

Smee&Ford

Legacy Trends Report 2021





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1. Introduction

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 2021 Legacy Trends report where we will be sharing some of our latest findings for the period up to December 2020. In 2020 we experienced unprecedented changes and we will cover more of these in our 'Probate notifications and predicting the roadmap for 2022' session at the [Excellence in Legacy Administration Conference](#) on 2nd 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.

With legacy income worth over £3bn and continuing to grow, so does the competition for this vital revenue stream; not only have we seen a rise in the number of charitable estates but also estate values are increasing, resulting in an 11% growth on last year; as expected this is predominantly due to the housing market and bodes well for current residual valuations in 2021. Smee & Ford adds around 2,000 new charities who have received legacies to their database every year and in recent years we have seen a shift in cause whereby community-based charities now make up a fifth of charities being mentioned in a will for the first time. Conversely, the proportion of bequests left to religious organisations is beginning to decrease year on year.

Another influencing factor when it comes to legacy income is geography. In this report, we have looked at regional variations in relation to the number of charitable estates and our data shows that 18% of all charitable estates came from the south-east (excluding Greater London), compared to the national average of 14%.

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 6 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 in Smee & Ford's [Enhanced Legacy Analysis Portal](#) and gives a wider insight into an individual charity's audience which can dramatically improve legacy fundraising, 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 2020 refer to data where the Grant of Probate was issued in 2020.

Key findings

- Last year reported legacy income was £2.9bn and we estimated that total legacy income was between £3bn and £3.1bn. This year reported legacy income has exceeded £3bn for the second time and we estimate total legacy income is more than £3.36bn
- There were 33,653 charitable estates in 2020, a 1,826 increase on the 31,827 reported for 2019
- The value of charitable estates increased from £16.1bn to 17.9bn, a growth of 11.2%
- 38% of charitable Wills contained just one named charity and 22% contained 2 charities. The highest number of charities named in one will in 2020 was 61
- Nationally around 14% of probated estates with wills are charitable, with 1 in 5 wills being charitable in the south-east & south-west compared to 1 in 7 in the north-west and Wales
- In 2019 we saw the number of charitable organisations mentioned in a will drop to 9,962, in 2020 this increased slightly to 10,082

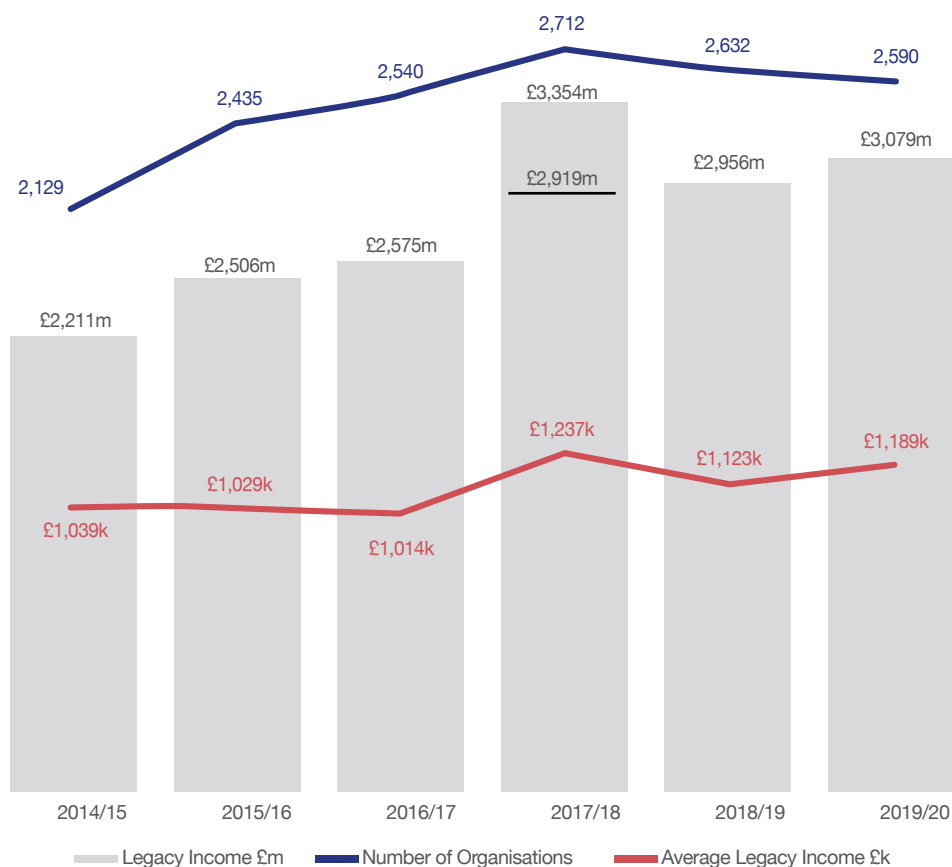
2. Legacy income

‘Reported legacy income has grown by 3% and exceeded £3bn for the second time’

