CHURCH LEGACY
A lasting gift to your church

Legacies to the Church of England

Looking to the Future

LEGACY FUNDRAISING
growing your future

THE CHURCH OF ENGLAND

www.churchlegacy.org.uk

Report produced by Dr Claire Routley
Legacy Fundraising
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An Overview

Income from legacies to the charitable sector has increased considerably in recent decades from around £0.5 billion in 1988 to almost £3 billion today:

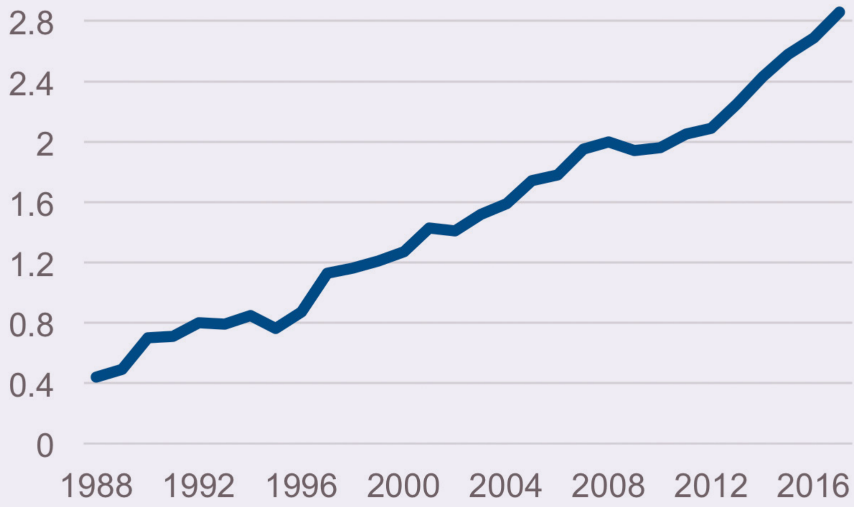


Figure 1: Legacy income 1988-2017 (Legacy Foresight 2018)

The next few decades are predicted to be a period of even more rapid growth for legacy income, driven by three key trends: bluntly, an increasing number of people will be dying, those people are likely to be relatively wealthy and, also, relatively charitable. The Church's actual legacy income was £46.7m in 2016 and has grown on average by 4% year on year (YOY) since 2010:

Figure 2: Predicted future legacy income (Legacy Foresight 2014)

The C of E Picture

Income-wise, the picture for the charitable sector as a whole is likely to be positive, but is this situation likely to be replicated for the Church?

Overall Income

Analysing trends in internal data would be a sensible starting point, and therefore this analysis draws on the total figures submitted by parishes from 2010 – 2016. The data is from those churches that provided a finance return and is therefore is likely to be an undercount.[1] The Church's Legacy Income was £46.7m in 2016 and has grown on average by 4% YOY since 2010:

There are also signs that proactive legacy promotion is having an impact. Over a ten-year period, the Church of England has seen legacy income increase on average a 2.9% per year. During the period since the National Legacy Campaign launched in 2012, the Church of England has seen on average a 4% increase per year in the size of legacy income (although Legacy Foresight point out that the majority of this will be due to economic growth).

