

Buckle up for a bumpy ride!

Over the past ten years the British legacy market has seen both boom and bust. In the decade leading up to the recent recession, legacy incomes were growing rapidly, at an average of 6.9% pa, thanks to rocketing house prices and a buoyant stock market. However, the long run of growth came to an abrupt end in early 2008, when the global financial crisis hit. Over the next two years, the market contracted by 3.5%.

As we reported in our last newsletter, the legacy market returned to growth in 2010, when those all-important residual values started to recover. However sadly, this year, the market has 'softened' once again, with incomes across the Legacy Monitor Consortium falling in the last two quarters.

The reasons for the weakening market are all too obvious – a double whammy of falling house and share prices, driven by persistent global economic and political uncertainties. The short to medium-term outlook is now looking subdued and somewhat precarious. And if we do tip back into recession, legacy incomes will undoubtedly fall once more.

But it's not all doom and gloom – looking ahead, there are many reasons to be optimistic.

Firstly, despite the falling death rate, numbers of legacies continue to climb. We estimate that over the past 20 years, numbers of charitable notifications have grown by over 60%. In part this is due to more people choosing to write a charitable will. According to the latest available data (Smee & Ford 2008) 7% of deaths now result in a charitable will, compared to just 4% of deaths in 1990. But it's also due to a rising number of charitable bequests per legator – with an average of 3 gifts per will, sometimes far more. It would appear that donors are spreading their money more widely, and supporting a broader range of cause areas.

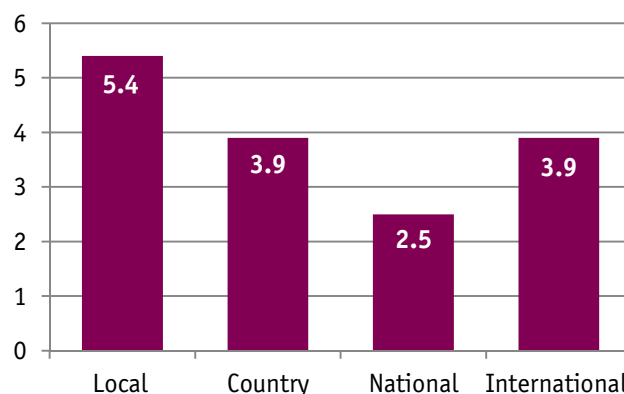
Also, despite the recession, the number and value of pecuniary (cash) gifts continues to climb. While these gifts are relatively small (averaging £2,800 each compared to £40,000 for a residual bequest), they are probably easier to market to the general public than

residuals, which often appeal to childless people. We estimate that over the past decade pecuniaries' share of total notifications has risen from 51% to 54%.

Our latest research shows that smaller, younger and often local charities have benefited from these trends. According to the 2011 Legacy Market Review, local charities such as hospices, wildlife trusts and air ambulance services have seen their incomes grow more than twice as fast as national brands.

Legacy income growth by geographic scope

% pa, 2005/6 - 2009/10



Source: Legacy Foresight analysis of Caritas data

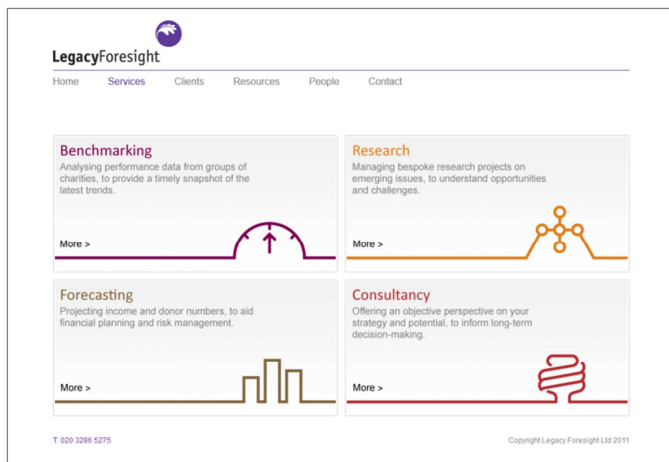
One final reason to be cheerful (for legacy fundraisers at least!) is the projected rise in the death rate, driven by the baby boomer generation. By 2030, there will be 615,000 UK deaths, compared to 560,000 today. Even at current propensities, that means another 22,500 charitable gifts a year!