Reported legacy income has grown significantly since 2007/08 from £1.7bn to over £3bn in 2019/2020. In 2019 we reported that legacy income was £2.9bn, however, in 2020 we have seen it increase to over £3bn for the second time (NB. the first time was due to the £435m legacy given to the Capricorn Foundation in 2018), which represents a 3% growth year on year. Note that when we exclude the Capricorn Foundation’s contribution to total legacy income, as denoted on the chart below, this results in continuous annual growth of 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 2020 it is down to 2,590 charities. However, with the total value of legacy income growing this has meant average legacy income has also increased. Having said that, legacy income at an individual charity level can fluctuate significantly from year to year. This means that although reported legacy income has increased, many individual organisations may have seen their legacy income decrease over the period in question. 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 £275m (page 8); when we combine this with reported legacy income Smee & Ford estimates that total legacy income for charities with a financial period running from July 2019 to the end of June 2020 was in the region of £3.36bn.

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

Source: Charity Commission

Estates

'33,653 charitable estates were identified in 2020'

There was a significant drop in charitable cases in 2019 to 31,827 because there were considerably fewer Grants issued that year. Fortunately, this increased to 33,653 in 2020 but still fell short of levels seen in 2017 and 2018. The years 2019 and 2020 have been impacted by the changes occurring at the HMCTS and on top of that the coronavirus pandemic. Despite these major events and the upheaval which then ensued, the number of charitable estates Smee & Ford identified in 2020 increased by 1,826 cases; considering on average there are 3 bequests per will, that equates to an additional 5,478 bequests. Despite the low number of charitable estates identified in 2019 the percentage that were charitable remained almost the same at 13.4% compared to 13.5% in 2018. Although the number of cases increased, the percentage of charitable wills fell to 13.1% in 2020, this could be because more people died without a will or perhaps because some larger estates containing charitable gifts were delayed in HMRC and probate. Smee & Ford will be monitoring what has happened throughout 2021 and will provide an update at the forthcoming Excellence in Legacy Administration conference (#ELA21) on the 2nd of December.

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
2016	261,251	253,347	34,156	13.5%
2017	286,371	260,660	35,161	13.5%
2018	269,074	264,227	35,640	13.5%
2019	269,343	237,719	31,827	13.4%
2020	273,460	256,618	33,653	13.1%



