

Baby Boomers Poised to Give \$8 Trillion, Study Says



Danuta Otfinowski/American Red Cross

Once retirees commit their time, they end up volunteering more hours than any other age group, the study found.

By Maria Di Mento

Retirees are expected to donate about \$6.6 trillion in cash and \$1.4 trillion in volunteer services during the next 20 years as baby boomers retire, according to a report released today.

People give at higher rates after they retire, so extended life spans mean people are in their prime donor years longer than in previous eras, and that is good news for nonprofits smart enough to capture the attention of such donors.

The study, conducted by consulting company Age Wave in partnership with Merrill Lynch Global Wealth Management, also found that baby boomers are 49 percent more likely than their parents' generation to make an effort to find out how nonprofits use their money before they decide to donate, and 44 percent of them want to direct how their charitable gifts are used, compared with only 15 percent of their parents' generation.

That should do more than pique the interest of fundraisers, said Ken Dychtwald, a gerontologist and the founder of Age Wave, a consulting, marketing, and research company focused on aging.

"This is a big boon for philanthropy, but it's not business as usual," said Dr. Dychtwald. "Boomers overwhelmingly want to make an impact on the world, and just writing a check doesn't turn them on. They want to get back from their giving."

Nonprofit officials hoping to capture the attention, dollars, and time of these donors are going to have to be open to their demands for more information and more involvement, he said.

Nonprofits should also keep in mind the wealth of professional experience that boomers possess, said Pamela Wise, a Merrill Lynch financial adviser to retirees.

While retirees volunteer less than other age groups, charities would be smart to figure out ways to increase their involvement, because once they do commit their time, they end up volunteering more total hours than any other age group, according to the report.

"Retirees are awesome, because here you've got a mature, experienced labor market with time and resources who want to get engaged," she said.

Giving Expertise

Kim Griffith, who retired as a vice president of Freddie Mac in February, is one such donor. He said that he gives thousands of dollars a year to charity, but he counts his work as a volunteer as his most important contribution.

With decades of experience working on affordable housing, Mr. Griffith in his retirement is ramping up his volunteer time with the Transitional Housing Corporation, where he serves as board chairman. The nonprofit helps families in the Washington area who are homeless or at risk of losing their housing.

He also serves on the board of Enterprise Community Investment, a national organization that seeks to provide stable housing options.

Mr. Griffith told *The Chronicle* that his goal is to use his expertise to relieve the stress so many low-income families face because they can't find an affordable place to live.

"If I can help do that, I'll feel like I've accomplished something," he said. "I can't tell you how much I'd get out of that; it's hard to put into words."

Religion Wanes

When compared to their parents' generation, boomers are giving less money and volunteer time to religious and spiritual organizations. However, they are still much more inclined to support religious groups than millennials and Generation Xers, of whom only about a third are giving money to religious and spiritual nonprofits. Even fewer are volunteering with such groups.

Among current retirees who give money or goods to charities, slightly more than half, or 53 percent, donated to religious or spiritual nonprofits in the last year, compared to 31 percent who gave to poverty relief and 26 percent who gave to disaster-aid groups. Only 19 percent gave to educational institutions.

In the case of several causes, boomers' behavior is nearer to their parents' generation: Few are volunteering at animal-rights and environmental groups or giving money to human-rights charities, compared with millennials, who are giving more time and money to those causes than other generations. Those types of nonprofits may end up with a robust group of givers decades from now.

More Generous Gender

Retired women are more likely than retired men to contribute both money and volunteer time to charity, with 81 percent of retired women giving money compared with 71 percent of retired men and 29 percent of retired women volunteering versus 22 percent of men.

"Engagement and giving go hand-in-hand for women," said Ms. Wise. "So nonprofits need to drive a vision that will appeal to them."

Ms. Wise said nonprofits should figure out what types of opportunities they can offer potential women boomers well before they try to cultivate them. That way, she said, a fundraiser can present a well thought out way to involve the donor in the charity's efforts.

Women are also more likely than men to define success in retirement by how generous they are versus how wealthy they are, the survey showed. More women than men are likely to say retirement is the best time in life to give back, and they are more likely than men to say they derive more happiness from helping others than from spending money on themselves.

Regardless of gender, said Ms. Wise and Dr. Dychtwald, nonprofits should be thinking constantly about how to attract the boomer generation of donors. Otherwise, they will be missing out on an eye-popping level of support.

"The rising up of this demographic mass with more money and free time than we've ever seen is revolutionary," said Dr. Dychtwald. "It's not just 'where might we want to play golf' but 'how can we help people in need.' "

The study, [Giving in Retirement: America's Longevity Bonus](#), included more than 3,600 respondents at all income levels and looked at giving trends across generations and genders.

Send an email to [Maria Di Mento](#).

source: https://philanthropy.com/article/Baby-Boomers-Poised-to-Give-8/233873?cid=pt&utm_source=pt&utm_medium=en&elq=b96918b3764c4a6799ef159f1b36c6d3&elqCampaignId=1692&elqaid=6683&elqat=1&elqTrackId=2414f008fc3a4a319d9e779509bc0f09