



JBWere

The Bequest Report

Reshaping Aotearoa New Zealand by creating a legacy
that goes beyond asset wealth

Author: John McLeod, *Senior Consultant,
Philanthropic Services, JBWere*

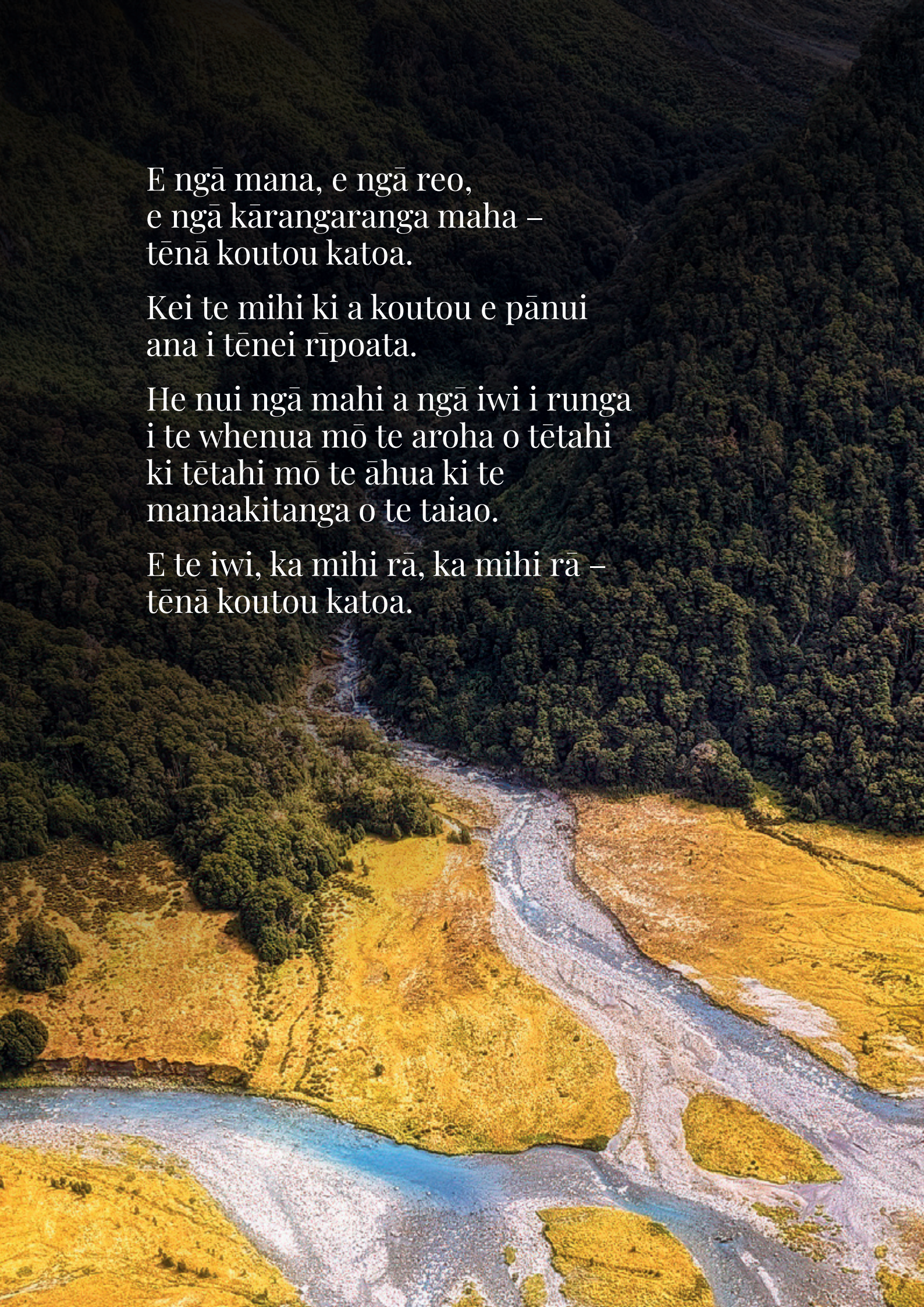
February 2025

E ngā mana, e ngā reo,
e ngā kārangaranga maha –
tēnā koutou katoa.

Kei te mihi ki a koutou e pānui
ana i tēnei rīpoata.

He nui ngā mahi a ngā iwi i runga
i te whenua mō te aroha o tētahi
ki tētahi mō te āhua ki te
manaakitanga o te taiao.

E te iwi, ka mihi rā, ka mihi rā –
tēnā koutou katoa.



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Forewords



Tēnā koutou.

I am honoured to be the CEO of JBWere New Zealand because it is an organisation that can, and does, make a difference.

JBWere New Zealand exists to give our clients the confidence to do what matters – for their families and for their communities around them.

JBWere has provided trusted and tailored advice to clients for more than 180 years making us one of Australasia's longest serving and experienced wealth management firms – with more than NZ \$18 billion of funds under management in New Zealand. We honour our heritage, and our success over this time span is based on the ability of our talented people to look beyond the horizon, and to help our clients navigate through the challenges and make the most of the opportunities that arise.

One of our key areas of current focus is the transition of wealth across generations that is taking place over the next two decades here in Aotearoa New Zealand. We recognise that this intergenerational wealth transfer is of particular interest to our families and for-purpose clients. Our aim is to provide high quality insights and advice so our clients have the confidence to navigate this transition and optimise possibilities for those with means to create a legacy that goes beyond passing on asset wealth to their immediate family.

We acknowledge John McLeod, the co-founder of the trans-Tasman JBWere Philanthropic Services team as the author of this inaugural JBWere New Zealand Bequest Report and the work he has done to quantify the wealth transfer that is happening over the next two decades.

We thank Public Trust in partnering with us on the research and for providing ten years of anonymised aggregate bequest data to inform our analysis for this Report.

We look forward to sharing this Report and engaging with our clients to explore how these insights can be turned into effective strategies and partnerships. Please contact your JBWere adviser or JBWere Philanthropic Services, to discover how we can work together to make the most of this exceptional opportunity.

— Craig Patrick, CEO, JBWere New Zealand



As the leader of Philanthropic Services in New Zealand, I am privileged to support purpose-driven families, businesses, institutions, and charitable organisations who have entrusted us with over \$6 billion of capital across Aotearoa New Zealand. These clients seek more than prudent investment advice – they look to us as partners who can help them deliver better outcomes for individuals, families, and communities in need that they are serving.