These facts and figures - and many more - are contained in the 2011 Legacy Market Snapshot, available from Legacy Foresight in association with Remember A Charity. To request a complimentary copy, visit our website: www.legacyforesight.co.uk

Legacy Monitor is an analysis and benchmarking programme run by Legacy Foresight in association with Clear, the developers of First Class legacy administration software. This year's programme includes 51 major charities, who together account for half of the total legacy market. The programme operates on an annual cycle, January - December, and the deadline for 2012 members is fast approaching! If you would like to know more about the programme contact: Meg Abdy on m.abdy@legacyforesight.co.uk

New Legacy Foresight website launched

We are pleased to announce the launch of our new website. As regular visitors will know, our old site was getting old and stale. This new site has been designed to provide clearer information, easier navigation, and a stronger personality! New features include regular programme updates, and a resources section with factsheets on our key services, links to partner organisations, and plenty of free stuff to download.



Expanded information on all our services

The website is an important step in a broader review of our materials, aiming to make our research and analysis as informative and digestible as possible. Over the coming months we plan to redesign our standard presentations and reports to reflect the new look. Do pay us a visit at www.legacyforesight.co.uk – we'd love to know what you think.

Forecasting service continues to grow

This summer two new clients have signed up to our legacy forecasting service: Age UK and NSPCC. This brings the total number of regular forecasting clients to 15, ranging from market leaders Cancer Research UK and British Heart Foundation to fast-growing smaller players such as St Dunstan's and Alzheimer's Society. The standard service provides two 5-year income forecasts a year, including an annual presentation, two written reports, back-up data sheets and telephone advice as required. For more information, visit our website or contact Chris Farmelo at:

c.farmelo@legacyforesight.co.uk

In-Memorial Learning Circle: taking stock

This spring we launched the In-Memorial Learning Circle – a consortium project to map, measure and research the growing in-memorial 'market'. Twenty-two charities signed up for the year, each committing funding, staff time and in-house information to the programme.

Over the past 6 months a series of sub-projects have been under way, including focus groups and depth interviews with in-mem donors, research into good practice in-memorial fundraising and performance benchmarking. Our in-mem research framework was developed during an intensive workshop last May, and the results were presented at a half-day session in mid October.

Over the next few months our consortium members will be absorbing the findings, discussing them with colleagues and agreeing how best to take the programme forward; including if and how to include new members. Developments for 2012 will be publicised via our website, and through email updates. So watch this space...

Regional legacies under the microscope

Legacy Foresight is setting up a new project to study trends and patterns in legacy giving across the United Kingdom, broken down by region. It will be based on data from clients' legacy databases, using a range of the most significant measures included in the Legacy Monitor programme. The analysis will be based on the twelve standard UK regions, as defined by the British government. This will allow each charity to consistently compare their own legacy patterns with the Consortium overall.

The results will allow clients to answer question such as:

- Which regions are we currently strongest – and weakest?
- Which regions are seeing the fastest and slowest growth?
- How does our legator profile vary across the regions?
- Are these patterns common to many charities, or peculiar to us?

To make the analysis valid, we need the participation of at least 10 national charities. Depending on consortium size, the cost per charity will be between £1,000+VAT and £1,750+VAT. For more information, contact Meg Abdy at m.abdy@legacyforesight.co.uk.

Church resource packs to increase legacy giving?

