

# Envisioning & Investing in Legacy and Bequest Opportunities



## FINAL REPORT INTERNATIONAL GIFT PLANNING SURVEY

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## BACKGROUND

**While there is debate about the actual dollar figure, no one disputes there is an unprecedented intergenerational transfer of wealth underway.**

Without question, billions of dollars around the world will change hands until at least 2050. During this time, individuals will continue to look for ways to pass on their assets to their loved ones and to causes and institutions in the nonprofit world.

### The Big Questions

The dominant question that should be in the minds of leadership in the nonprofit sector is: how well is my organization positioned to be a part of this phenomenon?

Despite the amount of attention paid to the existence of the wealth transfer, much less attention has been paid to what nonprofit organizations are doing to position themselves to reap the benefits.

Given there are still 30 to 40 years of this transfer yet to take place (even if an organization started a legacy or bequest program tomorrow), a secondary question is: what can organizations do to ensure they are not left behind?

### The Survey

In the Fall of 2010, *CharityVillage*® and *Give Green Canada* put the International Survey on Gift Planning into the field with the goal of assessing the readiness of the nonprofit and charitable world in the area of legacy fundraising. A total of 907 individuals involved in gift planning and legacy giving responded to the survey. The data represents input from professionals in more than 25 countries around the world.

**907**

The number of people who responded to the survey

**11**

The number of sub-sectors represented in the response. In rank order:

- Health
- Education
- Social Services
- Environment/Conservation
- Foundations
- Arts and Culture
- Religion
- International Development
- Corporate Financial Institutions
- Social Justice
- Human Rights

**HOW WELL IS MY ORGANIZATION POSITIONED TO BE A PART OF THIS PHENOMENON?**

**WHAT CAN ORGANIZATIONS DO TO ENSURE THEY ARE NOT LEFT BEHIND?**

**23-15-14-12**

The percentage of respondents who were Gift Planning Officers (23%), Senior Fund Development Officers (15%), CEO/Executive Directors (14%) or Fundraising Managers (12%).

## THE STORY

**The results of the survey are clear: many organizations in the nonprofit and charitable world are not strategically positioned to benefit from the so-called intergenerational transfer of wealth.**

This is in spite of the fact that experts have been promoting its existence for years, and that this transfer is already under way.

More specifically, while the number of bequests received has increased over the past five years, and the average bequest size has been healthy (e.g. \$50,000 or more), respondents reported a significant lack of staff and program budget.

**RESPONDENTS ARE STILL REPORTING A SIGNIFICANT LACK OF STAFF AND PROGRAM BUDGET**

**In short: the sector is not as invested in gift planning and legacy giving as it should be.**

The good news is there are compelling numbers that underline the potential return on program investment AND there is good insight into what it takes to start and maintain a successful program.

**...THERE ARE STILL 30 TO 40 YEARS OF THIS TRANSFER YET TO TAKE PLACE...**



**45%**

The percentage of respondents were from Canada.

**37%**

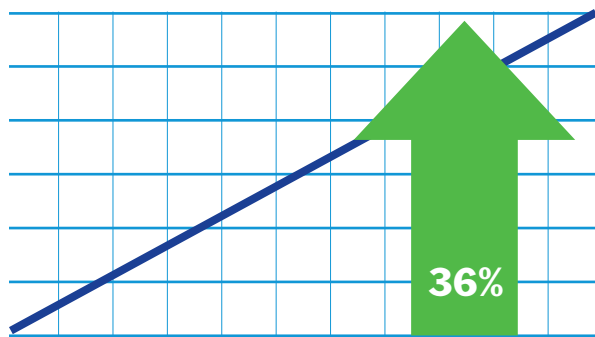
The percentage of respondents from the United States.

