

The Future of Legacy Giving: Boomers and Beyond

Presentation

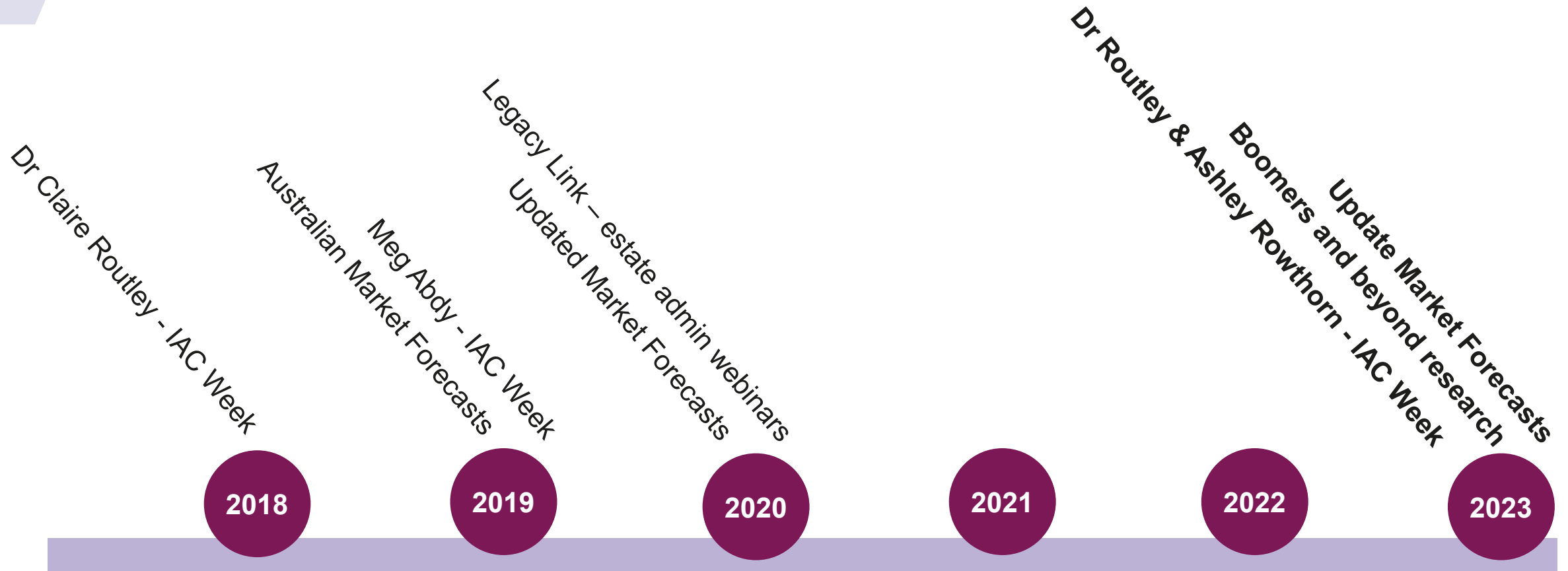
Ashley Rowthorn, Jon Franklin



Meet the Legacy Futures family



Our work with IAC so far



Introduction to the project

Understanding the next generations of bequest donors

- This project will update our thinking on boomers and widen our understanding of Generation X, exploring the question of what gifts in wills will look like through the boomers and beyond.
- We will explore the differences between the generations as well as the opportunities and challenges they represent
- We are running this research in the UK, Australia and the Netherlands in parallel.



The future of legacies - Boomers vs Gen X

Programme has three key elements



Desk research



Consumer
research



Modelling and
forecasting

The team



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Head of Research and Insight



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Programme Manager



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Director of Insight



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Analyst



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Economist

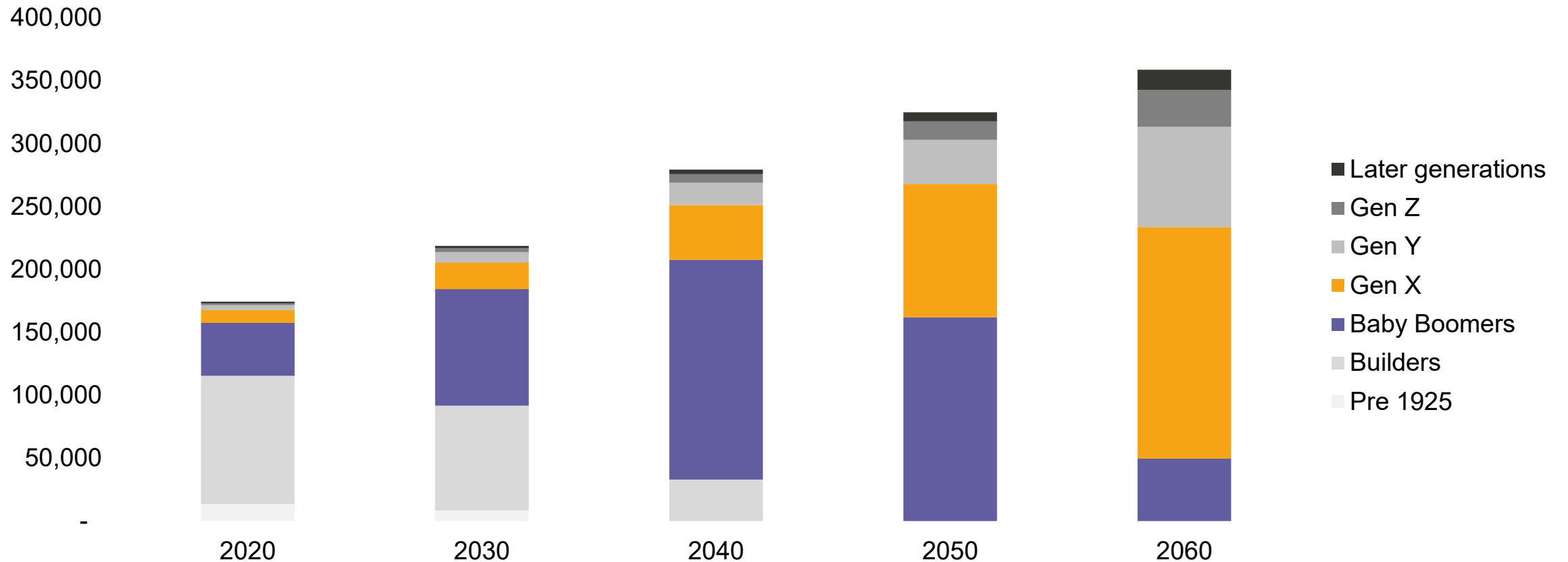
Thank you to our research partners



Deaths to rise

Boomers majority of deaths by 2040, Gen X by 2060

Projected deaths by cohort



Why these generations matter



70%

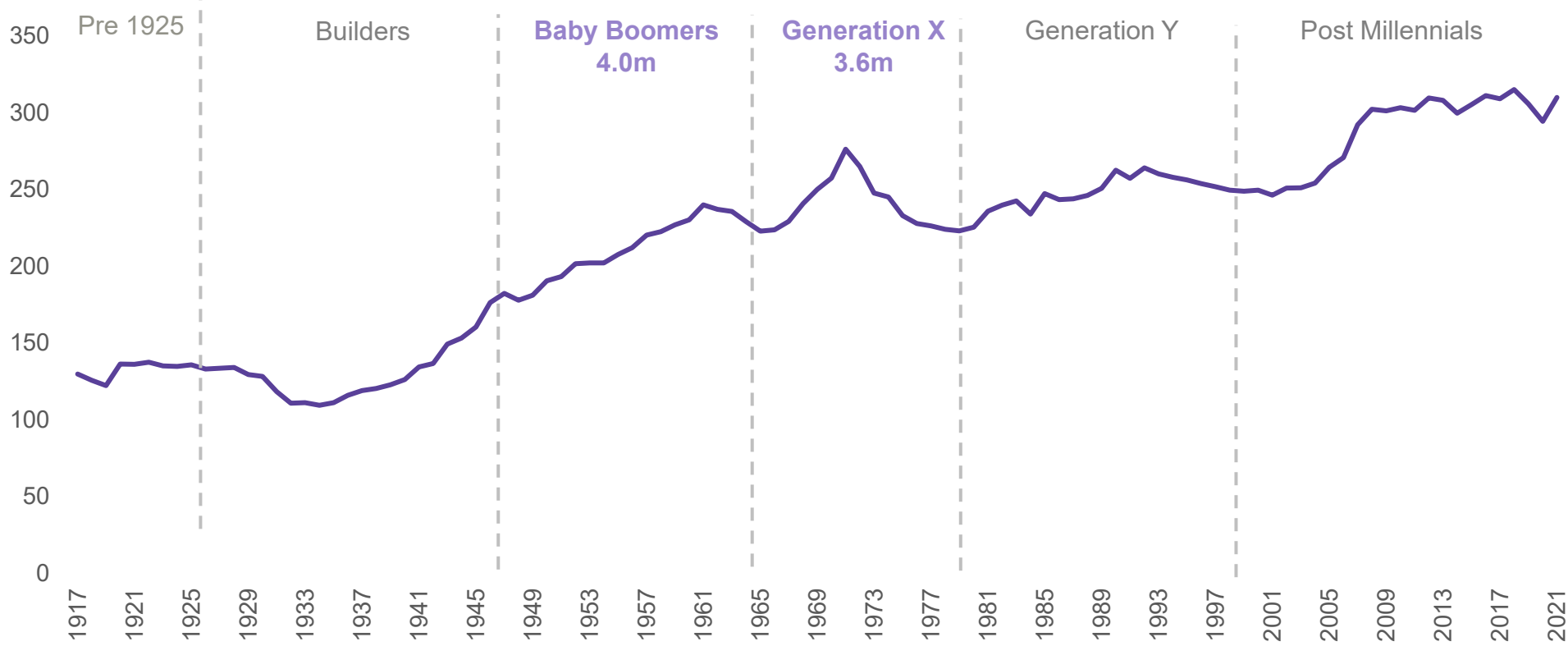
Between now and 2050, 50% of gifts will come from the baby boomer generation, another 20% from Gen X.

Who are Boomers and Generation X



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

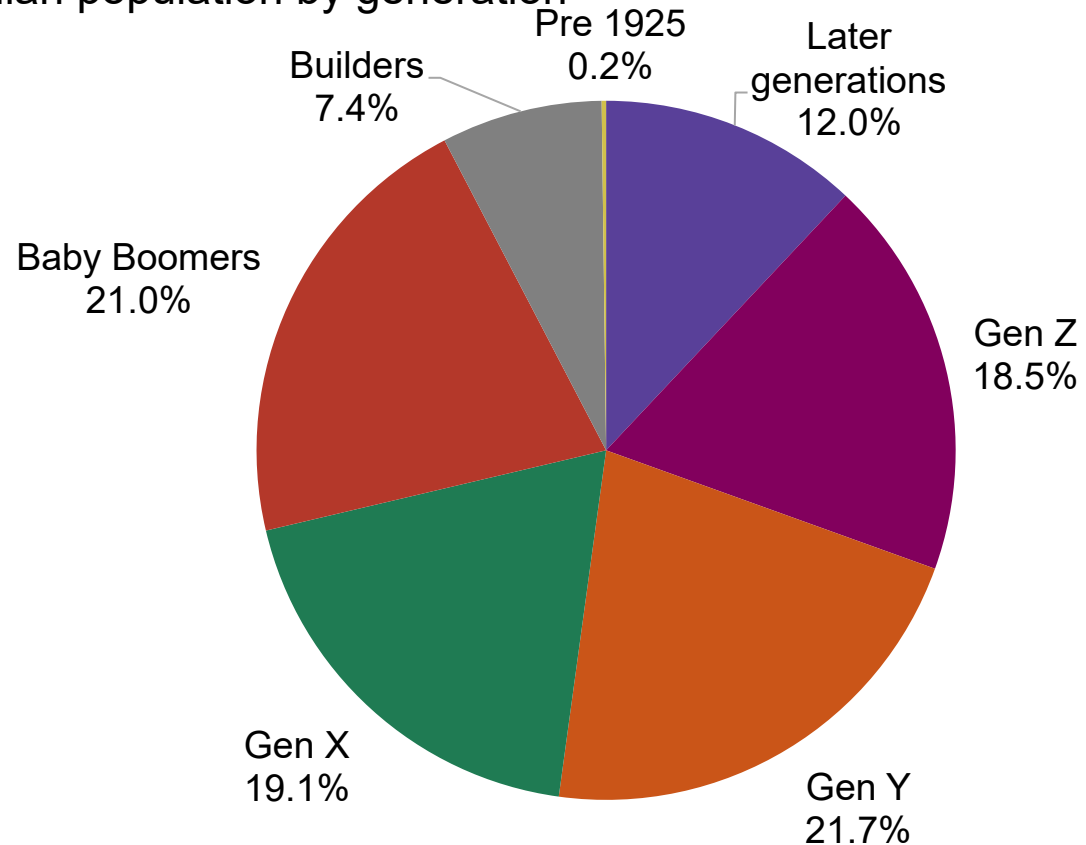
Annual births, 1917 – 2021, Australia, '000s