We invest in research to provide actionable insights that help our clients shape and execute impactful strategies. This commitment began with the Support Report and Cause Report series and then extended into exploring areas like Corporate Community Investment. Now, we turn our attention to bequests.

Why bequests?

1. They remain under-researched.
2. New Zealand is, by any financial measure, a wealthy nation.
3. A significant intergenerational transfer of wealth is underway, presenting a rare opportunity to unlock substantial capital for social impact.

This wealth transition is critical. While many households have accumulated significant assets, inequality has also grown. A deeper understanding of bequests can help bridge this gap by increasing the flow of capital to address pressing social and environmental challenges.

Normalising conversations about leaving a gift in a will is essential to closing the divide between those who give during their lifetimes and the smaller number who leave a bequest.

At JBWere, our heritage and scale drive us to play a unique role: offering high-quality insight and advice to empower our clients to confidently pursue what matters most to them. Supporting our clients' ambitions while contributing to the broader social impact ecosystem is what inspires and motivates us at Philanthropic Services.

I hope this report provides valuable insights and inspires meaningful action.

— John Morrow, *Head of Philanthropic Services, JBWere New Zealand*



As one of Aotearoa New Zealand's largest charitable trust administrators and advisers, Public Trust is proud to empower others to give for good. Our hope is that this new research raises greater awareness about the untapped bequests opportunity that exists – and encourages more giving.

In practical terms, that means two things need to happen. People need to plan for the future by making a will, and they need to make an active choice to leave a legacy gift to a charity. Where there's a will, there's a way to fund life-saving research, protect the environment and support thriving communities.

We are proud to continue to support efforts that bring New Zealanders and the charity sector together to foster a culture of giving. JBWere's ongoing commitment to research is helping both charities and their supporters understand the value of generosity in New Zealand and improve outcomes.

The topic of bequests is receiving serious attention thanks to the great wealth transfer projected to take place in the next 20 years. This report draws from estates data supplied by Public Trust, which reveals the major trends in bequest money flowing to local charities. While we're seeing more people leaving a gift in their will, the bequest opportunity is underutilised.

The Bequest Report encourages us to look to the future with optimism. With the face of intergenerational wealth in New Zealand changing, passing on a legacy is closely linked to people's connections and values. A bequest is a meaningful way for people to give back to the causes, charities and organisations that matter most to them.

For those of us who support the financial wellbeing of New Zealanders, the research reinforces the value of engaging early with people about the future they want to inherit. We started having this conversation with New Zealanders 150 years ago, and we plan to sustain it for generations to come.

— Glenys Talivai, *Chief Executive, Public Trust*

Executive summary

There are three reasons for this report. Firstly, to quantify and put into perspective the intergenerational wealth transfer in Aotearoa New Zealand. While there is much discussion, there is little updated data, and significant events and valuation changes have occurred in recent years. Secondly, an examination of the options available for the individuals leaving inheritances encourages deeper thought about what their lifetime's achievements could accomplish beyond them. Thirdly, we have considered this transfer from the perspective of the for-purpose sector. We have collected the known data in New Zealand and compared it internationally to see where we stand and the opportunities available for charitable bequests. We have detailed why charitable bequests are important – their characteristics and trends – plus the levers available to grow them within organisations and more importantly as a total for the sector. As global populations peak this century, the current ageing cohort here is set to continue to change the shape of our country. How this historically unique event unfolds is still to be decided and we believe that the traditional form of inheritance can be improved to provide a better outcome for both the next generation receiving it and the community in which they live.

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We make the following observations:

- New Zealand's population growth is slowing at a rate faster than many other countries, and while future migration numbers can alter this trend, we will still experience a dramatic increase in the number of older age people in the population. This contributes to an acceleration in the number of annual deaths from currently around 37,000 to over 66,000 within 50 years. We have already started seeing this increased growth with numbers rising from 27,000 in 2005.
- New Zealand remains near the top, globally, for average household wealth and even higher on median wealth measures, meaning a more even spread than most countries. While inequality does remain a pressing issue, the wealth gap between young and old is large and exacerbated by current cost of living issues. Importantly and contributing to the scale of future inheritances, the wealth transfer is happening from the older and wealthier cohort.
- We have included data showing where New Zealand's households and taxpayers rank within the population, remembering our position as a globally very wealthy country. This is later linked to the opportunity to radically grow levels of giving, including structured giving such as individual charitable trusts and subfunds within community foundations even more substantially. We expect strong growth in family foundation and subfund giving while living, further enhanced through inheritance.
- We estimate total inheritances of around \$27 billion in 2024 with a total of \$1.6 trillion by 2050.

- The vast majority of those inheritances will go to the partner if still in a couple relationship (38%) or the next generation (who will be almost 60 years of age) if they are single (51%). A further 10% goes to other family and friends and only 1.3% to for-purpose organisations (this represents only a quarter of the US and UK levels).
- While leaving to a partner is unsurprising, on average and within 10 years, that person faces a bigger choice in how best to pass on their (and their partner's) lifetime of assets and values. We present a case for thinking of "the full family balance sheet", including non-financial assets, and a deeper meaning of legacy that can be achieved with stronger connections to community.
- For-purpose organisations should understand the scale of charitable bequests in terms of both their annual growth rate (double that of mass market giving) and quantum. Charitable bequests, whether one off or from a past gift to a charitable trust or subfund, regularly make up a significant proportion of the largest annual gifts seen in many countries (e.g. 20 of the largest 50 annual philanthropic gifts in Australia coming from deceased donors).
- Charitable bequests are mostly unrestricted in their use and have a return on investment around six times the average for all fundraising, meaning within the total income mix of for-purpose organisations, they are the most valuable source of income by quite a margin.
- Like most income including fundraising, the majority of dollars goes to a concentrated group, and it comes from a smaller cohort of large donors. Research needed and strategies to gain a share of this growing income are discussed.
- Having robust data is important for understanding the level and trend of charitable bequest giving. We recommend reinstating the collection of bequests received by charities as a separate data point rather than just be included in overall donations as Charities Services had done between 2010 and 2015.
- New Zealand's position as a wealthy but ageing nation provides a strong baseline for charitable bequests. However, the currently low proportion of individuals leaving a bequest, and the low percentage of assets left falls far short of some international peers and the levels of giving by people during their own lifetime.
- Country differences such as inheritance and estate taxes are part of the reason for currently lower levels of giving in wills, but practice, culture, and a lack of discussion about such bequest options are easy opportunities for changing this behaviour. Increasing the level of discussion by financial and legal advisers, and growing the media coverage of peer giving through inheritance, can have a large influence in normalising giving in wills. This should form part of a national giving campaign.
- Apart from normalising charitable bequests, introducing 'living bequests' where a small current tax incentive is given for a larger binding bequest in the future, as seen in the USA, would enhance giving from inheritances.
- Finally, we highlight the inevitable growth in charitable bequests through just demographics and asset value changes whereby we should see an increase in annual levels from a current \$320 million to over \$1 billion in 20 years. We conclude by suggesting that, if we could improve the rate and value of charitable bequests to a level of 3% (still below international standards), we could reach almost \$2.5 billion annually by the end of that 20 years.

