

A close-up photograph of two women smiling and looking at a screen together. The woman on the right is wearing a teal shirt and has a gold stud earring. The woman on the left has dark hair and is wearing a patterned top. The background is blurred, suggesting an office or meeting environment.

Smee&Ford

Legacy Trends Report 2023

A series of decorative, wavy lines in various colors (teal, white, orange, red) that sweep across the bottom of the page, creating a sense of movement and modern design.

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1. Introduction

Welcome to the Smee & Ford 2023 Legacy Trends Report, revealing our latest findings for the period up to December 2022.

Smee & Ford has more than 125 years of experience in legacies. Our specialist team reads every Will that goes through probate in England and Wales (around 5,000 Wills each week), identifying and reporting any charitable content.

Since 2012 we have recorded every charitable bequest mentioned in a Will. We are the only database that holds this unique sector-wide data - painting the most accurate and comprehensive picture of the legacy giving sector in England & Wales. Our exclusive data can be used to determine trends for specific causes, geographic regions, named charities and the legacy giving landscape as a whole. This insight helps charities to forecast their potential future legacy income and plan their legacy marketing strategies using a complete dataset.

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 in English and Welsh estates. It does not include Scottish or Northern Irish estates/cases.

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 period 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 2022 refer to data where the Grant of Probate was issued in 2022.

Key findings



In 2022, reported legacy income reached £3.3bn and we estimate total legacy income is more than £3.7bn, the largest total we have ever reported.



The value of charitable estates increased by £1.4bn from £19.9bn to £21.3bn, a growth of 7%. This is the first time values have exceeded £20bn.



There were 37,053 charitable estates in 2022, nearly the same number that we reported last year.



In 2022 there were 10,627 unique charitable organisations mentioned in Wills which is the second highest we have recorded over the past decade.



37.1% of charitable Wills contained just one named charity and 21.7% contained 2 charities. The highest number of charities named in one Will in 2022 was 79.



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 northwest and Wales.

2. Legacy income

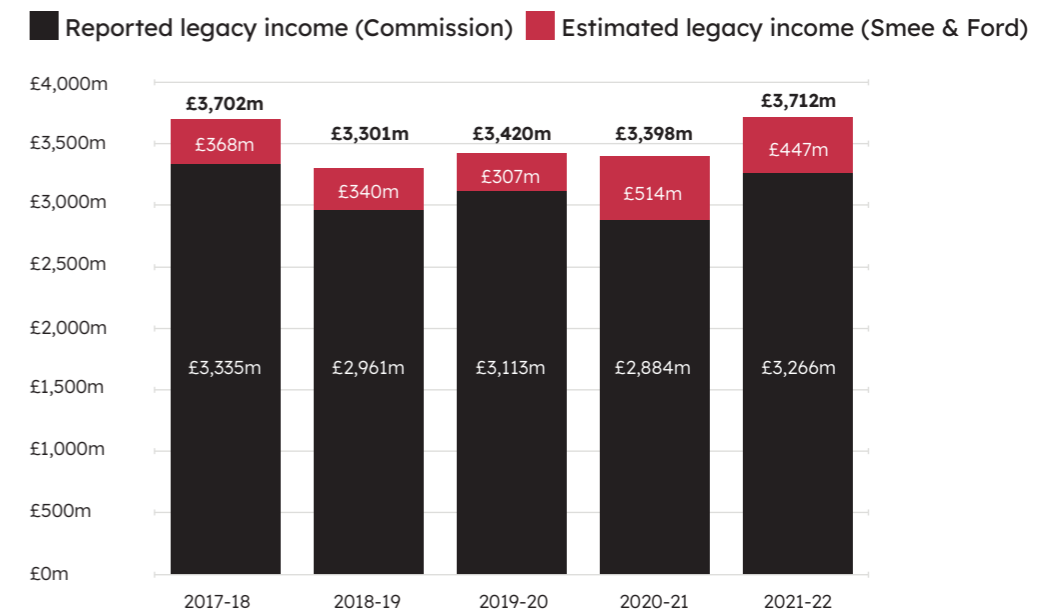
Total legacy income has increased to around £3.7bn - a 13.2% increase from 2021.