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

Moments that defined the generations



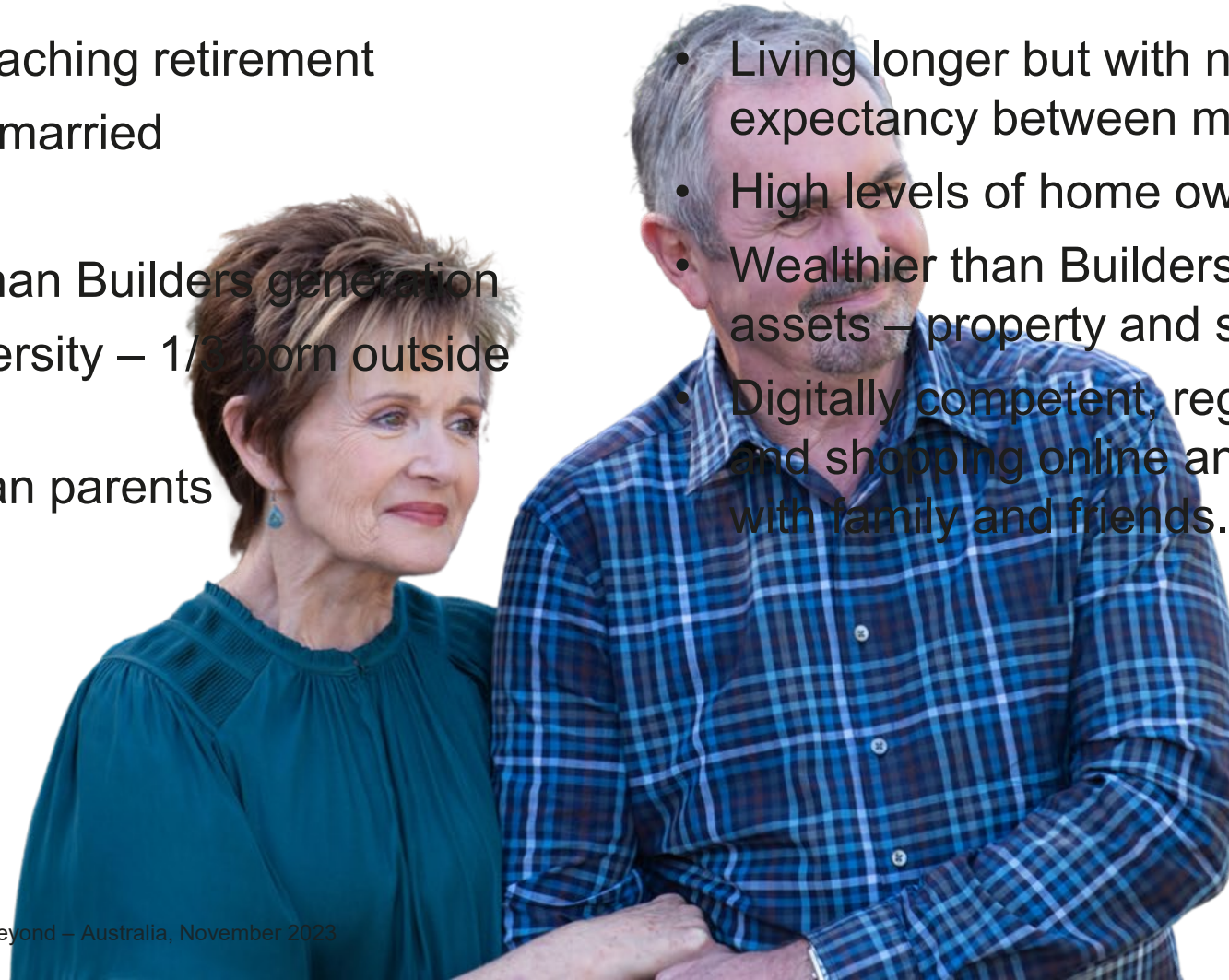
1960

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
- 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.



How bequest giving will change with the generations

Key factors driving gifts in wills income

Demographics

Birth rates
Death rates
Life expectancy
Family circumstances

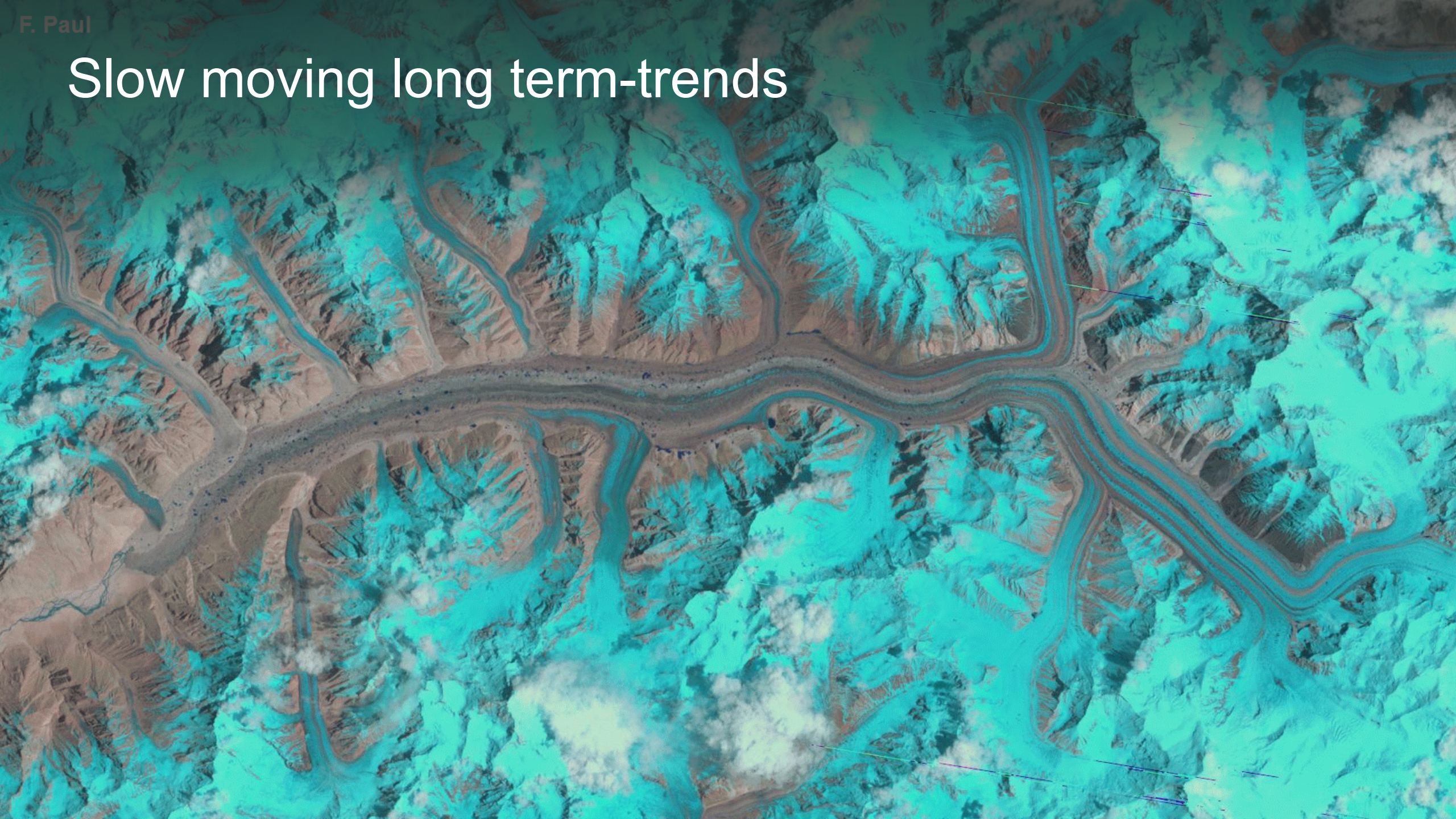
Economy and Wealth

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

Attitudes towards charities

Attitudes to giving
Awareness and trust
Volunteering

Slow moving long term-trends

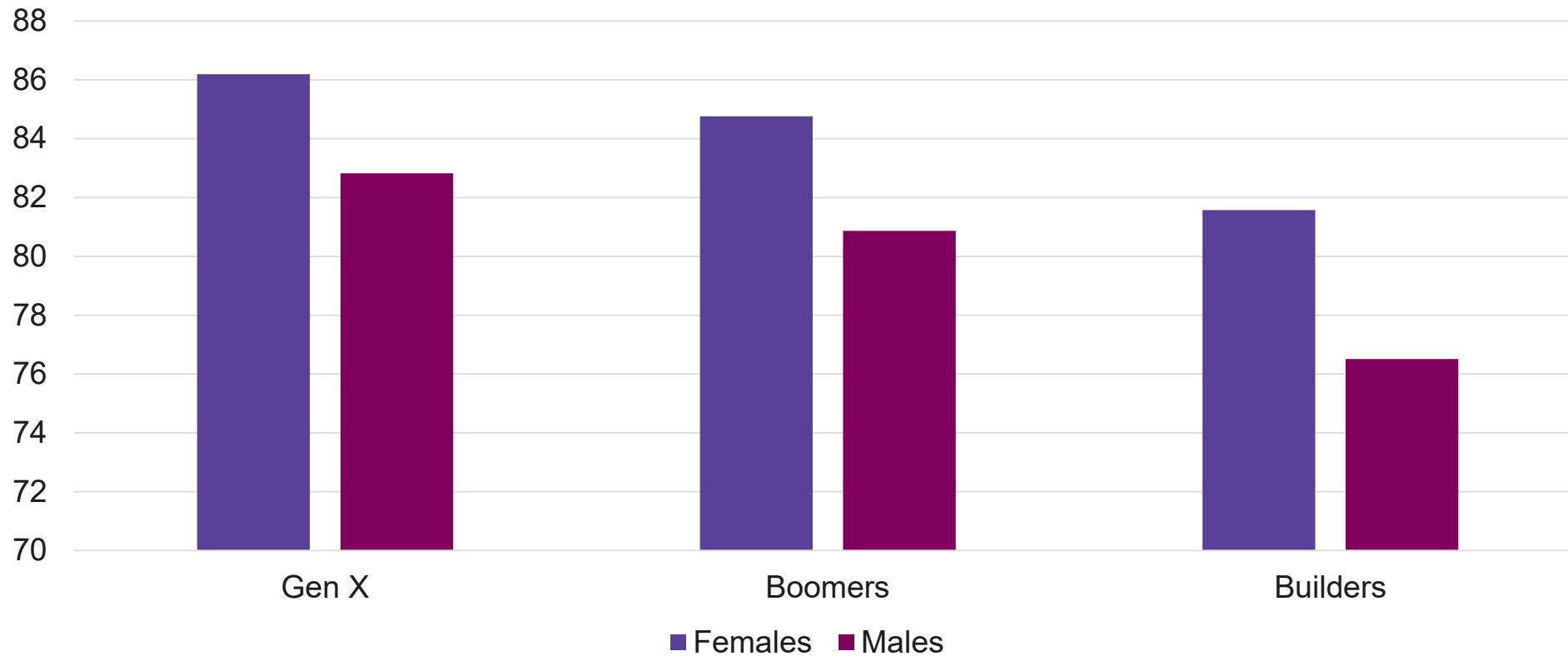


Slow moving long term-trends

- Life expectancy
- Levels of education
- Wealth
- Family status
- Sexuality
- Cultural identity