**11%**

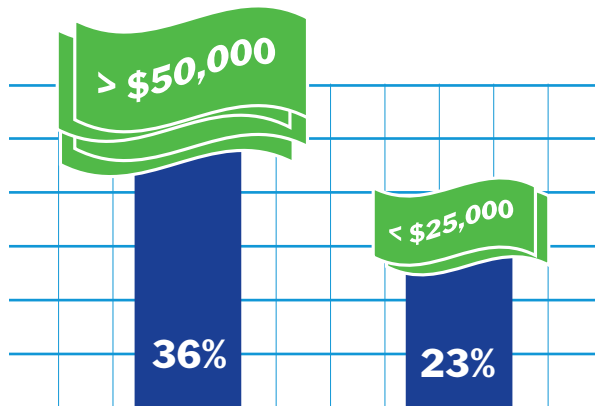
The percentage of respondents were from the EU.

## SHARING THE WEALTH

It would appear that the current level of effort being made by nonprofits and charities worldwide is yielding positive results for those organizations that are, at least in some way, paying attention to legacy giving and gift planning.



**36%** of respondents said that the number of bequests they had received since 2005 had gone up.



**36%** of respondents indicated their organization's average bequest size was \$50,000 or more.

**23%** of respondents indicated their organization's average bequest size was less than \$25,000.

## BEDFELLOW BENEFICIARIES

**50%** of respondents indicated that when they are named in a will, there are no more than two to five other charities also named.

## 51%

The number of respondents who said their organizations had legacy programs that were **10 or more years old**.

### AND

The number of respondents who said their organization employs **fewer than two people** in their legacy program.

## 45%

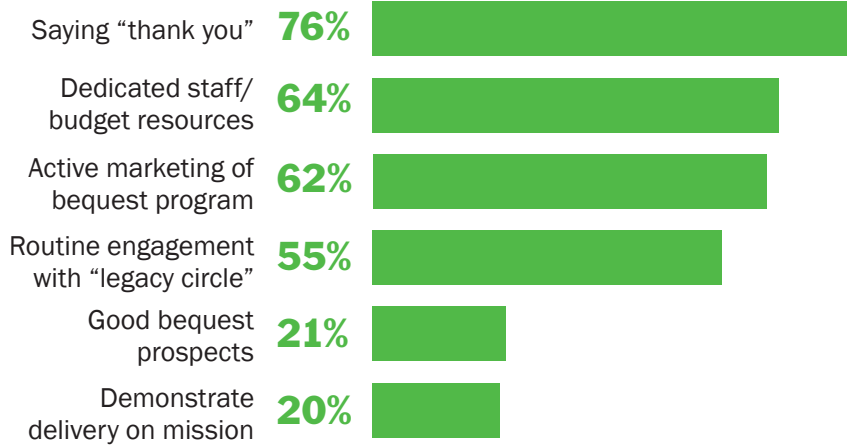
The number of respondents who said they had a **budget of \$5,000 or more** for bequest fundraising.

## 22%

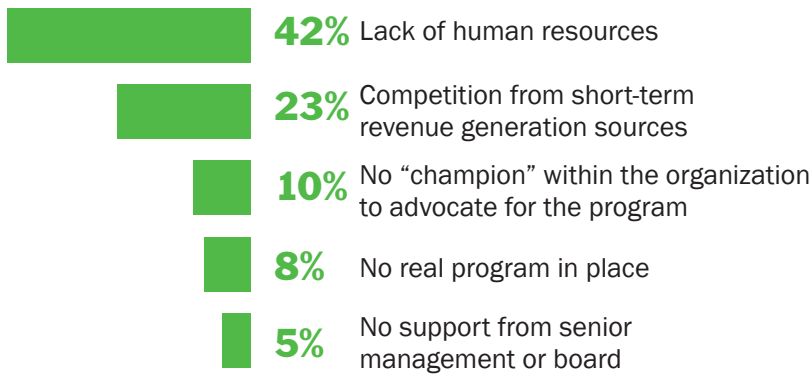
The number of respondents who said they had **NO budget** for bequest fundraising.