Reported legacy income increased to £3.3bn in 2021-22, a 13.2% increase on the previous year (£2.9bn). This excellent news follows a year where we saw a fall in reported legacy income due to Probate changes, causing a slow-down in processing and backlog of estates which was then exacerbated by the Covid pandemic.

Reported legacy income for 2022 covers all financial year ends between July 2021 and June 2022. An examination of legacy values for individual organisations reveals that there were no major anomalies to cause an abnormal positive shift in legacy income (such as the £400m gift bequeathed to the Capricorn Foundation in 2018). Closer examination reveals that of the 2,828 charities which reported legacy income, 1,932 (68%) increased their legacy income, compared to 807 (31%) which recorded a decrease. The aggregate positive increase was worth just under £1.2bn compared to the decreases which were collectively worth £300m.

The organisations reporting legacy income with the Charity Commission represent the largest legacy recipients in the country and each organisation has at least £500k of annual total income. Smee & Ford has calculated that 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 £447m in 2022. This is significantly higher than in previous years and means that more legacy income is being distributed to charities with a total annual income of 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 2021 to the end of June 2022 was in the region of £3.7bn. This is the highest annual legacy income we have ever reported.

Total legacy income (£m)



Years are generated where the financial year ends run from July to the following June of any given year.

Sources:
Register of Charities at Charity Commission | Smee & Ford Legacy Analysis Portal

Estates

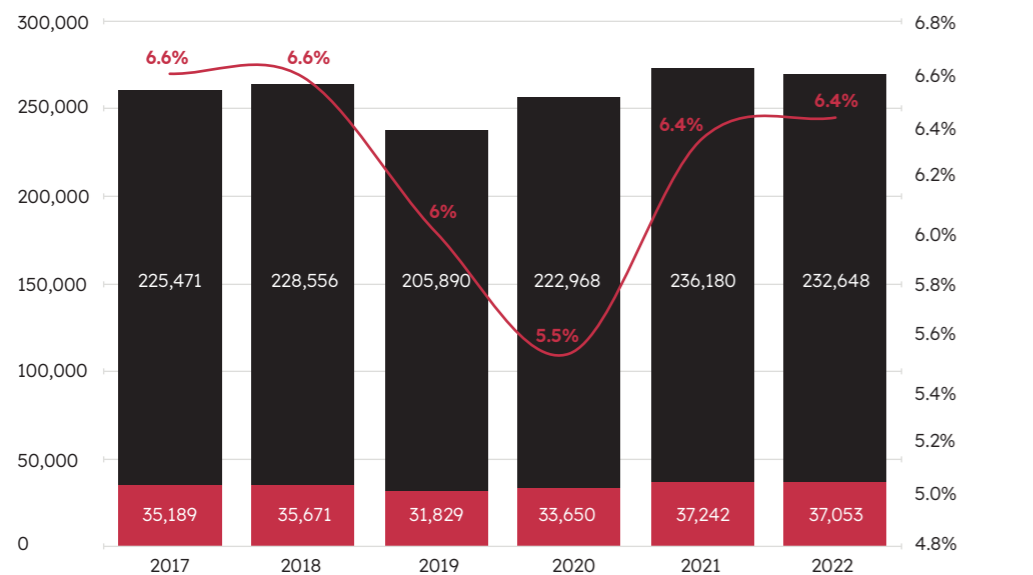
37,053 charitable estates were identified in 2022 – on par with the previous year

The number of charitable estates identified by Smee & Ford in 2022 was just short of the number identified in 2021, with 37,053 compared to 37,242 the prior year. These figures are the highest number of charitable estates we've ever recorded. The years 2019 and 2020 were impacted by processing and system changes at the HMCTS (His Majesty's Courts and Tribunals Service) and the coronavirus pandemic.