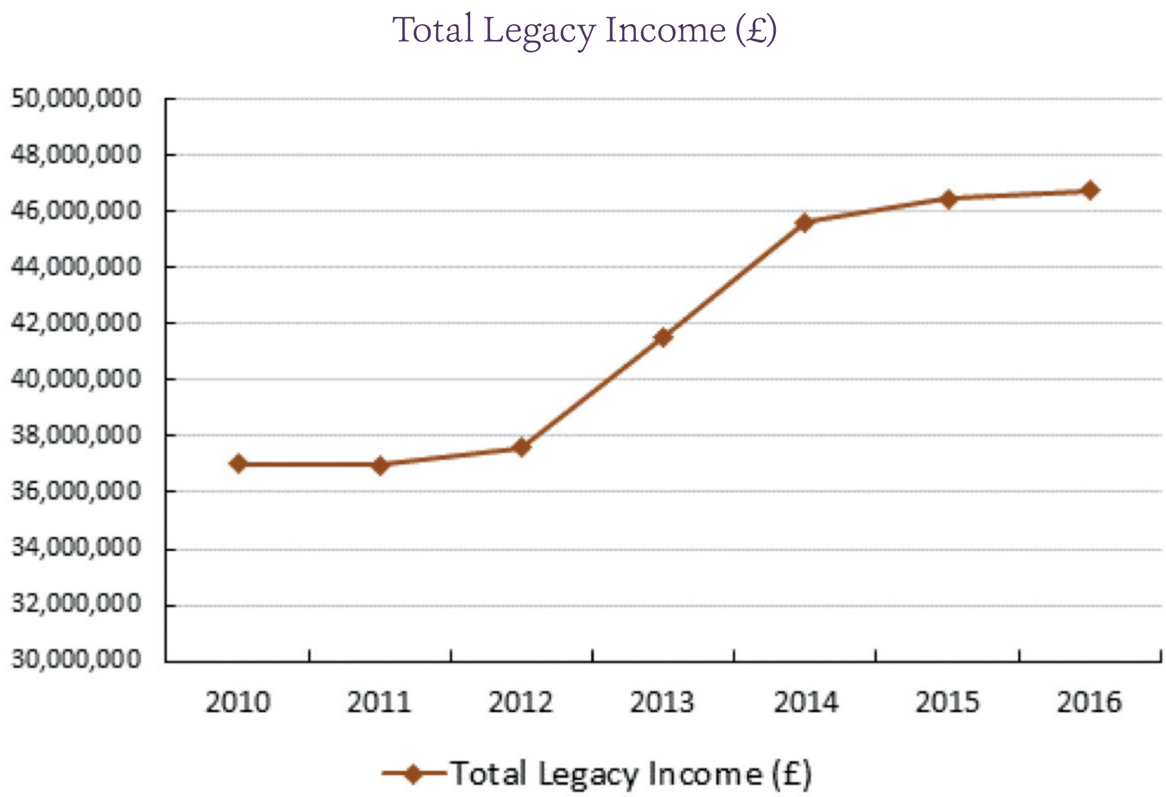


Figure 3: Church of England Legacy Income

[1] It should be pointed out that although aggregating this data represents a lot of hard work on behalf of the team, it can be difficult to draw statistically valid inferences on seven years of data, so, longer-term, ensuring that data is captured and analysed could lead to more robust results.

Perhaps more importantly, over the past ten years, the Church of England has experienced an average of -2.4% YOY decrease in the number of legacies received. Since the National Legacy Campaign launched in 2012, that average has increased to 0.7% YOY growth, and in the past three years increased further to an average of 0.9% YOY increase.