Introduction

Choosing how to pass on your lifetime's accumulation of assets, memories and values is one of the single most important decisions most of us make. The fact that we usually only make this decision a few times during our life, often years before it is enacted, and for most as an automatic equal division between the children, suggests that there is room for doing it a better way. Multiply this by the dramatically ageing New Zealand population, and our increasing wealth, highlights the need for this closer examination of inheritances.

Our past reports have tried to provide a detailed examination of each topic covered, but as importantly, present them in a wider context. **The Cause Report** in 2017 (and 2021) looked at the

evolution of the for-purpose sector over the past 20 years and towards the future opportunities and challenges by individual cause areas. **The Support Report** in 2020 focussed on the significant changes we were seeing in New Zealand philanthropy, including the decline in mass market giving and volunteering, the growth in structured and high net worth giving, and the implications for these trends. In 2022 we published **The Corporate Support Report** which traced the evolution in corporate community investment and the size and opportunity it presents today.

When we looked at the next area needing deeper analysis, it was hard to ignore the society-wide effect of the intergenerational wealth transfer. While much has been written both here and overseas, it was rare to find work which tied together and accurately defined each of the 'what is it', 'what does it mean for me' and 'what does it mean for the for-purpose sector'. Also adding a 'what could it look like if we get it right' section guided the scope of **The Bequest Report**.

Tying together and linking previous work from Government agencies, academics and industry experts here and overseas gave us a good picture of the current situation, opportunities, and levers to improve outcomes for both those leaving an inheritance and those receiving them – including children. This past work included two studies by friends who have since passed and we would like to acknowledge: Chris Barnard, a fellow JBWere alumni wrote *Charitable Bequests A specific case of gift giving* with Queensland University of Technology (QUT) in 1995 and Dr. Christopher Baker, a fellow Swinburne University alumnus, wrote *Encouraging Charitable Bequests by Australians* in 2013.

We then examine the inheritance decisions in front of this growing and ageing cohort, both what happens currently, what other options exist and the benefits of some deeper planning. The report looks at the current situation and potential for the for-purpose sector and offer thoughts on preparing for the opportunity. Finally, we offer a vision for the future which combines a better public discussion about inheritance and the levers available to grow charitable bequests.

Aotearoa New Zealand is indeed a fortunate country, with great wealth and a relatively small population amongst which to divide it. How that is handled in the next few decades, as record levels of accumulated wealth and family values changes hands, can reshape our country. It would be an enormous waste to just 'fill right' on the excel sheet of life without considering the potential of doing it better.

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— Ronald McDonald House Charities New Zealand
Wayne Howett, Chief Executive

The JBWere Bequest Report highlights the significant opportunity that giving through inheritance now presents to our sector, enabling charitable organisations to deliver greater social impact. For RMHC NZ this means we can support more families in need and ensure they can focus on the most important thing – their seriously ill or injured child. Going forward, this report will help to shape our strategy and it provides us with the confidence to invest in Gifts in Wills programmes over the long-term.

Herbert (Herb) Keen, one of New Zealand's oldest citizens and a World War II veteran, passed away in mid-2023 at the age of 106 after a battle with prostate cancer. Though he never had children, Herb's generosity extended beyond his family. In his Will, he left \$50,000 to Ronald McDonald House Charities (RMHC) New Zealand. "He was always a thoughtful man who wanted to help others. His story reminds us of a generation that has given so much," his nephew Russell Keen said. RMHC NZ provides accommodation, food and support for thousands of families with a child in hospital every year. RMHC promises to never turn a family away – and bequests like Herb's help RMHC NZ keep that promise. We are so grateful to be a part of Herb's enduring legacy and his impact on future generations of Kiwi kids cannot be overstated.

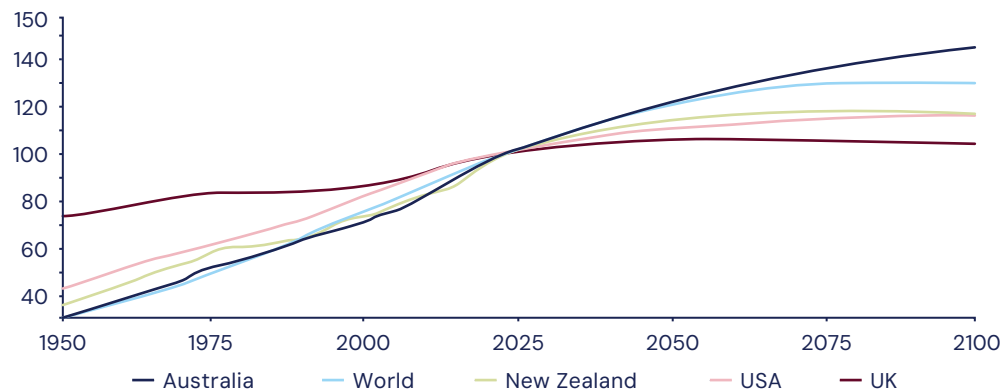
What does the intergenerational wealth transfer look like in New Zealand

The equation is relatively simple. Multiply the number of people passing away by what they own at that time, and then look at to whom they intend to pass those assets.

A growing but ageing population

There has been quite a lot of good analysis on population projections and demographic changes in New Zealand and internationally in recent years. Some of the more consistent and detailed work from the United Nations Population Division highlights the slowing nature of global population growth, predicting a peak in just over 60 years in 2086 (Chart 1). For some countries, this will occur earlier with the United Kingdom (UK) expected to peak in 2055.

