
Campaign Solutions

Legacy Insights - Ireland 2015 - 2019



April 2021

Welcome

Welcome to the first ever Legacy Insights research report. It is planned to build this into an annual tracker, with additional research services being offered on foot of it. Legacies are clearly growing and are an area that Campaign Solutions is passionate about. Enjoy the read.

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Introduction

Legacy income is growing in Ireland. It is probably the fastest growing source of voluntary income for charities in Ireland today. For many countries, legacy income is the only growing fundraising source.

The information in this report is based on new research. It was undertaken from January – March 2021 with the objective of providing a more definitive insight into and overview of legacy income. Some comparative information for the UK and New Zealand is also provided. A big thank you to all the charities that provided information – either in their accounts or directly when contacted.

There are some provisos associated with the research and these are highlighted in the Methodology and Notes section. Overall, there is huge potential in Ireland. Given demographic changes and increased promotion by charities themselves and the My Legacy consortium of charities, it is expected that more people will leave bequest(s) in the future. As wealth increases this may translate into people leaving more. If other countries are followed, people will become likely become more strategic as to how they leave their monies.

This report is just the beginning and forms the basis for an ongoing annual market tracker. The report is provided at no fee to charities. The work has inspired ideas for further research.

About Campaign Solutions

Campaign Solutions is a major gifts, legacy and prospect research consultancy. It has worked with some of the country's leading not for profits in the areas of health, culture, second and third level education, development aid and more. Campaign Solutions is run by Niall O'Sullivan, author of this report. He has over 20 years' experience working in fundraising and philanthropy in Ireland and overseas. He is a board member of MyLegacy.

Research Overview

- The report has confirmed / verified €234m of legacy income in the five years 2015 - 2019.
- It is estimated that c€5m p.a. has yet to be confirmed. If included, this suggests a market total of €259m over the five-year period, or an average of over €51m.
- Verified income increased from **€30.5m in 2015 to €49.1m in 2019**. That's an **increase of over 60%**!
- Taking account of charities not yet included in the figures, the 2019 total is likely to be over **€54m**.
- 116 charities have been confirmed thusfar to have received bequest income since 2015. A further (small) cohort were identified that received legacies, but the financial data has not been provided. More charities will in the future provide new data and help fill in the gaps for the earlier years. A new year's worth of data will be added annually and previous years figures updated as new information become available.
- Overall, the number of charities actually getting bequests is tiny.

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- 2017 was the standout year. **Elizabeth O’Kelly** almost doubled the legacy income in 2017 when she left €30m to five charities. At least two €1m+ bequests were also received by charities that year. Let’s hope this is a pointer to where we could go - rather than being seen as a once off extraordinary year.
 - Interestingly, the Elizabeth O’Kelly income came as a surprise to the organisations. There is little or no recorded information in the 2017 annual reports about these incredible gifts. There was, it seems, uncertainty how to ‘deal with’ the good fortune initially.
 - Some sectors have little or no legacy income, most notably **arts and cultural organisations** – a sector experiencing significant growth in the UK. None was identified as securing a monetary bequest. Two organisations were left gifts of artwork. Follow up contact with 15 arts organisations was undertaken to double check. There are good historical examples of bequests to the arts, but few, if any, in recent times.
 - Many people would argue that climate change / our **environment** is the biggest issue facing mankind. Charities in this sector received a tiny amount – just 0.15% - of the total legacy income over the five-year period, equating to an annual combined average for those identified of just over €70k.
 - The top 10 charities received over 60% of all recorded legacy income in each year, rising to a high of 75.4% in 2017. See table 3.
 - It is noteworthy that some of those in the top 10 or top 20 had no real legacy strategy pre- 2010.
 - The lowest amount recorded by a single charity - other than the many hundreds receiving zero - was €150, but it is a start!
 - The highest annual income for any one organisation recorded was just over €9m – which happened in 2017.