In 2022, there were 576,030 deaths, 10,000 less than 2021. Over half of annual deaths do not need probate. Those that do, apply for a grant of representation, and in 2022 there were 282,663 applications, down 719 on the previous year. There were 269,699 grants issued in 2022, of which Smee and Ford identified 37,053 cases where a charitable organisation was mentioned in the Will. This number represents 13.7% 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 do not 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 2022, we can calculate that 6.4% of people in the population of England and Wales mention a charitable organisation in their Will.

Historic trends in the number of charitable estates

Year	Number of deaths	Applications for grants of representation	Number of grants issued	Number of charitable cases	% of grants issued identified as charitable	% charitable (all deaths)
2017	533,253	286,371	260,660	35,189	13.5%	6.6%
2018	541,589	269,074	264,227	35,671	13.5%	6.6%
2019	530,841	269,343	237,719	31,829	13.4%	6.0%
2020	607,922	273,460	256,618	33,650	13.1%	5.5%
2021	586,213	283,352	273,422	37,242	13.6%	6.4%
2022	576,030	282,663	269,699	37,053	13.7%	6.4%



■ Number of charitable cases ■ Number of grants issued — % charitable (all deaths)

Sources:
 *Family Court -Tables - <https://www.gov.uk/government/statistics/family-court-statistics-quarterly-april-to-june-2022>
 **Smee & Ford Legacy Analysis Portal

3. Estate values

Between 2021 and 2022, total estate values of all probated estates increased from £96.8bn to £103.3bn. Charitable estate values grew by £1.4bn, increasing 7% from £19.9bn to £21.3bn. This is the first time values have exceeded £20bn.

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 value of charitable estates, from £496k in 2017 to £576k in 2022. Over the past year, the average value of a charitable estate has increased by 8%.

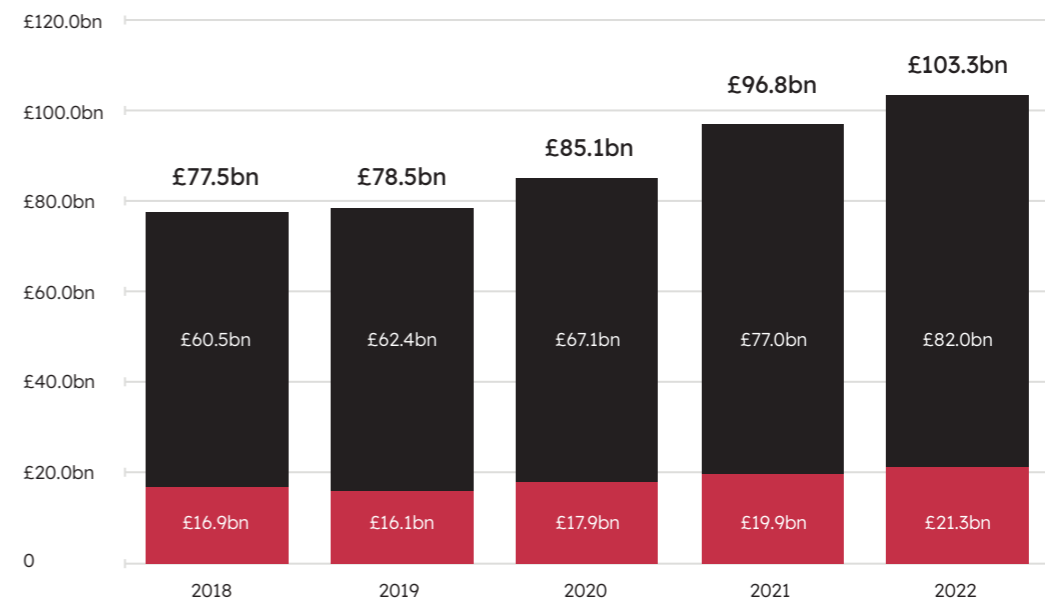
For most people, the most valuable asset when they die is the home they live in, which is why house prices are so important to the value of many legacy bequests. An examination of the House Price Index reveals that the average house price in November 2022 was £295,000, which is £28,000 higher than this time the previous year. This should have positive implications for residual bequests.

