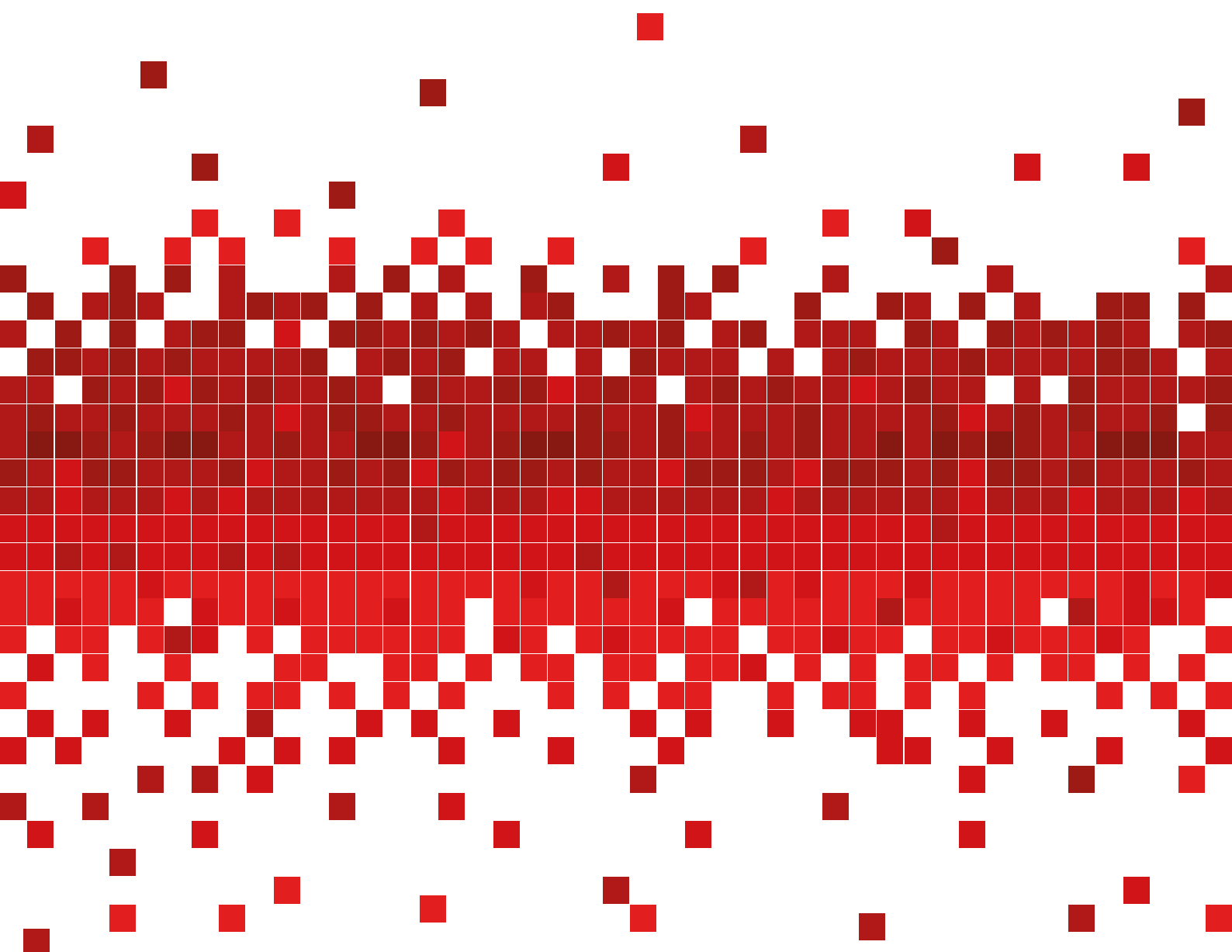


Smee&Ford

Legacy Trends

Report 2022





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# 1. Introduction

## About Us

Smee & Ford has more than 125 years of experience in legacies. Our team reads through around 5,000 Wills each week, identifying and reporting any charitable content. This has enabled us to build an extensive and unique database (The Legacy Analysis Portal) of legacy giving in the UK, and from September 2012 we have recorded every bequest for each named charity mentioned in a Will. Our exclusive data has information about every single charity (mentioned in a Will) and can be used to determine trends for specific causes, geographic regions, named charities and the legacy market as a whole; this can help charities to forecast their potential future legacy income and help plan their legacy marketing strategy using a complete dataset.