Each generation living longer

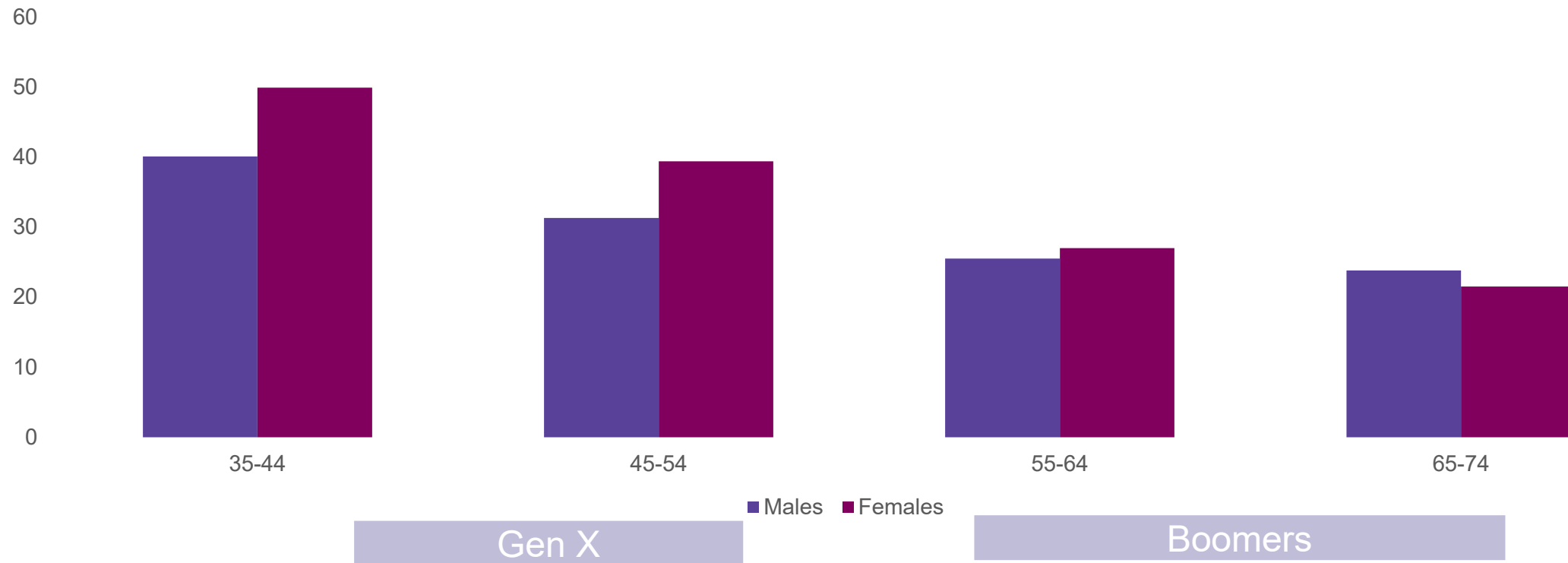
Average life expectancy at 50



Australian Bureau of Statistics, 2023

Increasingly educated, particularly women

% achieving a bachelor degree or above

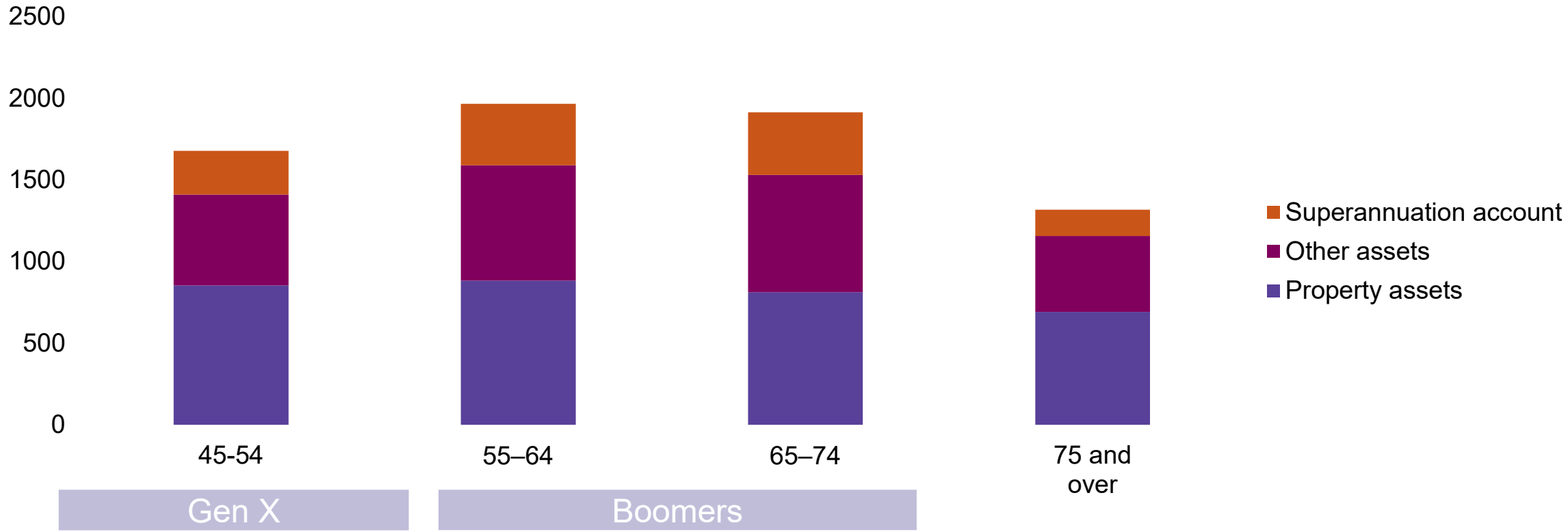


ABS, Education and Work 2022

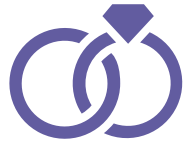
Boomers wealthiest generation

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

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



Key lifestages happening later



% married
Boomers – 64%
Gen X – 57%



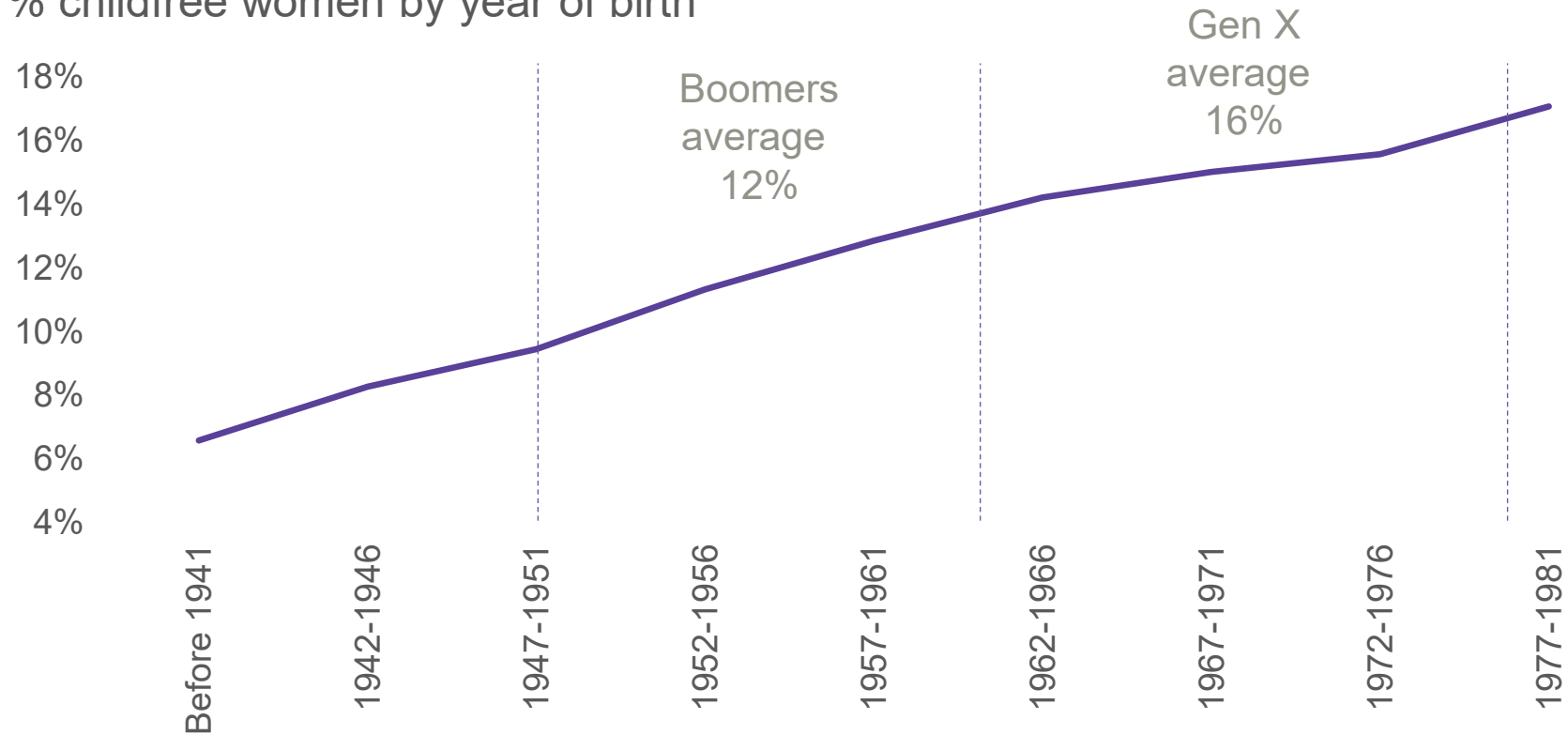
Age of marriage
Boomers – 21-25
Gen X – 24-29