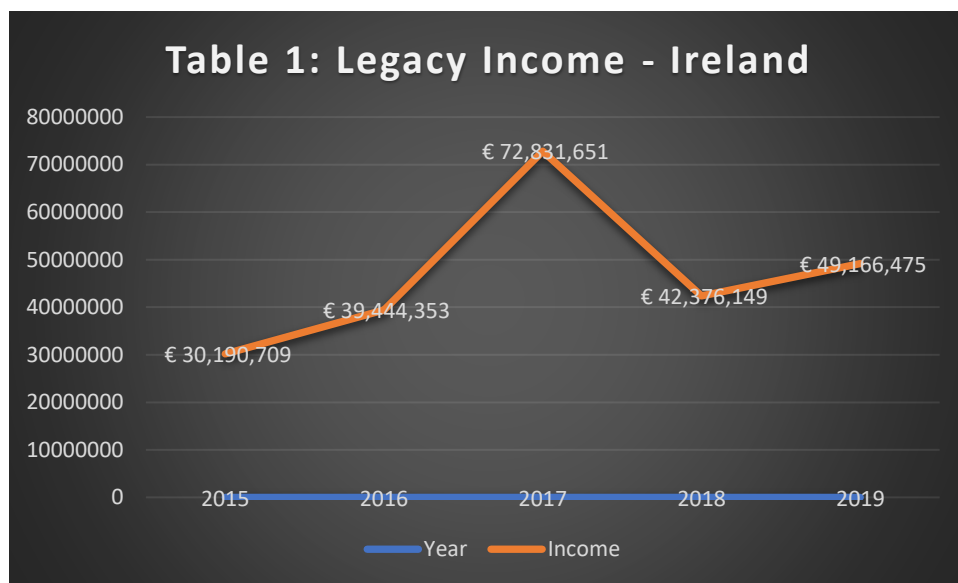
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- More charities are now securing legacies. Furthermore, of those who had legacy income in both 2015 and 2019, 68% had a higher income in 2019. The most spectacular was a rise from €2k to almost €0.5m.
 - Just 10 organisations secured €1m or more in legacy income in 2019. See also Table 3.

Detailed Findings

The following tables demonstrate the data more completely.

Market Value and Trends

Elizabeth O’Kelly in 2017 ensured a clear spike for 2017 but the upward trend overall is very evident. It is unlikely that any other voluntary income source has increased so much – and more importantly - has such clear potential to grow even more.

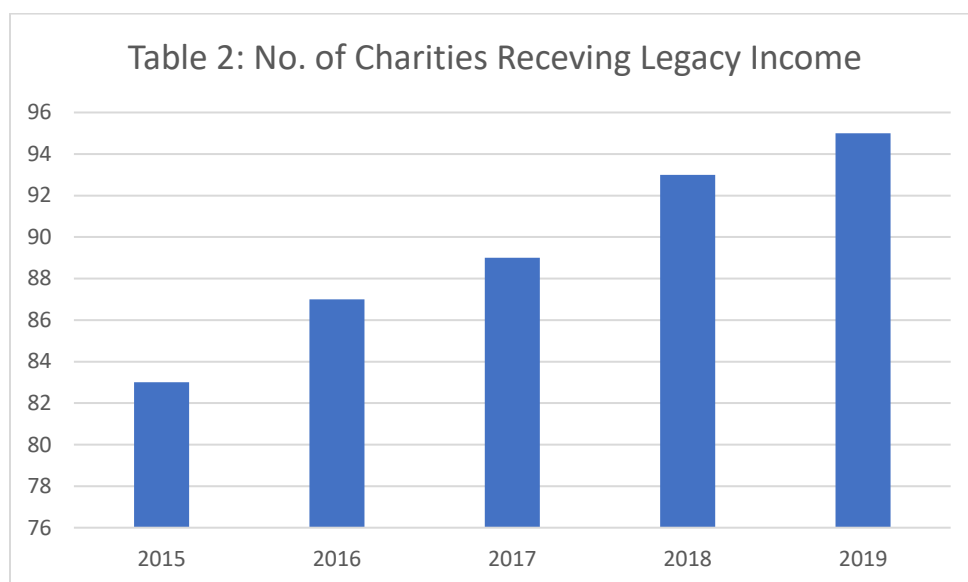


The total value is even higher as some income figures are not yet known. The 2019 figure is estimated to be over €54m.