Sources

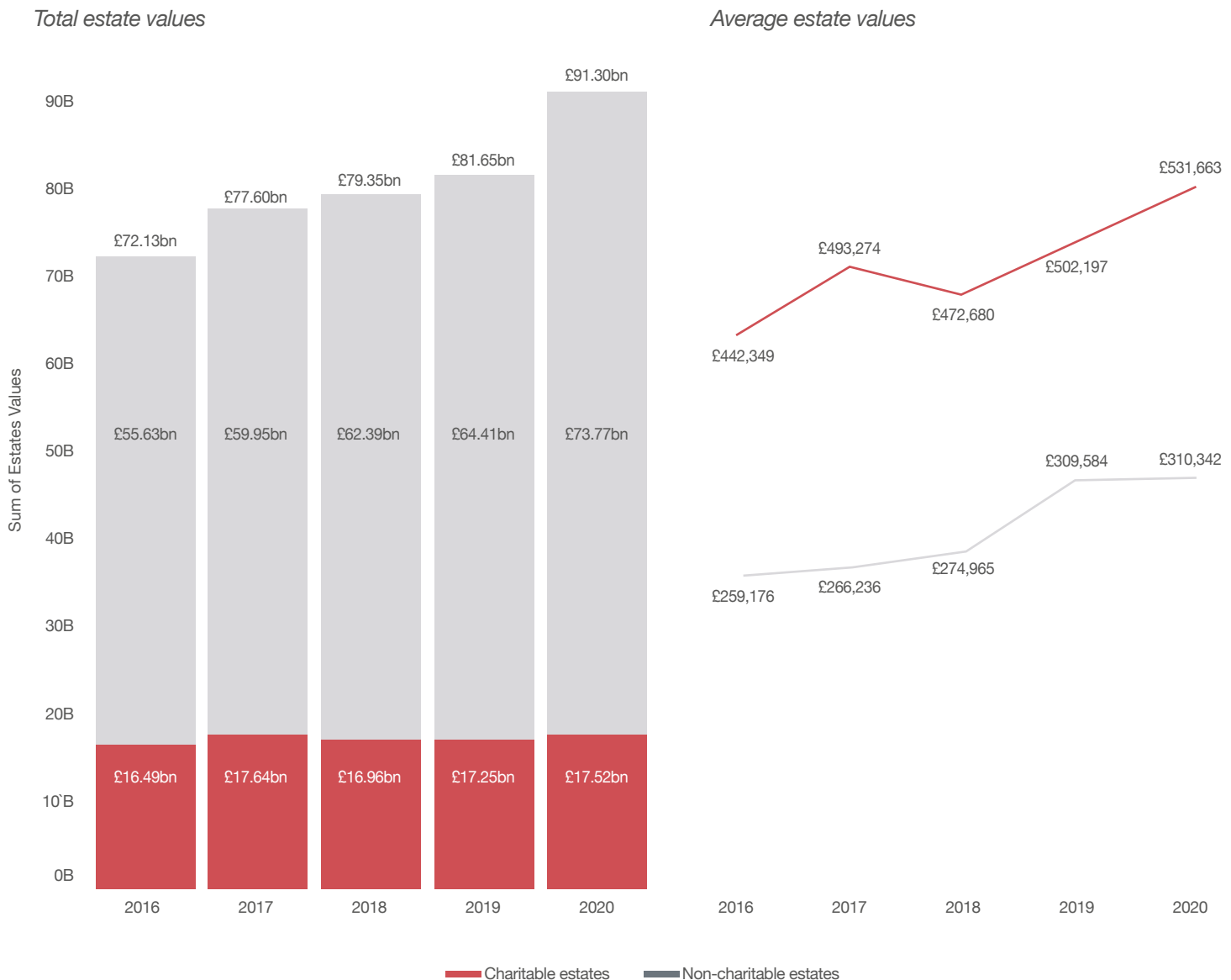
* Family Court ~Tables - <https://www.gov.uk/government/statistics/family-court-statistics-quarterly-april-to-june-2021>

** Smee and Ford database

3. Estate values

Between 2019 and 2020 total estate values have grown from £76.1bn to £85.2bn, and charitable estates have grown by 11.2% from £16.1bn to 17.9bn. If we consider that the number of charitable estates grew by 5.7% it highlights estate value growth has outperformed the growth in charitable cases, which means the increase was not just down to a rise in the number of charitable cases. As well as this, the average value of charitable cases has increased from £502k in 2019 to £532k in 2020. Estate values are important to residual bequest values for obvious reasons and widespread decreases in wealth will lead to a reduction in bequest income. Given roughly 90% of legacy income comes from residual bequests it means that collective estate values are important to monitor. Much, although not all, of the value of estates, comes from property and on examination of the latest data available from the ONS on house prices, the average UK house price was £256,000 in July 2021, which is £19,000 higher than this time last year, following the record high of £265,000 in June 2021. This should bode well for current residual valuations in 2021.

Figure 3. Historic trends of charitable estate values




Source: Smee & Ford

Regional variations in giving in wills:

'15% of annual charitable estates originated in the south west'