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

Less and less likely to have children

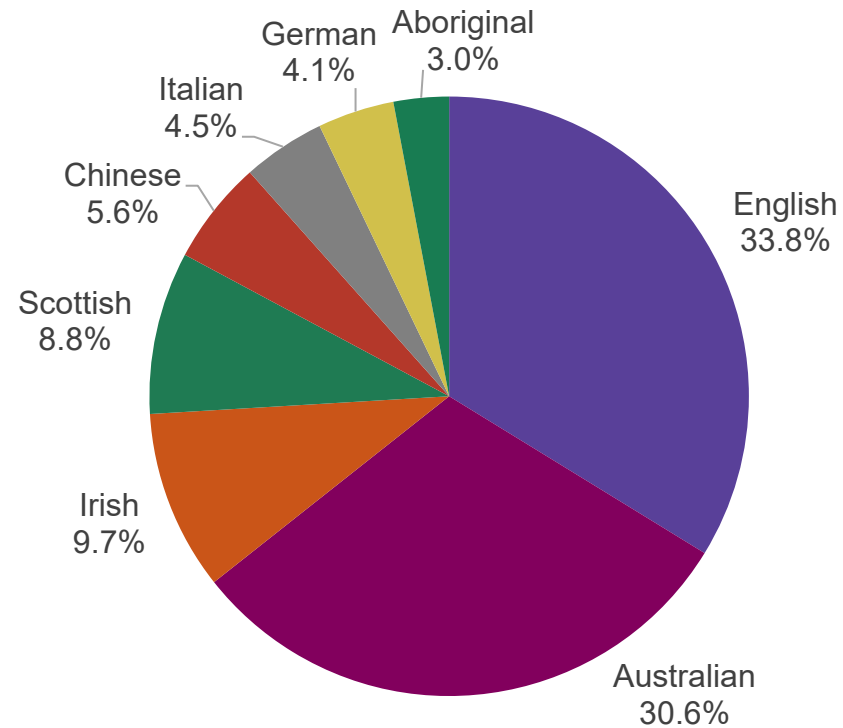
% childfree women by year of birth



ABS Census 2021

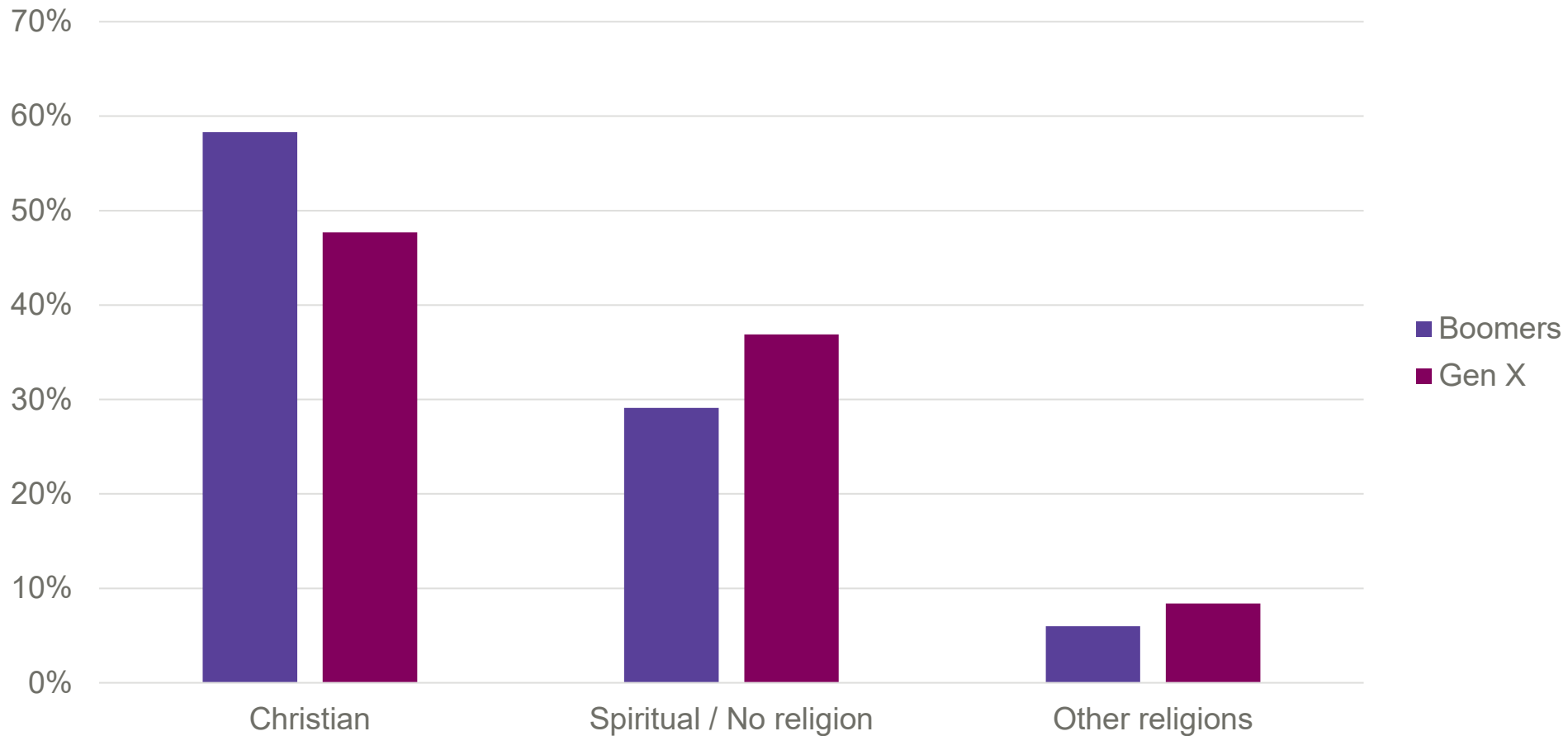
Multicultural nation with extensive immigration

% population by ancestry, 2021



ABS census statistics

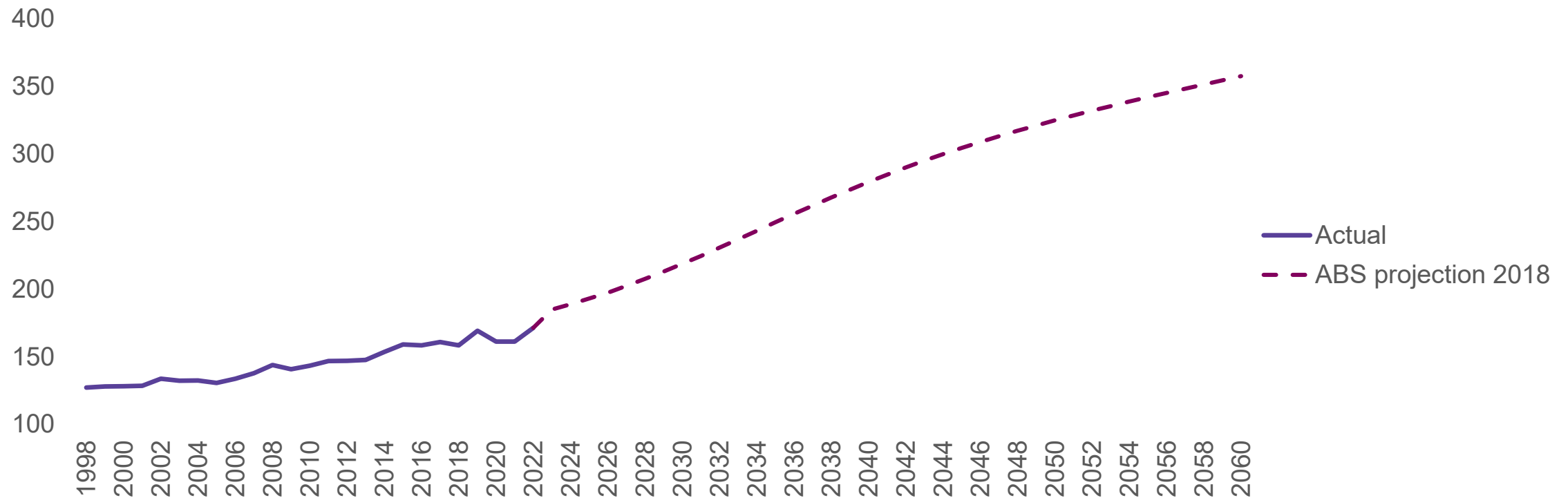
Increasing secularisation and non-Christian faiths



ABS, 2021 Census

Deaths set to be 50% higher by 2040, so numbers of bequests will rise

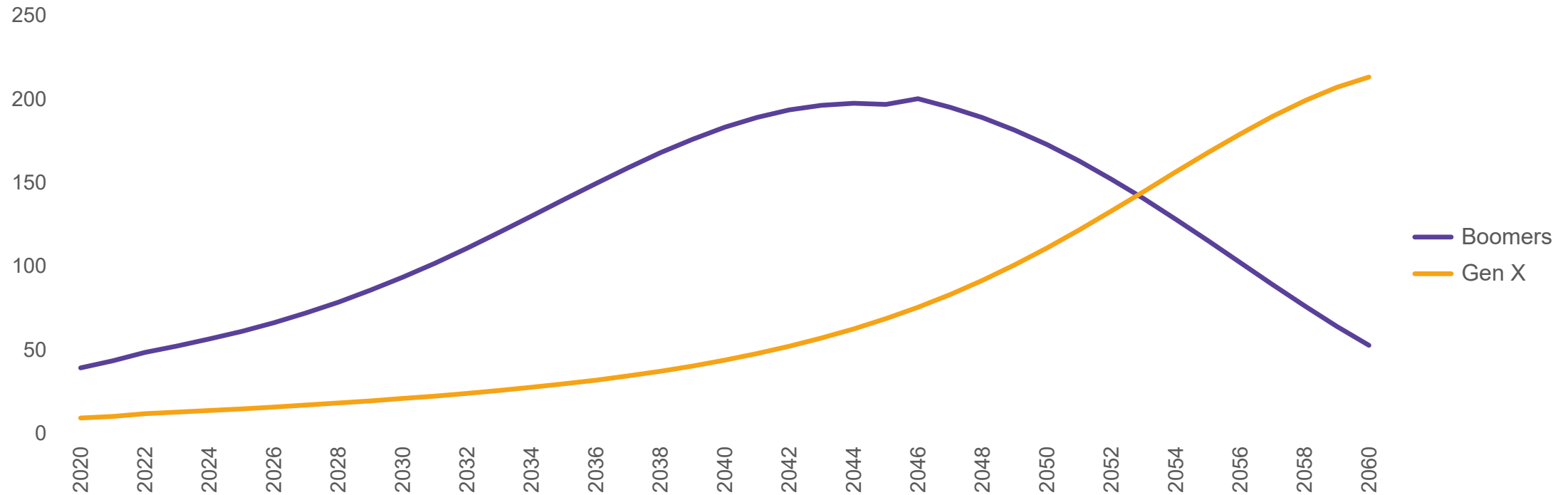
Deaths, 000s, 1998-2060



ABS statistics

Boomer deaths climbing rapidly peaking in 2046

Projected deaths by cohort, 2020 – 2060, Australia, 000's



Propensity to leave a gift

Consumer survey

- Online field survey carried out by Yonder
- 21st – 29th August 2023
- Nationally representative sample 2260 respondents
- 30 question survey
 - Age, gender, ethnicity, religion, sexuality, family
 - Working status, income
 - Attitudes to charity
 - Will making, intention to leave a gift, types and values
 - Future outlook, retirement planning



Quant research specifics

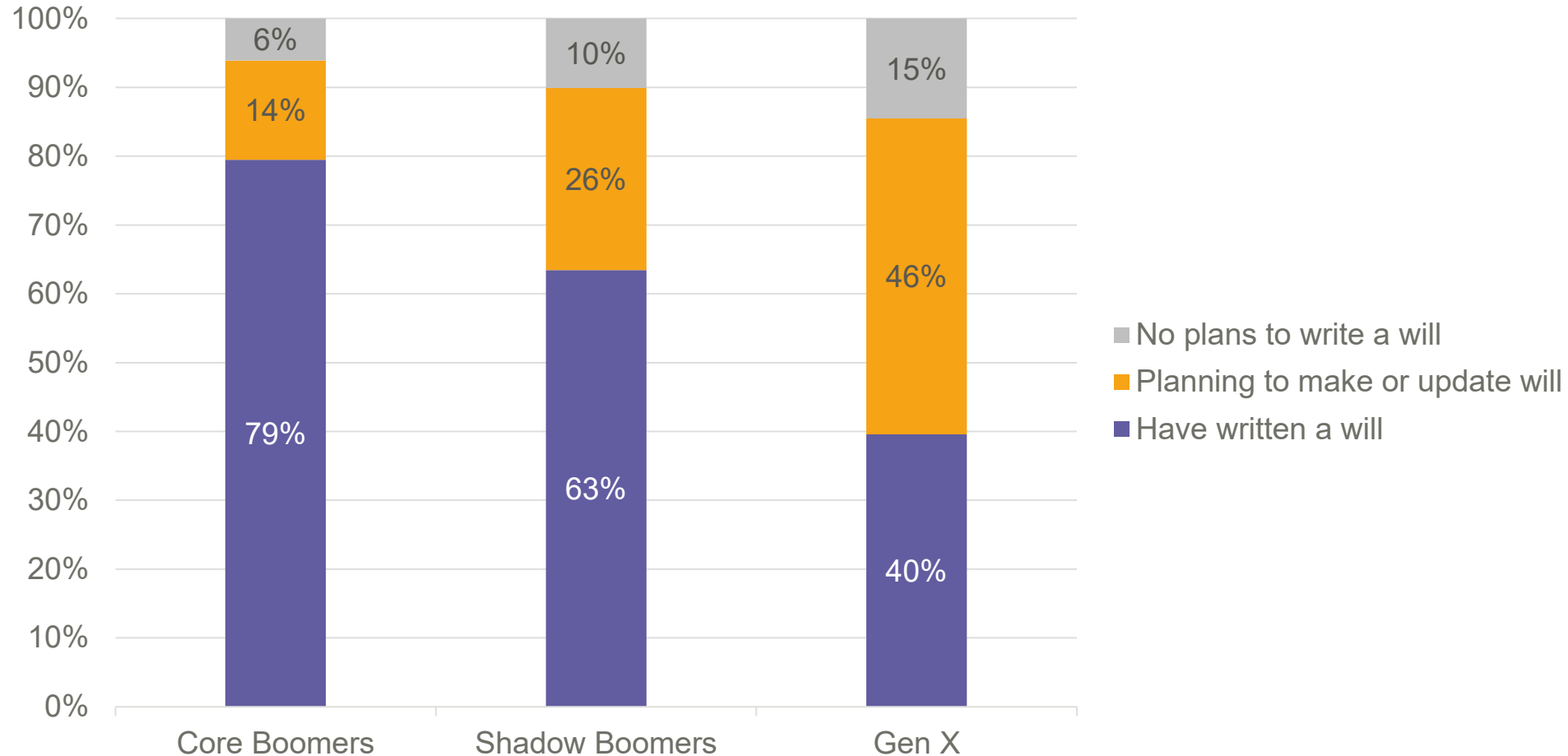
Demographic breakdown

Gender	
Male	49%
Female	51%
Age	
18-34	30%
35-49	28%
50-59	17%
60-75	20%
Over 75	5%