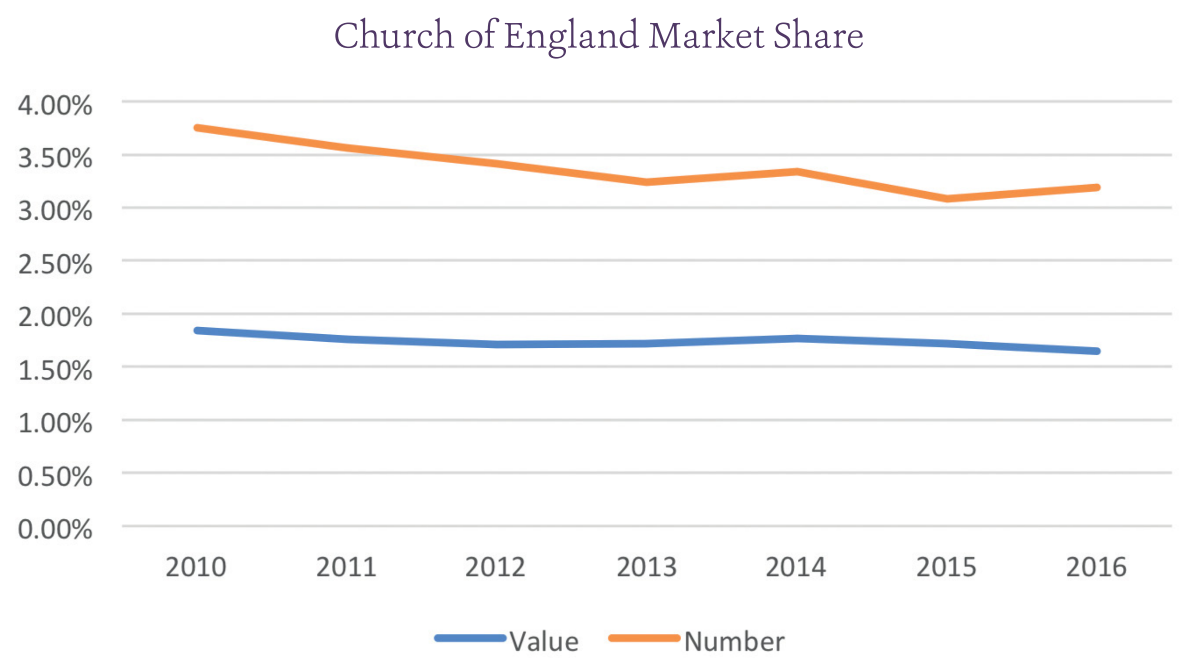


Figure 4: Share of Legacy Market (Legacy Foresight 2019)

> Although this overall picture of growth is a positive one, bespoke analysis from Legacy Foresight suggests that this growth is not happening as quickly as for the rest of the charity market: in marketing terms, that the Church's market share is declining vis a vis other charities.

Threats to the Future

There are a number of reasons why the church may be losing market share:

a Decreasing numbers of people leaving legacies to religious organisations?

Most obviously, the number of people defining themselves as Christian and attending church regularly is decreasing, with the Church's own statistics suggesting a decline in worshiping congregations of between 10 and 15% between 2006-2016 (Church of England Research and Statistics, 2017). In the long-term, this is likely to lead to a decline in the number of people leaving legacies to the Church. Similarly, analysis by Smee and Ford in 2011[2] (Pincher, 2011) showed that younger people appear less likely to leave legacies to religious organisations or places of worship:

Charitable Causes	>90	80-90	70-80	60-70	50-60	<50
Aged welfare	3.4%	2.9%	2.0%	1.3%	1.3%	1.3%
Animal welfare	9.9%	1.6%	13.5%	14.8%	15.4%	17.8%
Culture / Arts / Heritage	1.9%	2.0%	2.5%	2.3%	2.1%	2.1%
Cancer research	9.6%	10.7%	12.2%	13.9%	13.9%	12.1%
Child welfare	4.1%	3.7%	3.8%	3.5%	4.2%	4.7%
Disabilities (physical) / Debilitating illness	7.7%	6.4%	5.0%	4.6%	3.9%	2.6%
Mental health / Brain disfunction	1.2%	4.1%	1.5%	1.7%	1.9%	1.6%
Education and Professional training	1.1%	4.0%	1.4%	1.4%	1.6%	1.0%
Environmental	1.2%	4.5%	1.7%	2.7%	3.3%	3.1%
Medical research and information	6.0%	8.0%	9.2%	8.9%	7.6%	7.3%
Nursing / Care	9.0%	8.4%	8.2%	8.6%	9.0%	10.2%
Religious	4.6%	3.8%	3.4%	2.8%	2.8%	2.1%
Services / Forces	2.6%	3.2%	1.9%	1.3%	1.2%	1.0%
Overseas / Humanitarian aid	3.4%	3.6%	3.6%	4.4%	4.7%	4.2%
Others	1.7%	1.5%	1.8%	1.6%	2.5%	2.4%
Worship	15.7%	12.6%	9.7%	6.8%	2.9%	3.9%
Hospices / Hospitals / Clinics	11.1%	11.9%	12.7%	13.1%	13.1%	17.1%
Rescue services	5.1%	5.2%	5.0%	5.0%	3.9%	2.1%
Human rights / Homelessness	0.7%	0.6%	1.1%	11.0%	1.5%	2.6%
Family issues	0.1%	0.1%	0.3%	0.3%	0.3%	3.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Figure 5: Causes by age bands (Pincher 2011)

However, it's not clear from this limited analysis whether we are seeing a cohort effect e.g. younger people are less likely to be interested in religious causes, or whether people might become more likely to give to religious organisations as they age. In reality, it's quite possible that both factors come into play: that younger people are less likely to have a religious belief, and that people dying younger are more likely to be affected by a particular illness, or need hospital/hospice care, and therefore those issues will loom larger in their psyche when making a will than a 'loved in life' cause such as the Church.