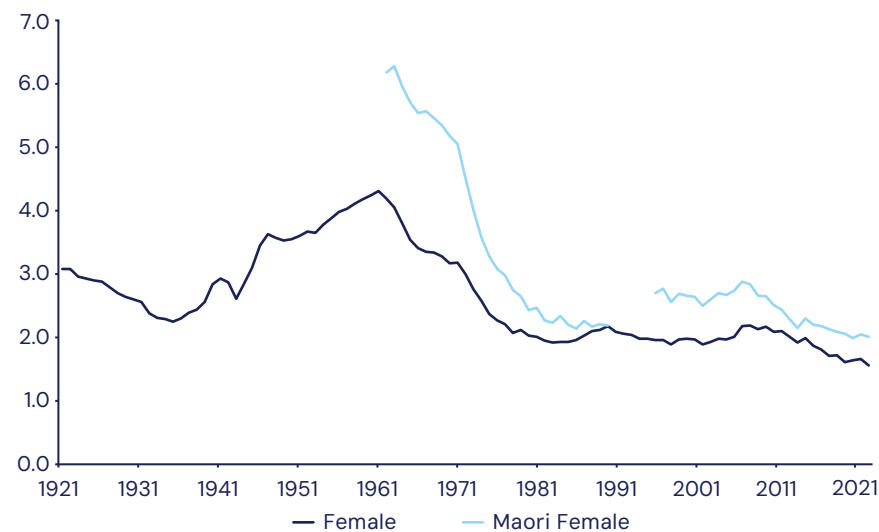
Chart 1 – United Nations population projections 1950–2100 (2024 = 100)



Source: World Population Prospects 2022, United Nations Population Division

Falling birth rates in many countries is the main contributor to this population peak, and New Zealand is no different with rates falling below 3.0 in 1973 for the total population and remaining under 2.0 since 2014 (Chart 2). While this slows our rate of growth, it does not see it peak until around 2080 due to net migration which differs between countries.

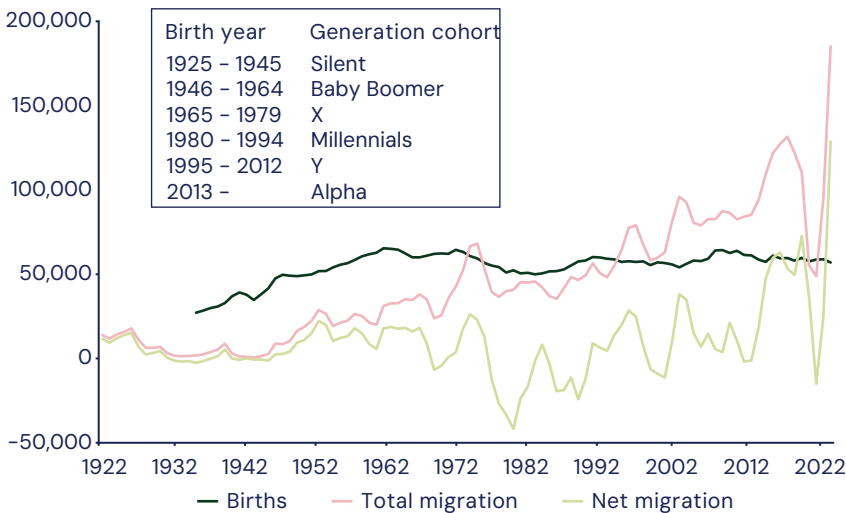
Chart 2 – New Zealand birth rates 1921–2023



Source: Stats NZ Tatauranga

While the rate of growth in births is slowing, New Zealand has mostly been a county of positive net migration, contributing to overall population growth with only 35 years in the past century having a negative value. Current debates and very recent large immigration numbers in 2023 and 2024 may influence future trends, but we have used the United Nations assumptions of a future forecast of 25,000 per annum (a little above the 2000–2022 average of 24,200) in our population and inheritance modelling (Chart 3).

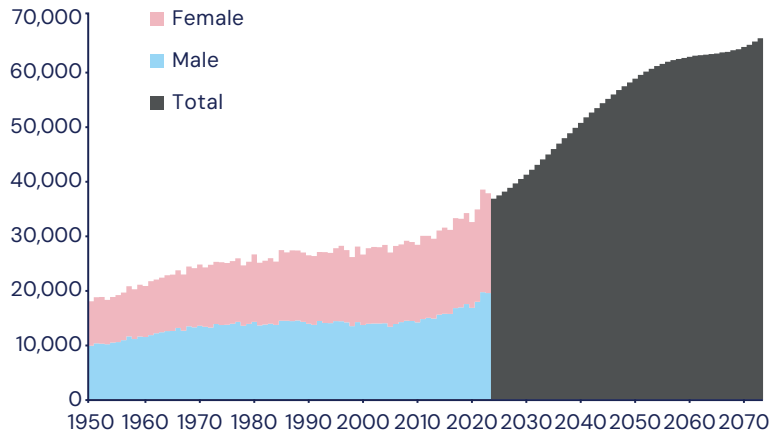
Chart 3 – New Zealand births, total and net migration 1922–2023



Source: Stats NZ Tatauranga

Despite changes to births and net migration in coming years, the largest change in the population formula is the number of deaths, with expectations of the annual number doubling over the next 50 years (mirroring what previously took 70 years and further accelerating what has been a long term trend) (Chart 4).

Chart 4 – Annual and projected deaths in New Zealand 1950–2073



Source: Stats NZ Tatauranga

This change is also the main contributor to New Zealand’s slowing population growth with the annual increase falling from 45,220 from 2022 to 19,500 by 2073, and gradually starting to decline later this century (Table 1).