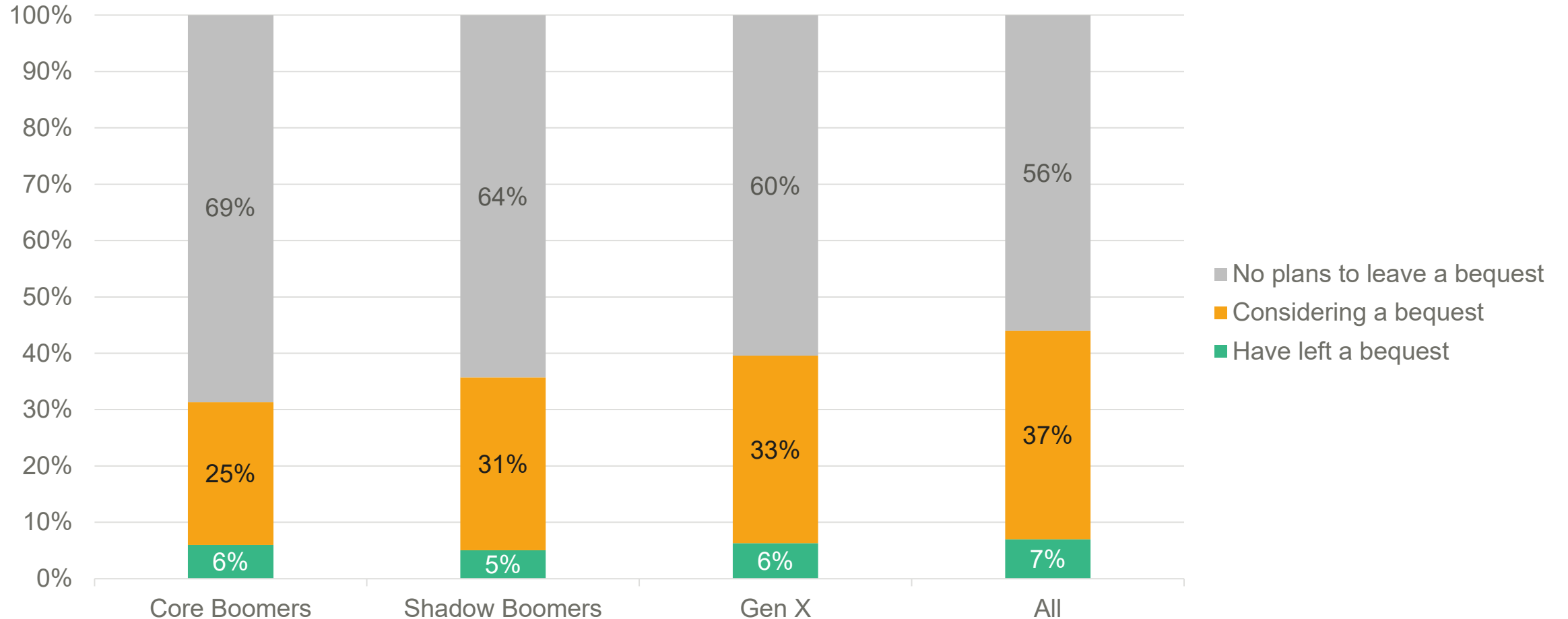
Regionality	Sample	Popn%*
New South Wales	32%	31%
Victoria	25%	26%
Queensland	20%	20%
Western Australia	10%	11%
South Australia	8%	7%
Tasmania	2%	2%
Northern Territory	1%	1%
Australian Capital Territory	2%	2%

*Australian Bureau of Statistics, National, state and territory population March 2023