However, despite the favourable indications, in 2023 house prices are predicted to slide. When Savills issued its most recent five-year house price forecast at the tail of last year, it stated that the average UK house price would fall in 2023 when interest rates peak. They predict a 10% decrease in 2023 but then the situation improves with a 1% increase in 2024 and a 3.5% increase in 2025.*

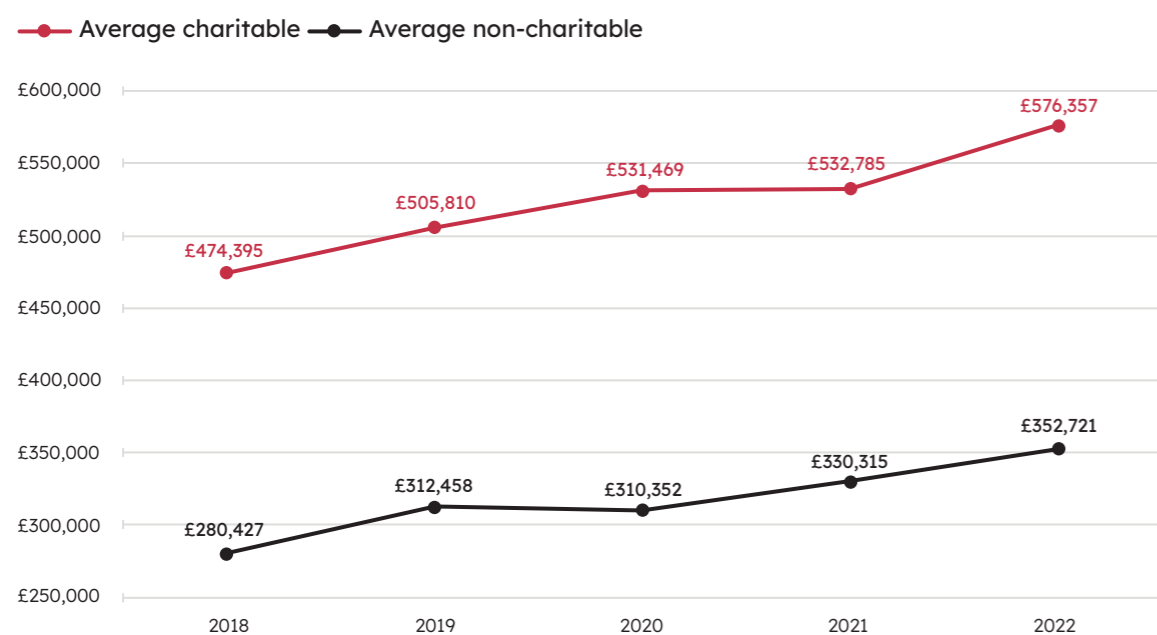
*Source:
<https://propertyindustryeye.com/uk-house-prices-will-be-10-lower-by-end-of-2023>

Historic trends in the value of charitable estates

■ Charitable estates ■ Non charitable estates



Average estate values (£)



Source: Smee & Ford Legacy Analysis Portal

Regional variations in giving in Wills:

Nationally, we know that 13.7% of Wills contain a charitable estate, however, this varies significantly by region.

