is timely, significant, and much needed. Fundamentally, two things we know about legacy giving are that it is important, and it is different.

Legacy giving is important first because of the sheer amount of financial resources it generates for the vital work of charities. Beyond its current significance, the potential growth of legacy giving is dramatic. Upcoming demographic realities point to substantial growth in legacy giving in the coming years, even in the absence of improvement in our ability to encourage such gifts. But, when one realizes what a small percentage of the population engages in legacy giving – especially as compared to the larger share of people who make other types of charitable contributions – it is easy to see just how much more is possible in this area. This possibility of dramatic expansion starts with learning how legacy giving and legacy fundraising works. That starts with this excellent summary of what we know.

Legacy giving is important, but it is also different. The skills and processes for generating small contributions to a local charity are often far removed from those related to legacy giving. Talking about legacy giving can involve uncomfortable topics like death, wealth, and heirs. Legacy decisions are intimately related to deep personal factors such as one's values, identity, and life story. Consequently, even years of experience in other types of fundraising may provide little preparation for legacy fundraising. Understanding how legacy giving is different is an important first step, a step made much easier by this collection of knowledge on the topic.

My thanks and congratulations go to the authors of this much needed – and practically useful – updated contribution to this important field of study. I recommend its reading and its regular application in your work.

Professor Russell James

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In the wider academic domain, generativity theory (McAdams & De St Aubin, 1992) also offers insights into the potential drivers behind legacy giving. Kotre (1996, p. 10) defines generativity as 'a desire to invest one's substance in forms of life and work that will outlive the self'. According to Kotre, generativity can be biological (conceiving and bearing children) and cultural (the passing on of values). The various definitions of generativity share a common theme of concern for the next generation. As McAdams and de St Aubin (1992, p. 1003) state, in generativity, the adult nurtures, teaches, leads and promotes the next generation while generating life products and outcomes that benefit the social system and promote its continuity from one generation to the next. McAdams, Diamond, De St Aubin, and Hansfeld (1997) go on to discuss the specific role of the generativity script within the personal life story. McAdams (1999) describes how, as adults move into middle age—a time that has been described as 'nightly generative' by McAdams et al. (1997) and Kotre (1996)—it becomes increasingly important to develop an anticipated ending for their life story, which 'ties together the beginning and middle to affirm unity, purpose and direction in life over time' (McAdams, 1996, p. 306).

McAdams and de St Aubin (1992) discuss how generativity is driven by both cultural demand and inner desire, and illustrate their theory in the model above.

Figure 5: Generativity Theory (McAdams and De St Aubin 1992)

The diagram illustrates the Generativity Theory model. It consists of several interconnected components:

- Motivational sources:** Cultural demand (Developmental expectations, Societal expectations) and Inner Desire (Symbolic generativity agency, 'need to be needed', communion).
- Thoughts, plans:** Belief in the species and Commitment Goals/Decisions.
- Behaviour:** Action (Caring, Maintaining, Offering).
- Meaning:** Narration (The generativity script within the personal life story).

Arrows indicate the flow and relationships between these elements. Cultural demand and Inner Desire both influence Belief in the species and Commitment Goals/Decisions. Belief in the species and Commitment Goals/Decisions both influence Action. Action leads to Narration. There are also bidirectional arrows between Belief in the species and Commitment Goals/Decisions, and between Commitment Goals/Decisions and Action.

Inner desire, they argue, has two forms: the desire to achieve symbolic immortality and the need to be needed. These two forms are derivatives of two general motivational tendencies, respectively: (a) agency or the tendency to assert, expand, and develop one's self in a powerful and independent way; and (b) communion, or the tendency to relate to others in loving, caring ways. The two drivers of agency and communion may appear to be paradoxical: generativity expresses both a desire to care for others, but at the same time is actually "me-

centred," focusing on how the individual can extend their sense of the self forward in time. As Rubenstein (1998, p. 50) says:

“Legacies involve both narcissism and selflessness... creating a bequest reflects the self, but because it occurs outside the self and bestows the substance of others, a bequest also represents an important degree of selflessness and caring.”

