
Strengthening Charities' Resilience with Legacies

REMEMBER A CHARITY
IN YOUR WILL
Help the work live on...

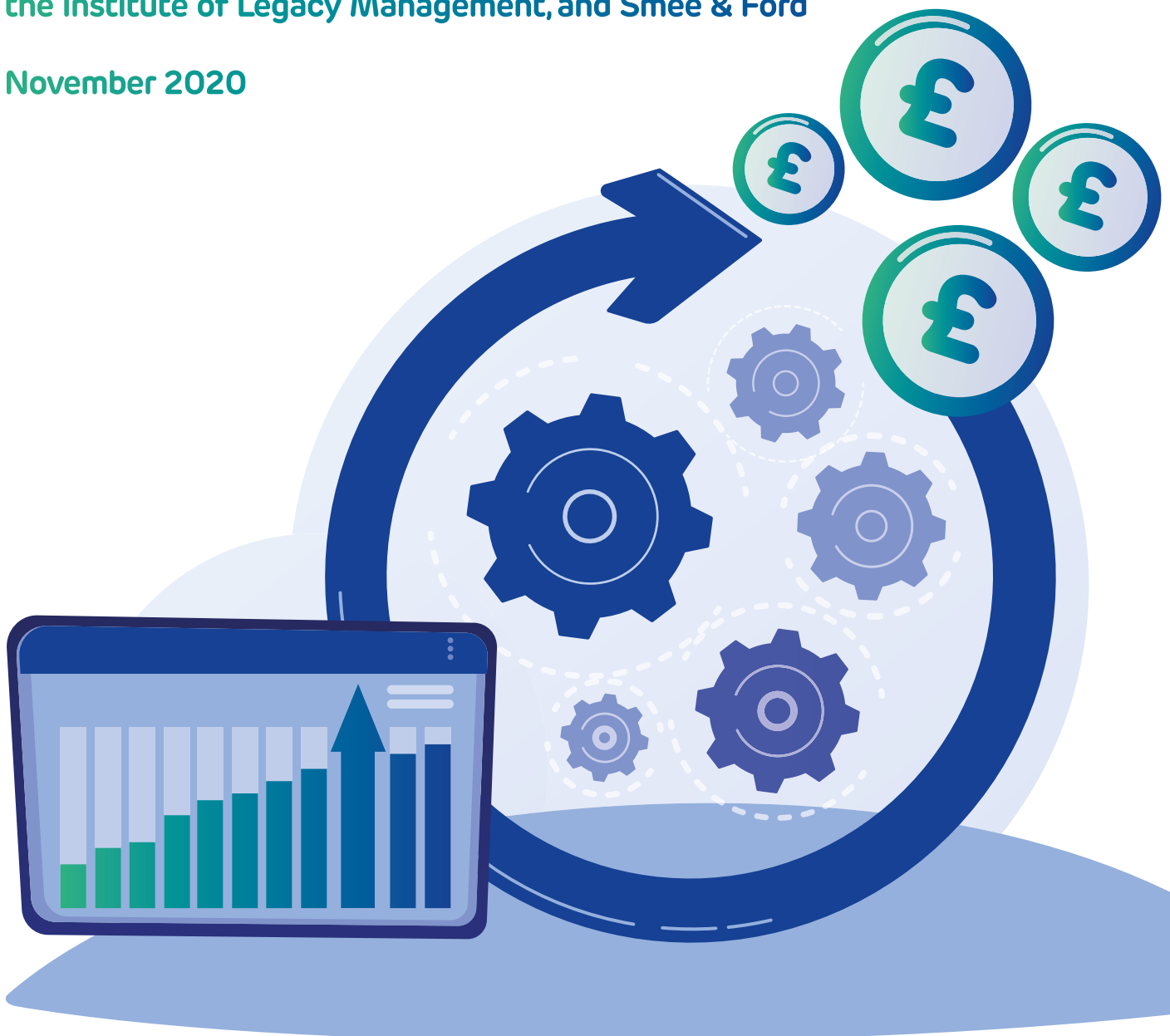
Legacy 
Foresight

 THE INSTITUTE
OF LEGACY
MANAGEMENT

Smee & Ford
Wilmington plc

A joint report from Remember A Charity, Legacy Foresight,
the Institute of Legacy Management, and Smee & Ford

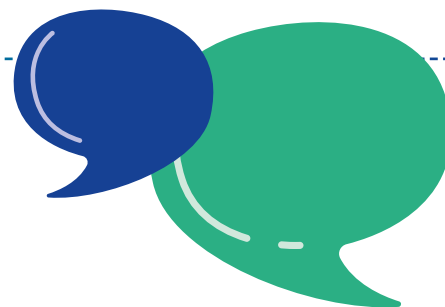
November 2020



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Foreword



Allan Freeman,
Chair of
Remember A Charity

THE pandemic has had a devastating impact on charitable income, lives and livelihoods, making gifts in Wills all the more important for the sector's recovery. But it's also brought us to a pivotal moment when it comes to growing legacy giving.

At the cusp of the biggest intergenerational wealth transfer of all time, the coming years have long been predicted as an exceptional opportunity for legacy giving. Now, with such a marked increase in the public's appetite for Will-writing, that moment is further magnified.

In the next year alone, people will make up their minds about which charities should receive billions of pounds of legacy income. Charities that remain front of mind in the legacy market, those that collaborate to grow that market and that inspire their supporters to consider leaving a gift in their Will, will surely be those that gain the biggest share.

This is a unique opportunity not only to normalise legacy giving, but to provide a more resilient financial core and to ensure UK charities can continue to provide critical services for future generations.



Meg Abdy,
Development
Director,
Legacy Foresight

SINCE the turn of the twenty-first century, gifts in Wills have been one of the great fundraising success stories, with legacy incomes trebling in real terms over the past 30 years. And looking ahead, that trajectory is set to continue, thanks to a potent combination of demographic and marketing factors.

According to our latest long-term projections, notwithstanding the increasingly precarious economy, legacy incomes will double again in real terms by 2050.

However, in an ever more crowded legacy sector, continued income growth cannot be taken for granted.

Effective legacy fundraising requires unfailing commitment. For many donors, leaving a gift in their Will is the ultimate expression of a lifetime of support.

To demonstrate that you need – and indeed deserve – that gift, your charity must continue to prove your relevance, show your appreciation and build personal connections.

At a time when many of us are conscious of our mortality, and imbued with a heightened sense of community, the case for legacy giving is more pressing than ever. Now is the time to invest in the future of your charity, your values and indeed our world.