Will writing correlated closely with age

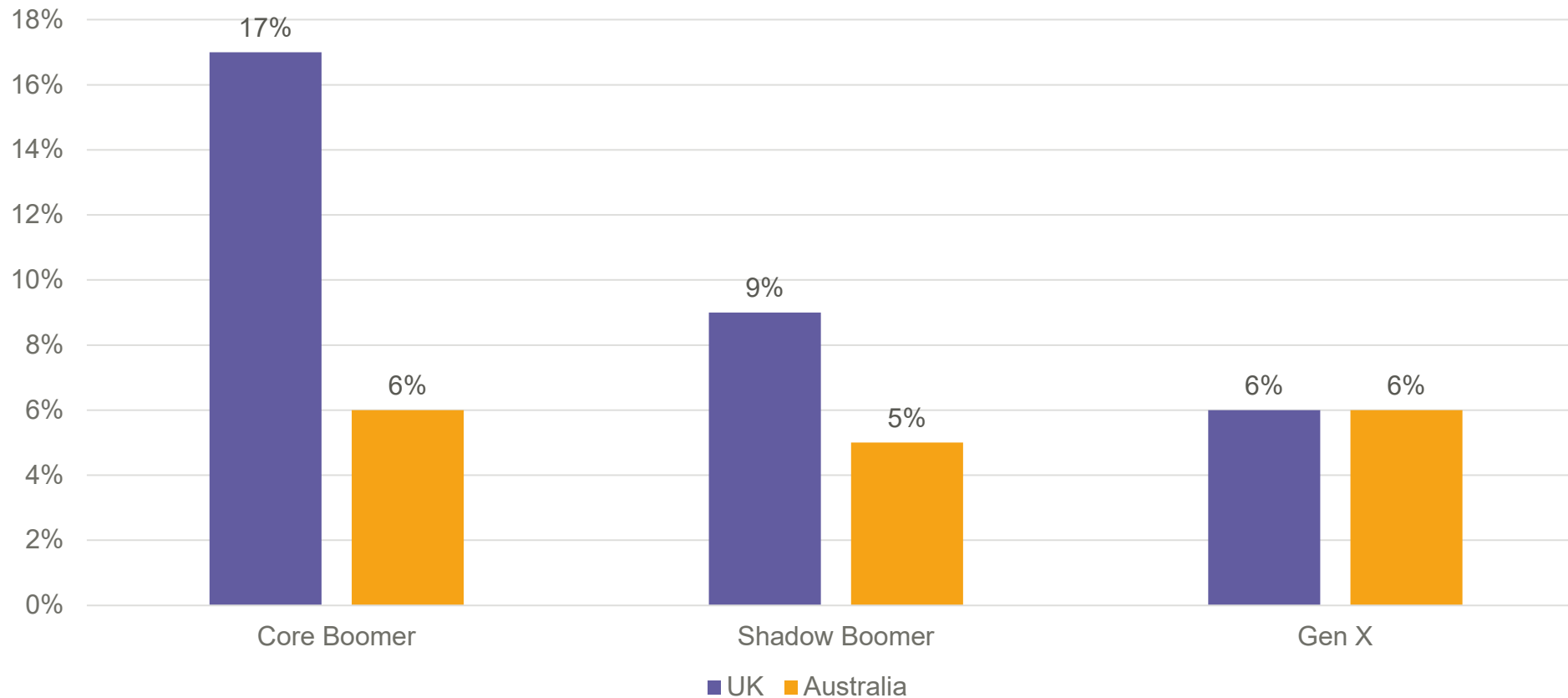


Gen X most open to leaving a bequest

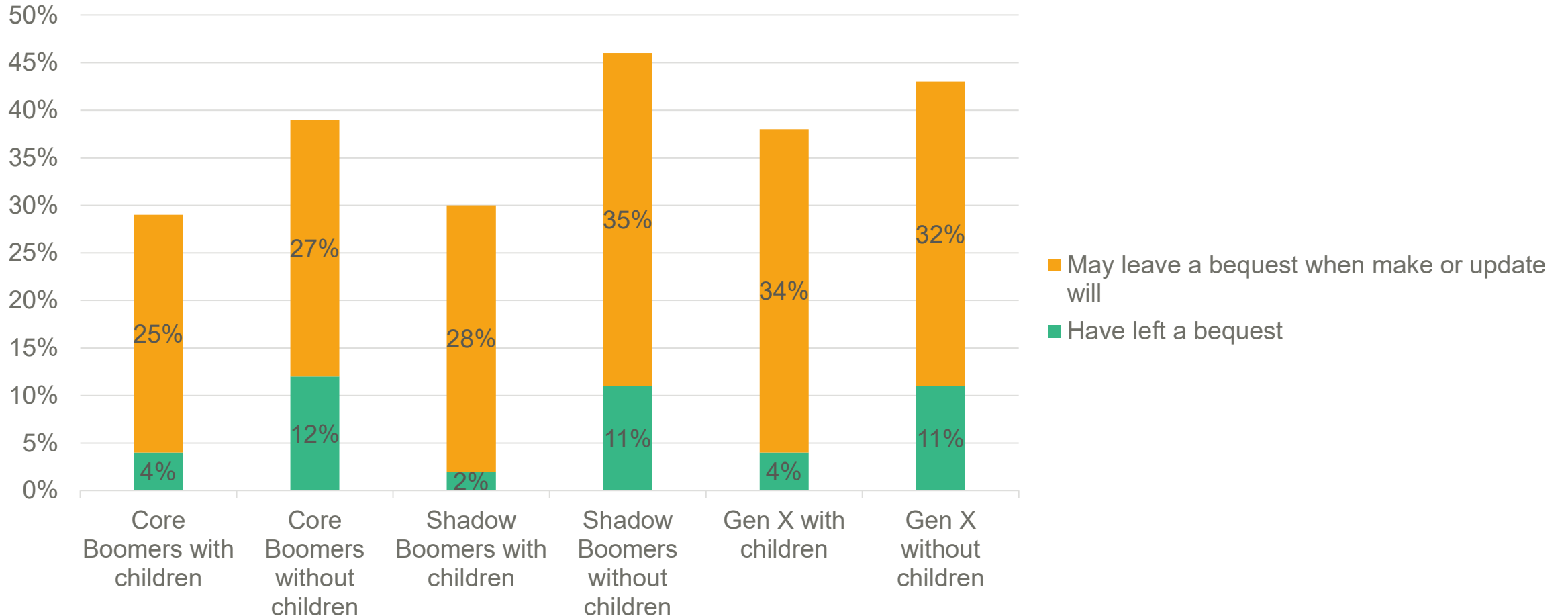


Significant headroom to grow across generations

Percentage of people that have already included a gift in their will

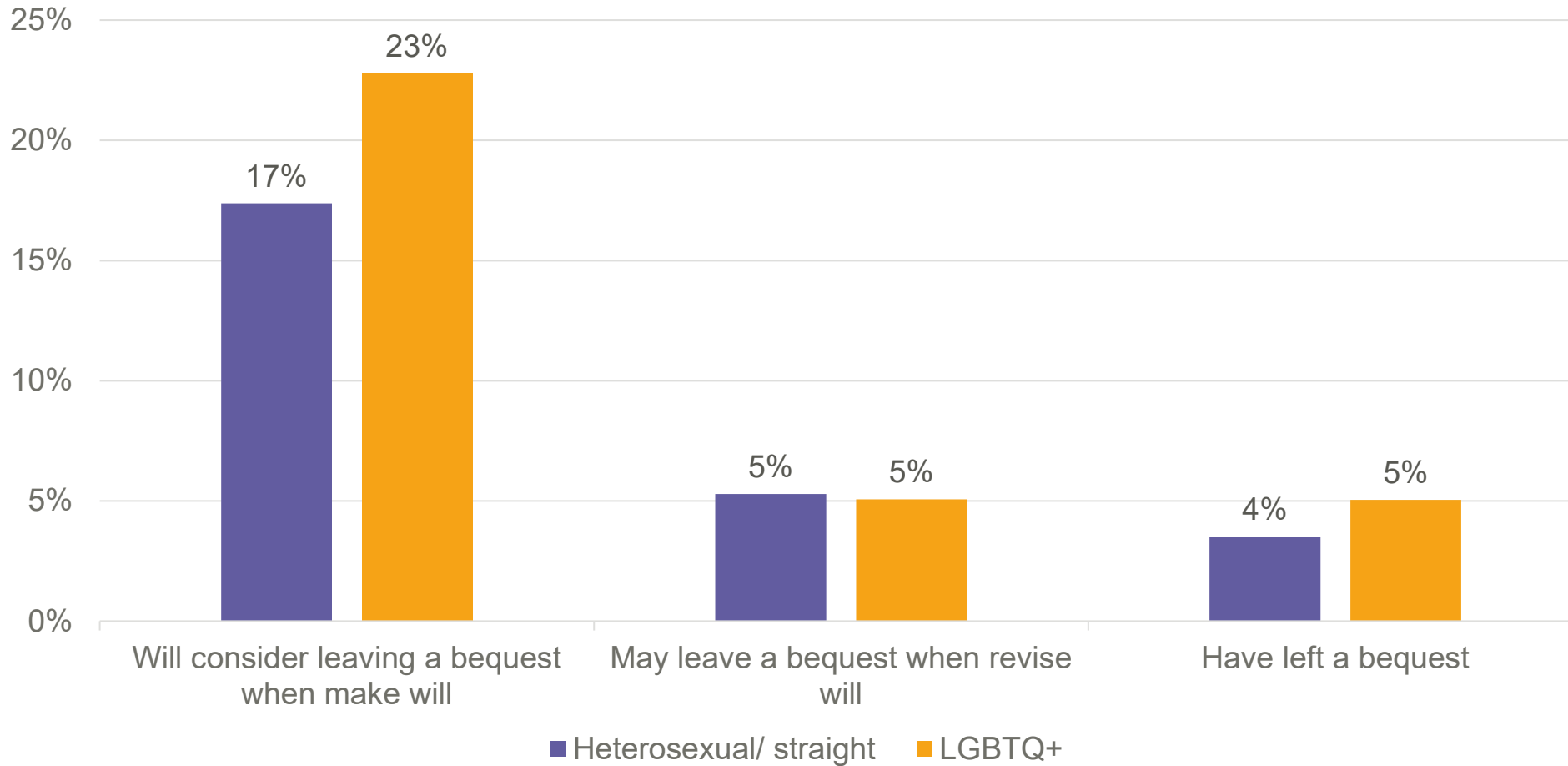


Childfree are far more likely to have left a gift or will consider it.



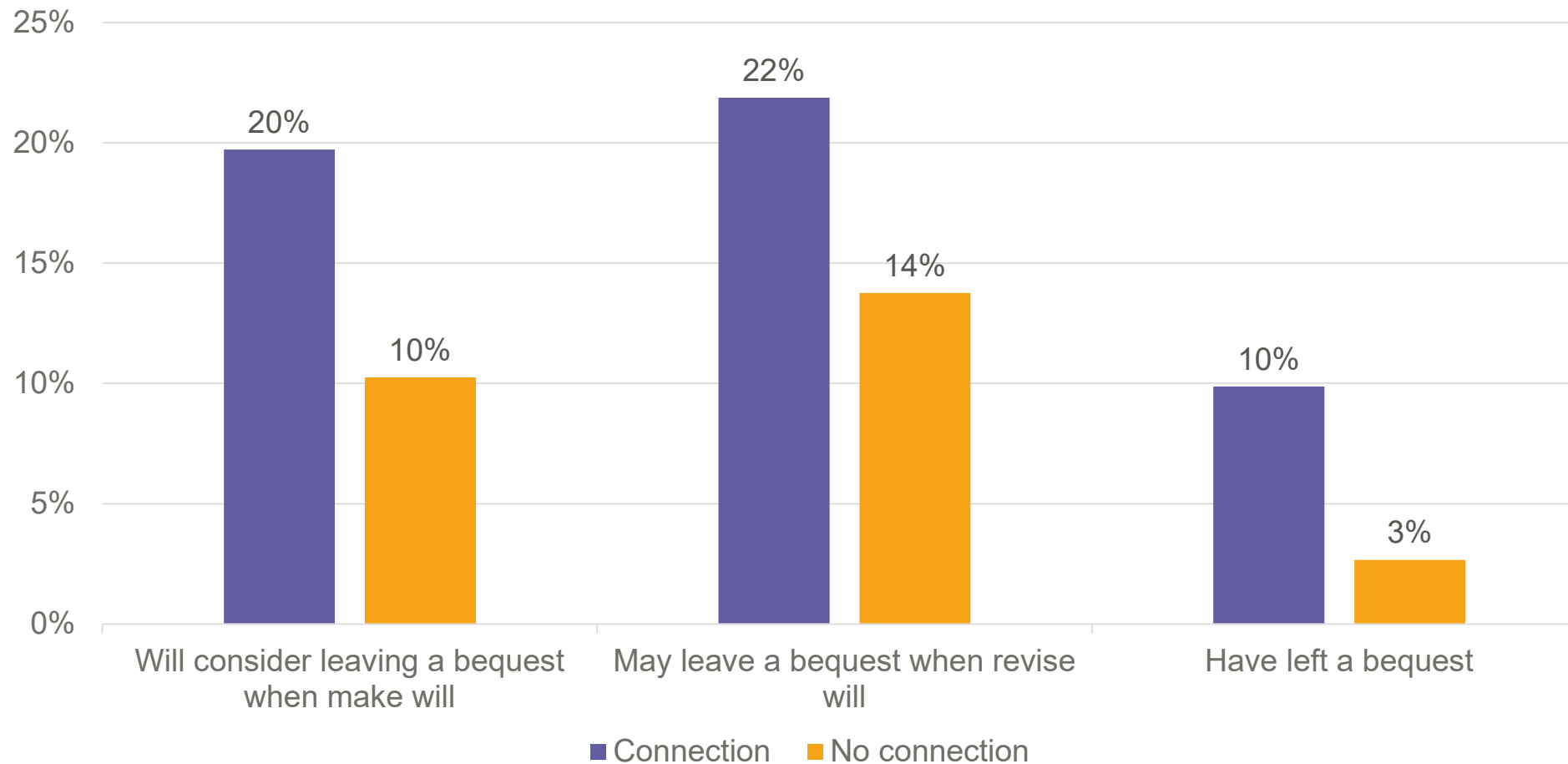
LGBTQ+ more likely to consider leaving a bequest

% will behaviour by sexuality, all respondents



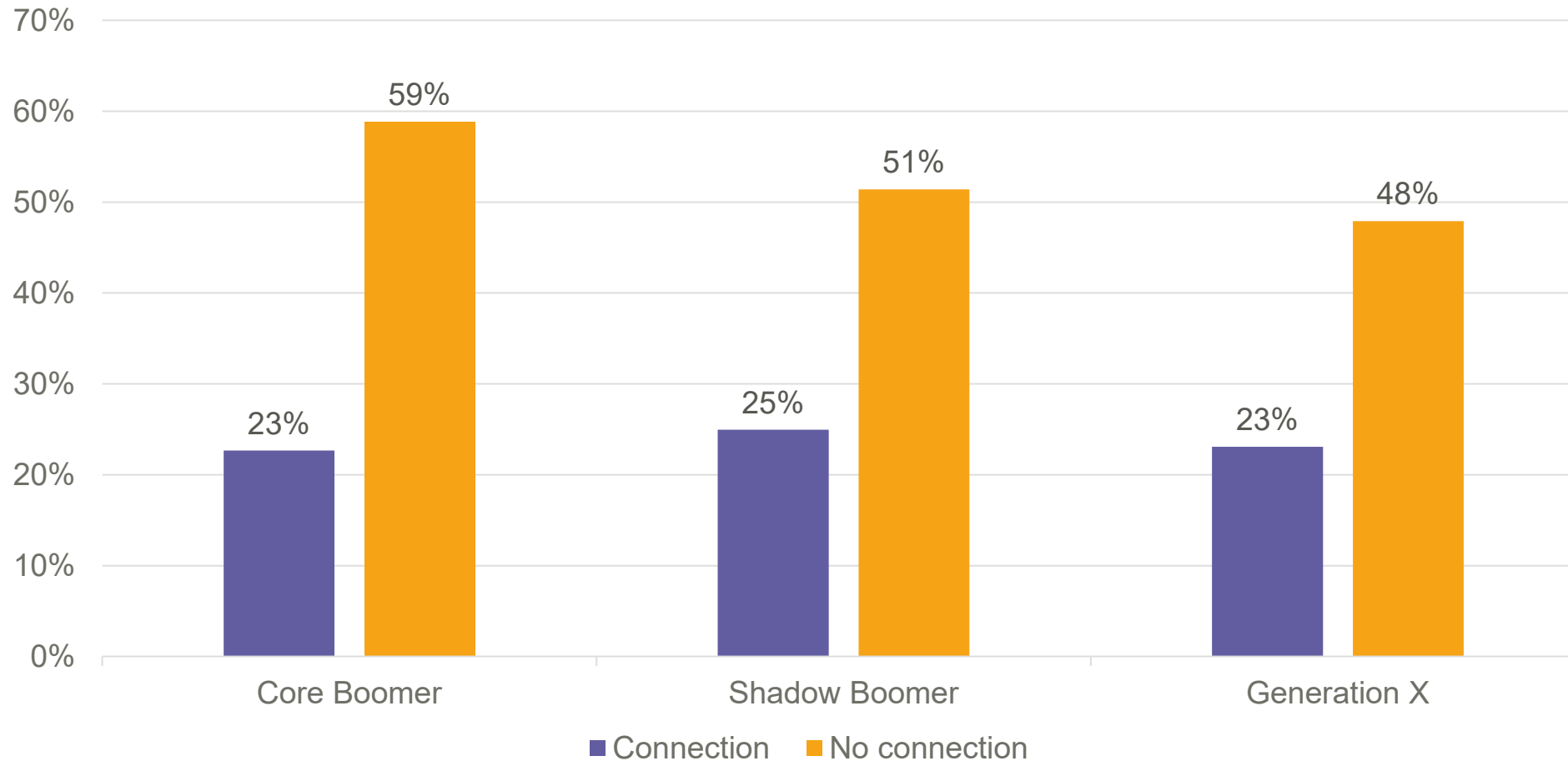
Connection to charity significantly increases propensity to leave a gift