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This slot

- Why people write wills
- Why people include a charity
- What bequest giving means for supporters



Why people write wills



3 reasons people make wills

1. Family

- Births
- Marriage
- Divorce
- Grandchildren

2. Wealth

- Buying a property
- Retirement
- Inheritance

3. Health

- Diagnosis
- Death in family
- Close to death

40s

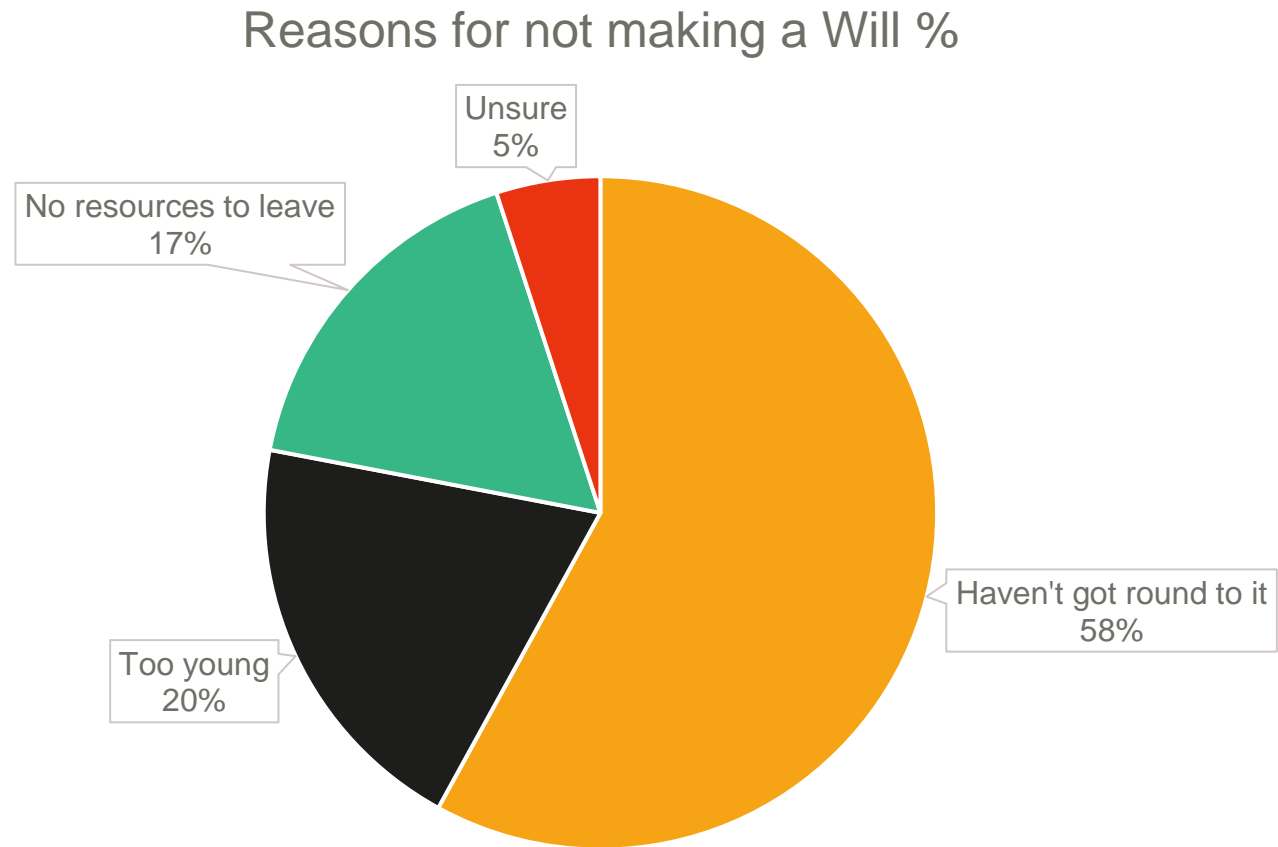
50-60s

70s+

Insurance

Inheritance

Barriers to Will making





Why people leave gifts in wills



Gifts in wills are motivated by



LOOKING
BACKWARDS

- Giving to charities that reflect or have impacted their own life stories
- Often linked to remembering a loved one



LOOKING
AROUND

- Social influence and social norming are important in legacy giving
- People will often research their chosen charity to ensure that their gift will be spend effectively



LOOKING
FORWARDS

- Opportunity to live on beyond their own lifespan by associating themselves with a charity whose services and values will carry on into the future

Routley, Sargeant and Lowthian 2022

Three keys to grow Gifts in Wills

1.

**Focus on donor
wellbeing**

2.

**Seek
transformational
gifts in Wills**

3.

**Harness the
power of In
Memory**



Focus on donor wellbeing.



