



How Do You Stack Up to Other Non-profits?



Wealth transfer outpacing estimates

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By [Todd Cohen](#)

The biggest transfer of wealth in history is exceeding expectations, say the researchers who predicted it.

“We have new data that indicates the wealth transfer is not only on track, but is exceeding the conservative estimates we have been emphasizing,” says Paul Schervish, director of the Center on Wealth and Philanthropy at Boston College.

In 1999, Schervish and John Havens, the center’s senior associate director, estimated at least \$41 trillion would be transferred between generations over a period of 55 years through taxes, charitable bequests, gifts to heirs and costs for settling estates, with at least \$6 trillion of those funds going to charity.

In 2003, after critics questioned those estimates, Schervish and Havens reassessed their data and said they stood by their projections.

Now, with critics continuing to question the estimates, particularly those on funds to be transferred over 20 years through charitable bequests, the two researchers have assessed their data yet again.

According to their preliminary findings, Schervish says, he and Havens now expect total funds that will go to heirs alone in the years 1998 through 2017 will be equal to the \$12 trillion they previously predicted would be transferred in the aggregate during the same period through taxes, charitable bequests, gifts to heirs and costs for settling estates.

“It looks like just the amount going to heirs will be greater than what we predicted would go to all four categories,” Schervish says. “So while the bequest amount is being questioned, the wealth transfer is on track.”

He says he and Havens agree with others that transfers through bequests that they previously predicted would take place over 20 years are not on track.

Schervish and Havens previously projected \$12 trillion would be transferred by 2017 through taxes, charitable bequests, gifts to heirs and costs for settling estates, including \$1.7 trillion to charity.

Based on preliminary findings from their latest research, Schervish says, they now expect less than \$1.7 trillion will go to charity through bequests during that 20-year period.

Schervish says he and Havens now speculate that a substantial portion of charitable gifts they had predicted would come from bequests are going instead to giving during donors’ lifetimes.

Giving to bequests also has been lower, he says, because of the economic downturn that lasted from 1999 to 2002.

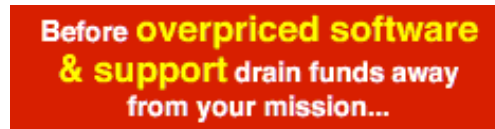
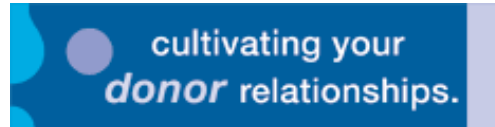
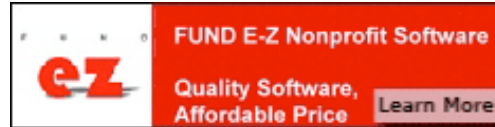
That downturn represented the deepest and longest decline in wealth in the U.S. since the Great Depression, he says.

He says he and Havens still project least \$6 trillion will be transferred to charity by 2052, barring an escalation in the trend that has

seen people shifting more of their charitable giving to their lifetimes and less through their estates.

“We think people are shifting from leaving charitable bequests through their estates to giving to charity while they’re alive,” Schervish says. “As new data becomes available, we’re going to be hearing about surprisingly high increase in bequests and lifetime giving.”

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