% will behaviour by connection, Boomers & Gen X combined



Core Boomers feel the least connected to charities

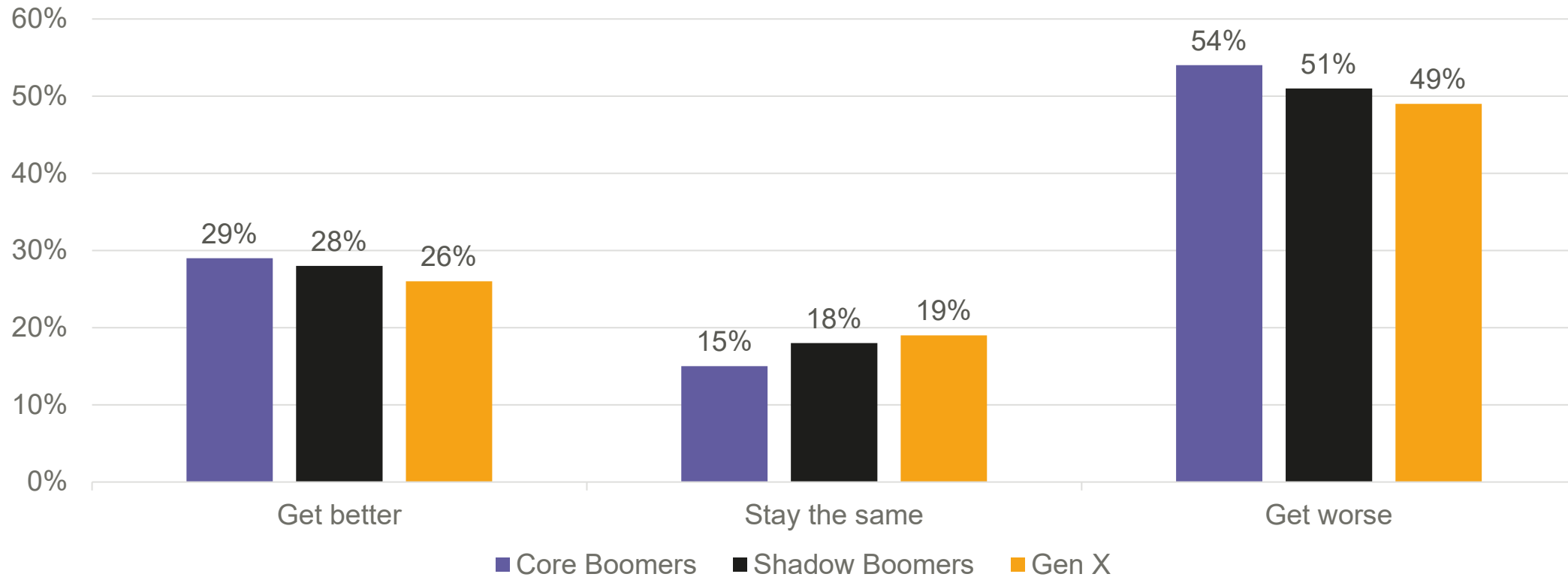
% of generations with a connection to charities



Confidence in the future

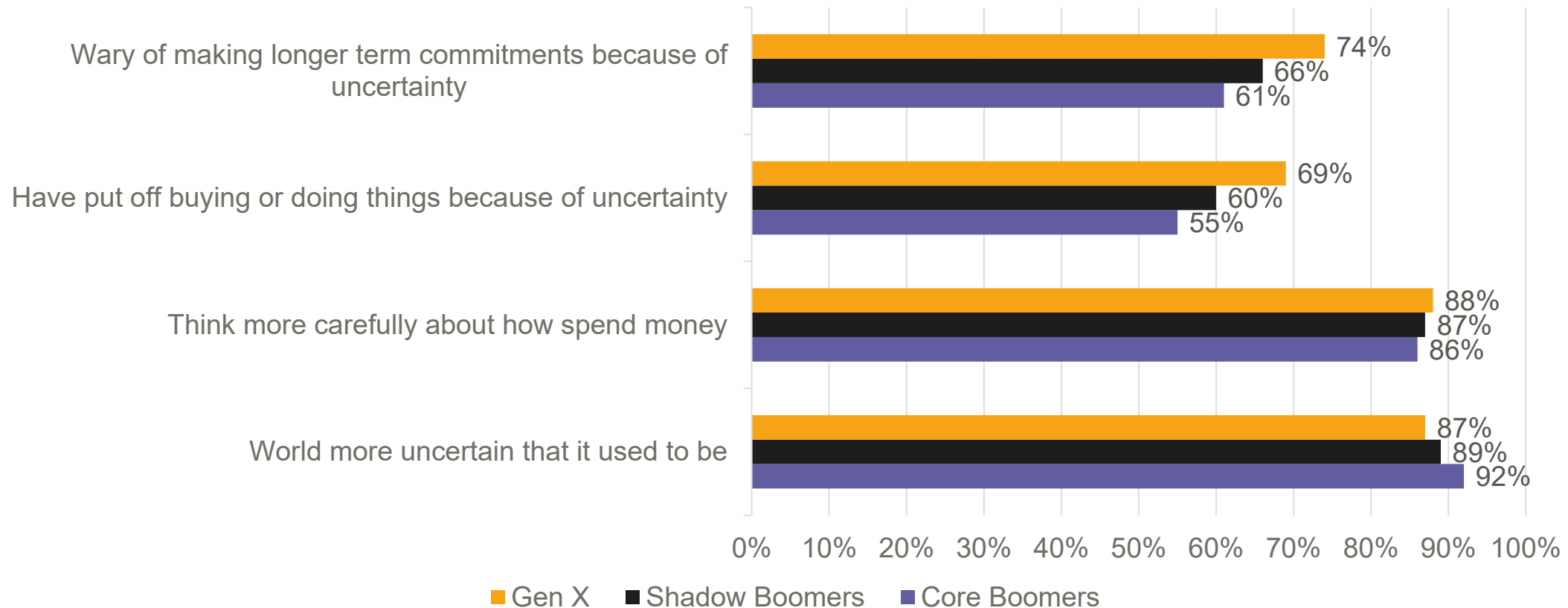
Overall feeling that the economy may get worse

Expectations of the general economic situation in this country over the next three years

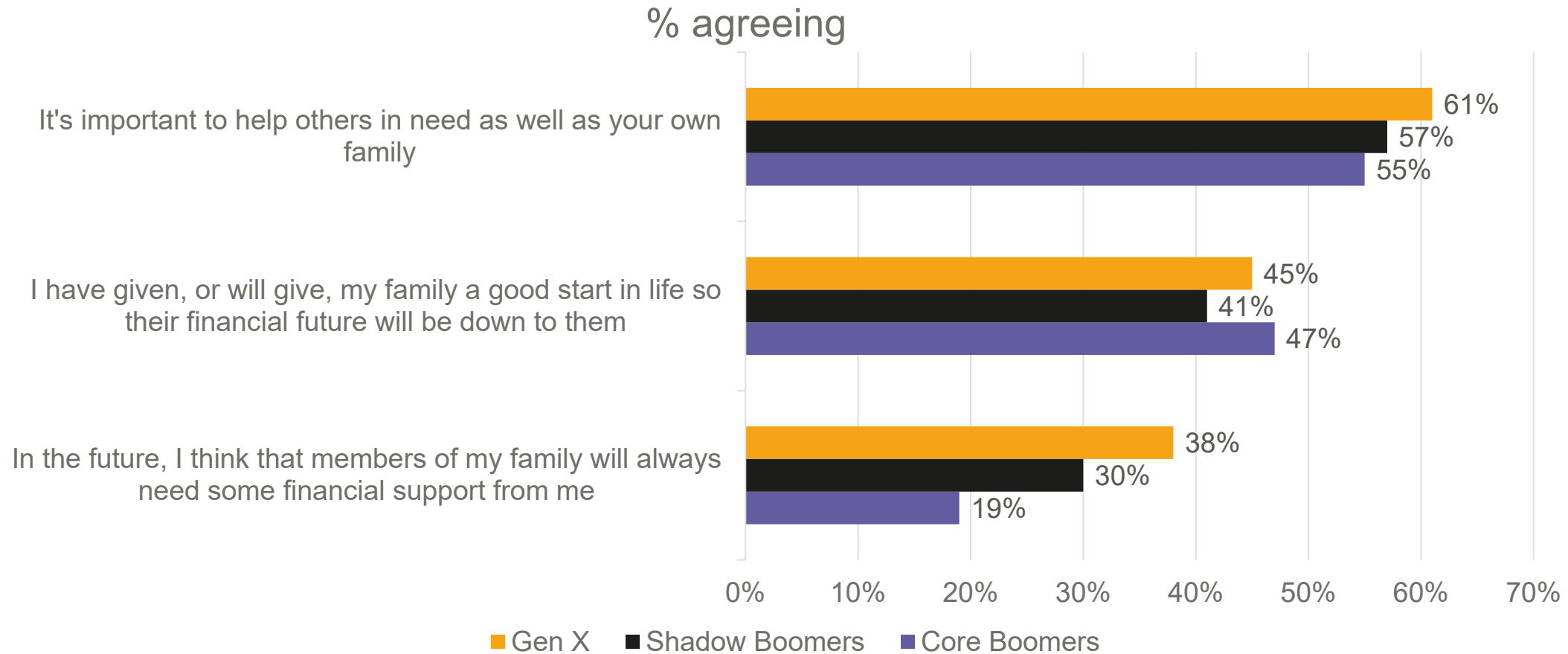


Putting off longer term commitments or buying things due to uncertainty

% agreeing

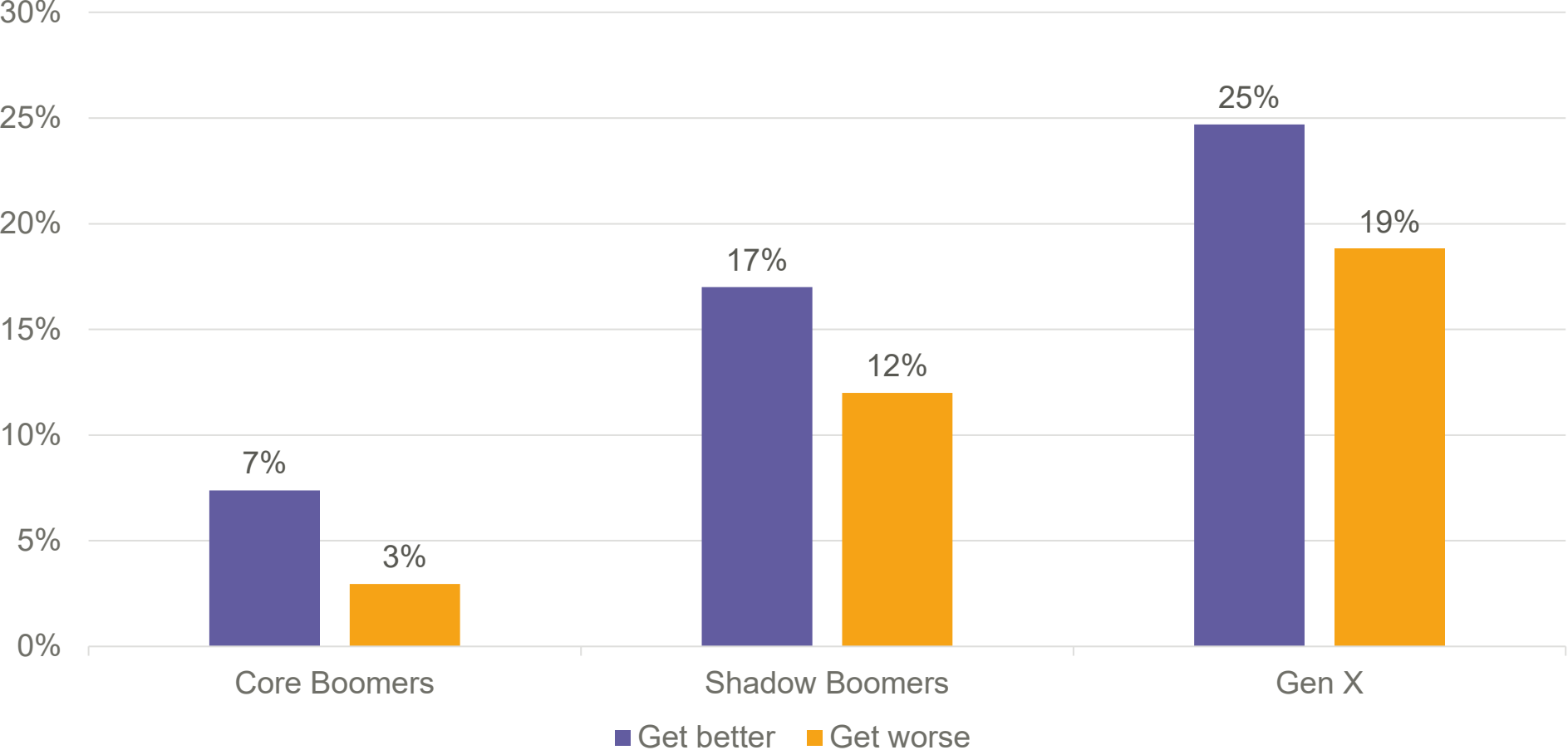


But more than half of all cohorts want to help others as well as own family



Having confidence in future finances makes all cohorts more likely to consider a gift

% consider a gift in will, by confidence in future of own finances over next 3 years



The market opportunity



How big is the market right now?