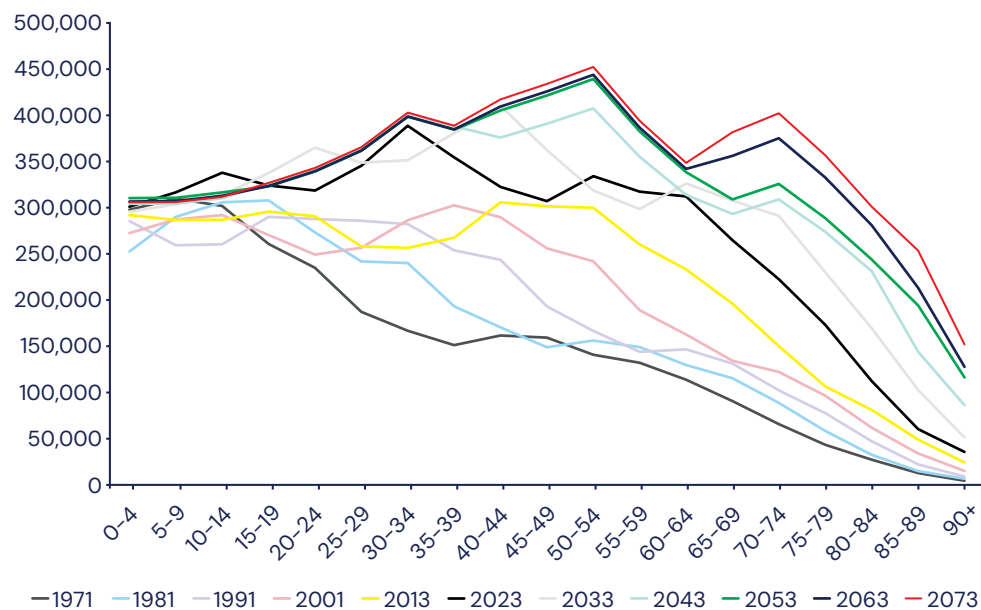
Table 1 – Annual population change breakup

	2022	2043	2073
Births	58,890	61,500	60,800
Deaths	38,570	53,500	66,300
Net Migration	24,900	25,000	25,000
Change	45,220	33,000	19,500

Source: Stats NZ Tatauranga Aotearoa

The main reason for this increase in the number of deaths is due to our growing but ageing population (Chart 5). This change has been occurring for many years, but the decade apart lines of population by age, highlight both the increase and, importantly, the move to the right. In particular, the 85+ age group is the one expected to dramatically increase as the number of aged combines with increased life expectancy.

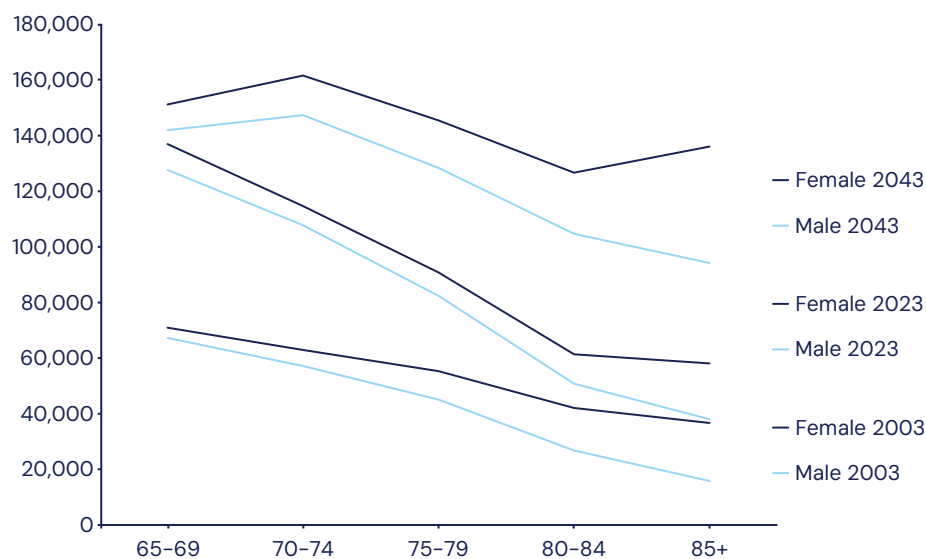
Chart 5 – New Zealand population by age 1971-2073



Source: Stats NZ Tatauranga Aotearoa

If we focus on the movement in the 65+ age cohort and study gender differences, greater female life expectancy (currently four years) becomes a more dominant factor in coming years (Chart 6). The data spread over 20 year gaps highlights these significant changes. This has important implications for the choices in intergenerational wealth transfer. A recent JBWere Australia report, *The Growth of Women and Wealth*, found that the oldest daughter is 50% more likely to control the family finances at the point of wealth transfer. Similar work by McKinsey in the USA suggested that household assets controlled by women will rise from 1/3 to 2/3 within a decade, and Schroders in the UK saw it happening even sooner due to the more imminent demographic changes in that country.

Chart 6 – Number of older New Zealanders by gender



Source: Stats NZ Tatauranga Aotearoa



— **The Fred Hollows Foundation NZ**
Audrey Aumua, Chief Executive Officer

The findings in the JBWere Report provide unique insight on the current trends and opportunities for Gift in Will giving in New Zealand. It really validates our experience in our Gift in Wills programme at The Fred Hollows Foundation NZ which is great to see.



"Of all the senses, I think sight is the most important. I can't imagine my life without it.

The decision to leave a gift in my Will to The Fred Hollows Foundation NZ wasn't hard. Giving the gift of sight is everything. It means giving someone the chance to enjoy their surroundings, nature, see their families. It also gives freedom to their family members so they can return to work or school.

People feel that they should leave everything to their families, but fortunately, a lot of people are in a position that they can also think about leaving a gift in their Will to an organisation and feel that they are contributing to society too."

— Rae Henderson, Kapiti, NZ

High and increasing wealth levels

New Zealand ranks highly in both average and median wealth globally (Table 2). We also rank well on other measures such as happiness. While we have many very wealthy individuals and families, plus many considerably less well off, the gap is far smaller than in comparable countries as shown by measures such as the Gini index (measure of inequality or dispersion of wealth, the lower the better).

Table 2 – Annual values in decade

	NZ	Australia	USA	UK	Canada
Average household wealth rank 2023	7th	5th	4th	13th	10th
Median household wealth rank 2023	5th	2nd	14th	8th	10th
Happiness index rank 2024	11th	10th	23rd	20th	15th
CAF World Giving Index rank 2023	10th	14th	5th	17th	8th
Mean wealth per adult 2023 (USD)	\$408,231	\$546,184	\$564,862	\$350,264	\$375,800
Median wealth per adult 2023 (USD)	\$202,525	\$261,805	\$112,157	\$163,515	\$142,587
No. of USD millionaires 2022	255,000	1,840,000	22,710,000	2,556,000	2,032,000
Top 10% of global wealth holders 2022	2,054,000	12,403,000	110,219,000	26,675,000	15,237,000
Top 1% of global wealth holders 2022	238,000	1,632,000	21,037,000	2,227,000	1,802,000
Top 1% share of total country wealth 2022	20.1%	21.8%	34.2%	20.6%	24.3%
Wealth inequality (gini index) 2022	69.9	66.3	83.0	70.2	72.3

Source: UBS Global Wealth Report 2024, UBS Global Wealth Databook 2023, World Happiness Report 2024, CAF World Giving Index 2023



— **The Salvation Army New Zealand, Fiji, Tonga & Samoa Territory**
Mark Campbell, Territorial Commissioner

As one who has previously been involved in fundraising, this landmark report by JBWere will go a long way in helping The Salvation Army shape its legacy programme for the foreseeable future. It is a gold mine of useful information around the coming intergenerational transfer of wealth in our country.