[2] Unfortunately, I haven't seen this specific analysis carried out again since 2011

> This evidence would add weight to the argument that if the Church would like to generate future legacy giving, the time to communicate with congregations is now, with the window of opportunity to grow legacy income significantly being shorter than for many other charities.

These findings would be reinforced by those of Legacy Foresight, who suggest that religious causes are seeing slower growth and that baby boomers (i.e. those born after WW2) will be less likely to consider religious causes than previous generations (Legacy Foresight, 2014).

However, the current picture is subtler than the above data might suggest, with the numbers of people in the worshipping community aged 70+ - a key legacy audience - having increased from 187k to 222k between 2012 and 2016.

b The Church being significantly outspent by other organisations

Many organisations seem to be aware that legacy income is likely to increase, and to therefore be investing in legacy promotion. As a point of comparison, Legacy Foresight have confidentially shared that the average legacy expenditure for organisations who, like the Church as a whole, are extra-large legacy earning organisations (i.e. raising over £20 million annually) is 3% of fundraising expenditure or an average of £700,000 (Legacy Foresight, 2017). *(Please keep this data confidential, as it's only usually shared with consortium members.)*

> Obviously, these organisations will be very different to the Church in terms of fundraising set-up, causal area etc, and are a limited sample of those most committed to legacy fundraising, but these figures give a sense of the considerable investment other organisations are putting into this area versus the level of current investment by the Church (£4,000 per annum).

In bespoke analysis, Legacy Foresight also point out that the average legacy value of a gift to the Church (£11,315) is almost half the UK average for the same period (£21,913), and a) its comparatively more likely to be restricted to a specific project, and b) comparatively more likely to be for a specific amount of money as opposed to a share of an estate. In focus groups carried out for the Church, Radcliffe suggests this may be related to a perceived smaller ask than many charities i.e. for the local church (Radcliffe, 2010).

C Worry about the Future

In the report on a set of focus groups carried out in 2010, Radcliffe (2010) made what could be an important observation:

> "Many of the more traditional supporters feel 'my church will see me through until I die'. This is a threat to legacies because there is...no vision of how support can continue to build faith for future generations."

In congregations which are clearly ageing, people may worry that their church, as it exists now, may not be around in 10, 15, or 20 years' time. Although one might imagine that this should imply an important need for their gifts and therefore result in increased giving, consciously or subconsciously, they might be worried about the possibility of their gift being wasted e.g. if it's used for capital works and then relatively shortly afterwards the building is repurposed into a private house.

This is because an important motive for legacy giving is the need to live on through the impact of one's gift. This motive is related to wider research in the domain of Terror Management Theory, a theory that's very well-supported by academic evidence with over 400 studies completed in a range of countries and cultures (Pyszczynski, et al., 2010), and which posits that the need to find a form of 'symbolic immortality' is fundamental to the human experience.

Bucking the Trends

Although overall numbers and income are not growing as quickly as other charities, some individual dioceses seem to be performing particularly well. There are a number in the table below who have averaged more than £1m of legacy income annually between 2010-2016:

Diocese	Average income 2010-2016
Chichester	£2,284,431
London	£2,258,579
Southwark	£2,080,707
Oxford	£2,070,957
Exeter	£1,728,600
York	£1,473,583
Chelmsford	£1,423,112
St Albans	£1,407,948
Guildford	£1,390,561
Leeds	£1,283,030
Salisbury	£1,186,476
Bath and Wells	£1,165,293
Manchester	£1,097,512
Liverpool	£1,071,465
Rochester	£1,067,193
Carlisle	£1,035,030
Blackburn	£1,031,705

These figures would point to the value of legacy promotion – the Diocese of **Chichester**, for example, has consistently promoted legacy giving for more than ten years, and appears to be reaping the rewards in legacy income.

We can also drill down into that data in more detail. Comparing figures for the number of deaths of Worshipping Community and numbers of legacies, the Dioceses of **Southwark**, **Bath and Wells** and **York** seem to generate statistically more legacies than average (45%, 37% and 33% of deaths resulting in a legacy respectively). If we carry out a similar calculation looking at the number of funerals conducted, the figures show the Dioceses of **Southwark** (12%), **London** (11%), **Chichester** (10%) and **Bath and Wells** (10%) generating more legacies than average.

