

Legacy Monitor Netherlands

LEGACY MONITOR CONSORTIUM

SUMMARY REPORT 2016

About this project

Legacy Monitor Netherlands is an annual project to analyse, research and forecast Dutch legacy giving. We aim to:

- Analyse trends in Dutch legacy income, by charity type
- Track the economic, legal and social drivers of legacy giving
- Research into legator attitudes and behaviour
- Forecast future legacy incomes
- Benchmark the performance of individual charities
- Facilitate the sharing of market knowledge

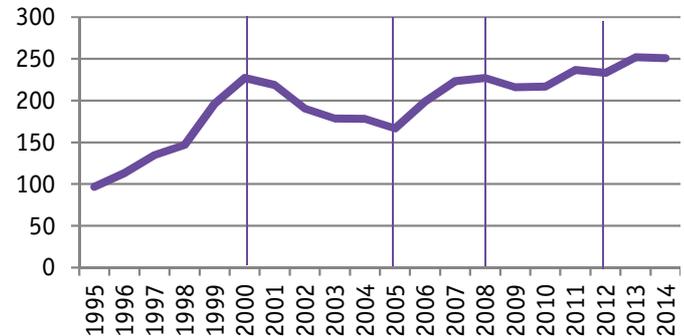
This briefing report covers two elements of this year's research. Firstly, the outlook for the Dutch legacy sector over the next ten years; and secondly, Dutch peoples' behaviour and attitudes to will-making and charitable legacies. We are grateful to our eleven charity clients for agreeing to share this information with the wider legacy sector, and hope that it may encourage more charities to join our Consortium.

Legacy market forecast to 2025

Legacies are a significant source of funds for major Dutch charities – in 2014, the 100 largest legacy charities received 250m euros from gifts in wills; this represented 23% of voluntary income and 9% of total income when also government subsidies, sponsoring and lottery donations are included. Even within this large charity group, a few 'extra-large' brands dominate: the twelve largest legacy charities accounted for 65% of the top 100's income; we estimate that these organisations represent over a quarter of all legacy income received. Over the past 15 years the 100 largest Dutch legacy charities have seen their legacy income grow by an average of 1.6% p.a. Annual growth rates varied significantly over the period – speeding up during boom times and slowing down (or even falling) during recessions. From 2008 to 2012, the legacy market was suppressed by the global recession – however, since 2013 it seems to have recovered.

Legacy market follows the economic cycle

Legacy income, CBF - €m



CBF, Legacy Foresight

Legacy Foresight have built a mathematical model of the Dutch legacy market, which suggests that over the next ten years growth will be stronger than in the recent past, due to:

- Rising deaths
- Improving economic performance – in particular rising property prices and recovering share prices

However, uncertainty arising from Britain's surprise decision in June 2016 to leave the European Union is likely to dampen Dutch legacy market growth, especially in the short-term. The United Kingdom and the Netherlands are close-knit trading partners, and unless Britain can negotiate favourable new terms with its former allies, Dutch exports are likely to fall. This will in turn have a knock-on effect on Dutch GDP growth rates, and potentially on house and share prices too – all of which will depress the all-important *erfstelling* bequest values. (*Erfstelling* bequests, where a donor leaves a share of the estate to the charity, represent over 80% of total legacy income.)

Despite the current uncertainty, our central forecast is for 3% p.a. growth over the next 10 years (2015 to 2025), which compares favourably to the 1.6% p.a. seen 1999 – 2014.

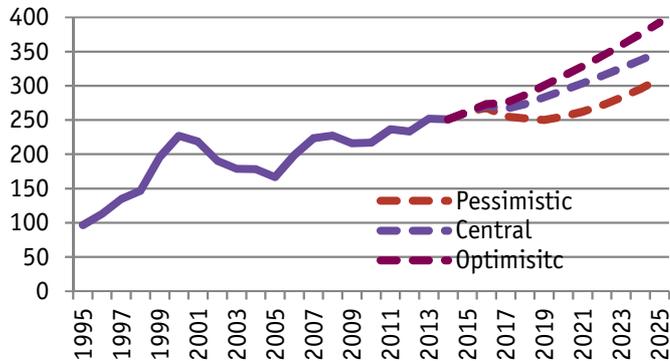
In addition to the central market forecast we have also produced two alternative scenarios: pessimistic and optimistic. In the pessimistic scenario we assume that Brexit has a much more damaging impact on both the UK and Dutch economies, with Dutch share prices falling by 6% p.a. and house prices by 2% p.a. between 2016 and 2020.

