The Charity First Series

LEGACY FUNDRAISING FROM SCRATCH

A guide to legacy fundraising in the UK for small and medium sized organisations

Simon George

spm fundessentials

The Charity First series aims to provide practical and straightforward guidance on the challenges confronting charity operations today, with fundraising in the spotlight. Its individual subjects range from those concentrating on the UK and Ireland to non-profit issues in the EU and other jurisdictions, from traditional to digital fundraising and from basic help for those just entering the third sector to specialist areas for the more experienced.

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This sample consists of brief extracts from one title in the series.

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INTRODUCTION

Legacies to charities and good causes currently amount to nearly £2 billion in the UK every year. As a fundraising opportunity, legacies take some beating. They offer probably the best return on investment of any form of fundraising, huge average gifts and are usually for general funds – who would not want to seek them?

Yet for many charities, especially the smaller ones, legacies are too often seen as the preserve of the large, well known charities, with their specialist knowledge, big supporter bases and sizeable budgets. As a result, legacy fundraising is too often left in the 'to do' pile and never quite makes it to the top.

In the last 20 years though, smaller organisations have shown that it is possible for them to attract legacies and that these are not just the preserve of the big name charities.

This short book is written as a practical guide and encouragement to smaller charities that legacies really can be for them. It is also intended as a refresher for other organisations that already have a legacy programme but want to review it.

The good news for smaller charities and those on a tight budget is that legacy fundraising need not be expensive. Although some large charities do invest big sums, a lot can still be achieved by integrating legacy fundraising into your wider activities. Some investment in resources will certainly repay itself, but you do not need a large budget to begin to make an impact.

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WHY LEGACIES

There are several reasons why legacies are so attractive.

Firstly, the average gift size makes them major gifts. Research findings by Fundratios in 2009 found that participants' typical residuary legacies (i.e. those left as share of someone's estate) were running at £34,000, while in Spring 2011, Legacy Foresight found its consortium members had average residuary values of over £52,000. At the same time, Fundratios found that the more common pecuniary or cash legacies were averaging over £3,500 each.

Secondly, the rate of return (what you get back compared with what you spend) is off the scale when compared to other fundraising techniques. The Institute of Fundraising's Fundratios reports found that for the period 2000 – 2009, participating charities achieved an average return of £35.8 for every £1 invested in legacies. Over the same period, trust fundraising in reporting charities (the next most cost effective technique) achieved £8.82 for every £1 spent, while local fundraising achieved just £2.61.

Thirdly, charities that promote legacies consistently over time find that their legacy income, while very erratic at first, eventually becomes a more regular and even predictable stream. In the Fundratios survey for 2009, legacies made up over 35% of total voluntary income for the participating charities. They did not achieve this overnight of course, but it does show what can be achieved when legacies are part of a long term strategy and are sought proactively.

Fourthly, the legacy campaign Remember a Charity has found that 73% of adults say they are open to the idea of leaving a legacy to charity, so there are a lot of people out there waiting to be persuaded to support your cause. In other words, unlike some areas of fundraising, legacies are not a finite market, but one which can be grown by charities that are willing to make the effort.

Finally, it should be remembered that most legacies left to charity are unrestricted funds. In most cases, donors leave the money for the charity to spend as it sees fit. There are also many examples where a timely legacy has helped turn an annual deficit into a surplus or enabled a charity to replenish its reserves or maintain a project which was facing closure.

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About the author Simon George is a Fellow of the Institute of Fundraising and Director of Wootton George Consulting. He has been fundraising since 1987 and has achieved the Certificate in Fundraising Management. In 1999 he founded the Institute's Trusts and Statutory Special Interest Group, where he helped draft the Code of Practice on trust fundraising. He was also the first Chair of the Institute's West Midlands region.

He has worked as a consultant since 1996, focussing on fundraising strategy, charitable trusts and legacies, with a particular interest in small and medium sized charities. Today, he leads a team of consultants providing a wide range of fundraising advice and interim support to UK charities, schools, hospitals and universities.

Simon has extensive experience of helping small and medium sized organisations to begin legacy fundraising and to review existing campaigns.

His blog about legacy fundraising can be followed here:
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Also in the Charity First series

Fundraising for Small Charities

Major Gift Fundraising

Prospect Research

In preparation

The A-Z Charity Handbook

When Charities Cross Borders

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