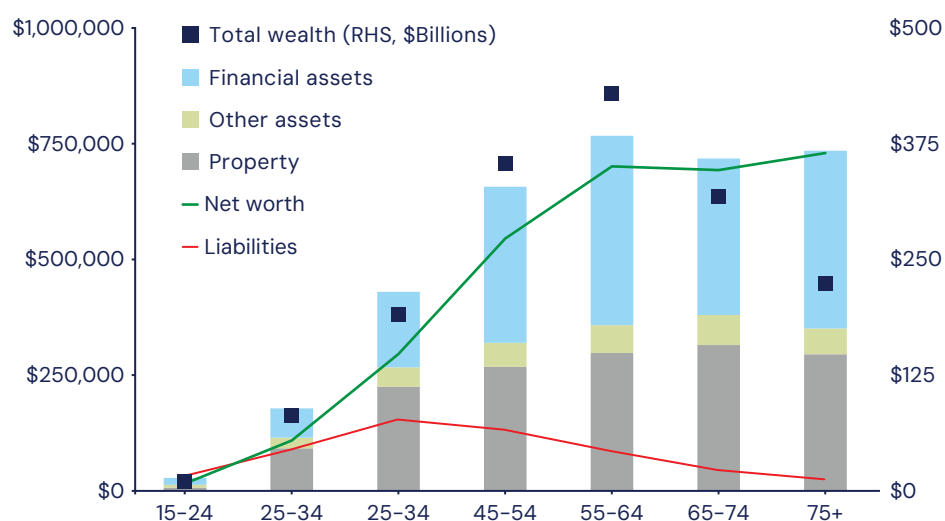
Trevor Garlick was 11 years old when the Ballantynes fire struck Christchurch in 1947 claiming 41 lives. 'From then on, I admired The Salvation Army because of their dedication, making cups of tea and doing all they could to help people,' he says.

Other memories of swift, compassionate action include the 1968 Wahine disaster—how the Army cared for the passengers who made it to shore—and the 2019 Christchurch mosque attacks. A regular donor throughout his life, Trevor has given a generous gift in his Will—his home. 'When I go, the flat goes to The Salvation Army, hopefully to a hard-up family that will really appreciate it.'

For comparison, while average wealth in the USA ranks above New Zealand, they are well below in median wealth, suggesting a much bigger society wealth gap and levels of inequality.

Wealth levels tend to rise with age due to the accumulation of earnings and compounding investment, pension and property assets. Data for 2021 shows that net wealth (assets including residential housing less debt) peaks in the 75+ age bracket but has really plateaued at these levels from age 55 (Chart 7). Given more people are in the 55–64 age range, the total wealth levels are highest for this age group. Many people die with the highest levels of assets accumulated over their lifetime rather than spend it down in retirement.

Chart 7 – Average and total individual wealth by age in New Zealand – 2021



Source: Stats NZ Tatauranga Aotearoa

For some, not realising how wealthy they are relative to the population (measured by either assets or income), can reduce confidence in spending down in their later years. Data showing the ranking of household net assets and individual income levels is useful in understanding this relativity, remembering that we also sit near the top of global wealth rankings (Table 3). Being amongst the wealthiest in one of the wealthiest countries in the world is a privilege and is owed partly to the society in which we live.

Table 3 – Rank of NZ household by net assets and taxpayers by pretax income

Households	Net asset range	No. of households	Cumulative households
top 0.02%	above \$75,000,000	340	340
0.02% – 0.30%	\$15,000,000 – \$75,000,000	5,300	5,640
0.30% – 1.15%	\$7,500,000 – \$15,000,000	15,860	21,500
1.15% – 14.4%	\$1,500,000 – \$7,500,000	247,500	269,000
14.4% – 24%	\$1,000,000 – \$1,500,000	171,000	440,000
24% – 30%	\$800,000 – \$1,000,000	117,000	557,000
30% – 44%	\$500,000 – \$800,000	262,000	819,000
44% – 56%	\$300,000 – \$500,000	227,000	1,046,000
56% – 64%	\$200,000 – \$300,000	140,000	1,186,000
64% – 72%	\$100,000 – \$200,000	163,000	1,349,000
72% – 80%	\$52,760 – \$100,000	142,200	1,491,200
bottom 80% – 100%	to \$52,760	372,800	1,864,000
Total households		1,864,000	

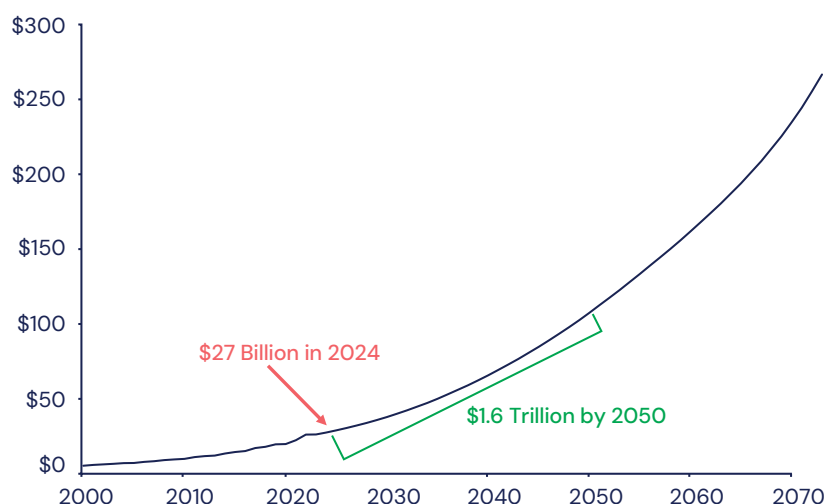
Individuals	Pretax income range	No. of individuals	Cumulative individuals
top 0.1%	above \$600,000	2,790	2,790
0.1% – 0.5%	\$300,000 – \$600,000	18,260	21,050
0.5% – 1.0%	\$250,000 – \$300,000	14,720	35,770
1.0% – 2.0%	\$205,000 – \$250,000	29,340	65,110
2.0% – 3.0%	\$183,000 – \$205,000	27,760	92,870
3.0% – 4.0%	\$168,000 – \$183,000	29,710	122,580
4.0% – 5.0%	\$157,000 – \$168,000	29,090	151,670
5.0% – 10%	\$125,000 – \$157,000	145,680	297,350
10% – 20%	\$96,000 – \$125,000	289,270	586,620
20% – 30%	\$79,000 – \$96,000	293,800	880,420
30% – 40%	\$67,000 – \$79,000	294,390	1,174,810
40% – 50%	\$57,000 – \$67,000	286,390	1,461,200
50% – 60%	\$46,000 – \$57,000	287,590	1,748,790
60% – 75%	\$25,000 – \$46,000	429,650	2,178,440
bottom 75% – 100%	below \$25,000	732,800	2,911,240
Total taxpayers		2,911,240	