Early indications suggest 2020 is on target to at least match 2019 figures.

The average amount secured per charity has increased – from €363,743 in 2015 to €517,542. As there is such a disparity between those higher up and lower down, while interesting, it may not be the most pertinent finding. Averages are less relevant to many, especially those who are still only receiving periodic bequests.

More Charities are Receiving Bequests



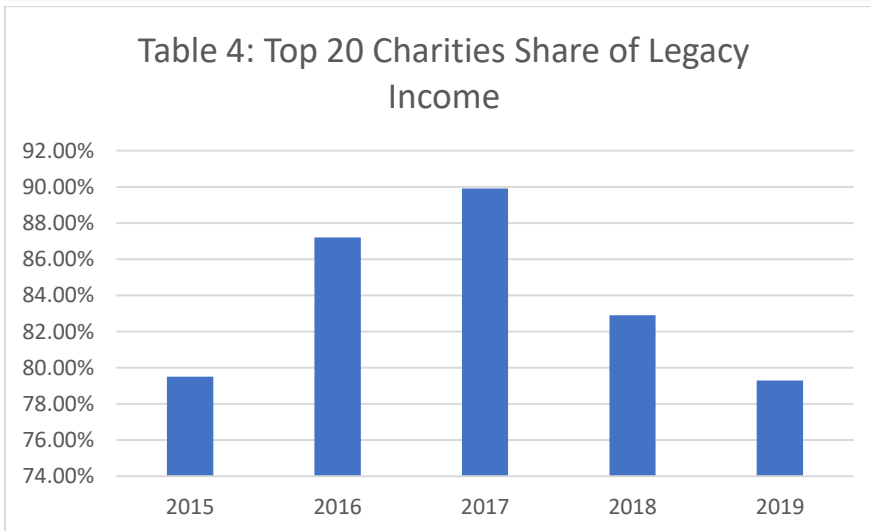
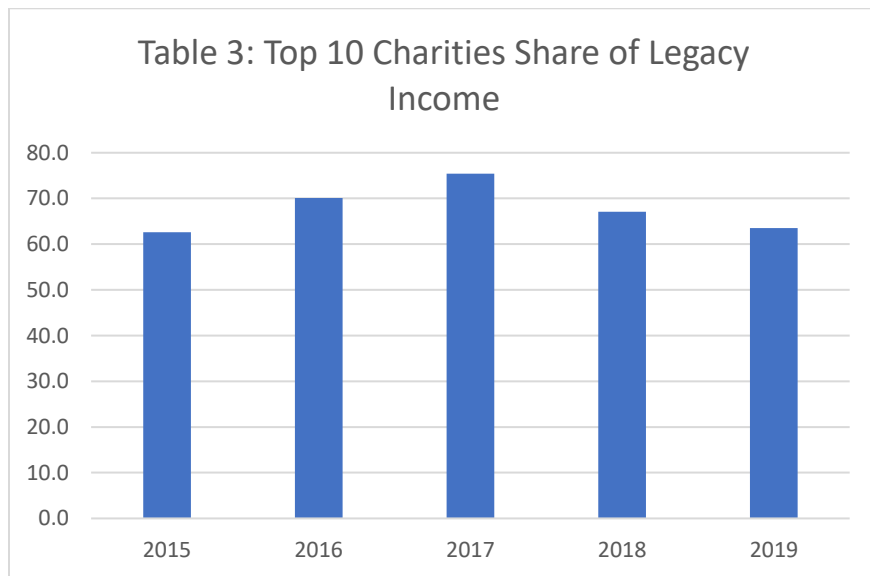
The number of charities confirmed as receiving bequests is increasing. Numbers rose from 83 in 2015 to 95 in 2019. Over the five-year review period, 116 have been identified with verifiable legacy income. Hopefully in 2020, we will break the 100 mark for a single year. In New Zealand 4% or 800 charities recorded receiving legacy income in the period 2010 – 2015, so the potential for growth is obvious.

