

U.S. Retirees to Give Away \$8 Trillion over Next 20 Years

October 26, 2015

Baby boomers are expected to live longer and be very generous with their time and money in retirement, and advisors may have an important role to play in steering their retiree clients to the right outlets, according to a new study.

As a result of longer life spans and based on current rates of giving, a study by **Merrill Lynch** in conjunction with **Age Wave**, a research firm focused on the aging population, calculates that the baby-boom generation will donate an estimated \$6.6 trillion over the next 20 years. In addition, boomers are expected to contribute 58 billion hours volunteering, which in dollar terms using industry standards translates to an addition of close to \$1.4 trillion worth of service. Americans over 65 give away more than double the amount of money and goods as do younger adults. And while fewer baby boomers volunteer than the younger generation, they contribute more than twice the amount of time as do those between 25 and 44, the study reports.

Volunteering and giving away money is a major quality-of-life issue for baby boomers as well: 59% of the retirees who do so say they have “a stronger sense of purpose,” compared to 43% of those who don’t volunteer or donate, reveals the survey — which polled 3,600 respondents across all income levels. Those who give also have better self-esteem and feel happier and healthier than those who don’t. Furthermore, getting involved with charitable causes provides retirees with a social outlet, with 85% of those polled saying these activities have led to valuable new friendships.

Advisors should note, however, that baby boomers face several issues preventing some from contributing effectively. Trustworthiness of charitable organizations is top of the list of concerns, with 41% saying that it impedes their giving — while 39% of respondents feel like there are too many options. Retirees are therefore looking for guidance: 52% said they want someone who gets their values and priorities, and 37% wish they could talk to someone who would guide them in their research of causes to support, according to the study.

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