

Retirees are the most philanthropic people

By Saffron Alexander

26 NOVEMBER 2015 • 7:00AM

A new study has revealed retirees are the most philanthropic out of everyone.

The study, from [Merrill Lynch](#) and [Age Wave](#) found two-thirds (65 per cent) of retirees believe retirement is the best time in life to give back to the community. Over the next two decades they predict a "surge in giving by retirees", estimating up to \$8 trillion (£5 trillion) in America alone.

The research attributes the rise in funds to three things:

- The movement of the massive [boomer generation](#) into their retirement years
- [Increasing longevity](#), which means more people may spend more years in retirement
- [High rates of giving among retired men and women](#) (especially women)—of both money and time

The study found that while younger people may want to give generously to charity, they "face many constraints on their giving: work schedules, the responsibilities and costs of raising a family, and daily expenses that often leave little extra time or money for either volunteering or charitable donations."

In contrast, the boomer generation largely believe retirement provides the best opportunities to give back: "Retirees have the greatest amount of time, savings, life experiences, and skills they can contribute to charities, nonprofits, and causes." The 55 and older were found to donate up to \$1117 more money or goods than those aged 34 or younger.

The report highlights "[empty nesters](#)" and those who have retired from full-time work and a greater amount of money saved: "Many retirees have accumulated savings - which are necessary to fund their retirement years - but part of which may be available to contribute to causes and needs they are passionate about."

David Wright, a wealth adviser with Merrill Lynch's Private Banking and Investment Group, told the [New York Times](#) charities are set to receive trillions due once the older generation dies thanks to [an increasing number of people leaving their fortunes to good causes](#): "The majority will pass down to the next generation, though more than \$6 trillion is expected to flow to

charitable organizations, contributing to what some have referred to as the golden age of philanthropy.

"This significant influx of potential philanthropic funding excludes additional giving over one's lifetime, as well as the value of volunteer time and talent boomers will contribute to causes they care about."

Those over 65 are more likely to donate than any other age group, with 42 per cent of money given to charities coming from them, while retirees account for nearly half (45 per cent) of total volunteer hours from all age groups combined.

Wright says the way we think about philanthropy changes as we age and that retirees have "all these life experiences and skills to share and suddenly are not applying them professionally like they used to, so they redirect those energies to philanthropy."

As well as volunteering and giving to charity, people between the ages of 50 and 70 have begun to show more interest in start a nonprofit organisation.

Marc Freedman, founder and chief executive of [Encore.org](http://www.encore.org), an organisation that highlights the talents of people in later life, said interest has nearly doubled over the last three years: "It's the combination of an upsurge in encore careers — second acts focused on the greater good — and the rise in boomers embracing entrepreneurship."

Original URL: <http://www.telegraph.co.uk/goodlife/living/retirees-are-the-most-philanthropic-people/>