Legacy giving generated a lot of publicity earlier this year when the Chancellor George Osborne said in his Budget speech: "I want to make giving 10% of your legacy to charity the new norm in our country." The figure of 10% rang bells with Christians, as it recalls the Biblical custom of 'tithing'. But whilst many churches encourage their members to give 10% of their income to church and charity, when it comes to legacy giving, the picture is somewhat different.

There is evidence that Christians are very generous givers both in life and at death. In 2008 16% of all bequests in wills were to 'worship' or 'religious' organisations (Christian and other), representing some £240m in legacy income (that's 12% of all legacy income). We also know that 48% of Christians have or would consider a bequest versus 31% of non-worshippers. However, there is a concern among Christian charities that lifetime generosity is not currently being carried over into legacy giving.

That is why, since 2009, the Christian Legacy Consortium has engaged in a programme aimed at helping Christians to appreciate the importance of leaving legacies to Christian organisations. Just as other consortia like Will Aid and Remember a Charity have proved effective in changing legacy-giving patterns, so Christian Legacy intends to change the mindset of the Christian population, by working together to multiply the impact of individual charities.

The Consortium originally came together in 2001 and in 2009 we re-branded and re-focussed our vision and strategy. We want Christians to be aware of the huge impact that they could make through continuing their generous lifetime giving in their wills; challenging them to a kind of giving that could help leave a powerful 'Christian legacy' to future generations.

The Consortium consists of founder members Bible Society, Care for the Family, CMS, The Leprosy Mission and Livability, who have been joined in recent months by Tearfund, Scripture Union and Stewardship. Discussions are in hand with several other potential new members.

Our strategy so far has been to gather the opinions of readers of leading Christian publications, and then carry out an extensive advertising campaign aimed at stimulating debate about the ways that Christians can leave a lasting gift for future generations.

The next phase of our strategy is to work with churches, helping them to speak to their members about the

importance of legacy giving. We have developed a resource pack for Churches called "Tomorrow's Harvest," which will enable ministers to explain the benefits and encourage their members to consider a legacy to their church and to other Christian causes during a special "Mustard Seed Week".

Whilst the overall aim of the Consortium is to increase legacy giving for the benefit of all Christian charities and churches, we also have a clear policy of promoting the identity and work of individual member charities, in order to generate our own future legacy income.

The potential rewards are enormous. It has been pointed out that, if 60,000 Christians die each year leaving an estate value of, say, £160,000 this would amount to assets of £9.6 billion. However, relatively little of this finds its way to support vital Christian work and we want to ensure that Churches and Christian organisations benefit as much as they can.

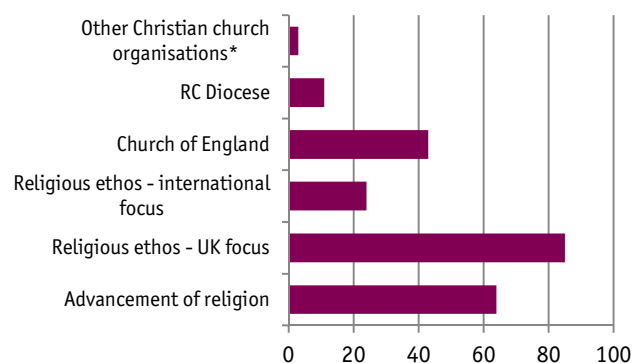
For further information on Christian Legacy go to www.christianlegacy.org.uk

This article was written by Alastair Emblem, Legacies and Churches Marketing Manager, Livability, on behalf of the Christian Legacy Consortium. It originally appeared in the Q3 edition of the Legacy Barometer

Spotlight on faith-based legacies

This year's Legacy Market Review included an investigation of legacies to faith-based organisations, including both registered charities with a religious ethos and local churches. Our analysis suggests that these faith-based legacies are worth around £235-£245m pa – representing around 12% of all legacy income. The pie chart below shows an estimated breakdown of total faith-based legacy income. We plan to consolidate and extend this analysis in future years.