## Executive summary

Welcome to the Smee & Ford 2022 Legacy Trends report where we will be sharing some of our latest findings for the period up to December 2021. The data included in this report is derived from Smee & Ford's exclusive database and refers to English and Welsh estates and therefore does not include Scottish or Northern Irish estates/cases.

This report looks at the total charity market and trends for the entire sector, however charities can look at their unique data at a granular level, and the data of peer charities (of their choosing) to identify their own trends and better understand where to focus their marketing efforts when putting together a strategy. This exclusive information is available with Smee & Ford's bespoke data offerings and gives a wider insight into an individual charity's audience. This insight can dramatically improve forecasting and support a case for investing in legacy fundraising.

## Methodology

Data contained in this report, unless otherwise stated as having external sources, is taken from Smee & Ford's database of charities and the bequests they receive. This data is manually collected by a team of dedicated researchers and sourced from wills that have passed through probate.

**Reported legacy income:** This represents legacy income received by charities registered with the Charity Commission for England and Wales. Each organisation has a total annual income exceeding £500,000.

**Financial reporting date parameters for reported legacy income:** Financial year ends are grouped running from July to the end of June. This includes all year ends that fall in December and March which make up the most common financial reporting dates.

**Total legacy income:** This is calculated by summing all reported legacy income that falls within the financial reporting date parameters. Using the same date parameters, we use the Smee & Ford database to calculate the values of absolute pecuniary and absolute residual bequests which fall within the same timeframe and add this to the reported legacy income.

**Residual bequest value:** For each bequest, we calculate the residual percentage of the net value of the estate (after we have subtracted the sum of the pecuniary values from the total estate value). We then deflate the figures by 25% to produce a conservative estimated value.

**Years used in charts:** Except for reported legacy income, all charts throughout this report use the year where probate was granted as the year reference. This means that columns denoted 2021 refer to data where the Grant of Probate was issued in 2021.

## Key findings

- In 2021 there were 10,670 unique charitable organisations mentioned in a will which is the highest we have recorded over the past decade
- This year reported legacy income has dropped to £2.7bn but we estimate total legacy income is more than £3.2bn
- There were 37,242 charitable estates in 2021, a 10.7% increase on the number reported for 2020
- The value of charitable estates increased by nearly £2bn from £17.9bn to £19.8bn, a growth of 10.7%
- 37.4% of charitable wills contained just one named charity and 21.7% contained 2 charities. The highest number of charities named in one will in 2021 was 61
- Nationally around 14% of probated estates with wills are charitable, with 1 in 5 wills being charitable in many areas of the south-east & south-west compared to 1 in 8 to 10 in many areas of the north-west and Wales.