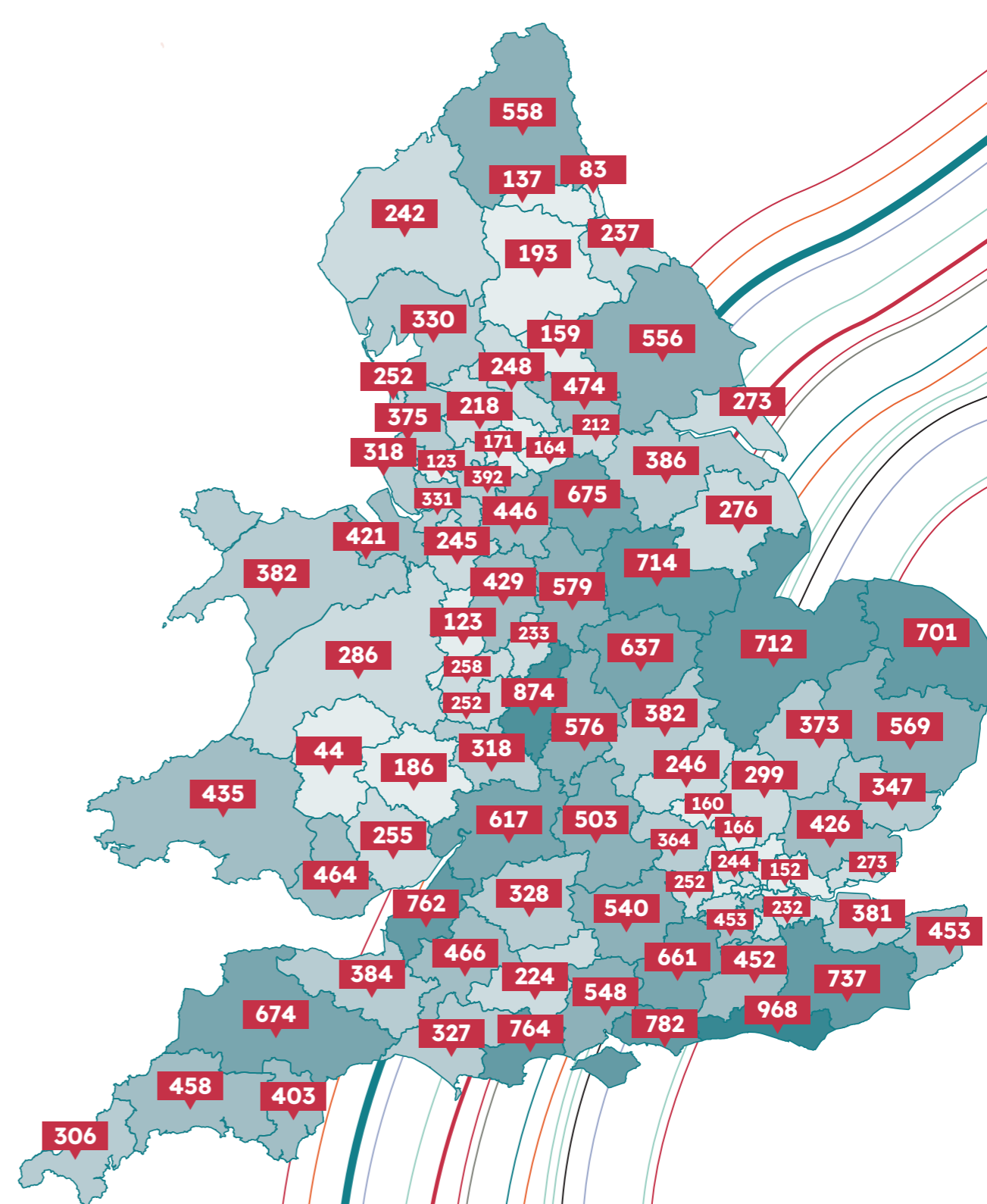
The map shows the regional distribution of charitable estates in England and Wales by postcode area in 2022.

