

Introduction

Legacy Giving 2050 was a project to assess the long-term outlook for legacy giving in the aftermath of the global recession. The project explored whether the 'crunch' has resulted in changes in donor behaviour and attitudes that could have a lasting impact on legacy giving.

In particular, we focussed on two key cohorts: the 'War-Baby' generation, born 1930 – 1945, now aged 68-83; and the 'Core Boomer' generation, born 1946 – 1957, now aged 56-67

The project built on the findings of two previous projects, carried out in 2007 and 2010. The results have been used to update Legacy Foresight's long-term legacy market model, with forecasts out to 2050.

Key findings

All three projects have confirmed that:

- Baby Boomers are a very large cohort, representing 22% of the UK population. Compared to previous generations (and probably the ones that follow) they are significantly more affluent
- Core Boomer deaths will start to climb in 2020, peaking in around 2040. The % of people dying childless will also climb steadily from 2030
- As a generation, the Boomers are charitably-minded. But they are also demanding, want control and proof of 'value'

Since our last project in 2010, new factors have emerged:

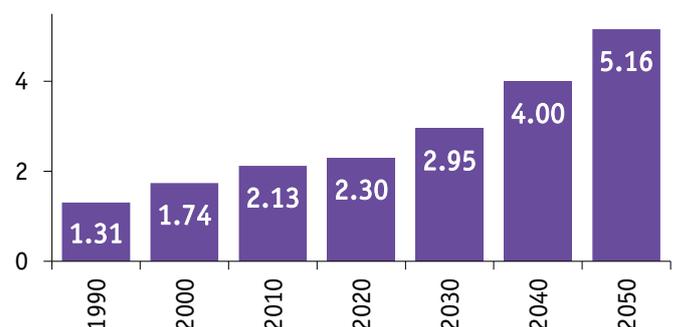
- The recession was longer, and recovery more gradual than anticipated
- While consumer confidence is recovering, recognition that we live in a global 'risk society' has not dissipated – this means that donors are delaying making legacy decisions as long as possible
- Consumers continue to be canny with their money, thinking twice before buying, and shopping around for bargains whenever possible. The internet has made this process easier, triggering a more consumerist attitude to 'suppliers' of all kinds – including charities.
- Now more than ever, for those with offspring, family needs – now and into the future – are often seen as paramount, leaving little space for charity
- Boomers (especially the childless) are more willing to downsize their home to save costs and release capital

Our latest central forecast suggests that by 2050:

- The number of charitable bequests will double from 112,000 to 227,000
- The % of wills containing a charitable bequest will rise from 14.5% to 19%, thanks to a more wealthy, charitably-minded legator cohort, more people dying without 'natural heirs' and the cumulative impact of legacy marketing
- But remember, pecuniary (cash) gifts will continue to rise faster than residuals, as charities reach out to new groups of mid-wealth and family households.
- By 2050, pecuniary gifts will account for 58% of all legacies compared to 55% today
- In real terms (after taking into account inflation) legacy income will increase from £2.1bn now to £5.2bn by 2050.

Total legacy income

2010 – 2050, £bn, 2012 constant prices



Legacy Foresight

Legacy market growth will vary by decade:

- 2010 to 2020 will see slow income growth (averaging 0.8% p.a.), due to a confluence of adverse economic and social factors; in particular falling deaths, a low % of childless deaths, the long-lived recession and a lingering sense of uncertainty
- From 2020 to 2030, factors start to work in favour of the legacy market (with growth of +2.5% p.a.), as deaths rise. At the same time, the economic backdrop will be more upbeat, making people feel richer and more benevolent
- 2030 – 2040 will be legacy boom years thanks to a happy combination of stronger economic growth, accelerating death rates and more childless deaths. Over this period, real growth rates are expected to reach 3.1% p.a. – outpacing the nineties boom.
- In 2040 - 2050 growth will slow somewhat (2.6% p.a.) although still far exceeding recent years.