In the optimistic scenario we assume that the short-term impact on the economy is much less significant than in the central forecast and in the medium to longer-term leaving the EU actually has a positive impact on the UK

economy and results in positive structural reforms to the EU, which directly benefit the Dutch economy too. We assign a 45% probability to the central forecast, a 40% probability to the pessimistic forecast and a 15% probability to the optimistic forecast.

Alternative market forecasts

Current prices, legacy income top 100 charities, €m



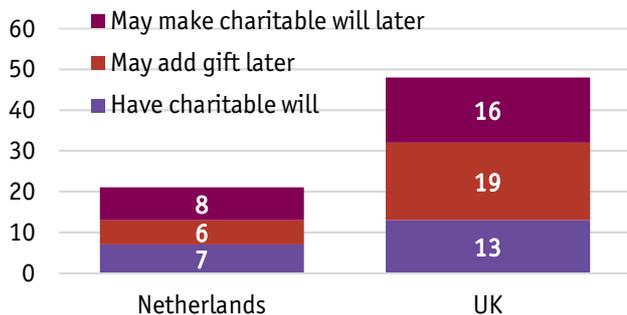
CBF, Legacy Foresight

In addition to our analysis of Dutch legacy incomes, we also commissioned a consumer survey on will-making behaviour and attitudes. The survey was conducted by online research specialists Populus, and questioned a representative sample of 1,000 Dutch adults aged 50+. The same survey was also run in the UK, allowing us to directly compare responses across the two countries.

The survey showed that 7% of Dutch 50+s have written a charitable will, and another 14% are open to the idea. In contrast, British people are twice as likely to have already written a charitable will, or consider doing so in the future.

British are twice as open to the idea

% aged 50+, who have or may consider a gift to charity in their will

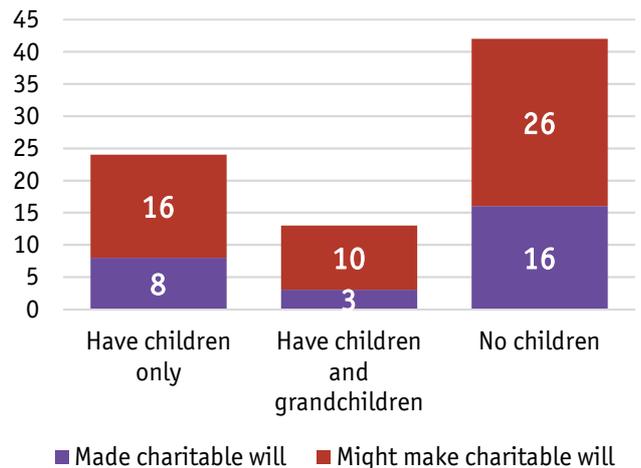


Populus for Legacy Foresight, UK and NL, April 2016

As in the UK, childless people are a very important audience for legacy fundraisers. One in five of the Dutch people questioned had no children. This group was far more likely to write a charitable will: 16% had already done so, while another 26% would consider doing so in the future.

Childless far more likely to leave a gift

% Dutch respondents by presence/absence of children



Populus for Legacy Foresight, NL only, April 2016

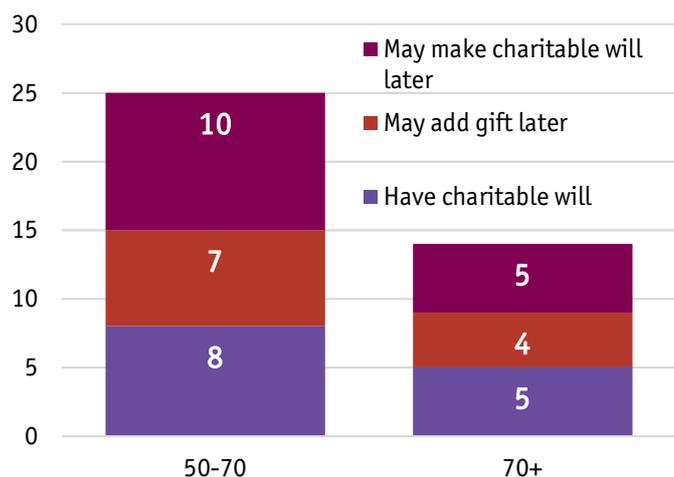
In all, Dutch people are far less likely to write a will: 40% of the 50+s questioned said "I have not made a will, and do not think I will", compared to just 11% of Brits! In Holland, legal protection for the family means there is less apparent need to write a will. The perceived high cost is also a barrier for a substantial minority of people, especially men and those without children.