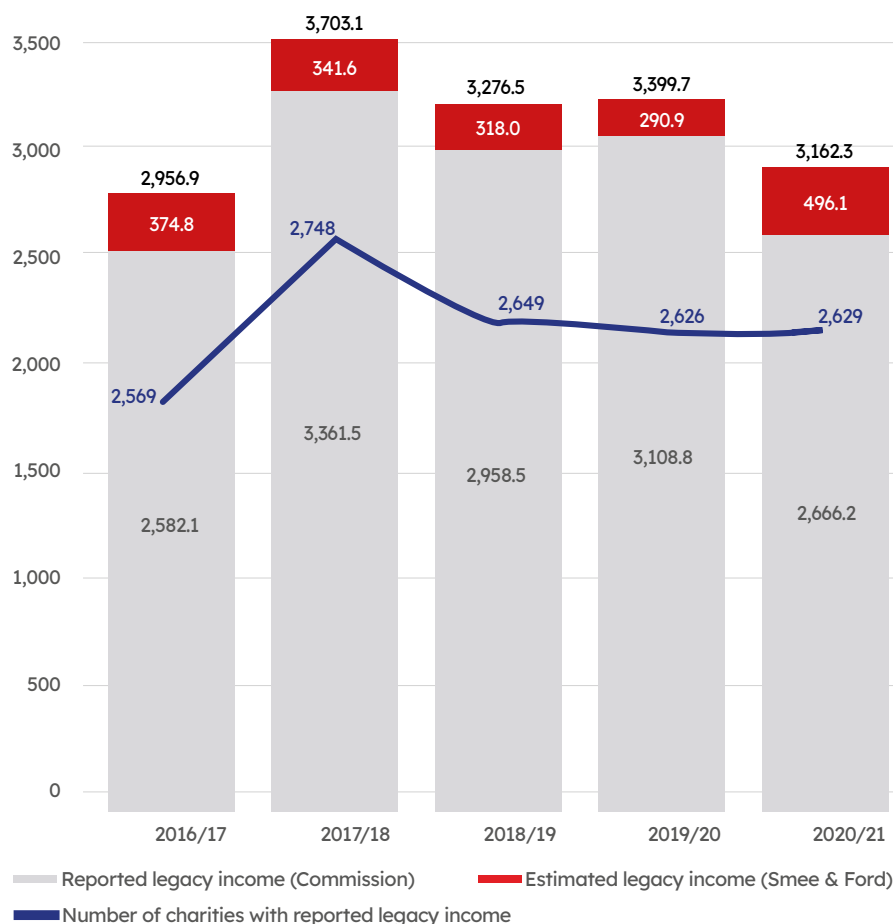
# 2. Legacy income

## Total legacy income fell from £3.4bn to £3.2bn - a 7% decrease from the previous year

Reported legacy income fell in 2021 to £2.7bn. In recent years it surpassed £3bn but the changes to Probate caused a slow-down in processing and backlog of estates which was then exacerbated by the Covid pandemic. Reported legacy income for 2021 covers all financial year ends between July 2020 and June 2021 whereby fewer estates were processed during this time and the resulting effect was a decrease in legacy income.

The organisations reporting legacy income with the Charity Commission represent the largest legacy recipients in the country; this number was increasing year on year until 2018, after which there has been a decline in the number reporting this revenue stream and in 2021 it is almost flat with the prior year at 2,629 charities. Smee & Ford has calculated legacy income for charities that do not report legacy income with the Charity Commission (those with a total income of less than £500k) is worth £496m. This is significantly higher than in previous years and means that more legacy income was distributed to smaller charities with total annual income less than £500k. When we combine this with reported legacy income Smee & Ford estimates that total legacy income for charities with a financial period running from July 2020 to the end of June 2021 was in the region of £3.2bn.

Figure 1. Reported legacy income, average legacy values and the number of organisations reporting legacy income



**Notes**

- Population for this chart includes all organisations with total income exceeding £500k for any given year
- Years are generated where the financial year ends run from July to the following June of any given year
- The line on the 2017/18 bar represents total legacy income excluding £435m bequeathed to the Capricorn Foundation

