

Intergenerational generosity: here come the boomers!

POSTED: 11/14/2015 11:00:00 AM MST

By Enid Ablowitz
Special to the Camera



During the holidays and especially at Thanksgiving, gratitude is the pervasive theme: gratitude for sustenance, for bounty, for freedom. Gratitude for life itself.

Gratitude can beget generosity. Gratitude is often enhanced by the passage of time and the aging process. In fact, increasing numbers of baby boomers who have had successful careers, whose children are grown, and who may have "powered down," will likely prove to be the most generous generation in history.

So says Merrill Lynch in a recent research report on giving by retirees. As a group (over 2000 boomers were surveyed), the statistics are impressive. The projection is that "over the next two decades there will be a surge in giving by retirees." The report calls it the "Longevity Bonus" which includes both outright giving and volunteerism. They quantify the impact as exceeding \$8 trillion from 2016-2035.

2014 was a very good year for philanthropy with more than \$350 billion in charitable giving according to Giving USA. Ninety percent was outright giving by individuals and their family foundations during their lifetimes, and through legacy giving. Notably, giving by bequest was up 15.5 percent. Giving through donor advised funds, an increasingly attractive option, is not counted as individual giving.

It is estimated that over the next 30 or so years estate distributions will exceed \$40 trillion.

Some boomers are heirs to their living parents' estates and many boomers themselves will become centenarians with an extended retirement and further opportunities to grow their wealth and contribute. Boomer outright and bequest giving to non-profit organizations is trending dramatically upward.

Volunteerism is also on the rise for retirees. They are giving not only treasure but time and talent as well. Some in their "third age" transfer business ownership to heirs, not only for tax reasons but also to focus on their own philanthropy. Some seek encore careers to generate more dollars to give. Some do pro-bono consulting and mentoring to share their professional expertise in ways that substantially assist non-profits.

According to the Merrill Lynch Survey:

Over 80 percent of retirees over 65 responded that they give money or goods to non-profits and 65 percent believe that "retirement is the best time in life to give back."

Retirees give 42% percent of all money given to charity and 45 percent of the volunteer hours while comprising less than a third of the US adult population

Sixty-nine percent of retirees believe that "being generous is an important source of happiness in retirement" and retirees who are charitable indicate they have "a strong sense of purpose" and "high self-esteem."

Retirees redefine success from career advancement and wealth to generosity; their top motivation is gratitude.

What about giving to family? Philanthropic giving relies on a sense of personal security and most often, giving first to family. Increasing life-spans elongate the time until inheritance and many boomers, some 77 percent, are preferring to give to family members "with a warm hand, not a cold one."

But there's a caveat: the word "affluenza" has been used to describe the affliction of the children of the wealthy. Today we might call it entitlement. How do we teach values?

Character? How do we model the concept of "enough?"

Financial and legal advisors are likely to point out that any individual can currently give up to \$14,000 a year (the number may increase in future years) to another individual with no gift tax consequences. That's \$28K per couple to each child, their spouse, each grandchild, nieces, nephew, etc. And you can do it (or not do it) every year. That's a pretty simple estate reduction plan that can avoid some taxation for larger estates.

But how would such gifts be used? A down payment? College tuition? A new car? A gambling junket? To pay off debts from a shopping spree? Does it matter to you?

Each family has its own answer to giving now or giving later, whether tax-wise or not.

Traditional estate planning focuses on passing the maximum amount on to heirs and avoiding taxation. Inter-generational philanthropy begins with passing on fundamental values, including the concept of charitable intent. It involves the desire to teach by example, giving the next generation the chance to discover the joy of giving, and guiding them to learn through their own philanthropic experiences.

Thanksgiving is a good time to have important family conversations about gratitude and giving.

Whether you are an elder, a boomer, the progeny of a boomer or a grand or great-grandchild, it is time to be thankful, to show your gratitude, and to give generously.

Enid Ablowitz, CFRE, CSPG, is a veteran advancement professional, author and consultant who is dedicated to educating and guiding donors and non-profit organizations on the art and science of strategic philanthropy.

Original URL: http://www.dailycamera.com/boulder-business/ci_29103185/intergenerational-generosity-here-come-boomers