Gifts in wills are motivated by

LOOKING
BACKWARDS

LOOKING
AROUND

LOOKING
FORWARDS

...is good
for you!

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Routley, Sargeant and Lowthian 2022

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Routley, Sargeant and Lowthian 2022




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AROUND

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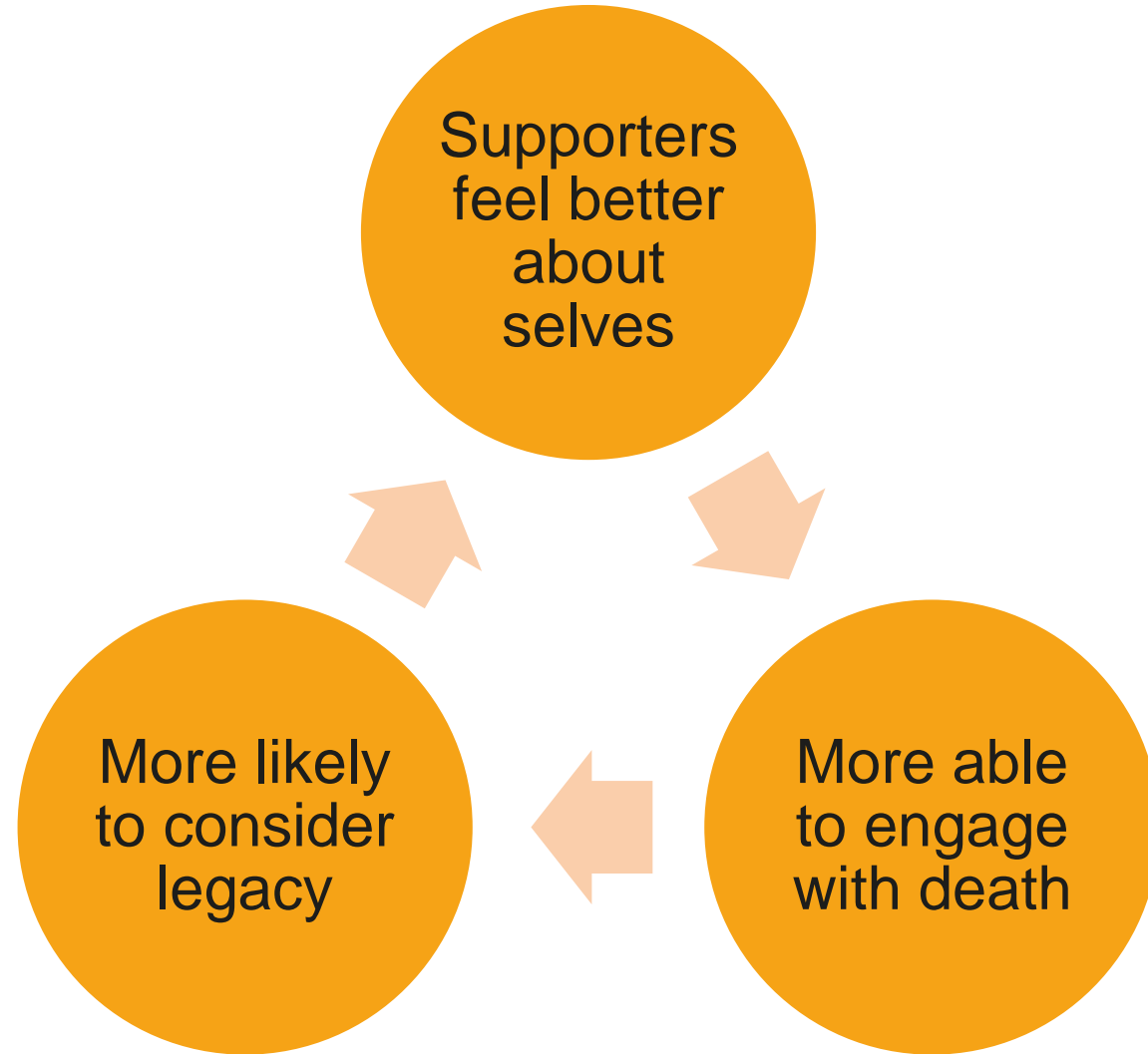


LOOKING
FORWARDS



...is good
for you!

The virtuous circle



Potential for multiple wins





**Seek transformational
gifts in Wills.**





THE UNIVERSITY OF
SYDNEY



\$20m



\$26m

Who leaves these large bequests?

