



Boomers In Retirement: The Greatest Giving Generation?

Fri, 10/23/2015 - 12:54 EDT - *Forbes.com* - Top Stories

A new Merrill Lynch/Age Wave study forecasts a boom in charitable giving and volunteering by boomers in retirement due to the longevity bonus.

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Forbes / Personal Finance

OCT 23, 2015 @ 12:54 PM

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One retirement study after another trumpets the boomers' [lack of saving for retirement](#) and their need to [work longer](#) than previous generations. (Wells Fargo today said the median savings of working Americans 60 or older is \$50,000.) Call these the “Me Generation” retirement reports.

But what will boomers do for *others* during retirement? Will they become the *Thee* Generation? Maybe so. A fascinating new study from Merrill Lynch and the Age Wave research firm (*Giving in Retirement: America's Longevity Bonus*) predicts that boomer retirees potentially will give the equivalent of \$8 trillion through [charitable donations](#) and [volunteering](#) over the next two decades. The longevity bonus is the demographers' term for the population's increased life expectancy.

If they're right — and I have some qualms about the precise dollar estimate, which I'll explain shortly — this will make boomers the greatest giving generation in U.S. history.

What the Longevity Bonus Means for Giving

“When the longevity bonus goes wild, it's conceivable that America could open its arms as more retirees give more of themselves to their communities,” says Ken Dychtwald, founder and CEO of [Age Wave](#).

Adds Lorna Sabbia, head of retirement and personal wealth solutions for Bank of America Merrill Lynch: “Retirees have access to more savings and more time than younger people.” Consequently, she says, America’s 76 million boomers (now age 51 to 69) will be more generous as they [retire at the rate of 10,000 a day](#).

Will Boomers Really Give \$8 Trillion?

To arrive at that \$8 trillion figure, Merrill Lynch extrapolated into the future from current charitable giving and volunteering rates, using projections from Boston College.

Boomer retirees, Merrill Lynch said, will give \$6.6 trillion to charity over the next 20 years (“That’s a conservative number, since it’s in today’s dollars,” says Dychtwald) and give the equivalent of \$1.4 trillion worth of service as volunteers, based on a projected 58 billion hours served.

Dychtwald thinks the volunteering dollar figure may be low, too. It’s based on the estimate by the nonprofit coalition Independent Sector that one hour of volunteering has a value of about \$23. “But what if a retired lawyer is helping a nonprofit? Or a retired teacher is helping children? Is that \$23 an hour? Or is their level of skill capability far more valuable than we ever imagined?” he asks.

I’m skeptical of Merrill Lynch’s donation projection figures because I’m not convinced that retiring boomers in the next two decades — many with paltry savings and [without pensions](#) (unlike retirees of the past 20 years) and some facing steep health- and [long-term care costs](#) — will be flush enough to be so generous.

How many retired boomers will volunteer and how much time they’ll give, I think, are also open questions, since no one knows how healthy they’ll be nor their proclivity to spend some of their free time lending a hand.

Regardless of the exact numbers, though, I think the researchers are on solid ground about the potential for retired boomers to be extraordinarily kind for many years.

Original URL: <http://www.bullfax.com/?q=node-boomers-retirement-greatest-giving-generation>