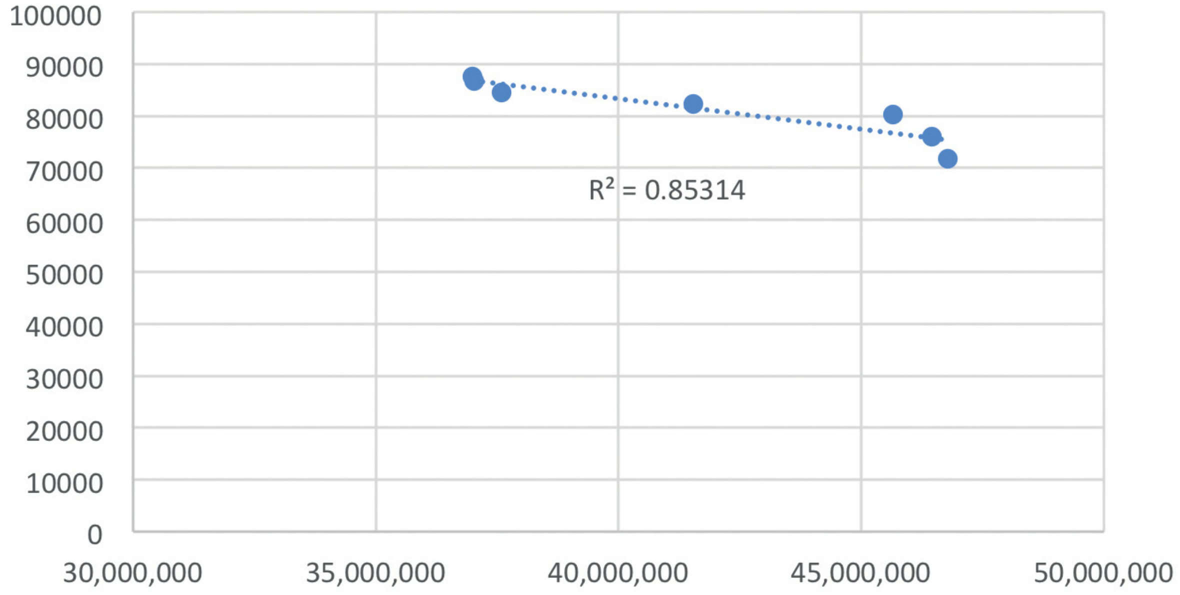
In terms of average annual percentage growth in the number of legacies received (which is arguably a more important indicator than value which could be affected by geographic differences in, for example, house prices), the below dioceses appear to perform particularly well. (NB – an index of 100 would indicate that the Diocese is performing the same as average.)

Trying to understand what might be underlying these figures could be productive for the Church. For example, even if not investing in promoting legacies specifically, do churches in these Dioceses promote the importance of giving generally? Have they historically encouraged a planned approach to giving? Do they perhaps have a compelling vision for the future?

Diocese	Index
Ely	381
Portsmouth	372
St Albans	359
Winchester	316
Hereford	295
Peterborough	283
Truro	272
Blackburn	244
Birmingham	239

Legacy Income and Planned Giving

A statistical analysis of the available data to try and ascertain which factors link to legacy income didn't result in much significance, most likely because of the relatively small amounts of data.



> This analysis suggests that the group of Planned Givers is likely to be an important audience for legacy giving moving forwards.

However, it does show that there is a strong relationship between a decrease in the number of planned givers (presumed to be largely caused by death) and legacy income. The analysis suggests that (controlling for other factors) for every deceased planned giver, £835 of legacy income is donated.

There might be several reasons for this connection. Planned givers are likely to be the more dedicated members of the congregation, and thus may be more naturally predisposed to give legacy gifts. It's possible that parishes/dioceses that historically encouraged planned giving might also be more likely to talk about legacy giving, and/or are more proactive about encouraging giving generally.

Profile of Legacy vs. Church Donors

Internal insights suggest that church givers are both wealthier and older than average. Modelling wealth using 'Mosaic' data (whereby postcodes are allocated into 20 bands) identified 56% of a pool of our givers live in the wealthiest 20% of postcodes, and only 13.9% of these givers live in the least wealthy 50% of postcodes (Experian Marketing Services, 2017). Both these factors would be positive from a legacy point of view.