Matthew Lagden,
CEO,
Institute of Legacy
Management

THIS report highlights two things that ILM believes passionately. Legacies are, and will continue to be, a vitally important income stream, and that the skills, commitment and passion of legacy professionals from all backgrounds is essential in sustaining this income.

Legacy administration practitioners, with their deep knowledge of the technicalities of this income stream, play a key role in delivering this income once supporters have passed on, protecting the reputation of their charities, providing assurance and forecasting for trustees and senior management.

ILM believes that one of the great success stories of recent years has been the increasing co-operation between legacy fundraisers and administrators, which manifests itself at a sector level, within individual charities, and within our increasingly diverse membership.

We hope that this report will further our shared goal of increasing legacy income across the sector, and that it will promote a greater appreciation of legacy teams and a renewed commitment to invest in this vital income stream for the long-term benefit of charities and society more widely.



Polly Avgherinos,
Managing Director,
Smee & Ford

OVER the past 20 years we have witnessed a positive change in legacy giving, with the number of people leaving a gift to charity, the value of charitable estates and the resulting value of charitable gifts in Wills all growing strongly.

The number of charitable estates has grown by 22%, from 29,500 in the late 1990s to 36,000 in 2019, meaning that now over 16% of Wills contain a charitable gift. The annual value of charitable estates in the late 1990s was £4.9 billion. A decade later, this had increased to £10.2 billion. The last 10 years have shown accelerated growth, with the annual value of charitable estates reaching £17.6 billion. Looking back to 2007, the total value of legacies for all charities with total income over £500K was £1.7 Billion. This figure has now doubled.

This year charities have experienced unprecedented difficulties from the

impact of the pandemic alongside delays in cases passing through probate impacting upon visibility and receipts of legacy income. We have been working with HMCTS to identify missing and delayed cases, improve reporting on case volumes and to champion the importance of timely notifications to assist charities with forecasting income and maintaining investment in their legacy campaigns.

Despite the challenges, the combined data and insight in this report clearly demonstrate that legacies will remain a significant and growing source of income for charities. However, this can only happen if legacy fundraising teams maintain the resources to further their strategies and therefore we must all continue to collaborate to raise awareness of the importance of legacies and the positive impact they have on beneficiaries and society as a whole.

Introduction

Imagine a world without legacies. One where 6 in 10 lifeboat launches didn't happen, hospices, homeless shelters and rescue services ceased, foodbanks and helplines closed. And one where supporters didn't have the opportunity to contribute so positively to the causes they have cared passionately about during their lifetime.

Legacy giving shapes the world around us and this has been more evident in 2020 – during the coronavirus outbreak – than ever before. While many fundraising channels and activities ceased, gifts in Wills – the largest source of voluntary income – sustained vital charitable services across the UK.

This year, despite a backlog at probate, they are expected to contribute an even higher proportion of charitable revenue than in former years.

And it's the growth in pledges and promise of future gifts that is feeding the sector's hopes for recovery.

In this report, we explore the role of legacies during the pandemic, featuring the latest sector data, new survey findings and commentary from a wide range of charities and legacy experts, sharing their insights and approach. It also includes recommendations for strengthening your legacy programme in times of uncertainty.

"There is no doubt that our long-term products such as legacies and committed giving have and will continue to shore our financial position through this period of recession. Legacies still account for around a third of CRUK's income and provide a secure baseline on which to build our recovery plan."

Clare Moore, Director of Legacies, Cancer Research UK

"Covid hasn't changed our approach. If anything, it's made everyone realise how important legacies really are and what a difference they make to the communities we serve and the people we help. I want supporters to be part of the transformational impact legacies can have, and that's a key part of our fundraising strategy."

**Nick Georgiadis,
Director, Fundraising & Supporter Engagement, Christian Aid**

Executive summary

Raising £3.4 billion¹ annually or 16% of all fundraised income², legacies have become a fundamental part of the UK giving landscape. More than 10,000 charities benefit from gifts in Wills each year and charitable Will-writing is growing fast.

Exploring the importance of legacies in sustaining the sector during times of uncertainty, this report presents insights from interviews with leading legacy experts and shares key findings from a survey of over 120 charity representatives.

Importance of legacy giving

Almost two thirds (65%) of the charity representatives surveyed identify legacies as a top fundraising priority. Over a third say it brings in more than 30% of their annual voluntary income, with 11% saying it raises more than 50%. The sheer size and scale of this largely unrestricted and reliable income stream, gives charities greater resilience and stability within a highly volatile environment.

Having fed into charities' reserves over the years, it's clear that legacy giving is enabling many to keep their heads above water and to extend their service provision in the toughest of times.

Expectations of continued growth

While the pandemic and economic instability will surely take its toll on short-term legacy income, the impact is much less severe than feared, largely because the housing market has held up so well. Respondents anticipate growth in the legacy market within three years.

Expectations are that the substantial uplift in demand for Will-writing coupled with the scale of inheritance due to be passed on from the baby boomer generation will bring significant longer-term growth for legacies.

Indeed, Legacy Foresight estimates that the number of charitable bequests will rise by 23% in the next decade, with legacy income set to double in real terms by 2050³.



¹. Legacy Foresight, 2020 ². UK Civil Society Almanac, NCVO, 2020
³. Legacy Foresight, 2020



"Legacy incomes will continue to hold up during the current crisis while many other income streams are plummeting.

The number of gifts you receive, and in many cases their value, is not a reflection of donors' current desire or capacity to give, but is determined by supporter relationships forged over years, if not decades.

That resilience makes legacy income fundamental to your charity's sustainability during the pandemic, and through the tough years that lie ahead."

Meg Abdy, Development Director, Legacy Foresight

Increasing focus on legacies

While the intergenerational wealth transfer offers huge potential, it also carries a sense of urgency; a limited window of time in which charities can act to maximise the full potential of legacy giving.

Although there is a pressing need for short-term funds, the majority of the charities we surveyed are maintaining or increasing their investment in legacy marketing (62%) and administration (72%).

Legacy leaders are strengthening their focus on gifts in Wills, aiming to ensure that they are front of mind and best placed to benefit from legacy growth in an increasingly competitive marketplace. In interview, they emphasised the unique and 'life-affirming' nature of relationships with legators and their families, and how deeply those relationships are valued.