For those 60% of Dutch people who already have or plan to write a will, preventing family quarrels is a major motivator, along with changing family circumstances, such as the birth of grandchildren, divorce or the death of a spouse.

The research showed that 40% of Dutch wills were updates; however, on average two thirds of wills were written over 5 years ago, and a third were over 15 years old! This suggests that in many cases the content may be out of date. Strategies providing practical help and lowering perceived costs may help raise will-making overall and therefore also a raise in charitable wills. Within the overall sample, we examined responses across two generations: baby boomers (aged 50-69) and war babies (aged 70+). We found that Dutch boomers are much more open to the idea of leaving a charitable gift than the older generation: 25% of them would consider leaving a gift to charity, compared to just 14% of war babies. Give the size and wealth of the Dutch baby boomer population, this is a positive indication for future charity legacies.

Boomers more open to idea than war babies

% Dutch respondents by age



Populus for Legacy Foresight, NL only, April 2016

The research suggests that since Dutch will-making often comes later in life, the 70+ (war baby) group is the one to target now about wills – they are ready to think and act. Boomer communications should focus on the general benefits of a leaving charitable legacy, sowing the idea for later life.

Where next for the project?

In 2017 we plan to recruit a larger group of charities to the Legacy Monitor Netherlands programme. This will allow us to work together to :

- Collect more benchmark data across a more robust sample
- Analyse market data in more depth
- Conduct further consumer research through focus groups or surveys
- Explore new important issues such as income and wealth development in older segments of the Dutch Society

We will be contacting leading legacy fundraisers to ask if they would like to be involved, and the issues they would most like to explore.

Voor meer informatie:

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This project was funded by 11 leading Dutch charities, who together account for 25% of the Dutch legacy sector. They are:

Greenpeace
Hartstichting
KNGF Geleidehonden
Leger des Heils
Liliane Fonds
Nierstichting
Oxfam Novib
Reumafonds
UNICEF
Wakker Dier
WWF

ARIEN VAN KETEL
FONDSENWERVING EN
NALATENSCHAPPEN

Arjen van Ketel is the Dutch advisor in Legacy Fundraising. His specialities are marketing research, strategy development and training and education. He initiated the Dutch Code of Ethics on Legacy Fundraising is writer of the Dutch Legacy Fundraising Manual. In 2015 he introduced legacy Foresight in the Netherlands. In 2017 the third "Monitor" will be published.

Legacy Foresight

Legacy Foresight are Europe's foremost analysts of the legacy and in-memory giving sectors. They appraise the state of the markets, produce income forecasts and research into donor motivations. Their work is used both for ongoing performance management and for long-term strategic development. Since their first legacy project 22 years ago, Legacy Foresight have worked with over 100 leading charities across Europe.

UNDERSTANDING EUROPEAN LEGACY GIVING

AUTHORITATIVE BENCHMARKING

TRUSTED FORECASTS

STIMULATING RESEARCH

ILLUMINATING CONSULTANCY

HOW ARE WE PERFORMING?

Legacy Monitor is our flagship benchmarking service, in operation since 1998. By drawing directly on our clients' databases, we present the very latest intelligence on legacy incomes, notifications and values. Each client receives tailored reports, comparing their performance against their peers - whether by cause area, age or size.

WHAT'S IN THE PIPELINE?

Our forecasting team can project the number and value of gifts you receive over the next five years. Alongside our central forecasts, we provide optimistic and pessimistic scenarios, to help with financial planning and risk management. These are backed up by clear commentaries, aimed at busy managers and trustees.

WHAT DO OUR DONORS THINK?

We manage bespoke research projects to explore emerging issues. Some projects are commissioned by specific charities, while others are funded by groups of clients, who share their experience, insights and data. This collaborative approach not only cuts costs; it can also save time and create opportunities for joint campaigning.

WHAT'S ON THE HORIZON?

Our scenario-building service provides an objective view of your future direction and potential. Drawing on our strategic planning skills and sector knowledge, we overlay your organisation's positioning, performance and plans with deep-rooted market trends, to create a spectrum of future possibilities.

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