- Areas which include the highest concentrations of charitable Wills in 2022 include Brighton, Birmingham, Portsmouth, Bournemouth, and Bristol; all having over 760 charitable estates.
- Areas with the lowest concentrations of charitable estates in 2022 include Llandrindod Wells, Halifax, Sunderland, Southall, and Ilford; all having less than 120 charitable estates.
- Areas which have seen the most annual gains in charitable estates were Bristol, Leeds, and Peterborough.
- Areas which saw the largest annual declines in charitable estates were Kingston upon Thames, Brighton, and St Albans.

The location of charitable estates is a product of many contributing factors, from population distribution, population density, and socio-economic issues, 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 a greater propensity to produce charitable estates.

Although nationally 13.7% of all probated estates in 2022 contained a charitable bequest, the percentage varies considerably when we apply the same calculation regionally. It is too simplistic 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 one in eight to one in eleven, except in Harrogate where it was one in five. Smee & Ford's unique historical database can also help charities to identify legacy giving trends by other criteria such as causal area.

Geographical location of charitable estates in 2022



Source: Smee & Ford Legacy Analysis Portal

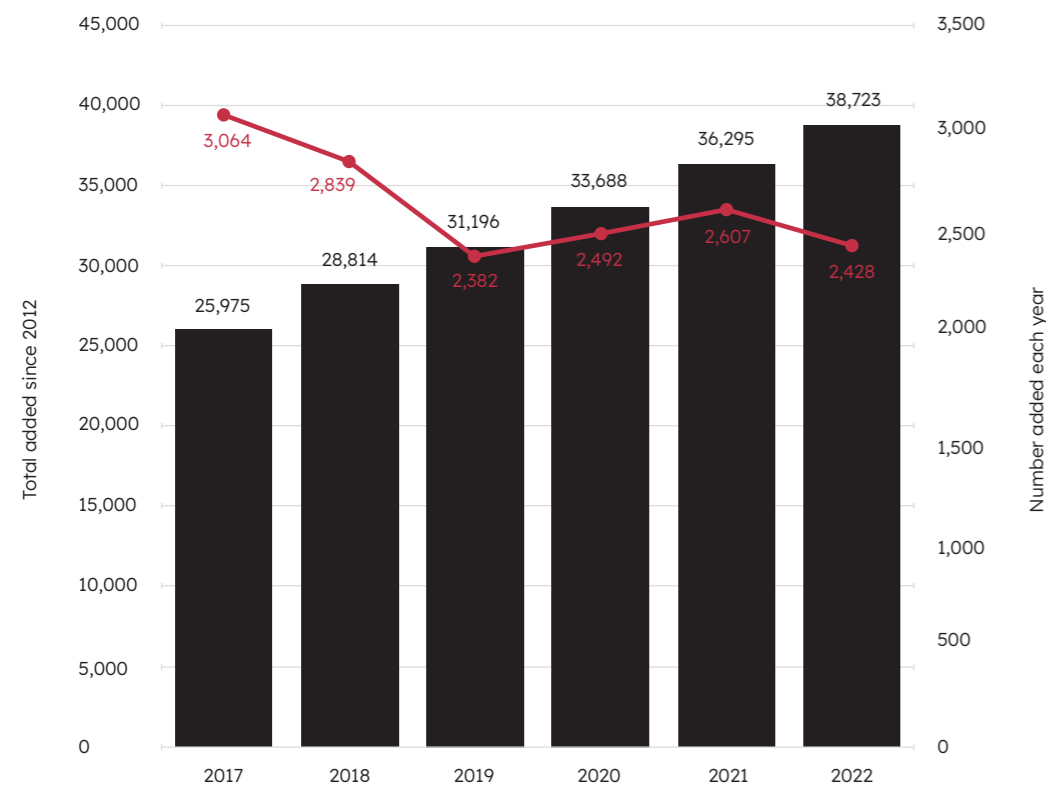
4. Number of charities mentioned in Wills

Since 2012, Smee & Ford have recorded every recipient charity of every bequest we have identified from probated Wills. Over 39,000 individual charities have been mentioned in Wills during this period. Some charities, such as Cancer Research UK or the RNLI, get mentioned hundreds of times, but many only get a single mention. The chart below shows how many individual charities have been mentioned in Wills for the first time on Smee & Ford's database from 2017 to 2022 and the collective running total. Over 2,000 new organisations are added to the database each year and in 2022, 2,428 were mentioned for the first time. An examination of the causes of these new organisations shows that the most popular causes were Community, Culture and Heritage, and Religious.