## Estates

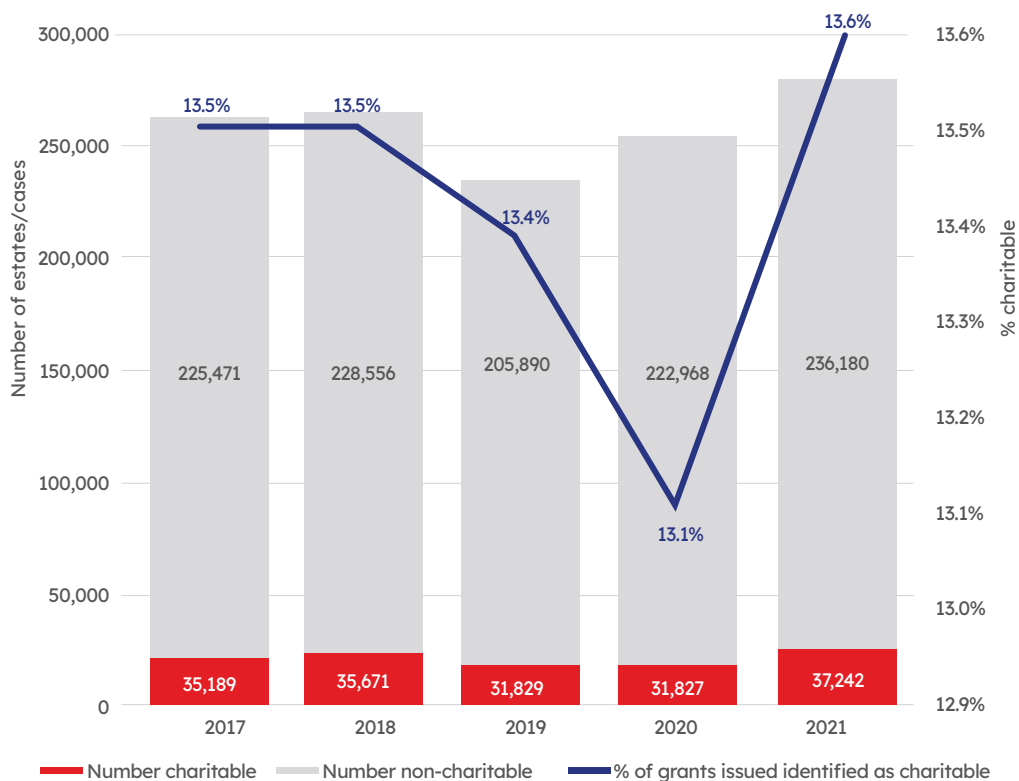
### 37,242 charitable estates were identified in 2021 – a 10.7% increase on the previous year

The number of charitable estates identified by Smee & Ford in 2021 was the highest in the past five years and 10.7% up on the previous year. The years 2019 and 2020 were impacted by processing and system changes at the HMCTS and on top of that the coronavirus pandemic. The number of charitable estates Smee & Ford identified in 2021 increased by 3,592 and considering that there are on average three bequests per will then the increase equates to over 10,000 additional charitable bequests.

In 2021, there were 577,419 deaths, 30,000 less than 2020 which saw an abnormally high number due to the Coronavirus pandemic. Over half of annual deaths don't need probate due to survivorship or the sad fact that the estate has little to pass on. Those that do apply for a grant of representation and in 2021 there were 283,352 applications, up 10,000 on the previous year. There were 273,422 grants issued in 2021 of which Smee & Ford identified 37,242 cases where a charitable organisation was mentioned in the Will. This number represents 13.6% of the number of grants issued, the highest proportion of charitable estates that we have seen in recent years. However, many cases that are included in these figures for probated estates don't have Wills and are therefore intestate. When we exclude intestate cases the proportion that are charitable increases to 16.1%. Turning our attention to the total number of deaths recorded by the ONS in 2021, we can calculate that 6.5% of people in the population of England and Wales mention a charitable organisation in their Will.

Figure 2. Historic trends in the number of charitable estates

Year	Applications for grants of representation	Number of Grants issued*	Number of charitable cases**	% of grants issued identified as charitable	Number of deaths	% charitable
2017	286,371	260,660	35,189	13.5%	533253	6.60
2018	269,074	264,227	35,671	13.5%	541589	6.59
2019	269,343	237,719	31,829	13.4%	530841	6.00
2020	273,460	256,618	33,650	13.1%	607922	5.54
2021	283,352	273,422	37,242	13.6%	577419	6.45



Sources \* Family Court ~Tables - <https://www.gov.uk/government/statistics/family-court-statistics-quarterly-april-to-june-2021>