The need to protect and grow legacy budgets

Enabling charities to plan ahead and ensure a sustainable future, the longer-term nature of legacy income is seen as an asset within the fundraising portfolio. Even in times of hardship, leaders are working to protect legacy budgets and to promote gifts in Wills externally, recognising that many potential legators lie beyond the charity's supporter base. One major charity revealed that a cut in their legacy marketing had left them expecting an £18m shortfall (in real terms) over the next 20 years.

Fundraisers highlight the need to promote their own legacy proposition, but also to work collectively to do what no organisation can do alone and drive up market growth, increasing the total legacy pot as more charities seek their share.

Changes to legacy fundraising in a pandemic environment

Unveiling how legacy leaders are adapting to the pandemic environment, the report highlights the importance of being agile, pivoting to different channels and messaging. Leaders emphasise the need to deliver exceptional

"Above all, this year has shown how quickly the world can change. Charities are in the impossible position of having to plan for the unplannable; to ensure resilience in the most difficult of times.

For fundraisers, this will likely mean the need for continued innovation, a longer-term outlook and even greater need for legacies."

Rob Cope, Director, Remember A Charity

supporter care, particularly in times of crisis, and of engaging the whole organisation in promoting legacies. Having the support of trustees and senior management is cited as a key factor for legacy success.

Concerns over probate backlog

Delays to probate were a concern for the sector in 2019, slowing the release of legacy monies to beneficiaries. The pandemic has put further pressure on the probate system, creating a bottleneck and making it difficult for charities to know what funds would be coming their way and how to plan accordingly.

At a time when charities are having to cut back on staff and services, these delays are all the more troubling. Remember A Charity, Legacy Foresight and ILM have been working with HM Courts & Tribunal Service (HMCTS) to track and resolve the backlog, with the expectation that delays will be reduced by March 2021.

Future uncertainty makes legacies vital

At the time of writing this report (Autumn 2020), the pandemic is far from behind us. Coronavirus cases are rising once more and so too are social distancing measures.

Whether or not a vaccine is available in the coming months, it's clear that the global crisis will cast a long and heavy shadow and that uncertainty is our new norm. It has demonstrated how vulnerable charitable income can be and how important it is to plan for the long term.

Against that backdrop, the need for charitable services and therefore legacies will be vital. The sector's ability and willingness to collaborate will be all the more important if charities are to succeed in making legacy giving a social norm, ensuring that every charity can benefit.

Legacies – at a glance



Gifts in Wills raise

**£3.4
BILLION**

annually, accounting
for 16% of all
fundraised income
for UK charities

**Legacy giving
is on the rise**

The number of charitable
bequests is expected to
grow by 23%

in the next decade
with legacy income set
to **DOUBLE** by 2050



**100
PEOPLE A DAY**

write a charity into their
Will⁴ and 2020 expected to be
a record year for Will-writing

Over the past 20 years,
the average proportion
of Wills that include
a charitable gift has

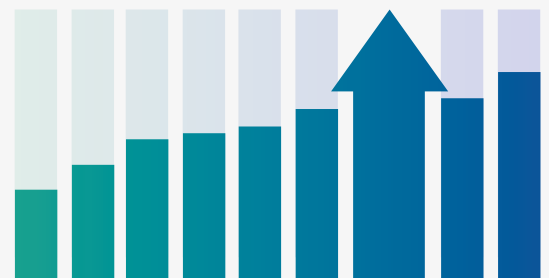
**risen
by 24%**⁵

with legacy donations
now included in 16%
(one in six) probated Wills

The number of charities benefitting
from legacies is growing

1,600 charities

received bequests for the first time in 2019 and
over 10,000 charities are named in Wills annually⁶



4 & 6. Smee & Ford, 2020 5. Smee & Ford, 2020 (based on average legacy data comparisons from 1997-99 to 2017-19)

Legacies in a pandemic year

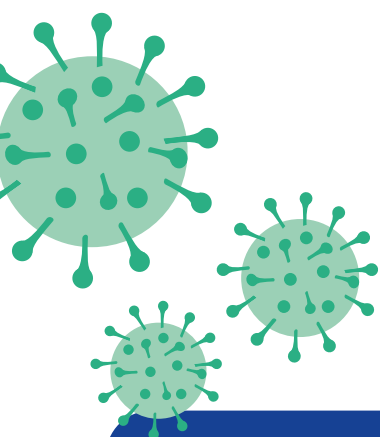
Legacy giving has grown fast in recent years and, in that respect, 2020 has been no different.

While the pandemic will likely see this year's legacy income dip to £3.1 billion (from £3.4 billion in 2019), legacy values have held up well, buoyed by the continued strength of the UK property market. The recent drop in income is largely due to delays in the probate system (see *Threats and Challenges*).

With other income streams taking a heavy hit, gifts in Wills are expected to contribute a higher proportion of charities' voluntary income than in former years. What's more, it is predicted that this will be a record year for charitable Will-writing, generating billions in future income.

Sensitivity of legacy marketing

As coronavirus cases escalated in the Spring, many charities reviewed their approach. Was it right to promote the need for gifts in Wills when death rates were climbing and so many people were living at risk of the virus, housebound and often alone? In interview, fundraisers emphasised the need for great sensitivity when communicating legacies. While some paused their legacy marketing for a time, others continued but adjusted their channels and messaging to reflect the wider environment.



"It would have been a disaster for us if we hadn't had legacy income this year. It's our biggest income stream. This year where so many other fundraising activities have had to stop, legacy income has been the rock."

Craig Fordham, Director of Operational Delivery & Legacies, Macmillan Cancer Support

"We are expecting to see a 50% drop in our income this financial year so our legacy income has gone from making up 20% to nearly 40% of our fundraising income. This is due to the dropping off of other income streams – particularly sporting, community and corporate. As a result, legacy income has become increasingly important for the charity's financial stability since the start of lockdown."

Louisa Emburey, Legacy & In-Memory Manager, Prostate Cancer UK

"There isn't a clear right or wrong for fundraising at a time like this – every charity has its own path. But what is crucial is that we all think really carefully about how we communicate legacies, what is appropriate at what time and that we are sensitive to the conditions around us.

At RNIB, legacy gifts are critical to funding our vital work but we did hold off on some of our planned legacy marketing in the first part of the year. The reduction in legacy activity was partly to ensure the wellbeing of our staff, volunteers and supporters, who would have been attending our physical legacy event programme.

