

# Why You Should Promote Bequests

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Charitable bequest promotion should be at the top of every development officer's "to do" list. If you believe in the outcomes of your mission and are committed to creating long-term sustainability for your organization, charitable bequests must be a core part of your program.

## Largest Gifts Your Donors Can Make

Individual gifts consistently make up over 80 percent of philanthropic support in the United States. *Giving USA 2008* reported that for 2007, contributions to charity totaled \$306.39 billion. Of this amount, charitable bequests alone amounted to \$23.15 billion (7.6 percent) of total philanthropic support.

For charities with sophisticated, longstanding, consistent bequest programs, particularly those in higher education, 25 percent or more of their individual gift receipts typically result from bequests. In 2008, seven of the 10 largest gifts to charity were in the form of bequests.

In 1998, John J. Havens and Paul G. Schervish, of the Boston College Center on Wealth and Philanthropy published a study projecting an intergenerational transfer of wealth of \$41 trillion to \$136 trillion between 1998 and 2052. After an economic downturn from 2000-2003, they revisited the study and determined that the estimate was still valid and that at least \$6 trillion will benefit charities.

Even if this amount is reduced by the current economic downturn, a significant number of charitable bequest dollars have been, and will continue to be, transferred to charities in both the short-term and long-term. Because this wealth is transferred at death, when the donor no longer needs it for expenses, charitable bequests are the largest gifts prospects can make.

## Bequests Continue, Even in a Down Economy

Charitable bequests continue to be planned and mature regardless of the economy. During difficult economic times, people are more likely to update their wills. Concerns about current income, the value of investments, and decreasing retirement savings cause individuals to postpone philanthropy or consider charitable bequests, since they do not impact the donor until death.

A recent study by Legacy Leaders found that while giving from individuals, foundations, and corporations either remained static or declined during recession years, charitable bequests actually grew by 5 percent during recession years. This allows charitable bequest revenue to serve as a "lifeboat" when all other forms of revenue, including endowment spending amounts, are going down.

## Broad Appeal and Larger Annual Gifts

A recent study (the Bequest Study) conducted by the Center on Philanthropy at Indiana University, reaffirmed that the majority of individuals do not have a will. Of those who do, only 7.5 percent have included a charitable bequest. The Bequest Study showed that donors age 40-60 are significantly more likely to consider a charitable bequest than donors over age 60, and that wealth is not a factor in whether a donor considers a charitable bequest.

The Bequest Study also showed that donors who had included a charitable bequest in their plans made annual gifts more than double in size than their counterparts who had not included charity in their estate plans.

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## Conclusion

Charitable bequests are the largest gifts your prospects can make, and they continue to grow, even in a down economy. Donors who set up charitable bequests are more engaged in your mission and increase their lifetime support. If you focus on those prospects that make regular, consistent annual gifts, and who believe in what

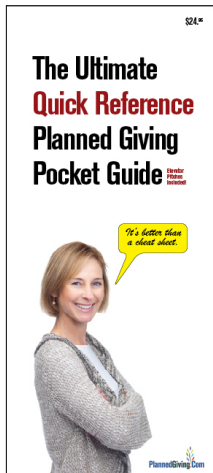
you are doing today and your vision for tomorrow, they are your best bequest prospects, regardless of age or



wealth. Now is the time to start promoting charitable bequests; they have a broad appeal to your prospects, even in this economy.

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