\*\* Smee & Ford database

# 3. Estate values

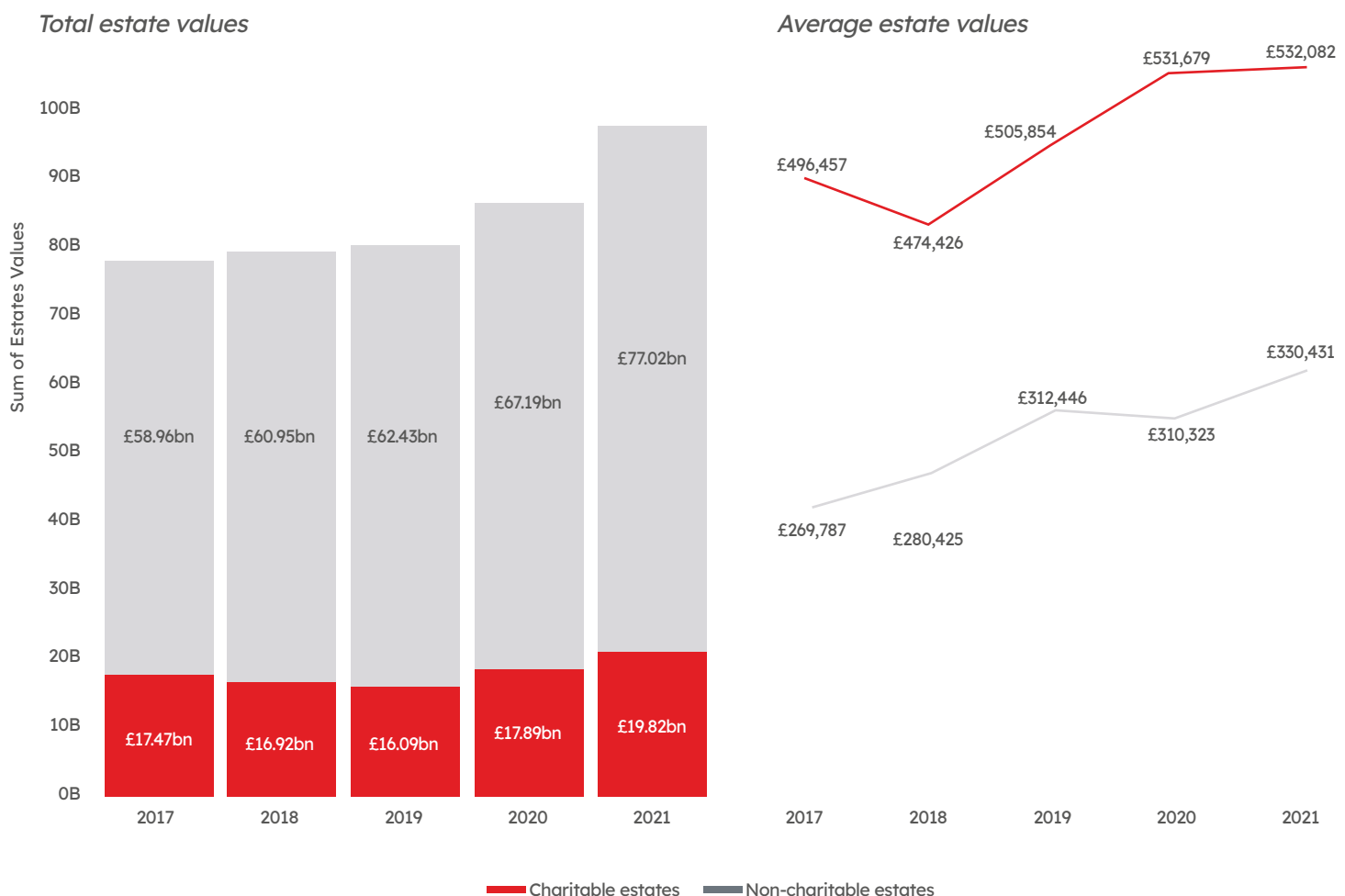
Between 2020 and 2021, total estate values of all probated estates increased from £85.1bn to £96.8bn. Charitable estate values grew by nearly £2bn, increasing 10.6% from £17.9bn to £19.8bn. This growth, although significant, is hardly surprising considering that there were 10% more charitable estates in 2021 compared to 2020.

Estate value growth is important to legacies because growth in estate values translates to growth in the values of residual bequests. In recent years we have seen growth in the average values of charitable estates, from £442k in 2016 to £532k in 2021.