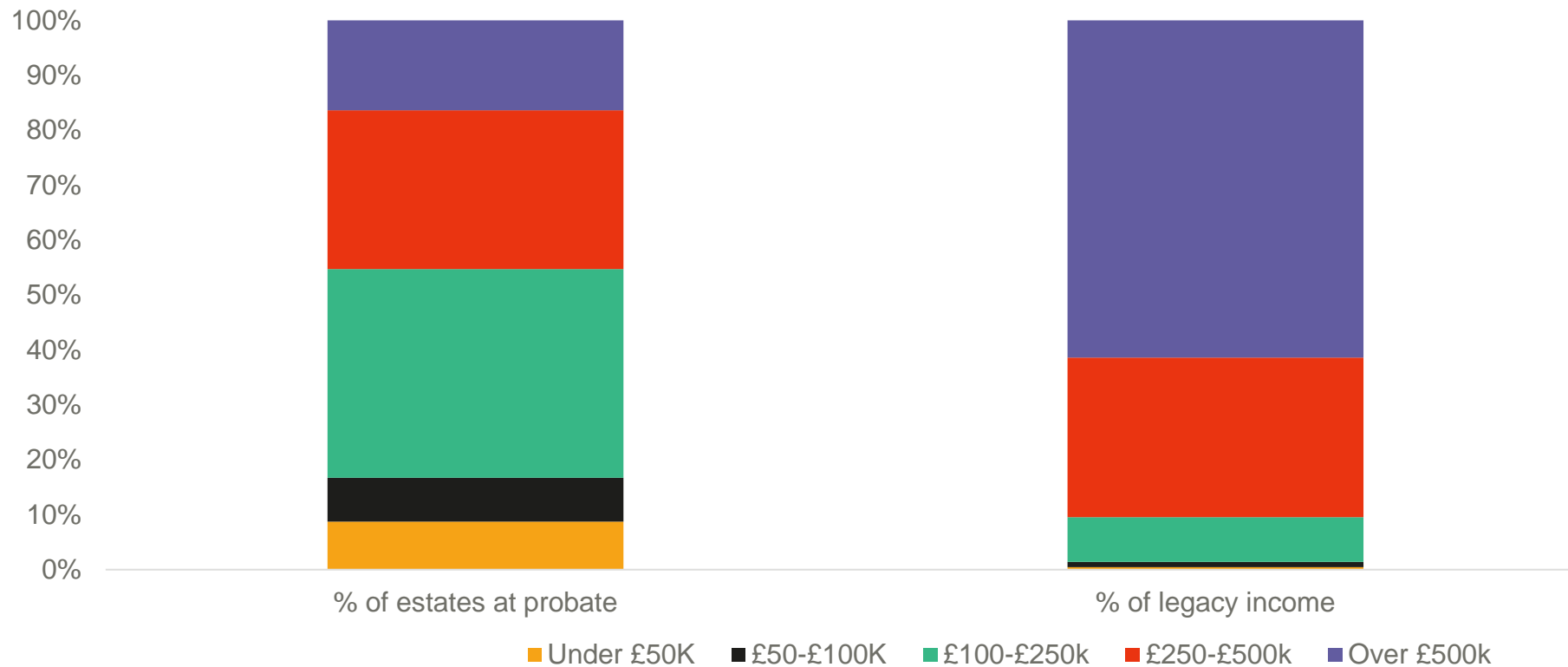


Wealthy people...

- Are more likely to leave bequests
- Leave higher value bequests
- Leave high proportion of their estates



Estates of >£500k drive over 60% of legacy income



HMCTS, Legacy Foresight 21st Century Wills, Legacy Foresight analysis

We may – inadvertently – push down value

Sponsored

Did you know you can write your Will for FREE? Request our guide to learn more...

While you may have a special interest in a particular aspect of our work, or a favourite most supporters recognise that leaving an unrestricted gift for general purposes will have the greatest effect. Unrestricted gifts are incredibly important as it gives us the flexibility to direct funds where the need is greatest at the time. Not all of our future needs can be envisaged today as priorities and work may change over time.

What if I want to include a gift to a particular area of work?

With the nature of gifts in Wills it can be hard to know exactly which of our services will be delivering this work in the future. However if you have something you would really like to support with your gift, then please do get in contact so we can advise you on the best wording for your Will.

