

Scottish Report



Scottish Legacy Market Report 2023

**Legacy
Foresight**
Part of Legacy Futures

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

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Introduction

In challenging economic times, legacy income is giving Scottish charities strength and resilience, generating a vital and growing pot of unrestricted funding that can be directed wherever it is most needed.

While Scotland’s legacy market is younger than that of England and Wales, it is seeing considerable long-term growth, with hundreds of charities of all shapes and sizes now being named in Wills each year, funding vital services across Scotland when that support is most needed.

In this joint report from Remember A Charity and Legacy Foresight, we focus on legacy income to Scottish charities, highlighting the potential growth for legacy fundraising and underlining the importance of investing in this longer-term income stream as part of the fundraising mix. Recognising the different stages of development that Scottish charities are at with legacy fundraising, we share actionable advice on how to make it a success, along with useful insights from fundraisers.



“Legacy income is really crucial for us, accounting for about 20% of our income and the majority is unrestricted. Whilst some other income sources have gone down over recent years, legacies have remained resilient, boosted by house prices. It’s great to see the work done in previous years continue to generate consistent amounts. Legacy fundraising is such a good investment that it’s critical to keep going – working in today’s storm will enable us to take care of those that follow.”

Mark Docherty, Legacy Manager, Worldwide Cancer Research

Why legacies?



Legacy income for Scottish charities reached
£136m
in 2020/21¹

£1 in every £5 donated to Scotland's charities is given through gifts in Wills

42% of Scottish charity supporters aged 40+ would be happy to leave a gift in their Will²



21% say they have already left a charitable gift³

In Scotland, the connection supporters feel to good causes continues to grow along with a rising interest in legacy giving. In fact, 42% of Scots aged 40 and over say they would be happy to give in this way² and half as many say they have in fact already done so (21%)³.



"Legacies provide us with the 'platinum level' of funding. That is, unrestricted funds that we can use to deliver any of our activities. What this means in reality is that they are often used to deliver activities that are harder to secure funding for but are essential to our work – whether that's covering costs for our children and young people's advisory group, ensuring all our staff get paid the Real Living Wage or helping to provide advice and information services to families across Scotland."

Simon Massey, Head of Learning & Engagement, Children in Scotland

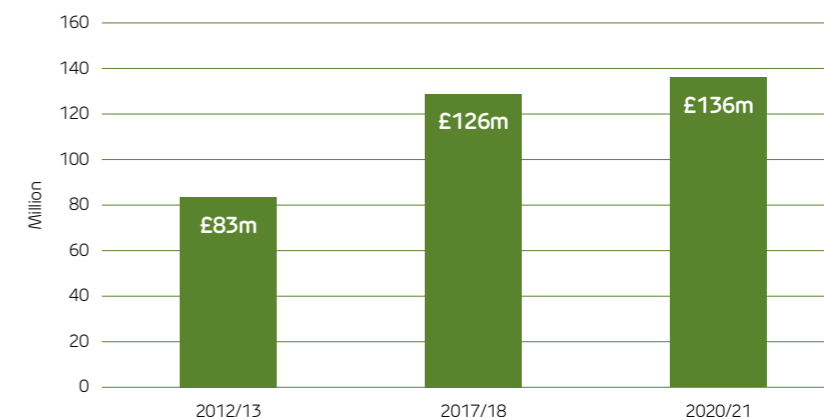


"In the cost-of-living crisis, money is tight for charities and supporters alike. But in many ways, this brings us all closer together, with people being acutely aware of the need for charitable services and wanting to support the causes they care about. As legacy giving has little or no upfront cost while offering the potential to achieve a better future, we're seeing appetite for giving in this way reach record levels. Legacies offer a huge growth opportunity for Scottish charities."

Lucinda Frostick, Director, Remember A Charity

Legacy giving is on the rise. Based on SCVO analysis⁴ of Scottish charity accounts, legacy income for charities in Scotland reached £136m in 2020/21, up from £126m for the 2017/18 financial year, and £83m back in 2012/13. Currently, legacy income accounts for one fifth of all money donated to Scottish charities.

Legacy income growth for Scottish charities



Looking to the future, we're reaching a unique window of opportunity linked to the ageing baby boomer cohort. The second largest generation to date, this cohort tends to be strong charity supporters who genuinely want to see the world become a better place. This is all good news for charities looking for a significant income source to enable them to plan into the future and safeguard vital services.