We postponed some planned marketing campaigns to focus RNIB's communications on our urgent appeal activity and ensure messages landed at a time we felt they would feel most appropriate and more likely to generate a helpful response. However, we also increased our digital and SEO activity to ensure supporters who were considering their Will and looking for legacy information would be more likely to find helpful and inspiring information."

Alex McDowell, Head of Public Fundraising, RNIB

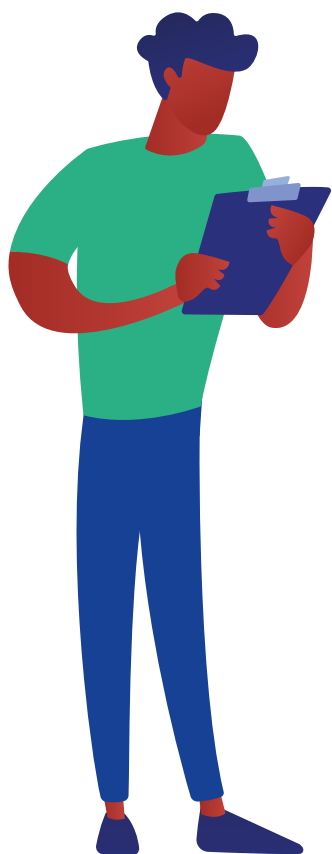
Survey findings

Surveying over 120 sector representatives (primarily fundraisers, senior management and legacy administrators) in Autumn 2020, we asked about the significance of legacies for their organisation, how they are prioritised within the organisation and whether they were anticipating budget cuts or increased investment.

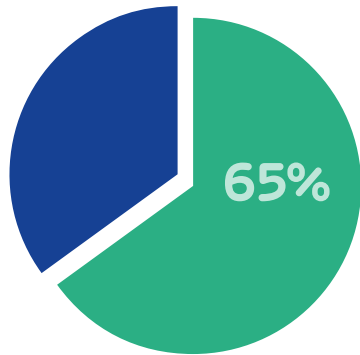
Respondents underlined the importance of legacies in generating significant funding for the organisation, although there was considerable variance in the extent to which charities rely on legacies as a proportion of their annual voluntary income. Over a third of respondents said legacies brought in over 30%, but those working with smaller charities (under £1 million in annual voluntary income) tended to report that legacies contribute a lower proportion (an average of 17% of voluntary income) compared to 26% for the largest charities (annual voluntary income over £20 million).

More than half of those surveyed anticipate growth in the legacy market in the next three to five years and it seems that legacies are widely recognised as a fundraising priority. However, they also indicate that it is less likely to be discussed within the organisation than other forms of fundraising. Over a third of respondents (35%) reported that legacy marketing activities had been cut back since the pandemic struck.

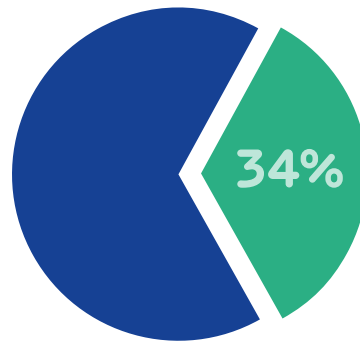
The large majority (almost nine in ten) believe there is a need to invest in legacy marketing now. Over six in ten said they would be keeping or growing their budgets for legacy marketing for the coming year, with less than three in ten charities (28%) expecting cutbacks. Legacy administration budgets are expected to be better protected than marketing budgets with only 11% of respondents anticipating cuts. For both legacy marketing and administration, respondents indicated that any reduction in the legacy budget would be broadly in line with other marketing cutbacks.



Legacy sector trends



Nearly two thirds of charity representatives say that legacies are a top fundraising priority⁷



For over one third of respondents, legacies raise over 30% of their voluntary income annually



More than one in ten rely on legacies for over 50% of their voluntary income

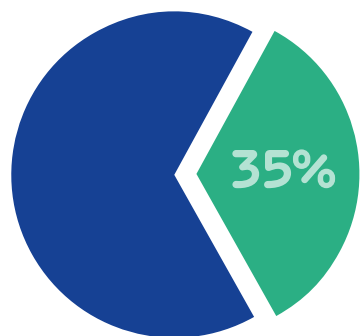


11%

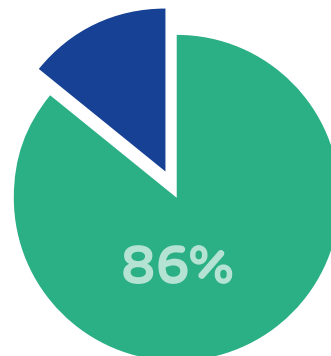
And yet more than half of respondents say legacies are less discussed than other areas of fundraising



56%

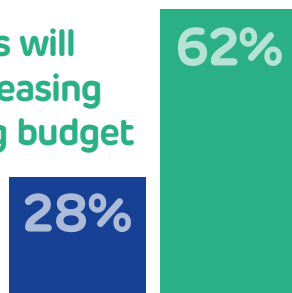


Over a third say they have cut back their legacy marketing activity since the pandemic

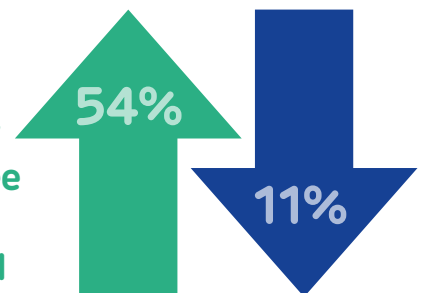


The vast majority of respondents thought there is a need to invest in legacy marketing now

While 62% of charities will be maintaining or increasing their legacy marketing budget for the coming year, 28% expect that cuts will be made



Over half expect that the legacy market will grow over the next three years, with 11% anticipating a fall



Source: Remember A Charity / Legacy Foresight / Institute of Legacy Management survey, September-October 2020. Sample base: 127 UK charity sector respondents (predominantly fundraising managers or senior management)

7. A 'top' fundraising priority indicates those who indicated that legacies were 'very' or 'extremely' important to their fundraising priorities.

Strengthening resilience

Exploring why legacies have played such a key role this year in strengthening charities' resilience, we asked legacy leaders at twelve charities what the income stream has meant for their organisation.

How legacies help charities survive uncertainty

- **Significant reliable income stream** – With potential for a significant and sizeable income stream, legacy income can help charities manage cashflow and make it through periods of instability where more immediate income streams may fail.
- **Long-term planning for long-term solutions** – Longer-term income streams enable charities to budget for the future and plan ahead, bolstering reserves to ensure longer-term charitable goals can be met.