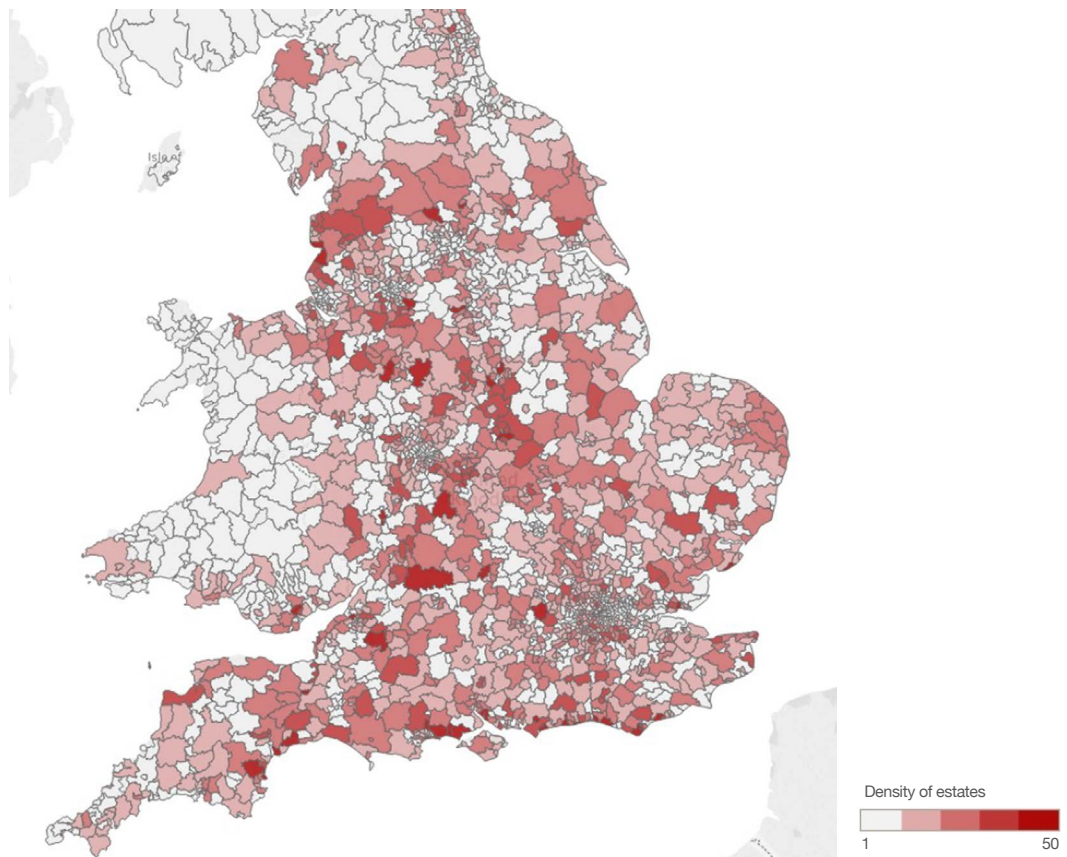
Nationally around 14% of probated estates with wills are charitable, but regional variances do exist, and it is still more likely for estates in the south to be charitable.

- One in 5 wills are charitable in the south-east and the south-west 
- One in 7 is charitable in the north-west and Wales 

When looking at regional differences in the total number of charitable estates Smee & Ford has established that 18% of all charitable estates came from the south-east (excluding Greater London). However, on closer examination, it shows that the proportion of probated estates in this region fell from 18% to 17%. Similarly, the second largest region, in terms of annual charitable estates, is the south-west where 15% of all charitable estates originate, this region also saw the proportion of charitable estates fall from 19% in 2019 to 18% in 2020. Smee & Ford will continue to monitor these findings.

The chart below shows the regional variations in the number of charitable estates in England and Wales in 2020 by postcode district which identifies the local variations in the number of charitable estates throughout differing regions. Areas with a lower density of charitable estates are highlighted in grey, indicating the north of England and the central region of Wales have lower levels of estates will making compared to areas along the south coast.