As per Benefacts 2020 report, Ireland's non-profit sector has 32,841 organisations. About 9,854 non-profits are incorporated as companies, 3,948 are primary or secondary schools, 787 more are incorporated as friendly societies, cooperatives, industrial societies, political parties or charter bodies. Whichever category figure you use, the percentage receiving bequests is miniscule. It is also known that in 2016 only c. 1,700 entities out of 8,000 then registered charities in Ireland availed of the tax relief scheme for donations over €250. Source: “The Impact of The 2013 Change In The Tax Treatment of Charitable Donations” – Philanthropy Ireland 2019. If the vast majority of charities are not securing donations from individuals (or at least donations at the €250+ level), it is logical they are not securing bequests either.

In future reports, as a result of new probate procedures, it is hoped that we will generate more information and richer data via the CRA on charitable bequests.

If You Don't Ask, You Don't Get

The vast bulk of legacy monies are going to a relatively small number of charities. As per the tables below, the figures are remarkably skewed, but again this is logical. The old fundraising maxim – ‘if you don't ask, you don't get’ can perhaps be amended for legacy promotion – ‘if you don't tell your story and let people know you are open for business, why should / would they leave a legacy to you?’



Could / Will Irish People Leave More?

The simple answer would appear to be yes. Figures from The Community Foundation for Ireland’s ‘Legacies for Good Wealth Transfer and the Potential for Philanthropy in Ireland’ report suggested there was a minimum annual wealth transfer of €5.7bn in 2017. The report’s expectation is that this figure would rise in the following years. As a percentage of this transfer, the amount left to charity in 2017 was approximately 1.28% - a record legacy year. Applying a conservative similar wealth transfer figure for 2015 and 2019, the figure drops to under 1%.

€ Transferred in 2017	€ Given in Bequests to Charities
€5,700,000,000	€72,831,651
Legacy % of Total 2017 Transfer	1.28%

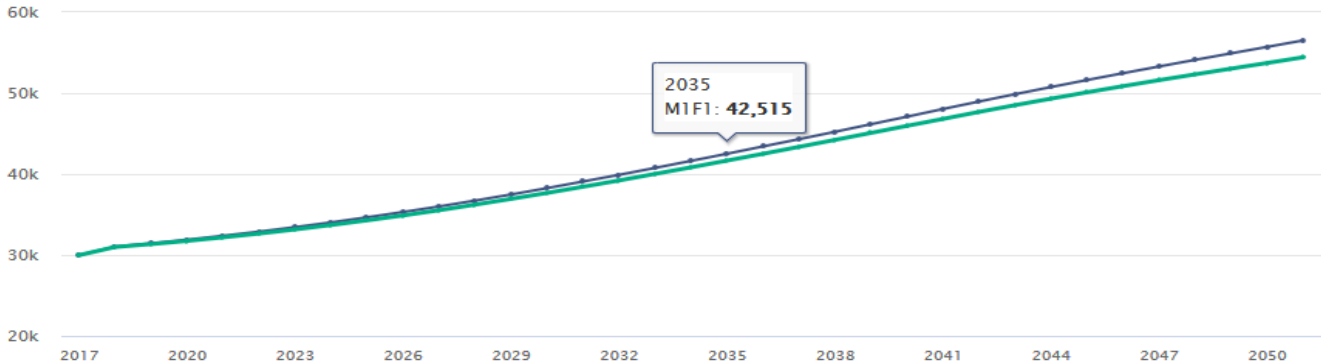
Legacy % of Total 2015 Transfer	0.53%
Legacy % of Total 2019 Transfer	0.86%

It is very possible that more people will leave bequests, simply by virtue of changing demographics. The following CSO stats make this very clear. BUT, charities must prepare for this situation.

Deaths

The average annual numbers of deaths are projected to increase steadily under all scenarios from 29,500 in 2016 to between 54,400 and 56,500 by 2051 depending on the scenario chosen. Figure 2.5 graphs the projected deaths for the most optimistic and most pessimistic scenarios, with the other scenarios falling between these.