In terms of age, although first legacies are likely to be added from the late 40s onwards, the majority of legacy gifts come from wills signed at 80 years old or older (James & Baker, 2015). In terms of wealth, as people get wealthier, the likelihood they will leave a legacy increases (Atkinson, et al., 2009).

> It also goes without saying that church donors are likely to be more religious than average, with James (2009) finding that greater attendance at religious services correlated with increased likelihood of legacy giving.

Although the demographic information on attendees/donors is relatively limited, what exists suggests that demographically, the Church audience would be a good fit with legacy giving. (However, the biggest demographic influence on legacy giving is childlessness, so an understanding of whether attendees are more or less likely than the population to have children and grandchildren might give additional insight.)

A Perspective from other Christian Charities

We asked Christian charities for their perspective on legacy fundraising:

Bible Society

"At Bible Society, we're cautiously optimistic about our future legacy income, even in a declining Christian marketplace. Unlike many of the big brand charities we know that around 85% of our income comes from people who already support us, so as long as we continue to grow our supporter base, we're confident that we can continue to grow our legacy income. Since 2010 we've revamped our fundraising in general and have put considerable effort into growing the number of people who support us, particularly people who support our Bible a Month regular-giving scheme (who ultimately are likely to be our best legacy prospects). Since that time, we've also consistently promoted the idea of legacy giving. In any given year income can vary considerably depending on the number of large gifts we receive, but the broad trend is that our income is increasing: in the last three years our average income per year was just under £3m."

Evangelical Alliance

Evangelical Alliance are continuing to make legacy giving a priority, having started in to promote this form of giving in the last few years. They send a legacy appeal to their supporters every two years, and have created a special partnership for mid-level and legacy giving. They make the point that they believe legacy giving needs consistent input in order to grow.

National Trust

National Trust is not a Christian charity, but in terms of overall income, and arguably the profile of its members, shares similarities with the Church. After carrying out an analysis of various factors affecting their numbers of legacy notifications, National Trust found a connection between investment in legacy giving and the number of legacies they received around seven years later (following a decrease in legacy investment in the early 2000s). They went on to make a case for significant investment in legacy giving.

Their former Head of Legacy, Marcia Dover (Dover, 2017) said: "In 2013, I submitted a business case for significant investment in legacy promotion and planned growth in the Legacy Administration team, which was approved. We also got Executive support to make legacy promotion an organisational priority alongside membership."

> Interestingly, National Trust was recently cited by Smee and Ford as one of the fastest growing legacy charities, seeing an increase in income of 19.7% in 2016-17. However, they're not expecting to see a significant uplift in the number of legacies (arguably a more important indicator) for several more years.

Conclusion

In conclusion, the short to medium-term picture for the Church seems like a relatively positive one:

- Growth
  Although the Church is not growing as quickly as other charities, it is nonetheless growing, and the small uplift in numbers since beginning more proactive legacy promotion suggests that being noisier about legacies in a church context can work.

- Performance
  Drilling in more detail into the dioceses that are performing well may provide additional insight into what works for church legacy giving. It may be, for example, that some fast-growing parishes haven't been proactive about promoting legacies but have been good at talking about the importance of giving.

- Messaging
  Getting the messaging right is likely to be important e.g. pointing to a positive future vision, and also potentially discussing the ease/importance/benefits of residuary gifts: even if absolute numbers don't rise significantly, encouraging more residuary gifts could see a significant uplift in value.

- Donors
  Reaching a) the over 70 worshipping community, and b) planned givers is likely to be vital: unless broader social circumstances change significantly with more middle-aged people returning to church, the opportunity to raise significant legacy income is likely to be available for the next 10-20 years, rather than the 30+ year timescale that other charities are looking at.

- Resourcing
  Linked to the point above, with the Church being significantly under-resourced compared to its competitors, being as focused as possible in legacy promotion (whether that's by geography or demographics or anther factor) may be an efficient use of limited resources.

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About the Author

Dr Claire Routley has worked in fundraising for over fifteen years, specialising in legacy fundraising for the last decade. In 2011, she completed a PhD looking at why people choose to leave legacies to charity. She has worked for Bible Society, Age UK, WRVS and a local hospice, and is a tutor for the Institute of Fundraising's qualification courses. She is now a fundraising consultant and researcher. She is also a member of fundraising think-tank Rogare's international advisory panel, and was recently named AFP's emerging scholar 2017.

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