For most people, the most valuable asset when they die is their house, which is why house prices are so important to the value of many legacy bequests. An examination of the House Price Index reveals that the average house price in Jan 2020 was £231,940 and by Dec 2021 it had risen to £271,491 which should have positive implications for residual bequests.

However, despite the favourable indications, in 2021 the average charitable estate value remained flat with the prior year. A closer examination of the number of charitable estates in estate value bands reveals that although there were more people in the highest band (over £2m) in 2021 compared to 2020, their values were less than those that belonged to the same band in 2020. In 2020 there were 812 estates worth over £2m with an average value of £5.9m, whereas in 2021 there were 934 estates with an average of £5.1m.

Figure 3. Historic trends of charitable estate values



Source: Smees & Ford

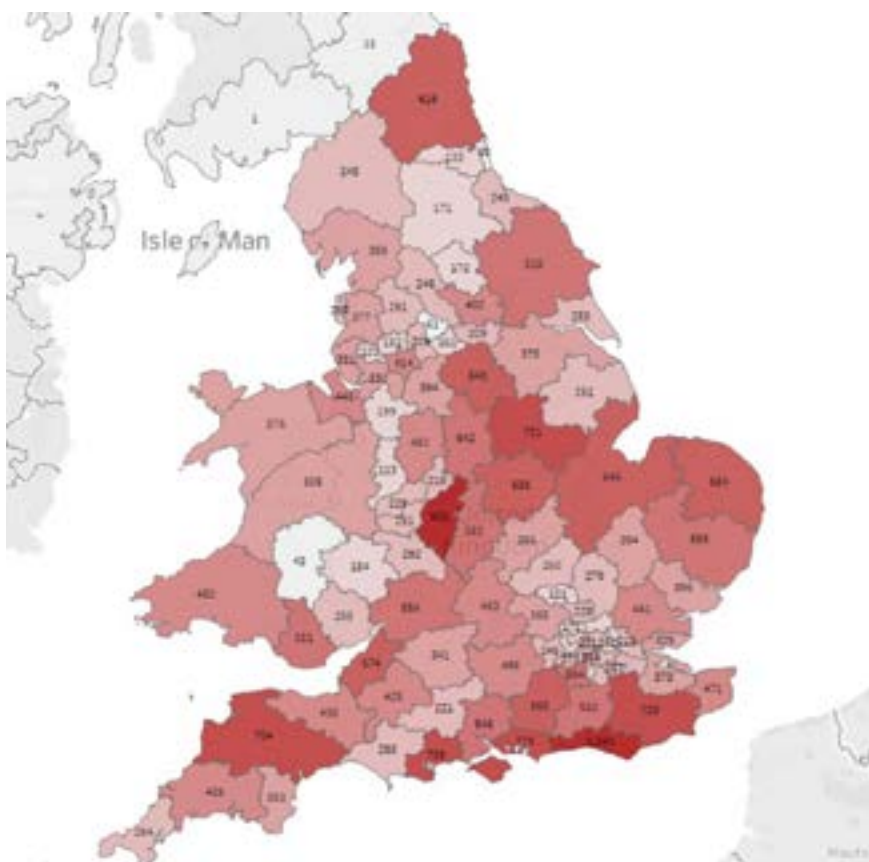
## Regional variations in giving in wills:

Nationally we know that 13.6% of wills contain a charitable estate, however this varies significantly by region. Figure 5 shows the regional distribution of charitable estates in England and Wales by postcode area in 2021.

- Areas with the highest concentrations of charitable wills in 2021 include Brighton, Birmingham, Portsmouth, Bournemouth and Exeter
- Areas with the lowest concentrations of charitable estates in 2021 include Llandrindod Wells, Halifax, Sunderland, Southall and Telford
- Areas which have seen the most annual gains in charitable estates were Brighton, Kingston-upon-Thames and Ipswich
- Areas which saw the largest annual declines in charitable estates were Darlington, York and Oxford.