- **Unique offering for supporters** – At a time when charities and communities are in crisis and supporters want to dig deep, but may not have accessible income, a legacy gift can be an even more fulfilling and attractive a proposition.

- **Unrestricted source of funds** – Predominantly a source of unrestricted funds, charities have the ability to direct monies as needed, whether that may be to underwrite new services or simply to keep the doors open in tough times.

Significant and reliable income stream

Legacy representatives that we spoke with, perhaps unsurprisingly, reported that one of the main advantages of bequests is not only the size and scale of donations, but that legacy income generally continued at a time when other funding streams fell (bar the challenges highlighted on page 19-20). Now bringing in around 16% of fundraised income⁸ legacies have become a key part of the UK



"Legacies really did enable us to weather the storm. Because we knew roughly what legacy income is coming our way and because that income is such a large part of our funding base, we felt confident that – even if legacy values dipped a little – the money would still make it through. That pipeline has kept us going. It meant that we could plan. It gave us the ability to manage cashflow and some certainty at a time of uncertainty."

Jayne George, Director of Fundraising, Marketing & Media, RNLI

⁸. UK Civil Society Almanac, NCVO, 2020

giving landscape. Legacies offer a reliable income stream and greater resilience within a highly volatile and unpredictable environment. The precise amount or timescales of the arrival of gifts isn't always predictable, but an established legacy stream, together with donations written into Wills in years gone by and stored in reserves, enabled charities to sustain services and jobs and, at times, to increase their offering for beneficiaries, to adapt and upskill.

Unique offering for supporters

When speaking with legacy leaders, there is an overwhelming sense that legacy giving is something 'special', and that conversations about their final wishes and hopes for the future deepen the connection between charities and supporters. Legators are greatly cherished.

Their contribution to the charity is seen as far more than a financial transaction, but a reflection of the individual's beliefs, the strength of the charity-supporter relationship and an investment in the organisation's ability to continue its work long into the future.

Unrestricted source of funds

When the UK went into lockdown in March 2020, fundraisers' most carefully laid plans had to be tossed aside as charities sought to find new ways to deliver services and generate income.

This shift of approach and need for flexibility takes investment, time and resources, with the need to train and upskill staff. With most legacies providing an unrestricted source of income, the ability to adapt and to deploy funds as needed in a time of crisis was invaluable.

"Legacy income has given us strength during a deeply challenging financial time. Over the years, such gifts helped in part to give us the reserves on which we have been able to draw upon in 2020. I fully recognise that we are in a very fortunate position to have this income and to be able to continue to provide services during the pandemic; supporting children and their families when they needed it most."

Iain McAndrew, Director of Fundraising & Communications, Children's Hospices Across Scotland

"Fundamentally, legacy giving is a very special way for people to connect with us. In fact, one of the legacies that we are just realising now is from someone who came to the Opera House for 70 years. We were connected all that time and that really says something about what we meant to him and to all our supporters."

"We have a separate endowment fund where legacies are invested and this secures the long-term future of the organisation. Our budget depends on what is bequeathed to us. And at times like this, when we're missing the 60% of our income that comes from the Box Office and earned income, it's all the more important."

Marina Jones, Head of Membership & Fundraising Campaigns, Royal Opera House

"We implemented a new fundraising strategy earlier this year and put legacies right at the heart of that. So, we're really investing in legacies, growing the team, our training, partnerships and legacy marketing. The goal is that everyone across the organisation will see themselves as a legacy fundraiser and should be able to talk about it confidently and passionately."

"Talking about legacies is such a life-affirming, inspiring conversation to be able to have with our supporters. We get to tell amazing stories about those that have remembered us in our Wills, why they chose to do so and what we've been able to do as a result and that's a really powerful thing."

Nick Georgiadis, Director, Fundraising & Supporter Engagement, Christian Aid

Long-term income for long-term solutions

With charities working so hard to achieve lasting change – whether their work addresses social inequality, homelessness, environmental issues, medical research or any other cause – it's clear that long-term solutions are needed.

While charities need a diversified fundraising portfolio and to meet immediate funding goals, legacy giving gives them the ability to forecast and plan for how they develop and fund frontline services for the years ahead.



"Legacies are hugely important because most bequests are largely unrestricted income, so can be used wherever we really need it. If an area of our work is suffering, we can move that money to where it is needed. It really does help keep the organisation afloat."

Kerry Blackstock, Director of Supporter Marketing & Engagement, British Red Cross

"Legacies play a huge role not only in meeting current demands, but in helping us be strong enough for what comes next. We're all too aware that the worst is yet to come. Furlough is still in place and when that ends, the courts open up more fully and people lose their jobs and homes, that's when we'll see huge levels of additional demand for our support."

Homelessness is a trauma. The legacy pot – an unrestricted source of funds that we are able to use where the need is greatest – will be all the more important in seeing us through the next year and sustaining our frontline support."

Ultimately, if you want to ensure the charity will still be here in 10 or 20 years' time, you absolutely need to be focusing on legacies."

Kerys Sheppard, Head of Fundraising, Shelter Cymru

Growth predictions for the legacy market

On the cusp of the biggest transfer of intergenerational wealth in history – from the baby boomer generation (those born between 1946-1964) – Legacy Foresight predicts that legacy income will double in real terms over the next thirty years. While legacy values are an important measure, it is the rise in the prevalence of legacy giving that yields the greatest of confidence for continued market growth.

Fuelled by growing interest in legacy giving and the rapid rise in death rates, Legacy Foresight predicts that in the next decade alone, the number of charitable bequests will increase by 23%, from 118,000 to 145,000. And in a recent survey from The Management Centre, fundraising specialists were in agreement that major giving and

legacies are the voluntary income streams most likely to sustain charities over the next three to five years. Greater recognition across the sector of the importance of promoting legacy giving, both individually and collectively, and of normalising conversation around end of life planning is likely to further that growth.

"Like a lot of charities, we're expecting to see and are consciously planning for big growth in the legacy market between now and 2035 as baby boomers pass on. Given the challenges of fundraising during the pandemic, this growth is going to become even more important. This means that we'll be investing more in legacy marketing going forward."

Jayne George, Director of Fundraising, Marketing & Media, RNL

"We believe that legacy fundraising is the single biggest area of potential growth in voluntary income at Marie Curie, so we need to continue to invest if we are to benefit from that growth. And that's not just financial investment, but in making sure we give it even more focus across the organisation, so legacy giving becomes a culture and a norm rather than a difficult subject."