# THE SECRETS TO SUCCESS

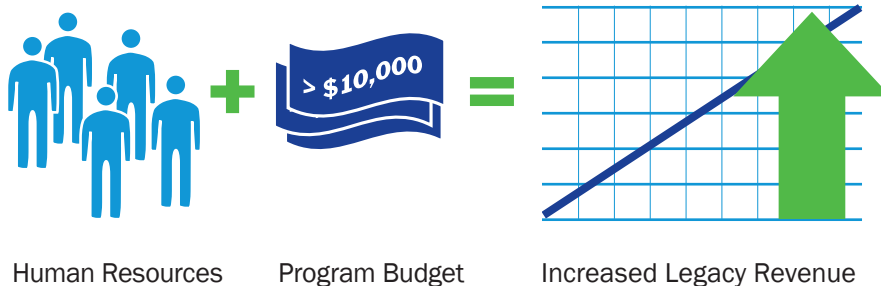
## Enabling Conditions



## Barriers



## Recipe for Growth



**TIME IS  
OF THE  
ESSENCE...**

**YOUNG**

**31%** of respondents reported their organization's planned giving program was **one to five years old**:

- 72% have fewer than two staff
- 38% have less than \$5,000 budget
- **44% have received between \$50,000 and \$250,000 over the past five years**

**VS.**

**MATURE**

**34%** of respondents reported their organization's planned giving program was **more than 15 years old**:

- 57% have three or more staff with 31% of this number having five or more
- 65% have budgets over \$10,000
- **57% have received more than \$5 million over the past five years**

## CONCLUSION

**These results have a bittersweet message. The good news is many nonprofit organizations have some kind of programmatic effort in place with respect to bequest and legacy giving.**

But there is also less positive message: human resources and budgets are tight, and there continues to be a tendency to invest needed funds into shorter-term programs. Despite the magnitude of legacy giving that has gone on over the past decade or more (and is projected for many years yet to come), the results in this survey are not as strong as they ought to be.

### The Big Takeaway

There is still time. The window regarding the intergenerational transfer of wealth extends, according to some experts, to 2050. This gives organizations time to both think and act strategically when it comes to their long-term financial health.

And as the survey results show, those organizations that currently operate mature programs have experienced significant returns on their program investment.

**THERE IS STILL TIME...TO BOTH THINK AND ACT STRATEGICALLY**

For organizations with young programs, the time to invest is NOW in order to achieve similar results.

### Call to Action

**It is time for enlightened leadership to re-double efforts to invest the necessary human resources and budgets into legacy programs.**

Vision is needed to realize the substantial return on investment generated by legacy fundraising. The cost of investing in legacy programs is very modest when compared to special events, direct appeals and the majority of other fundraising initiatives.

Leadership must make legacies a strategic priority because only then will resources be found. Ultimately, investing in legacies now will result in a more sustainable funding model for the entire sector.

**VISION IS NEEDED TO REALIZE THE SUBSTANTIAL RETURN ON INVESTMENT GENERATED BY LEGACY FUNDRAISING.**





CharityVillage® is Canada's supersite for the nonprofit sector, and is dedicated to encouraging and servicing Canada's 200,000 charities and nonprofit organizations, and the millions of staffers, volunteers, donors and supporters who make them an important part of our national fabric.

### GIVE GREEN CANADA

Give Green Canada provides tools and training for conservation and environmental organizations (eNGO's) on obtaining green legacies; works with donors on helping them with gifting options and locating groups of interest; and assists professional advisors in working with green clients. Give Green Canada is a project at Tides Canada Initiatives. You are invited to visit our Toolkit to access a wealth of tips, templates and resources at [www.givegreencanada.ca](http://www.givegreencanada.ca).

### PATRIMOINE VERT

Patrimoine vert propose des outils et de la formation pour les organismes de conservation et les organismes environnementaux (ONGe) cherchant à obtenir des dons planifiés, pour les donateurs qui veulent en savoir plus et qui recherchent des organismes environnementaux et pour les conseillers professionnels qui guident des écophilanthropes.

## Reported Professional Affiliations

39%

Association of Fundraising Professionals

32%

Partnership for Philanthropic Giving

24%

Canadian Association of Gift Planners

14%

Council for Advancement and Support of Education

2%

European Association for Philanthropy and Giving

### For questions about this survey and its results:

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