



# Depth Perception™

Commentary from Design For Ministry™

## Wealth Transfer: much ado about nothing?

31 May 2006

Since the mid-1990's, the philanthropic community has been a-buzz about the coming transfer of wealth from the World War II generation. It was estimated in 1999 that \$41 trillion would move down to the boomers, with \$6 trillion of this available as bequests (*Chronicle of Philanthropy*, 6 April 2006, p.37).

The boom in charitable contributions isn't materializing . . .yet.

Perhaps it is because the WWII generation is not dying and are outliving their estates (this would mean retirement communities and nursing homes are a key beneficiary of the wealth transfer). I spoke recently with a 70-something senior caring for their 95 year old parent. "The estate goes dry next month," they said. "There is nothing left."

There are also indications that many Baby Boomers have not prepared for their own retirement and are dependent on the inheritance they receive from their parents to fund their later years. Charitable giving may not fit in their plans.

There also remains the possibility that the estimates are off in some way. This is often the case when a new economic dynamic is being described. We know something is there, but can only model it. As time plays out forecasts get revised and the real picture emerges.

This is all so much speculation, both the amount that might transfer and the reasons why or why it is not happening. Charitable institutions do well to continue pursuing best practices. Certainly, they will want to be ready to receive estate bequests, but they should also continue cultivating younger donors, working at community relationships, and building their annual fund.

"Charitable institutions do well to continue pursuing best practices."

We are right to attend to and prepare for trends, but to flutter back and forth between them smells of greed for gold and the loss of mission.

--mark l. vincent