Nigel Gorvett, Head of Legacy Giving, Marie Curie

Why you can expect growth in legacies

Record levels of demand for charitable Will-writing

The proportion of Wills that include a charitable gift has risen by 24% over the past twenty years⁹, and the pandemic has now created even more demand for Wills. The number of visitors to Remember A Charity's Will-writing web pages doubled during lockdown, with solicitors and charities reporting peak enquiries. In Legacy Foresight's June 2020 survey, one in five adults said they were seriously considering writing or re-writing their Will.

Legacy giving is empowering for supporters

For many people, legacy giving is their only opportunity to donate a sizable gift, to make the decision to do something special in their lifetime, without any immediate financial outlay.

Largest intergenerational transfer of wealth

£5.5 trillion is expected to be passed down from baby boomers to the next generation between now and 2055¹⁰ – the biggest wealth transfer in history, offering significant potential for legacy giving.

Estate values will rise over the long-term

Estate values are closely linked to the housing market, which is the most resilient aspect of the UK economy and, despite short-term falls this year, it recovered quickly and is expected to grow by 20% over the next five years¹¹.



9. Smee and Ford, 2020 10. Kings Court Trust 'Passing on the Pounds', 2017 11. Savills, September 2020

10 LEGACY MYTHS

- 1** You don't need to ask, legacies will come – As with all forms of fundraising, it's the relationship and the ask that inspires the gift.
- 2** Talking legacies is just for fundraisers – Legacies need whole organisation support; it's everyone's job.
- 3** Gifts in Wills are only for the biggest charities – More than 10,000¹² charities benefit from legacies each year, with small to medium sized charities seeing higher legacy growth than large organisations¹³.
- 4** It's only of interest to older people – Legacies tend to be written into people's Wills from their late 40s onwards – 100 people now write a gift to charity in their Will each day.
- 5** Leaving a legacy means people won't give to you in their lifetime – Research from a longitudinal study from Russell James indicates that lifetime giving actually increases for legators¹⁴.
- 6** Legacies take decades to come through – The latest data from Legacy Foresight shows that 20% of charitable Wills going through probate were written just 2 years prior to death.
- 7** We can't reach older legators through digital channels – Even before lockdown, the over 65 were embracing digital channels to stay connected with their loved ones, with more than 8 in 10 people aged 65-74 active on social media¹⁵.
- 8** Once a charity is in a Will, it will stay there forever – People do change their Wills. Your charity needs to remain front of mind with supporters and to continue to grow that engagement. Evidence from Legacy Foresight's marketing benchmarks programme indicates that, on average, only 50% of pledgers ultimately leave a gift.
- 9** You can't predict return on investment for legacy income – Legacy returns vary from one organisation to another depending on a range of factors, taking time to track, but it's not impossible. Respondents to our survey reported a return of 10:1 and 50:1¹⁶.
- 10** The main role of legacy fundraising is to persuade people to write Wills – Most legators already have a Will, it's about inspiring them to remember a charity within it.

¹². Smees & Ford, 2020 ¹³. Legacy Foresight, 2020 ¹⁴. Russell N James III, UC Davis Law Review, 2020 ¹⁵. ONS, 2019
¹⁶. Remember A Charity, Institute of Legacy Management, Legacy Foresight survey, 2020

Threats and challenges

It's important to recognise that legacies have not been immune from impact of the pandemic this year. With legacy administration, marketing and fundraising staff working from home during lockdown, legacy teams have had to work harder than ever to support legators, bereaved families, executors and solicitors, and to ensure that legacy income continues to filter through.

The value of gifts in Wills stalled when estate values and property prices fell in the Spring and, although markets have rallied, the economic situation remains uncertain.

Probate delays

The probate system battled delays in 2019 and those delays have been exacerbated this year, with rising death rates from the pandemic creating a backlog both in terms of legacy notifications and the release of those funds.

Remember A Charity, the Institute of Legacy Management and Legacy Foresight are working collectively with government to monitor the situation and its impact on the sector, offering resolutions and safeguards to minimise future delays.

The current expectation is that the backlog will be reduced by March 2021.

"The big challenge we've had with legacies this year is the delays to probate and how we can forecast and plan cashflow while income is taking so long to get through the system.

It's extremely difficult for charities and the people we serve, and it can be a truly terrible experience for the friends and family of those who have passed away, who are left in limbo until estates can be finalised. It's incredibly tough for them."

**Nick Georgiadis, Director,
Fundraising & Supporter Engagement, Christian Aid**

Concerns about future legacy cuts

While all the charity representatives we spoke with were strengthening their legacy fundraising programmes or had recently done so, focusing on long-term income can be challenging where there is such a need for immediate returns. Concerns were raised that – due to the scale of legacy income – any cuts to legacies (in terms of budget, staff or marketing activity) could disproportionately impact the charity's income.

Modelling from Legacy Foresight emphasises the importance of continually keeping legacies front of mind. Over the next 10 years cumulative UK legacy income will total £40 billion. Although people typically make decisions about legacy gifts many years before they die, decisions relating to more than £4.5 billion worth of income over the next decade will be made in the next five years. And indeed, holding off on legacy marketing for just one year could mean missing out on the opportunity to influence decisions around more than £1 billion of this income.

"Legacies are a vital form of income. They can get neglected at times because they won't generate income now.

This means that they tend to be the first area where budgets are cut. But they need some love and attention, or income can dry up."

Kerry Blackstock, Director of Supporter Marketing & Engagement, British Red Cross

"The critical thing from our point of view is staffing. It takes around two years for someone to become truly proficient at legacy administration or marketing, having an understanding of the legal backdrop, the complexities and sensitivities of dealing with bereaved families, solicitors and other estate beneficiaries.

Losing staff can mean that you have to start all over again and staff turnover is one of the biggest inefficiencies. It's the absolute enemy of effective fundraising."

Matthew Lagden, Chief Executive, Institute of Legacy Management



Recommendations

In our interviews with legacy leaders, we explored what can be done to strengthen legacy fundraising during such a lengthy period of uncertainty. Several themes emerged, ranging from practical fundraising actions through to the organisation's overarching approach to legacies.

The need to be agile

During the pandemic, legacy fundraising and marketing teams haven't stood still. They are agile, trialling and adopting new channels, increasing their use of digital platforms, social media and the telephone to reach and inspire supporters with the concept of leaving a gift in their Will.