Valuable for charities & supporters alike

In the current economic climate, gifts in Wills are providing a crucial source of income for those charities that have invested in their legacy programmes in years gone by. During pandemic times, that income became even more of a lifeline and many charities are expanding their focus on legacy fundraising. What's more, for supporters who may be cautious about their current expenditure, a legacy gift can be a meaningful and attractive way to pledge their support, without the initial financial outlay.



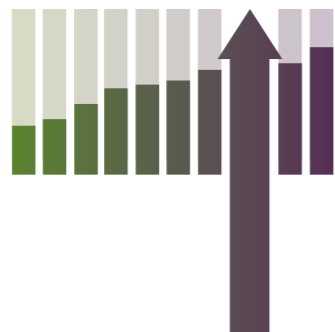
"SCOTLAND: The Big Picture is a young charity, having registered with OSCR in September 2020. During a time of great uncertainty, it was vital we cast our net wide to attract funding to support our essential work. Providing the opportunity for people to remember us in their Will was an obvious choice to make. Our supporters' legacies will live on for hundreds of years and positively affect future generations!"

Sarah Sall, Fundraising Officer, SCOTLAND: The Big Picture

The Scottish market explained



Scotland's legacy income growth rate has averaged **4.4% p.a.** in the past 5 years, boosted by an exceptional one-off bequest to Beatson⁵



48% of Scotland's legacy income goes to 50 charities⁵



"Since December we've had £22,500 come through and a 20% residuary gift left too. The fact that we're seeing a boost during the cost-of-living crisis from people who remembered us in their Will writing years ago is amazing and has really helped everyone in the organisation understand the importance of legacy giving and of sharing that message."

"A lot of the people leaving legacies have been service users, so a big part of our recent success is having those relationships already built. We also share the legacy message throughout the year, but generally keeping it light – through mentions on our social channels, in our email signature, and our newsletter. This constant gentle stream helps to build people's awareness, directing them to our webpage if they want to know more."

Gabrielle Bovaird, Campaigns & Communications Officer, Cancer Support Scotland

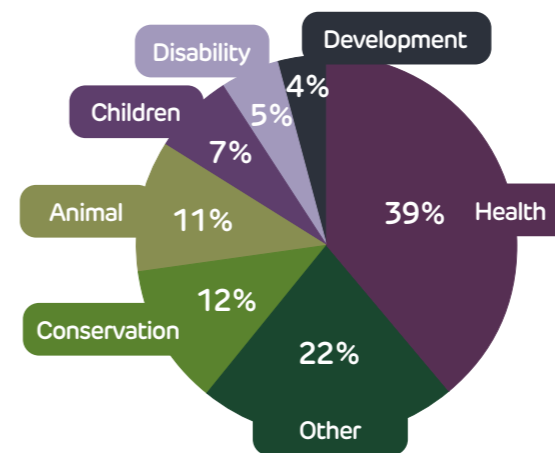
Where the money goes

Legacy Foresight compiles legacy data on Scotland's top 50 charities, estimating that almost 50% of all Scottish charities' legacy income goes to these organisations. In 2020/21, these 50 charities received a total of £66m – 2.8% higher than the previous year⁵. While this was slower growth than during the two preceding years, legacy income remained on an upward trajectory, demonstrating the resilience of this market, which is also seeing an increase in the number of charities benefitting from gifts in Wills.

Top causes

Comparing income by cause among the top 50 tracked by Legacy Foresight, health causes account for the biggest share by far with 19 charities taking almost 40% of this group's total legacy income. Next come conservation, and animals followed by children, disability, and development

% income by cause area Top 50 Scottish charities, 2020/21⁶



The top 10 for legacy income in 2020/21 – ranked by average legacy income over the previous three years⁶

1	Scottish SPCA	£7.23m
2	Beatson Institute for Cancer Research	£6.76m
3	National Trust for Scotland	£5.80m
4	Erskine	£4.28m
5	University of Aberdeen Development Trust	£3.47m
6	Chest Heart & Stroke Scotland	£3.10m
7	Alzheimer's Scotland	£2.55m
8	Children's Hospices Across Scotland	£2.43m
9	St Columba's Hospice	£2.26m
10	Worldwide Cancer Research	£1.97m

Support for charities of all sizes

While the top 10 shows how some of Scotland's larger charities benefit from legacies, this is just part of the story. In fact, many medium and smaller charities also receive valuable income from legacies. Some 500 Scottish charities of all sizes are named in Wills each year – 64% of which are small charities⁷.