Sponsored

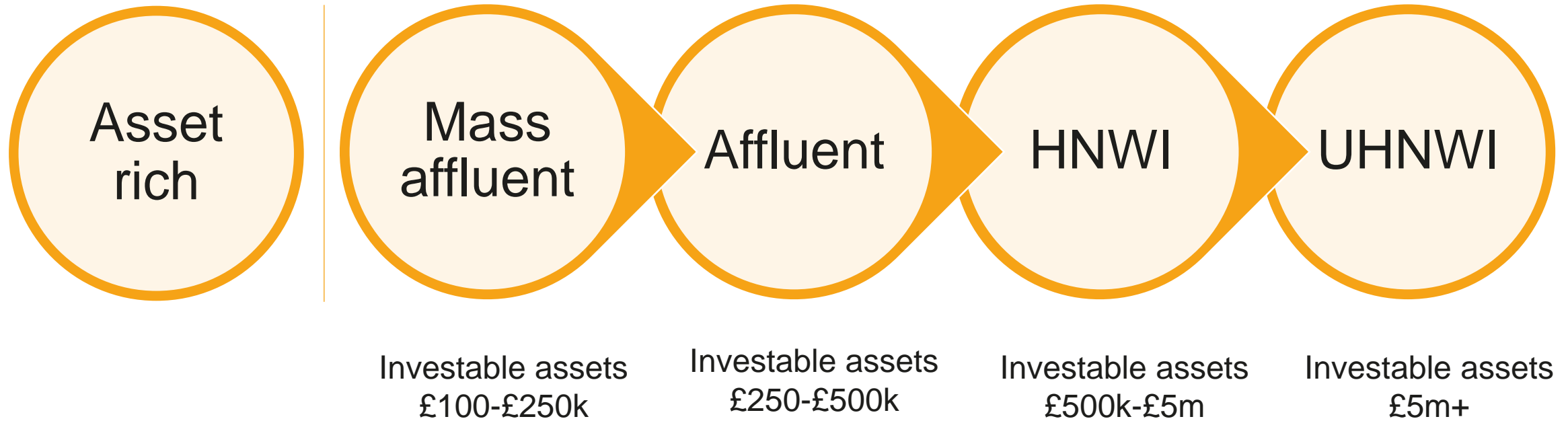
- Free Will Writing Service

Write Or Update Your Will With **Free Will Writing Service**. Find Out More About Leaving The RNLI A Gift In Your Will With Our **Free Gift In Wills Guide**. **Free Wills Service**.

No matter how small the gift, your legacy can live on for generations

We are extremely grateful for every legacy left to us, whether big or small, enabling us to offer more support to **RNLI**. Even leaving a legacy gift of just 1% of your estate can, and will, make a very real difference.