Source: UBS Global Wealth Databook 2023, Stats NZ Tatauranga Aotearoa, The NBR List 2022

Future inheritance trends

When we combine the increase in expected deaths with the high and growing asset values of the population, particularly the older cohort, we can see a powerful rise in the value of future inheritances in New Zealand. We have used a 3.5% real annual growth in combined assets going forward, which compares to the previous 25 years of 5.4% on housing and 3.8% for financial assets. Cost of living pressures are currently being widely felt, and real average earnings growth has lagged over the same period compared to the higher levels of asset growth. This has meant the younger and less asset rich have been hurt more. Generally, the value of older peoples' assets, and eventually inheritances, is less affected by current cost of living issues, although this certainly is not true for all. Our analysis shows the estimated value of inheritances in 2024 is \$27 billion. There is an additional estimated 10% given as gifts during lifetime which may grow during the current cost of living and housing crisis as parents assist their children. Interestingly, this \$27 billion compares to annual income for the Charities Services registered charities of \$25 billion in 2023. Over a longer time period we expect cumulative inheritances to total around \$1.6 trillion by 2050 (Chart 8).

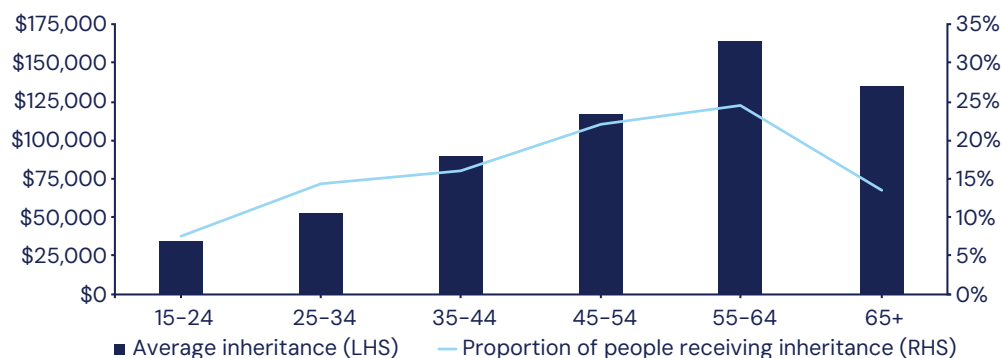
Chart 8 – Total New Zealand annual inheritances 2000–2073 (\$ billion)



Source: JBWere estimates

Finally, surveys in Australia, and likely similar in New Zealand, asking inheritors the age they received and the value of inheritances, found that both peak around 60 years of age (Chart 9). This increased age of receiving an inheritance can be traced back to the rise in the average age when having children and increased life expectancy. It does, however, raise the question of the need of recipients at this stage of life compared to either earlier years ('Bank of Mum and Dad') or for some bequests being directed elsewhere where greater need exists.

Chart 9 – Average value and proportion receiving inheritances by age in 2018



Source: HILDA, Productivity Commission

Your will is a powerful tool: How to make a bequest

For families, start the conversation today

At Public Trust, we encourage New Zealanders to have open discussions about their charitable giving intentions. After taking care of family and friends, consider how you can make a positive impact by including a charitable gift in your will.

Focus on what matters most to you and the values you want to pass on to future generations. Where do you see your legacy living on? Are there particular organisations that have helped you or your loved ones during your life? What community groups does your family have a connection to?

It shouldn't be a surprise to anyone that you've left a bequest, because it will align with the conversations you've been having around the dinner table over the years.

For advisers, approaching will-writing conversations

Will providers and wealth advisers have an influential role in raising awareness about the importance of charitable gifting in wills. Simply mentioning the option of leaving a bequest in a will has a huge impact on a client's giving behaviour.

To encourage a charitable conversation between advisers and clients, you can:

- > Let people know about this opportunity at the start of the will-writing process.
- > Open up a conversation. It can be as simple as asking: "Have you considered including a charity in your will? If you're passionate about a charity or community cause, you might like to think about leaving them a gift in your will."
- > Provide information about the types of bequest options available.
- > Promote the benefits that come to the will writer, family and the wider community.
- > Share real-life stories to bring the benefits of giving to life.
- > Spread the message that many people do it, and you can join others making a difference. People are more likely to leave a gift in their will when it is normalised.

From the local sports club to a global humanitarian effort, charities and not-for-profit organisations give so much to our lives and communities. We all have a role to play in foster a culture of giving in New Zealand – together we can make a positive difference.

Shackleton medal gifted to Canterbury Museum using \$10m bequest

One of the world's most significant treasures from the heroic age of Antarctic exploration, was gifted to Canterbury Museum through a Blenheim couple's generous bequest.

Sir Ernest Shackleton's Polar Medal has been virtually unseen by the public for more than a century. Now, a remarkable donation from the Adson Trust will ensure the medal will be displayed for people to see, learn from and enjoy.