The location of charitable estates is a product of many contributing factors from population distribution, population density, socio-economic factors right through to the personal circumstances of individuals. In the most general terms, more charitable estates still come from the South rather than Northern England or Wales. However, taking the distribution of probated estates into consideration and calculating the percentage for each region that are charitable identifies which areas have higher concentrations of charitable estates. Although nationally 13.6% of all probated estates in 2021 contained a charitable bequest, the percentage varies considerably when we apply the same calculation regionally. It is too broad brushed to state that just over 13% are charitable, for example, in many areas along the South coast one in five are charitable (20%). In the North charitable estates ranged from being one in eight to one in eleven, except in Harrogate where it was one in five.

*Figure 5. shows the distribution of charitable estates in England and Wales by postcode district*



Source: Smee & Ford Enhanced Legacy Analysis Portal



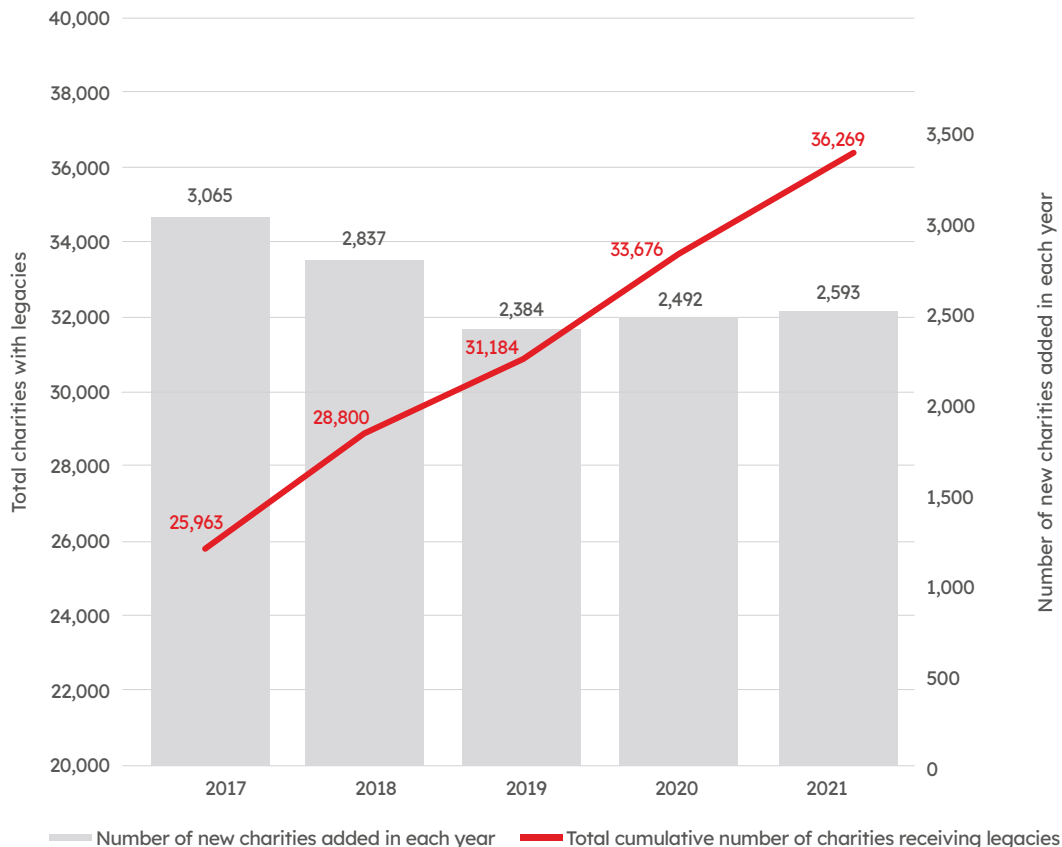
# 4. Number of charities mentioned in wills

**‘Over 2,000 charities are mentioned in a will for the first time each year, a fifth of which belong to religious causes’**

Since 2012 Smee & Ford have collected the recipient charity of each bequest we have identified from probated wills. Over 36,000 individual charities have been mentioned in wills during this period. Some charities, such as CRUK or the RNLi, get mentioned hundreds of times but conversely many only get a single mention. Figure 6 shows how many individual charities have been mentioned in wills for the first time on Smee & Ford’s database from 2017 to 2021 and the collective running total. Over 2,000 new organisations are added to the database each year. An examination of the causes these new organisations identified in 2021 belong to shows that 21% were religious, 15% culture and heritage organisations and 13% community projects. This has changed from last year where community projects made up 20%, 16% were religious and 14% cultural.