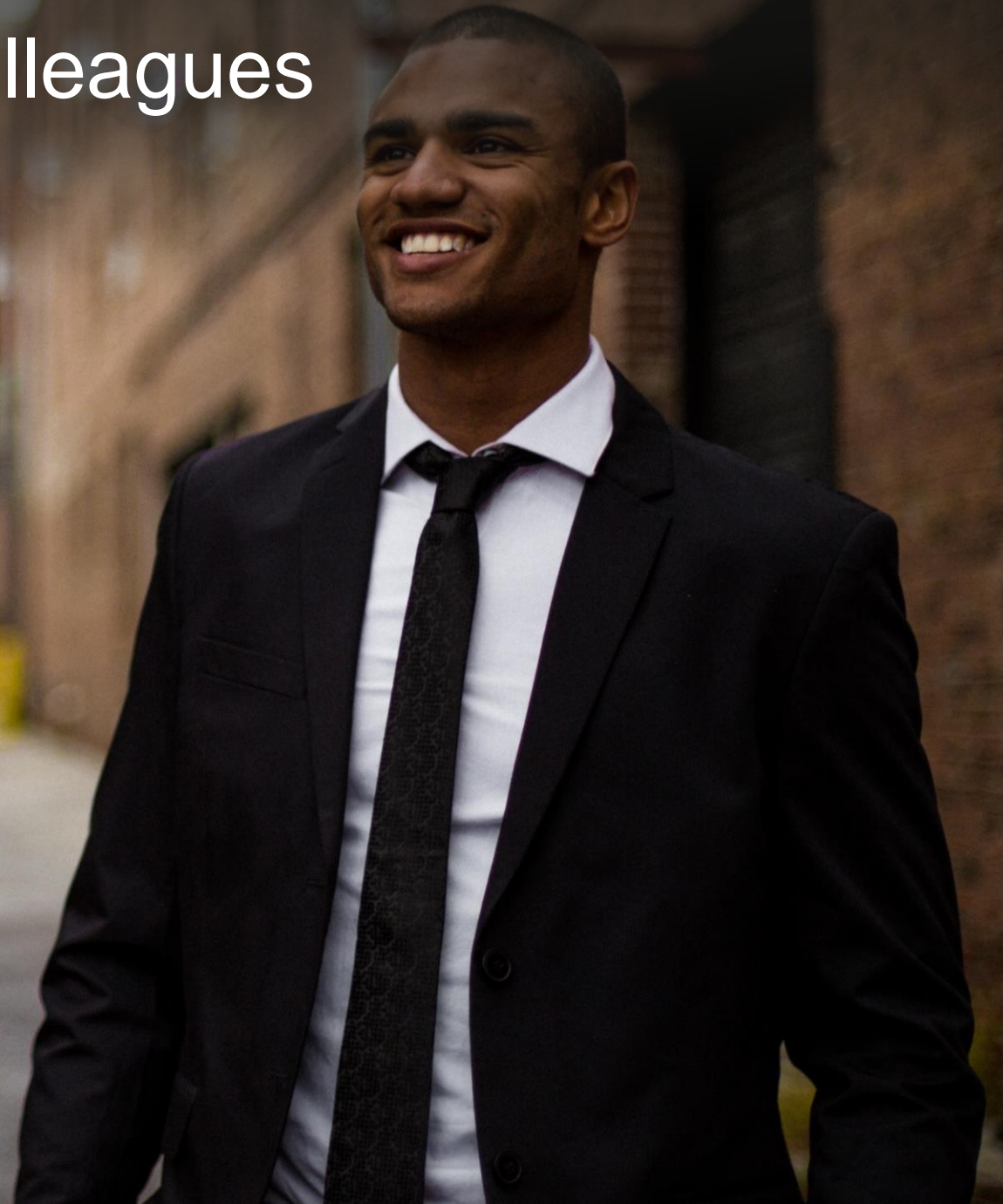
1. Understand the different audiences



2. Create appropriate propositions

TOGETHER
WE WILL
CHANGE THE
WORLD

3. Work with major donor colleagues



4. Explore blended giving



**Harness the power of
in memory.**





40%

40% of legacy donors already
have at least one in memory gift in
their will

(Legacy Foresight 2020)



x3

In memory donors are three times more likely than regular donors to leave a gift in their will
(Legacy Foresight 2020)

In memory legacies are larger

Residual gifts
worth 60% more

(£87,200 vs £54,500)

Pecuniary gifts
worth twice as
much

(£8,100 vs £4,050)



Offering in memory legacy can increase interest

“ James (2015) found that offering people the opportunity to leave a bequest in memory of a loved one – in particular an ascendant such as a parent or grandparent – was particularly compelling. Measured on a 100-point scale, interest in a tribute bequest was 10 points higher than initial interest in leaving a traditional bequest gift to the same organisation.

”

Drip-drip the message

The screenshot shows the Macmillan Cancer Support website. The top navigation bar is green with the Macmillan logo and links for 'Cancer info and support', 'Online Community', 'Donate', 'Fundraise', 'Cost of living', and 'More'. A 'Donate' button and 'Your account' link are also present. Below the navigation, the 'Donate' section is active, with sub-links for 'Donate', 'How to donate', 'Donate in memory', 'Impact of donations', 'Gift in Wills', and 'Philanthropy'. A large image of two women embracing is featured. The main heading is 'Donate In Memory' in green. Below it, a paragraph explains that donating in memory is a way to continue a loved one's story. A green 'Donate' button is centered. At the bottom, four cards provide more options: 'Tribute funds', 'Funeral collections', 'Fundraise in memory', and 'Gifts in wills', each with a brief description and a right-pointing arrow.

MACMILLAN
CANCER SUPPORT

Cancer info and support Online Community Donate Fundraise Cost of living More

Donate Your account

Donate

Donate How to donate **Donate in memory** Impact of donations Gift in Wills Philanthropy

Donate In Memory

Choosing to honour your loved one's memory by supporting Macmillan is one way to continue their story. Donate online today or see below for more ways you can fundraise, collect or give in memory.