They continue to adjust their messaging to reflect the challenges supporters are facing, emphasising the need for greater sensitivity, offering support, solidarity and comfort, taking time to talk.



"We've had to pivot many of our activities, switching physical events to virtual and moving the timeframe of our mailings around, but we kept it going.

Throughout all of this, we've also promoted our coronavirus helpline, which gives both emotional support and practical help, to ensure that people know that we're here wherever and whenever they need us."

Kerry Blackstock, Director of Supporter Marketing & Engagement, British Red Cross

"For the future, we need to ensure that we are making best use of digital across our legacy programme. This applies to raising awareness, how we stay in touch with supporters and for our events programme. We've always wanted to run virtual events and the pandemic has accelerated that shift. Lockdown has also shown us that picking up the phone and asking supporters what we can do to help them can be such a powerful thing."

Nigel Gorvett, Head of Legacy Giving, Marie Curie

Greater focus on Will-writing support

With such a high level of demand for Will-writing, charities are increasing their offer of practical support for those who want to finalise their affairs, providing the public with tools or access to legal advice to help convert interest to action, inspiring legacy giving.

"As there was massive public interest in Will-writing, we introduced new Will-writing guidance with a legal partner. We also onboarded an online Will-writing service – something that we had planned for some time and quickly accelerated during lockdown. This increased focus on Will-writing has gone down well with our supporters and others."

Nigel Gorvett, Head of Legacy Giving, Marie Curie

Excellence in stewarding supporter relationships

A mainstay of successful legacy fundraising at all times, exceptional supporter care is recognised as being even more critical in times of crisis; an opportunity for charities to give back and deepen relationships.

"Giving to charity should enrich people's lives and a legacy is the ultimate life-affirming gift. So, we need to ensure that the experience is enriching for everyone – not only supporters and beneficiaries, but supporters' friends and families and executors. We have to be excellent stewards and work hard to foster all these relationships."

**Nick Georgiadis, Director,
Fundraising & Supporter Engagement, Christian Aid**

"Our supporter relationships are absolutely key: our emphasis is on ensuring that everyone feels part of the RNLI family and that's what drives our legacy programme. Legacy planning is a continual part of our thinking and messaging from the very start of those relationships. This year, we knew we couldn't influence immediate income through legacies, but we could increase our strategic focus on engaging with our supporters and communities in a really meaningful way. So that's what we did. We reached out at a time when people were feeling alone and our message was simple; no matter who they are or what they do, our supporters are all part of the crew and we will look out for each other."

Jayne George, Director of Fundraising, Marketing & Media, RNLI

Ensure legacies have the support of the whole organisation

Organisations with successful and established legacy fundraising programmes emphasised the need to get the whole charity on board, understanding how they can encourage and inspire future legacies and how fundamental that income stream really is.

"A person's legacy can come from so many different touch points within fundraising and beyond. So, we want all our staff and volunteers to know how important they are in all this.

While fundraising may not be their job role, it's clear that our nurses are the reason that many people give in the first place. Therefore, it's vital they're aware of the impact their role has on a person's future decision to remember us with a gift in their Will.

We are putting a lot of focus on our internal audiences to help them steward supporters. We're running an internal legacy awareness month, offering training and support to help everyone in the charity understand their role in inspiring legacy giving and normalising conversation. After all, we should be just as comfortable in talking about it as we are volunteering or running a marathon!"

Nigel Gorvett, Head of Legacy Giving, Marie Curie

The role of trustees and senior management in supporting and embedding a culture that embraces legacies is seen as particularly important.

"Charities need whole-organisational support for legacies. The more that CEOs, CFOs and Trustees can understand the importance of legacies, the more comfortable fundraisers and other employees will be in talking about them - and the more members of the public will actually leave a gift."

Craig Fordham, Director of Operational Delivery & Legacies, Macmillan

"Our trustees at CHAS have always taken a keen interest in legacies, and – as a trustee myself for The Royal National Institute of Blind People – I'd be surprised if any charity board wasn't showing more interest in legacies right now.

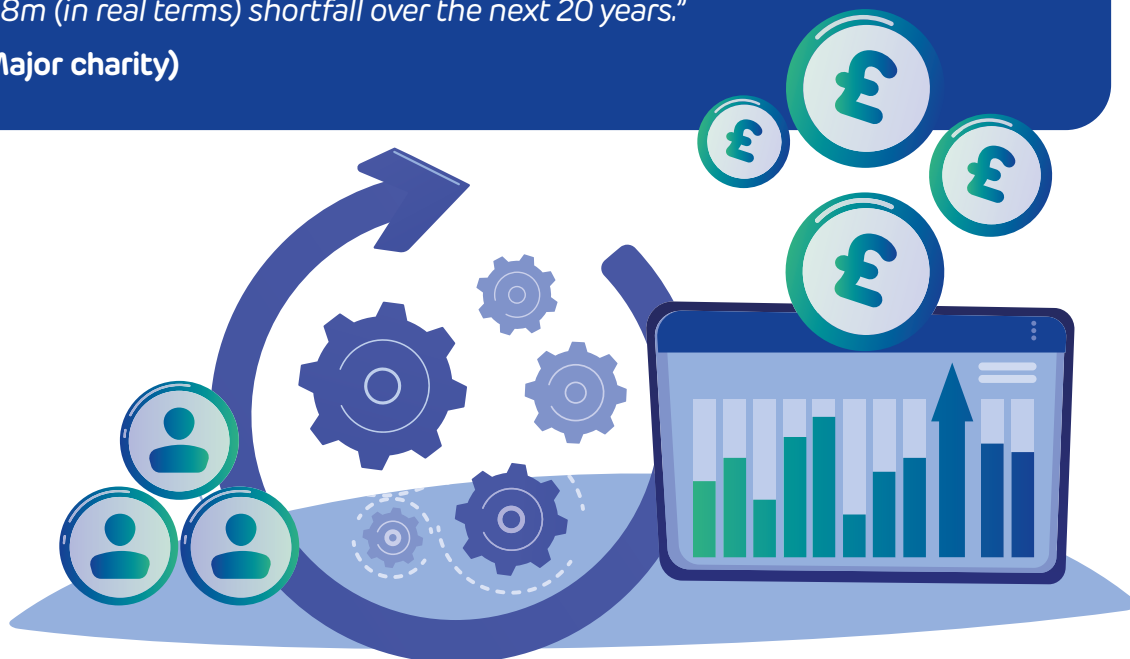
This year, we saw legacy income come under threat with a whole new set of challenges we could never have anticipated.