Generally, Smee & Ford identify around 10,000 individual organisations that are mentioned in Wills on an annual basis. In 2021, 10,670 individual organisations were identified in Wills and this is the highest number identified over the past decade. Considering that 2,600 organisations generated £2.7bn of legacy income then nearly £500m was distributed to 7,500 organisations.

Figure 6. The number of individual charities mentioned in wills (using year of death)



Note that the chart above includes all charities mentioned in wills and includes ‘failed’ bequests

Source: Smee & Ford

# 5. Summary

## Looking ahead

With the continuing impact of the pandemic and changing economic circumstances such as the cost-of-living crisis, time will tell if reported legacy income will increase in years to come. However, we are currently tracking how 2022 compares to data we have collated in recent years in terms of number of charitable estates, number of bequests and values of bequests. 2021 was an incredibly successful year with Smee & Ford identifying over 37,000 charitable estates, the highest recorded for a number of years, so how will 2022 compare? Examining the number of charitable estates, we can confirm that a comparison of this year against previous years shows that we have identified slightly fewer than the number reported by this time last year, but the figure is much higher than what we recorded for 2019 and 2020. In terms of bequest value our data shows that we are tracking behind 2021, but again the values we have recorded for this period in 2022 may be less than those of the same period in 2021, but they are considerably higher than the values recorded in 2019 and 2020. We will be providing an update on this at our Legacy Strategy Summit in June 2022.



# 5. Data and Marketing solutions

## Smee & Ford - Legacy Solutions for Charities

Established for over 100 years, Smee & Ford is the UK's leading provider of trusted legacy information.

Most known for our legacy notification service, we ensure that charities receive timely information on specific legacies left to them, or notification of money left in wills or trusts for unspecified charitable purposes. Our dedicated and highly skilled team of reporters read over 5,000 wills every week to ensure that our clients benefit from the most up-to-date information. Find out more about our [notifications service here](#).

By utilising this information, Smee & Ford are able to provide unique data and marketing solutions to help charities analyse and understand their legacy giving records in order to make informed decisions and drive their activities.

### Data & Insight

Since 2013, between 8,000 and 11,000 individual charitable organisations have been mentioned in wills every year. Smee & Ford collect data on ALL charitable bequests and have built an exclusive and comprehensive bank of information on gifts in wills dating back to 2012. By accessing this data charities can easily identify the profile and behaviours of their past legators, define growth opportunities, analyse trends and comparators, and use this insight to inform their future legacy campaign strategies.

We are very pleased to share views of this data through the Legacy Analysis Portal which will give all Smee & Ford customers free access to their own legacy data (it dates back to 2014 when the service was digitised) which provides an understanding of what has been happening to your legacies over the years.

For a deeper understanding of your legacy landscape, our bespoke data solutions provide unique insight. We can create views and dashboards based on what is meaningful for your charity, giving you the ability to benchmark your performance against peer charities, support you in creating a legacy marketing strategy and build a case for future investment in your campaigns.

If you are interested in finding out how bespoke data can help your charity, please contact [david.baldock@wilmingtonplc.com](mailto:david.baldock@wilmingtonplc.com)

If you haven't already, register for your free\* Legacy Analysis Portal account [here](#).

### Marketing Solutions and Consulting

Through campaigns such as [A Gift in Your Will](#), we combine our data-driven insight with a powerful marketing message to increase your reach to potential legators.

Have a specific legacy challenge? We can also offer bespoke marketing and consulting projects. Instead of using assumptions, we use our unique database to derive personalised insight that can help charities identify opportunities and areas of growth.

For an initial exploratory chat, get in touch with David Baldock: [david.baldock@wilmingtonplc.com](mailto:david.baldock@wilmingtonplc.com).

*\*Free to Smee & Ford legacy notification service customers.*

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