Reading the figures

By its nature, legacy giving can be lumpy and unpredictable, forming noticeable peaks and with the most sizable bequests proving transformative for charities. Due to the size of the Scottish market, a few large gifts can even mean a sizeable jump in overall income and annual growth rate at sector level. A corresponding drop tends to follow as income levels return to normal. In 2020/21 for example, the 5-year average growth rate reached 4.4% for Scotland's top 50. Remove a £12m bequest to Beatson, paid out over two years, and this drops to 0.5% p.a.



"Because the Scottish market is relatively small currently, a big bequest can have a noticeable impact on the data. This volatility means it's important to take a long view. Doing so, and ignoring the peaks and the troughs, it's clear that Scotland is on a similar trend to that of the UK as a whole, which flattened off during the last recession, and then returned to growth."

Kath Horsley, Director of Analysis, Legacy Futures

Resilience during tough times



UK legacy income reached almost **£4bn in 2022**
Annual UK legacy income is expected to rise to almost **£10bn by 2050**⁸

The Scottish legacy market is expected to perform similarly to UK forecasts



Ageing baby boomer generation presents a unique window of opportunity



During challenging economic times, the value of legacies becomes even more evident, providing a vital source of income that can help charities weather the storm.



"In the last couple of years, we've had a bit of a boom in legacy income, which has come at a crucial time with the pandemic and cost-of-living crisis. Certainly, this year we're well ahead of target at close to the £3 million mark. This is roughly a third of our fundraising income. We know that legacy income can have hard to predict peaks and troughs, and a bumper year can easily be followed by a fallow one. That makes us even more driven to talk to our supporters about legacy giving and secure what we can for the future of CHAS."

Rachel Gedge, Legacy & In Memory Giving Relationship Manager, CHAS

A uniquely resilient source of income

While economic recession does impact legacy income, mainly due to the downward pressure it puts on housing prices, it tends to result in a slowing or flattening of growth rather than a dramatic fall. Like the rest of the UK, Scottish house prices are expected to fall over the next 2 years and then return to growth from 2025/26. However, death rates are rising as the baby boomer generation comes of age, which will help offset this.

In Scotland, around a fifth of the overall population are in this generational cohort, amounting to just under 1.165 million people in 2021⁹. Due to the scale of the boomer population, there's also likely to be growth in deaths. This larger number of estates going through confirmation is predicted to offset the fall in house prices and means that legacy income is expected to flatten for the next few years, before returning to strong growth from 2026. By 2050, Legacy Futures predicts that annual UK legacy income will reach almost £10 billion per year, up from £4 billion in 2022.



"Despite the predicted fall in house prices in Scotland and the rest of the UK, we expect legacy income to remain flat for the next few years, before returning to strong growth, supported by large numbers of deaths from the baby boomer cohort."

Jon Franklin, Economist, Legacy Futures

The notifications challenge

Any report on legacy fundraising in Scotland now would not be complete without a reference to the lack of a notification system for charitable gifts in Wills, as is provided in England and Wales through Smees & Ford. With costs from the Scottish Courts prohibiting the running of the same service in Scotland, concerns have been raised that legacy income may not always reach its intended beneficiaries. In fact, the Institute of Legacy Management (ILM) estimates that as much as 10%-15% of legacy income could be lost without the checks and balances that a comprehensive notification system delivers.

Remember A Charity is working closely with the ILM and Chartered Institute of Fundraising Scotland to lobby Scottish government to address the barriers that prevent the scheme from running, highlighting the crucial role of legacy income in sustaining Scottish charities and communities.



Top tips for legacy fundraising in a cost-of-living crisis

For charities not yet investing in legacy fundraising, those at the beginning of their journey, or simply feeling tentative about asking people for support during the cost-of-living crisis, here are some tips.

Top tip #1

Keep getting your legacy message out there

Supporters have become much more familiar with the idea of leaving a gift in their Will over the years and now almost 50 people in Scotland write a gift into their Will each week¹⁰. Build on growing legacy appetite by drip-feeding the legacy message across a wide range of channels – on your website, at events, in donor response forms and more.



"Take advantage of the fact that legacy giving is much more a part of people's consciousness now. At Worldwide Cancer Research, we feed that legacy message across a lot of different touchpoints because you never know when you might reach someone who's considering making their Will. Everybody is touched by cancer, and legacies are very important for us strategically as we seek to diversify our income streams."