This should make every trustee sit up and take notice, and really question where their charity would or could be without legacy gifts, as for many, they are providing a much-needed lifeline."

**Iain McAndrew, Director of Fundraising & Communications,
Children's Hospices Across Scotland**

"Around 10 years ago we significantly reduced our legacy marketing spend to focus on shorter term income streams. Two years ago, we commissioned a piece of external analysis to understand the impact of this reduction on our legacy income pipeline. The analysis showed that we are only starting to see the impact of this now and it could amount to a £18m (in real terms) shortfall over the next 20 years."

Anonymous (Major charity)



Invest in your legacy programme

When using the word 'invest', there is a tendency to focus on financial investment, but sector representatives emphasised the need not simply to invest budget, but to allocate time, energy, resources, people and skills to make a real success of legacy giving. Bearing in mind that many legacies are given by individuals beyond a charity's supporter base (be it beneficiaries, their families and friends, volunteers or others), external legacy promotion is all the more important.

"Few changes have been made to our strategic approach to legacies, but – if anything – the pandemic has firmed up our need to continue to invest. We're planning to expand our legacy training and education for staff and volunteers, and have been exploring new ways to talk to our existing supporters."

Nigel Gorvett, Head of Legacy Giving, Marie Curie

"Covid has brought into sharp focus the need for sustained and consistent legacy marketing investment for charities. Legacy income has become even more vital and charities who have previously invested in these areas are seeing the benefits of doing so at a time when it is most needed."

Louisa Emburey, Legacy & In-Memory Manager, Prostate Cancer UK

Collaborate to grow the market

The more that legacy income grows, the more charities flock to the market, meaning it is becoming an increasingly busy and competitive space. If organisations are to preserve and grow their market share, there is a need not only to convey their own legacy message, but to work together to grow and normalise legacy giving.

"What is unique about the charity sector – particularly when it comes to legacies – is how well we work together to achieve change. Legacies have seen major growth in the past two decades, and it's no coincidence that this was the ambition of fundraising directors when they first combined their strength and voice to form Remember A Charity.

Each year, more and more charities receive legacy gifts and increase their legacy marketing activity. Clearly, this is positive news but without overall market growth, it also means there is a risk that individual charities' ROI will be less than it could have been as charities end up competing for a bigger share of a static market.

To maximise the collective return on legacy marketing investment, it remains vital that charities also collaborate to grow the market and specifically, they do so in areas that no single charity can deliver alone. This includes working with the legal and financial sectors, the government and the wider public to help more people choose to leave a gift in their Will and make individual charities' marketing efforts more likely to deliver a favourable response and return."

Alex McDowell, Head of Public Fundraising, RNIB

"Charities that will benefit from legacies, and see the number of gifts grow, will be those that continue to ensure they maintain active legacy marketing over the longer-term, both at a sector-wide level and within our own charities too."

**Iain McAndrew, Director of Fundraising & Communications,
Children's Hospices Across Scotland**





Act soon to benefit from growth 'window'

The legacy market has grown substantially in recent years and is an increasingly competitive marketplace, with more charities appealing for funds. With baby boomers likely to pass on their estates in the next thirty years, it seems that charities have a limited window – accelerated by Covid-19 – to embrace and maximise the opportunity for legacy giving.

"I'm a massive believer that giving should make people feel good. And I honestly think that legacy giving is such a special thing to offer. That by leaving a legacy, people know that they will be remembered long into the future and that they have made a difference.

Too often, the challenge for fundraisers is having all these ideas, and knowing what we should focus on now. Legacies can slip down the list and, before you know it, you're another five years down the line. I think that legacies are probably the only way to know that the charity you work for – the one you love – will succeed long into the future."

**Nick Gilbert, Director of Development,
Manchester United Foundation**



Remember A Charity

As a consortium of around 200 fundraising charities, Remember A Charity works to grow the UK legacy market and normalise legacy giving, providing resources to help charities inspire their supporters to leave a gift in their Will.

Working closely with government and the legal profession to promote the most positive and receptive environment for legacy giving, Remember A Charity also delivers consumer awareness programmes, including Remember A Charity Week, which takes a place each September.

www.rememberacharity.org.uk

*13-15 Carteret Street, London SW1H 9DJ
Remember A Charity is part of the Chartered Institute of Fundraising, which is incorporated by Royal Charter (RC000910) and is a charity registered in England and Wales (No. 1188764) and Scotland (No. SC050060).*



Legacy Foresight

Legacy Foresight has been at the forefront of the UK legacy and in-memory market for 25 years, providing data, insight and forecasts that have helped shape the £5 billion sectors.

Since its first project in 1994, it has worked with over 200 charities, including the top 20 UK fundraising brands and a growing number of international clients.

Legacy Foresight's flagship benchmarking service – Legacy Monitor – has been in operation since 1998 and now involves 82 leading British not-for-profit organisations who together account for around 50% of the UK legacy market. In the 12 months to June 2020, total cash legacy income for the 82 consortium members was £1.55bn.

www.legacyforesight.co.uk

*Ashingate Novington Lane, East Chilmington, Near Lewes, East Sussex BN7 3AU
Legacy Foresight is a registered company (No. 6044558)*



The Institute of Legacy Management

The Institute of Legacy Management is the individual professional membership organisation for legacy fundraisers, particularly those involved in legacy administration.

We have 600 members representing 400 charities, ranging from big national brands (including the top 100 legacy earning charities) to small local causes. We provide training and advocacy services for our members, and work with key external stakeholders to represent our members interests.

We offer over 200 hours of training each year, approximately half of which is free to members, and in conjunction with the University of Law we run the only professional qualification for legacy managers, the Certificate in Charity Legacy Administration (CICLA).

www.legacymanagement.org.uk

*Cumberland Court, 80 Mount Street, Nottingham NG1 6HH
ILM is a registered company limited by guarantee.(No. 4340249)*



Smee & Ford

Smee & Ford has over 125 years' experience in legacies. Our team reads every Will that passes through probate, identifying and reporting any charitable content. This has enabled us to build the most comprehensive database of legacy giving in the UK, with information on every bequest for each named charity mentioned in a Will since September 2012. Since then we have identified nearly 33,000 charities that have been named in Wills.

We work with over 1,000 charities, notifying them of gifts left to them in Wills and providing them with information on trends in the legacy market to help them forecast their potential future legacy income and help plan their legacy marketing strategy.

www.smeeandford.com

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