Smee & Ford identify around 10,000 individual organisations that are mentioned in Wills on an annual basis. In 2022, 10,627 individual organisations were identified in Wills, the second highest number identified over the past decade – the highest was 2021 with 10,703. Considering that 2,800 organisations generated £3.3bn of legacy income, then nearly £450m was distributed to 7,400 organisations.

Number of charities mentioned in Wills

■ Running total of organisations added —●— Number added for the first time



Source:
Smee & Ford Legacy Analysis Portal

5. Summary & outlook

2022 has been another very positive year for charities that receive legacy income, with several new milestones reached. Revenue from legacies is at the highest level it has ever been, and we are seeing record highs for the number of charitable estates and the values of those estates.

Many charities increased revenue from legacies in their latest financial year and benefitted from the continued generosity of legators across the UK, bequeathing gifts to fund their causes and programmes. Success stories include RSPCA which saw an increase of 67% to £90.8m, Guide Dogs which saw an increase of 61% to £77.7m, and the British Heart Foundation which increased by 32% to £102.6m.

Legacies should prove relatively resilient in the face of the current economic climate. Other forms of voluntary income are likely to be impacted by the current cost-of-living crisis, as people reassess their budgets and cut back on donations to charities. However, legacy income could be affected by decreases in house prices having a detrimental impact on residual estate values in the forthcoming year.

Looking longer term, the ONS has predicted that the number of annual deaths will increase to 700,000 by 2030. Based on these predictions and assuming that the trend towards leaving charitable gifts in Wills continues, we can expect to see the number of charitable estates reach 40k in 2029 and the total number of bequests in Wills to surpass 130k in 2028, reaching 150k by 2043.

We will continue to update the sector with legacy market data as recorded throughout 2023 and beyond. To stay on top of the latest data and trends, join the Smee & Ford mailing list through our website.

Understand & Grow your legacy income

6. Insight Services and Marketing Solutions

Our heritage as the UK's legacy notification service for charities for over 125 years, means that we understand legacy teams. We know that no matter the size, every organisation its own challenges, such as:

- Building a case for additional investment to grow legacy programmes
- Updating strategies using incomplete and inconsistent internal data
- Comparing performance against peer charities, with limited or no access to detailed sector data
- Working in small teams with increasing responsibility, leaving less time for detailed data analysis
- Operating in a growing and increasingly competitive fundraising stream

Smee & Ford has the most comprehensive information available on legacy giving in the UK, which unlocks crucial insight into your legacy landscape. Using Smee & Ford legacy giving insight ensures you don't base your fundraising strategy on assumptions or guesswork. Combining real market data with our unique collaborative approach, we can help you forecast your potential future legacy income, identify opportunities to guide your legacy marketing strategy, or provide solid evidence to back up your bids for investment.

Depending on your most pressing challenges, we can work in partnership with you to recommend the insight that will be most useful. This could include:



Causal area and
income benchmarking



Market share
intelligence



High-value legacies
analysis



Legator profiling



Pledger and donor
behaviour analysis



Identifying bedfellows/
co-beneficiaries



Geo-mapping
opportunities



Historical performance
comparisons

If you are interested in finding out how our bespoke insight can help your charity to achieve its legacy fundraising goals, please contact David.baldock@smeeandford.co.uk

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

*Free to Smee & Ford legacy notification service customers.



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