Figure 2.5 Deaths by year for selected assumptions, 2017 – 2051



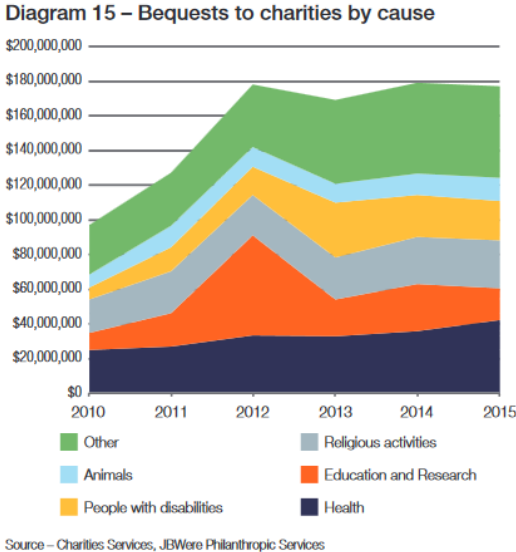
International Comparisons

The figures for Ireland, though improving, appear low by international comparison.

1. New Zealand

The data is less current but provides a pointer. The following is taken directly from the 2020 report – ‘The New Zealand Support Report’ February 2020 (John McLeod).

“Charities Services did record bequest donations to charities from 2010 to 2015. While it is hoped this data will again be collected, it did highlight the scale of bequests and more importantly, the cause areas receiving them. Interestingly, only 800 charities recorded receiving bequests, under 4% of the total number of charities. In terms of total scale and estimating to 2018, we expect total bequests to be currently around \$200m annually in New Zealand. While volatile from year to year, health, education and religion have been the largest beneficiaries. However, when looked at from the perspective of the importance of bequests to a cause areas total income, care and protection of animals was by far the largest beneficiary with around 25% of total income coming from bequests. International aid, people with disabilities and environment followed but all were below 5% of income.”



Source: <https://www.jbwere.co.nz/media/1qudxw3g/jbwere-nz-support-report-digital.pdf>

Applying an exchange rate of €0.586 to €1, this suggests a 2018 NZ legacy income of **€117m**. This is significantly more than Ireland. New Zealand's resident population provisionally reached 5 million in March 2020, so it is broadly similar to Republic of Ireland.

Source: <https://www.stats.govt.nz/news/new-zealands-population-passes-5-million>

2. United Kingdom

The UK's fundraising charities are heavily reliant on gifts in wills. Legacies contributed 28% of voluntary income in 2017. While legacy income is expected to have dropped in 2020 due to administrative delays in the Probate Office there due to Covid, the trend has continued to be generally upward. There are many reasons for this – the work of 'Remember A Charity', strong legacy promotion by charities and the wealth of research - and as a result there is far more information in the public domain about legacies there.

UK income is expected to grow from £3.4billion in 2019 to £3.5bn-£3.9bn in 2024.

The UK population is 67.88m and Ireland's is 4.937m. Ireland's population is 7.7% of the UK total. Applying UK giving levels, pro rata, the equivalent legacy income for the Irish population could be £247m. Applying a conversion rate of £0.87777, this equates to **€217m**. Ireland is significantly below UK figures, by a multiple of four. This is stark, but demonstrates the opportunity here also.

Country	Income	Year	Percentage
Ireland	€54.1m	2019	-
New Zealand	€117m	2018	46.20%
UK	€217m	2019	24.93%

Sources:

<https://www.worldometers.info/world-population/uk-population/>

<https://www.rememberacharity.org.uk/media/8d82cb82603f68e/uk-legacy-marketplace-summary-report-apr-2019-final-v2.pdf> and

<https://www.civilsociety.co.uk/news/legacy-income-could-drop-by-15-in-2020.html>

Methodology and Notes re Research

A mix of desk research and a significant amount of direct contact with charities was undertaken.