Faith-based organisations' legacy income by sector 2009/10, £m



*excludes donations to individual churches

LEGACY NEWSFLASH!

This September saw a global alliance of charities coming together for the very first time to raise awareness of the importance of charitable legacies internationally. Cross-charity campaign **REMEMBER A CHARITY** (www.remembercharity.org.uk) was joined by consortia in Australia, Belgium, Canada, Spain, Ireland and Switzerland for the first ever International Legacy Giving Day on Tuesday 13th September, as part of Remember A Charity Week. The awareness day marks the first step towards growing the international legacy market, giving the consortia the opportunity to share key insights and develop potential partnerships to encourage more people to consider giving a charitable gift in their Will.

According to **BATES WELLS & BRAITHWAITE** (BWB) this year has seen a flurry of legacy fundraising activity, with many charities embarking on or reinvigorating their existing legacy campaigns. It's always best for charities to get their legacy fundraising materials checked by their legal advisors, as it's very easy to get it wrong. As part of Remember a Charity week, BWB hosted an event for solicitors, to spread the word on drafting effective charity legacies. They also run free legacy update seminars from time to time, with the next one anticipated around February 2012. Please check their website (www.bwblp.com) nearer the time for details or email Laura Soley (L.soley@bwblp.com) to sign up to their regular e-flash service.

Last June, HMRC published a consultation document on their proposals to offer Inheritance Tax incentives to those leaving 10% of their estate to charity. **THE INSTITUTE OF LEGACY MANAGEMENT** responded to the document on behalf of its members with the view that this could help influence attitudes and behaviour towards legacy giving, provided that HMRC issue clear and simple guidance to both professionals and the public to ensure that confusion and complexity do not discourage people from leaving charitable legacies. A Summary of Responses is expected to be published by HMRC in early December. To keep up with developments as they unfold, check out the ILM Bulletin Board at www.ilmnet.org.

The legacy sector now has its own Doctor! **CLAIRE ROUTLEY**, Head of Legacy Giving at the Bible Society, was recently awarded a PhD by the Bristol Business School for her research on legacy giving. Her dissertation entitled 'Leaving a Charitable Legacy: Social Influence, the Self and Symbolic Immortality' explored how people's background influenced their legacy giving, and how they wanted to be remembered after they had died. Despite

this great achievement, and her more-than full-time job, Claire is keen to continue her researches in the field. She's already embarked on a literature review of bereavement research, looking at how insights from psychology and sociology can be applied to in-memoriam and legacy fundraising. Congratulations Doctor Claire!

CLEAR'S FIRSTCLASS, the UK's leading legacy management system continues to go from strength to strength. Over the past eighteen months the client list has grown from 50 to 64, with latest subscribers including Help for Heroes, Leonard Cheshire Disability, Livability, The Donkey Sanctuary and the Firefighters Charity. The 35 FirstClass clients on the Legacy Monitor programme enjoy close system integration, which allows their data to be automatically extracted and formatted at the touch of a button.

This year's Legacy Monitor programme included a one-off analysis of legacy marketing benchmarks, aiming to quantify some of the perennial questions legacy fundraisers grapple with. Such as...What is the age profile of our pledgers and prospects? What proportion of our pledgers go on to leave a bequest? How many of our legators were known to us before they died? To define and interpret the findings, we worked with legacy marketing consultant Duncan Bell. Duncan will be well-known to many of you, not least from his six years as Head of Legacy Fundraising at Cancer Research UK. Duncan is currently setting up a new consortium project codenamed **PROJECT DISSECT**. This is an attempt to aid legacy marketing investment decision making by evaluating the likely impact of different types of legacy marketing activities and strategies on the bottom line. If you'd like to know more about the project, please contact Duncan directly on duncanbell101@googlemail.com.

Legacy Foresight Ltd
 Forge House, Main Street
 Sinnington, YO62 6SH
www.legacyforesight.co.uk