Mark Docherty, Legacy Manager, Worldwide Cancer Research

Top tip #2

Look after your supporters

In challenging times, it's even more important that charities stay front of mind. Focus on the supporter journey, and on building lasting relationships, also finding out what motivates supporters. Use this insight to engage them meaningfully with the concept of leaving a gift in their Will and inspire them with a vision of how their help will influence your work for years to come.



"We share Morag's story at Cancer Support Scotland a lot. A service user and our face of legacies, she brings such a light with her. She's come through the cancer journey herself and has a new lease of life because she's survived, and she's well – and while she wants to grow old disgracefully as she says, she also wants to make sure that the charity is there for people like her in the future."

Gabrielle Bovaird, Campaigns & Communications Officer, Cancer Support Scotland

Top tip #3

Show how legacy giving works for them

When people are concerned about their finances, highlighting that there is no immediate expense with a legacy gift, other than the Will-writing cost, can be beneficial. It's important to remind people that every gift – no matter how small – can make a difference and that their donations can fit around gifts for their loved ones.

Top tip #4

Talk about the impact

Sharing stories about what legacies have already helped you to achieve and what this has meant for your beneficiaries can convey the impact of a legacy gift. Inspiring and powerful, these stories are also a great way of helping people envisage what their own gift could achieve.



"We completely understand that people's current income might be lower at the moment, but that doesn't mean we can't talk about legacy fundraising – because legacy conversations are not about the money. They're about inspiring people, telling stories, hearing about that person's life and the things they're passionate about, whether that's the care of children, or animals – and talking about how through a gift in their Will, big or small, they can help."

Rachel Gedge, Legacy & In Memory Giving Relationship Manager, CHAS

Top tip #5

Build internal support

Internal buy in is a must for legacy success. Make a compelling case for investment with facts and figures that show the difference it makes. This might include reporting on engagement figures, response rates for legacy appeals, pledger numbers, return on investment and the expectation of market growth. Don't forget to celebrate legacy successes too – share stories that showcase the emotive aspect of legacy giving as well as the significant financial impact of those gifts.

Top tip #6

Find power in numbers

Collaborating with other charities, through initiatives like Remember A Charity, will help to accelerate market growth, while providing opportunities to amplify your own legacy messaging and reach. Only by working together can we succeed in making legacy giving a social norm.



"Donations have not really been a big part of Children in Scotland's fundraising focus until recently. But over the course of the pandemic, we saw an increase in one-off and regular donations, which felt like a shift in people's thinking around who they give to, and a good opportunity to review our work around donations. Many people will share our vision that 'all children have an equal chance to flourish' and if we can raise awareness of who we are, the work we do and the difference we make for children and families in Scotland, more people will want to play their part in helping us achieve that vision."

Simon Massey, Head of Learning & Engagement, Children in Scotland

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Remember A Charity

A consortium of close to 200 fundraising charities, Remember A Charity works to grow the legacy market and normalise legacy giving across the UK, providing resources to help our member charities inspire supporters to leave a gift in their Will. We run consumer campaigns all year round to engage the public, including Remember A Charity Week, which takes place each September. This annual awareness week serves as a pivotal moment, uniting charities, the giving public, solicitors, Will-writers, government and others to celebrate and promote legacy giving.

Working closely with government and professional advisers to promote the most positive and receptive environment for legacy giving, we lobby for change on behalf of the sector. Find out more about our work or join us at:

www.rememberacharity.org.uk

Remember A Charity is part of the Chartered Institute of Fundraising, which is incorporated by Royal Charter (RC000910) and is a charity registered in Scotland (No. SC050060) and England and Wales (No. 1188764).

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Legacy Foresight

Legacy Foresight are the UK's foremost analysts of the legacy and in-memory sectors, offering benchmarking, forecasting, research and consultancy services to charity clients. We enable charities to understand their past performance and how to maximise their future potential. Our clients are among the UK's finest charities; they know that we have their best interests at the heart of everything we do. We work alongside their teams, providing the evidence and validation to underpin their strategies.

In 2020, we became part of the Legacy Futures group of companies. Along with legacy administration specialists, Legacy Link and fundraising consultancy, Legacy Voice, the Legacy Futures group offers unparalleled expertise in the legacy space.

www.legacyforesight.co.uk

Legacy Foresight is a registered company (No. 6044558)