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



Source: Smee & Ford Enhanced Legacy Analysis Portal

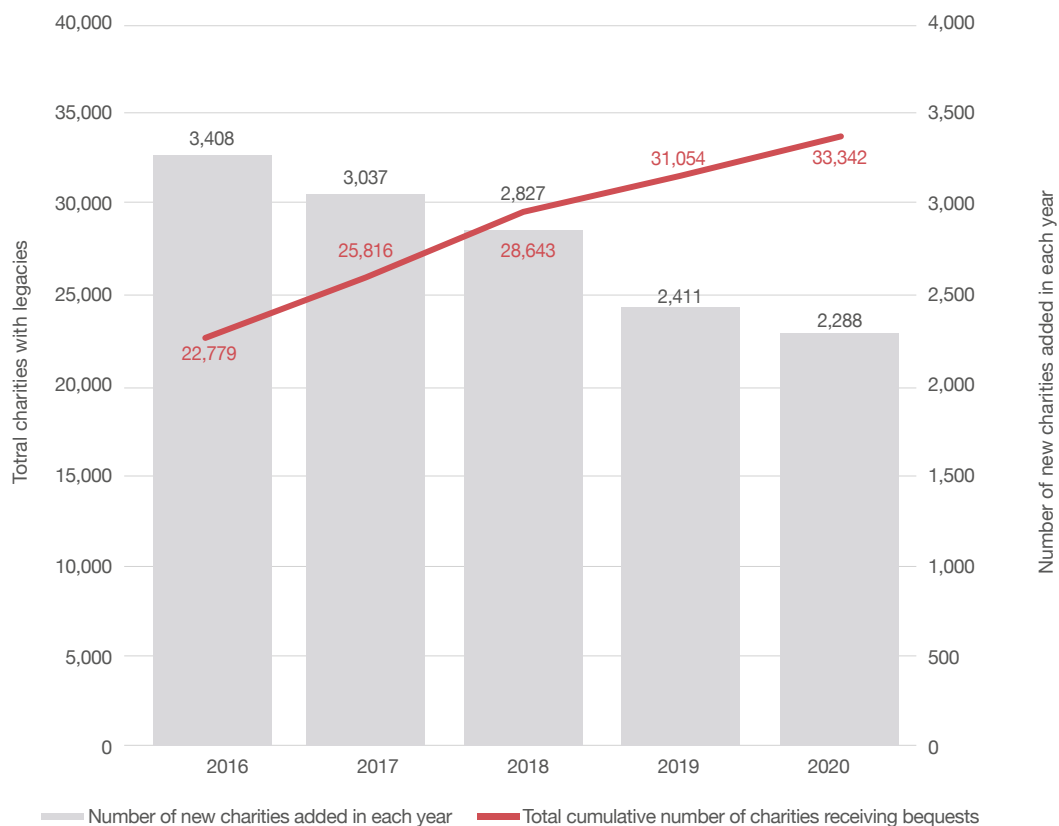
4. Number of charities mentioned in wills

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

In 2012 Smee & Ford reconfigured their database and internal processes so that the recipient charity of every bequest in a will could be recorded. Since then, over 33,000 individual charities have been mentioned in wills. Some legacy giants, 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 2012 to 2020 and the collective running total. Over 2,000 new organisations are added to the database each year. An examination of the causes these organisations belong to shows that nearly a fifth of those added belong to community-based causes, 16% belong to religious causes and 14% belong to cultural and heritage projects. Smee & Ford will produce more detailed findings around this topic in the future.

Generally, around 10,000 charitable organisations are mentioned in wills annually, but in 2019 we saw a slight decrease in the number identified with 9,287, down from 9,949 in 2018. However, the number increased to 10,082 where probate was granted in 2020. Considering that there are around 10,000 organisations mentioned in wills and we know that 2,600 charities reported legacy income worth £3.1bn, this means the remainder is worth around £275m and distributed to around 7,500 individual charities.

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



Source: Smee & Ford

5. Summary

Looking ahead

This report has focussed on data up to the end of 2020 and has shown legacy income is worth over £3bn. With the continuing impact of the pandemic and changing economic circumstances, time will tell if reported legacy income will increase over the next year and Smee & Ford should have a greater insight in the summer of 2022 when full data for the 2021 calendar year should be available.

When looking at the available data for 2021 compared to this time last year, Smee & Ford have identified there are more charitable estates which has resulted in an increase in bequests. We can also see that the volume of bequests was greatest in the first quarter of 2021 with levels falling by 25% in quarters 2 and 3, however, these were both up compared to the same period in 2020.

This year at Smee & Ford's [Excellence in Legacy Administration conference](#) (#ELA21) on the 2nd December we will be presenting our annual focus on the legacy income data landscape. We'll be examining changes in bequest data, the impact we have seen so far relating to the Covid-19 period and discussing what the future might look like for legacy giving.



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.

Marketing solutions:

Instead of using assumptions we use our exclusive database which contains information across the entire UK legacy market; we look at this in granular detail to derive personalised insight that can help charity's identify opportunities and areas of growth. Marketing solutions combines the expertise of advertising with our legacy sector knowledge, to enable you to increase your reach to potential legators.

To find out more email: david.baldock@wilmingtonplc.com.

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 gives a view of what your legacy data looks like historically and provides an understanding of what has/is happening to your legacies over the years and the opportunity to delve deeper through the [Enhanced Legacy Analysis Portal](#).

The portal dashboards have been created to help you create and identify areas of potential growth and gain a deeper understanding of your own data. 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 the Enhanced Legacy Analysis Portal can help your charity, please contact portal@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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