Donate

Tribute funds >
Add photos and memories, collect donations, and share details of any fundraising you're doing in tribute of someone special.

Funeral collections >
Collect donations at your loved one's funeral. It is a way to remember and celebrate them.

Fundraise in memory >
Take part in an event in memory of a family member or friend. Celebrate their life and raise money to support people living with cancer.

Gifts in wills >
Leaving a gift in your Will in memory of someone is one of the most special ways you can continue their story.

Use simple reminders

Your Gift May Inspire Others to Give.

We hope you are willing to be acknowledged in Save the Chimps publications with other members of the Carole Noon Legacy Society.

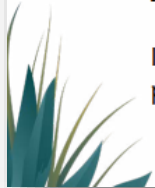
How would you like to be listed in Save the Chimps publications?

Please select only one of the following and provide a name.

- Please list my name as:
- My gift is IN HONOR of:
- My gift is IN MEMORY of:
- I prefer to remain anonymous.

Please be sure to use the following language in your plans:

I bequeath _____ (dollar amount or % of estate) to Save the Chimps, Inc., a nonprofit organization, with its principal business address at PO Box 12220 Fort Pierce, FL 34979. EIN/Tax ID: 65-0789748



Tell in memory stories

Leaving a legacy

John Blakeley was the first of his family to attend university, but not the first in his family to donate to Monash. His father, Clem Blakeley OBE, a retired group captain in the RAAF, was so appreciative of the education provided to his son that he made a donation towards the construction of a campus hall. It's in honour of his father's memory that John has made a bequest to Monash in his will.

"It's a small donation – we won't be building another 'Ming Wing', I tell you – but it's a gesture to put something back because Monash gave me a great deal. And I'd encourage fellow graduates to think about it because, even as small as those gestures may be, they're meaningful to the institution."



Explore blended giving

What Type of Donor Makes a Blended Gift?



Enable people to build hero stories

BLENDED GIFTS



OTHER OPTIONS TO CONSIDER:

Below are a few common blended gift strategies that are available to help you fulfil your charitable intent at UGA. If you want to explore any of these or any other options that may be available, please contact the Office of Gift and Estate Planning and a member of our team will be happy to discuss the various options with you.

CHARITABLE GOAL	CURRENT GIFT	DEFERRED GIFT
\$100,000 to create newly endowed scholarship	Five-year pledge of \$25,000 (\$5,000 to be paid per year over 5-year period)	\$75,000 IRA beneficiary designation
\$250,000 to name an endowed program support fund while also desiring to see gift's impact immediately	\$10,000 annual gift to "University of Georgia Foundation" to mimic the 4% current spending allocation of an endowment since donor wants to see benefit of support during life	"University of Georgia Foundation" designated primary beneficiary of 100% of a life insurance policy with a death benefit of \$250,000 to create an endowed fund
At least \$500,000 to create distinguished professorship	\$100,000 cash	Bequest whereby net sale proceeds from sale of home will be distributed to the "University of Georgia Foundation" at death and potentially exceed \$500,000 endowment minimum since home is currently valued at \$500,000
\$1.1m to create a new fund to support study abroad or other experiential learning opportunities	\$100,000 in securities transferred to the "University of Georgia Foundation" to create endowment	Provision in revocable living trust designating the "University of Georgia Foundation" beneficiary of 50% of the residual estate which has an estimated current value of \$2m
\$2.5m to create a distinguished chair	IRA Rollover Gifts of \$100,000 annually for 5 years to establish a distinguished professorship	\$2m bequest enhances the distinguished professorship to a distinguished chair



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This document is not intended as legal or tax advice. Please seek the advice of competent counsel to determine applicability of the above to your own personal circumstances.

Enable collective giving

An example

“Dad, I think we should make a large gift to that children’s hospital.”

Rob’s proposal was a staggering amount for us—one that would require a series of current and future gifts. It was one of those ideas that kind of makes you gasp and go weak in the knees. After the initial shock, the thought came to mind, *Who is WE?* I knew neither Rob nor Barrett had that kind of money. Nonetheless, “we” accepted the challenge and began to move forward with a gift that was unprecedented for our family.



Eddie Thompson

Over to you...

Thinking about your topic (wellbeing, transformational gifts, in memory)...

What are the practical implications for your gifts in wills fundraising?

This could include how you acquire new supporters, steward them, how you inspire your colleagues (etc etc)



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Thank you!

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