A surprisingly tricky question to answer...

**Top 20 charities for
donated income**

50%

reported bequest
income separately

**21st – 150th charities
for donated income**

48%

reported bequest
income separately

**150th – 1000th charities
for donated income**

23%

reported bequest
income separately

**Smallest 50,000
charities**

3%

reported bequest
income separately

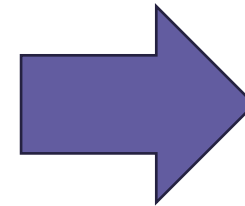
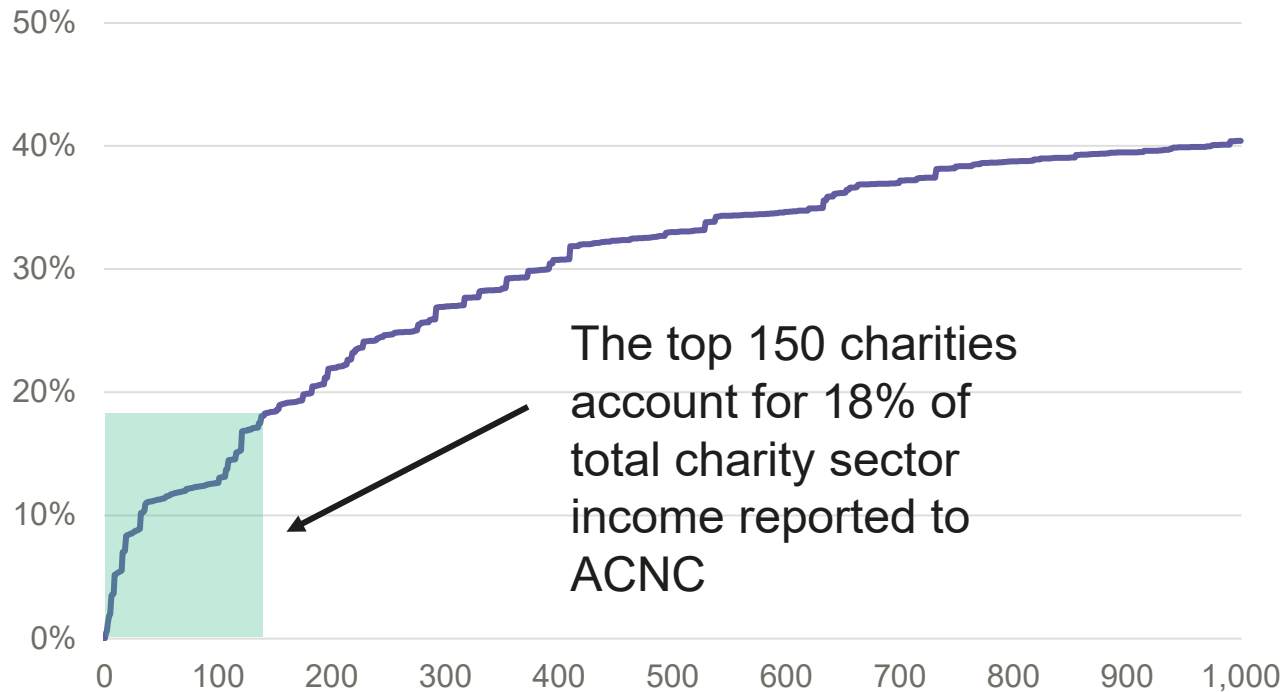
We estimate that the top 150 charities
for donated income received around

\$800m

of bequest income in 2022

Scaling up to the market

Cumulative share of Australian market



The same proportion of UK market generates

47%

of all legacy income

ACNC

We estimate that the top 150 charities
for donated income received around

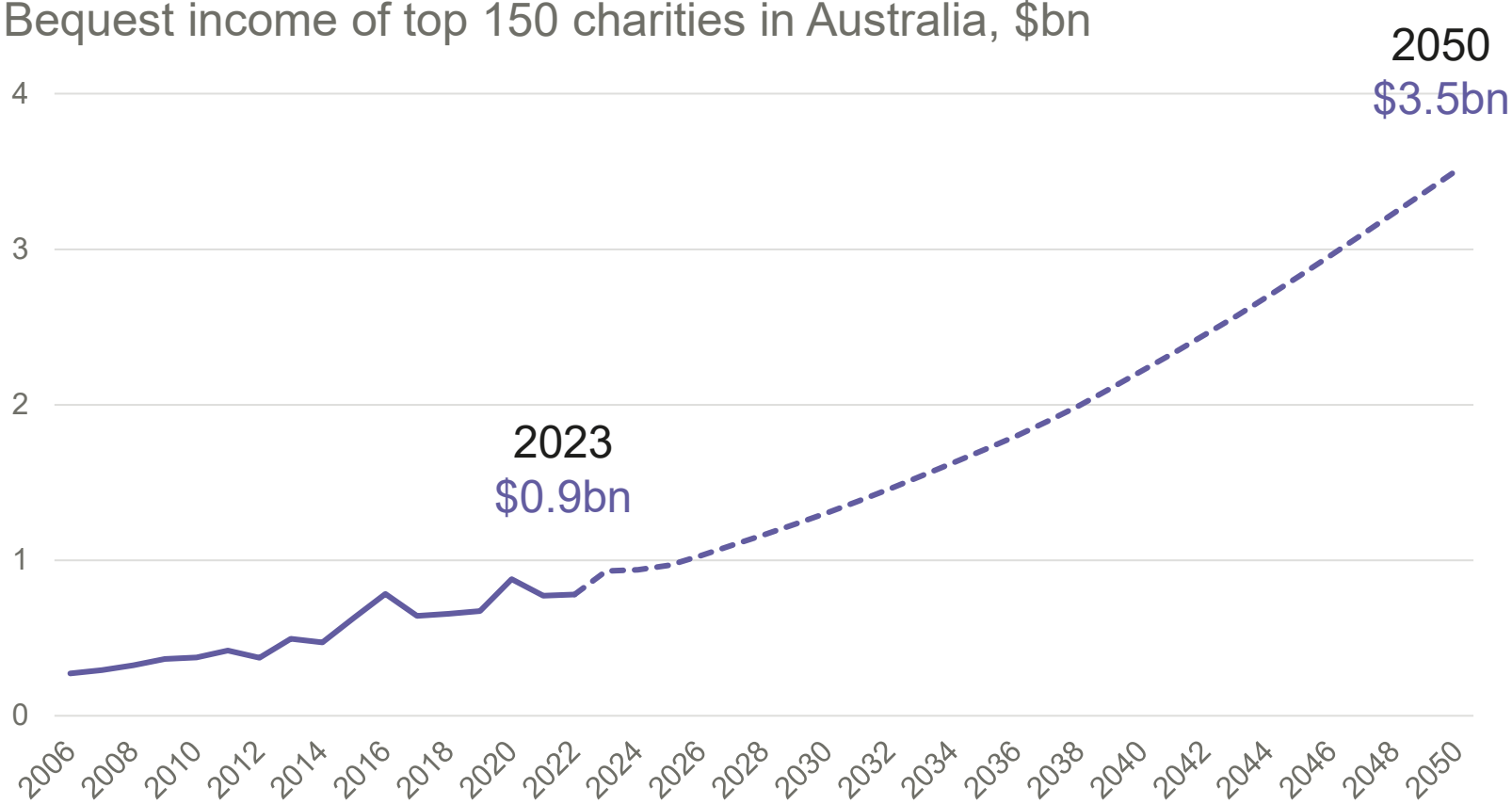
\$800m

of bequest income in 2022

If this follows a similar pattern to the UK
then the annual bequest income market
in Australia could be worth around

\$1.6bn

And the future looks promising



We expect the market to be

3X

bigger in 2050 than it is today

Legacy Foresight, based on ACNC, More Strategic & Pareto data

Key factors driving gifts in wills income

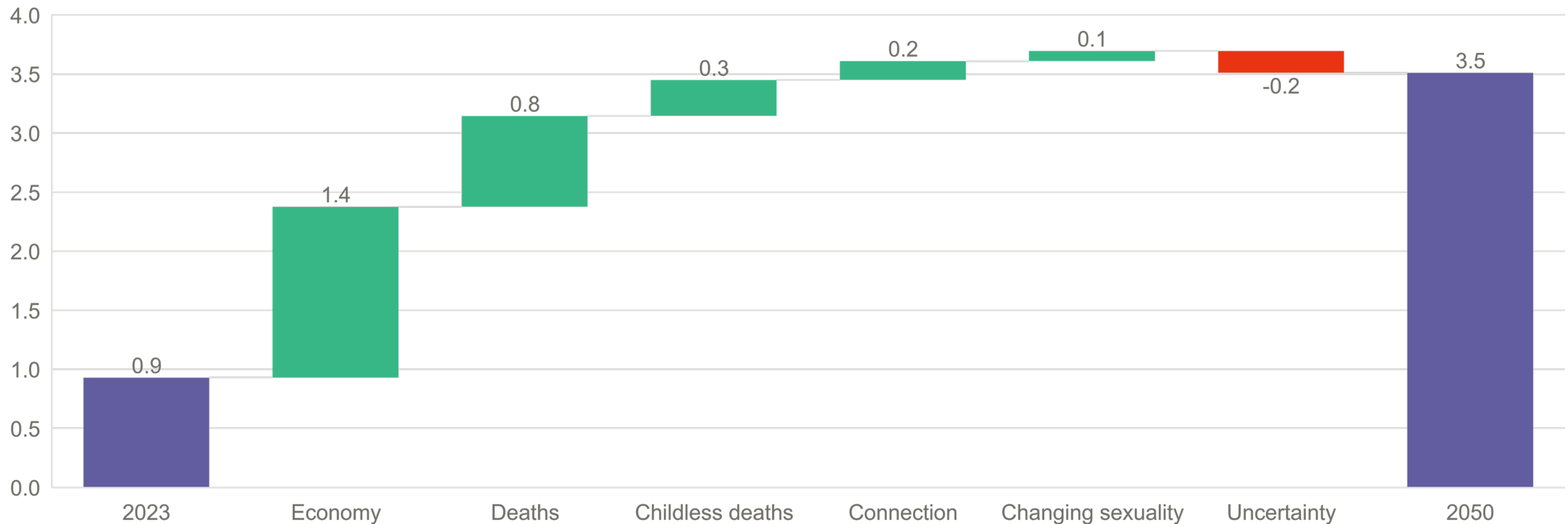
Demographics

**Economy and
Wealth**

**Attitudes
towards charities**

Economic and demographic drivers are most important

Contributors to bequest income growth for Top 150, \$bn



Legacy Foresight, based on ACNC, More Strategic & Pareto data

But surely there's potential for even more

The proportion of probated wills including a gift to charity:

Australia **6.5%**

UK **16%**

For each 1% pt increase in the proportion of probated wills including a gift over the next 10 years could generate an additional

\$300m

per year in bequest income for Australian charities

3 keys to further grow the market



1. Work with the uncertainty

- Uncertainty has been on the rise since we started this project in 2008
- “An uncertain outcome feels worse than a certain negative outcome”
- Decisions being put on hold, especially so for Gen X
- Use this time to engage and warm these supporters up.



2. Build connection with charities



- Feeling of connection to charity significantly increases likelihood of a gift
- Brand values such as levels of trust and understanding impact of gift are important, as are lifetime relationships
- Core boomers present biggest opportunity.
- Engage them on their own terms – transparency, control and tangibility
- How can you strengthen connections and bring your supporters closer to the cause they love?

3. Appeal to a more diverse audience



- The audiences are becoming increasingly diverse
- Lifestage, family structure, culture, faith, sexuality
- Changing life experience leads to different values and future outlook
- Make sure your communications are fully inclusive and representative
- Create tailored journeys for different audiences

Work together for even more impact



x3

Gifts in Wills market growth by 2050

- We are forecasting a big growth opportunity, but you can go even further if you work together.
- Better market data needed to monitor and track progress over time.
- Increasing your investment means you can reach these audiences at scale.

Thank you

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