



How charitable are retirees?

By [Judy Martel](#) · Bankrate.com

Monday, November 16, 2015

One of the joys of the golden years is having the time to do what you want. Increasingly, affluent retirees are spending both time and money on charity.

A new study by Merrill Lynch and Age Wave predicts that if giving rates remain the same as today, retirees will donate a total of \$8 trillion in money and volunteer hours over the next 2 decades.

The numbers break down to include \$6.6 trillion in cash and 58 billion hours of volunteered time, valued at \$1.4 trillion.

Longevity is a blessing to charities

The study refers to the projected charitable outpouring as the "longevity bonus," brought about in part by an aging baby boomer population that is both larger than previous generations and expected to live longer.

Currently, retirees -- comprising 31% of the nation's adult population age 25 and up -- contribute 42% of the money donated to charity and 45% of the volunteer time.

Nearly two-thirds of retirees say that the best time to give back is during their golden years because they have honed their skills over the years and have both more savings and time to donate than when they were younger.

How charitable retirees are different

The study reveals a few trends among retirees:

They don't wait until death to donate. The majority of retirees, 77%, say they give money to family while they are still alive, partly because their increased life expectancy means they want to help earlier with the needs of their children and grandchildren.

Women are more generous than men. Women are more likely to say they gain more joy from helping others than men, and 68% report that retirement is the best time to be charitable, versus

62% of men. The survey also reveals that 29% of women volunteer their time, versus 22% of men, while 81% of women give money, versus 71% of men.

Boomers are more hands-on. Compared with parents, boomers report that in being charitable, they want to challenge their skills, donate to fewer and smaller organizations and understand how their money is being used by a charity.

They give more to religious causes. The most popular charities among retirees are religious or spiritual organizations, with 53% saying they donated money to such causes in the past year while 48% donated their time. That compares with 31% who gave to poverty relief and 26% who donated to disaster relief.

They define success by generosity. Retirees are 6 times more likely to measure their success by their propensity to give, rather than typical benchmarks of wealth, such as the amount of money they possess or the cost of their house. They are more motivated to give because they feel gratitude, rather than guilt.

According to the report, 1 focus group participant noted: "Before I retired, I just wrote checks to charities. I didn't have time for anything else. In retirement, I give of my money, my time and myself. Now I can really feel the difference I am making."

Find out how Warren Buffett, Mia Farrow and other rich and famous Americans donate to charity.

Original URL: <http://www.bankrate.com/financing/wealth/how-charitable-are-retirees/>