- Years covered 2015 – 2019 inclusive.
- Accounts were accessed from charity websites directly, the CRA website and from Benefacts.
- Annual reports from charity websites were also a source of information.
- The legacy income (or lack of) was gleaned from a now created list of over 400 charities. An additional c350 other charities' accounts were reviewed, but because income was so low and as they were deemed so unlikely to get a bequest, no further details were taken – hopefully this may change in the future.
- Others were excluded as accounts were abridged.
- In other cases, especially older organisations, accounts were not available, e.g. those with a trust structure. Accounts of trusts are generally not in the public domain and legacies to them are not captured as a result. This is regrettable.
- Some charities were unable to provide information in earlier years, most notably 2015, but internal recording systems have often improved since then.
- The presentation / inclusion of legacies in audited accounts has improved year on year with more charities including legacies as a line item in the main accounts or, more commonly, in the notes section. Numbers including legacy information in their accounts is increasing but the vast majority do not.
- Some universities participated, others did not. The hope and expectation is that more will in future years. The new technological universities were not approached, but will be at some stage, in the future. They are not, as yet, thought to be securing legacy income.
- Some church and diocesan accounts were reviewed and included. Others don't yet appear to publish accounts and for those that do, only some break out legacy income. The church has traditionally been a primary option for bequests, though anecdotally, this is said to be lessening.
- Some longer established fee-paying schools are known to have received bequests in years past but were not included in this phase of research. School accounts appear not to be available online.
- There are a small number of organisations that do not, in their accounts, provide a breakdown between Northern Ireland and Republic of Ireland income and a small

number that do not provide a breakdown from UK/RoI income. Thank you to those who provided the breakdown when requested.

- As many charity offices were closed due to the pandemic and staff were working from home, it was significantly more difficult than ‘the norm’ to undertake follow up research.
- Some organisations failed to engage alas. Luckily, they were a small minority.
- There is still a lack of usable information re legacies from the CRA, but it is hoped, indeed expected, that this will improve as probate processes move online.
- Direct contact was made with many charities – either to complete some missing years or to get information where none re legacies was provided in the accounts etc. Thank you to the over 40 charities who provided new or additional information as a result. A small number of others will do so, but had not done so at the time of writing. As a result, it is expected that this report will be updated with new ‘historical’ legacy data as it emerges in future months / years.
- The authors are satisfied that the vast bulk of the key players from Irish charities have been included.
- Some charities were also in the middle of audits.
- The process did highlight however the difficulty many fundraisers have in getting or running a simple legacy income report. This needs to be addressed, especially for those seeking to be more proactive in this space.
- In certain cases, information on legacy income was available in annual reports or accounts some years, but not consistently in all. This can happen due to changes of leadership or other factors. Some of these organisations unfortunately did not provide legacy income information for the missing years. Their available data is included but it would be far better for data consistency purposes to have all years covered. Hopefully in a future edition, the organisations may come on board and these gaps will be addressed.
- A significant minority of charities would only provide information on the basis that their charity not be identified. This is a reflection of how cautious (or nervous) many boards and indeed some fundraisers are about this space. It will be interesting to see if this reticence is less apparent in future years.
- Note: the terms legacy and bequest are used interchangeably throughout.
- In summary, a big thank you to all who helped make this report possible.

Appendix 1 – Introduction to Legacy Insights Research Service

In part, because of Covid, the legacies landscape has changed - dramatically. The number of people writing or updating wills has increased. Charities have seen fundraising channels disappear. They now better understand how legacy income could be a welcome, and perhaps in time, more stable source of funding. Waiting and hoping, or having legacy on the bottom of the to do list is no longer an option.

The Legacy Insights research service is for charities that are ambitious in the legacy space. It is relevant to those already securing legacy income and those with only sporadic or even no income. It is a fee-based research service with prices and further detail outlined in the link provided below. It is modelled to some degree on the Legacy Foresight, a reh initiative established in the UK and now operating in other countries also.

More complete information is available at <http://campaignsolutions.ie/legacy-fundraising/>

Appendix 2: Other Fundraising Services Provided by Campaign Solutions

Other Legacy Services

Additional information about the Campaign Solutions legacy consulting services can be found at <https://campaignsolutions.ie/legacy-consulting/> - this includes:

- Legacy training
- Development of a legacy strategy and plan
- Focus groups

Prospect Research and Other Fundraising Services

Additional information about the Campaign Solutions prospect research services can be found at <https://campaignsolutions.ie/prospect-research/>

- Prospect research for major gift fundraising
- Wealth screening
- Fundraising strategy
- Mentoring and coaching

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