The Adson Trust is one of 430 charities managed by Public Trust. Established in 2010 with a \$10 million posthumous donation, the Trust honours Arthur and June Harrison's legacy of giving to the community. It is an extraordinary example of how a will can make a lasting impact.

www.publictrust.co.nz



Bequests come in many forms

The most common types of bequests are:

- > **Pecuniary gift:** A fixed sum of money designated in your will.
- > **Percentage gift:** Designating a percentage of your residuary estate.
- > **Specific gift:** Leaving a defined item in your will such as property, shares, or an object.
- > **Whole estate:** An exceptionally generous gift of your entire residuary estate.

For substantial amounts, you might consider setting up a charitable trust that holds and protects your assets specifically for charitable purposes.

Gifts allocated to charities in your will are exempt from New Zealand inheritance tax and capital gains tax.

What is your residuary estate?

Once the expenses and debts are covered and any specific gifts distributed, whatever is left over is called the residuary estate.

Even a modest allocation to charity, such as 1% of your residuary estate, can have a significant impact while still ensuring that your loved ones are provided for.



Photo:
Canterbury Museum

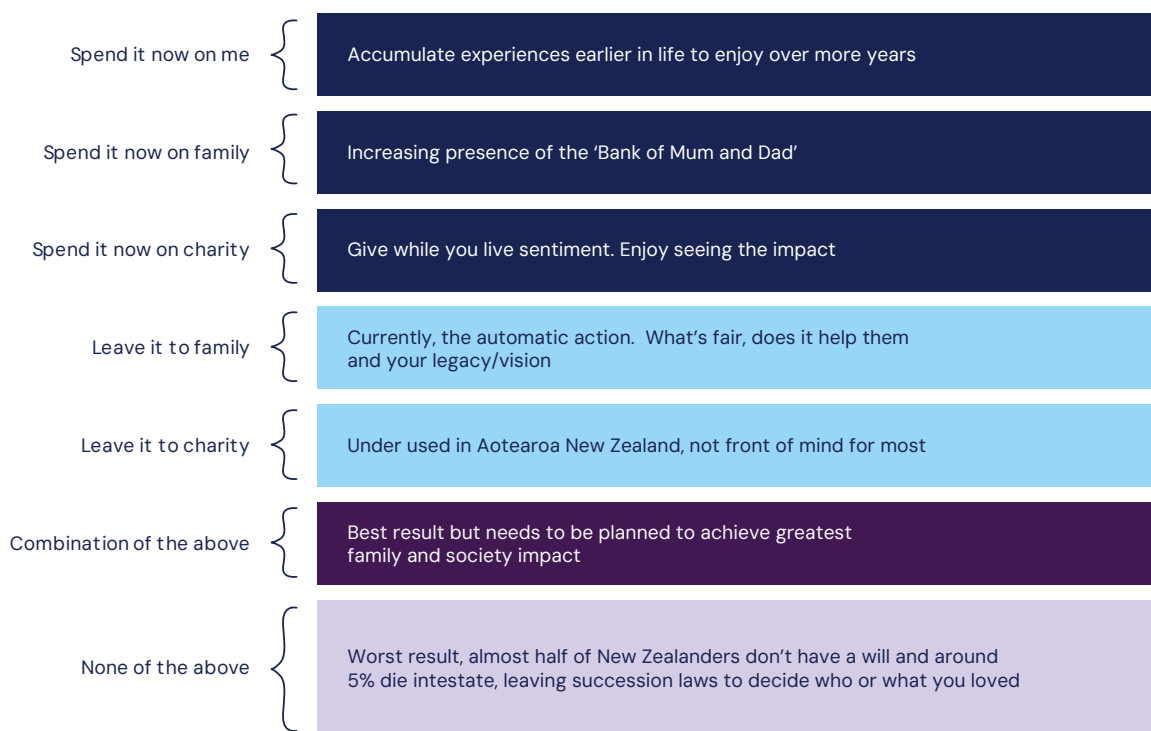
Opportunities for individuals and families

Both during life and after passing, there are a limited number of broad choices for discretionary spending (ignoring tax and non-discretionary living expenses): namely spending on yourself, family and friends or community/charity. Admittedly, many are currently seeing far less in available discretionary funds, but a significant cohort has the benefit of choice, and even more so after passing, as one of those spending options no longer exists.

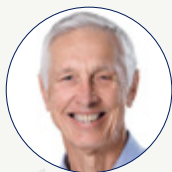
The choices available

The choices and their rationale are summarised below (Figure 1). There has been increasing commentary on the best way to divide spending and inheritance from the well-used (for good reason) Warren Buffett line of “I want to leave my children enough so they can do anything, but not so much that they can do nothing” to the sentiment expressed by Bill Perkins in his book *Die with Zero, Getting all you can from your money and your life*. Perkins argues that a combination of enjoying your life as well as spending in earlier years and building memories for a longer period, helping family earlier when they need it and supporting charity during your lifetime to see the impact – provides a better outcome than passing with a still large financial balance sheet. Of course, the choices available for inheritance are even fewer with only family and friends or community/charity available. This leaves out tax which is a significant factor in many other countries where estate or inheritance taxes are levied but is not (yet) a factor in New Zealand, hence maintaining a greater portion of overall assets available to be passed on. Interestingly, Australia which also does not have estate nor inheritance taxes, does have some tax leakage from Estates (non-dependant recipients of superannuation and capital gains when assets are sold) but this is a comparatively smaller leakage to tax.

Figure 1 – Discretionary spending options during life and options for inheritance



Source: JBWere



— **Momentum Waikato**
Neil Richardson, Chair

The Bequest Report highlights the unprecedented scale of wealth transfer that will occur over the next decades in New Zealand. The thoughtful and strategic transfer of these funds to the betterment of our future generations is both an opportunity and a responsibility of the wealth and philanthropy sectors. The Report provides rich data for Momentum Waikato Foundation to design our future giving, investment and impact strategies.



Throughout their lifetimes Bunny and John Mortimer were exceptionally generous to their community, most notably with their gifting of Taitua Arboretum to the city of Hamilton in 1997.

The Mortimers were founding supporters of the Momentum Waikato Community Foundation, making a significant donation in 2015 to create the Mortimer Taitua Fund, which supports the improvement of the Arboretum.

John passed away at age 94 in 2018, and then Bunny died at 97 in 2021. Bunny left a bequest in her Will to Momentum Waikato's regional endowment fund, which is dedicated to 'A Better Waikato for Everyone, Forever'.

Momentum's Bequest Patron Ken Williamson: "The Mortimers' selfless generosity has made our patch a far better place."

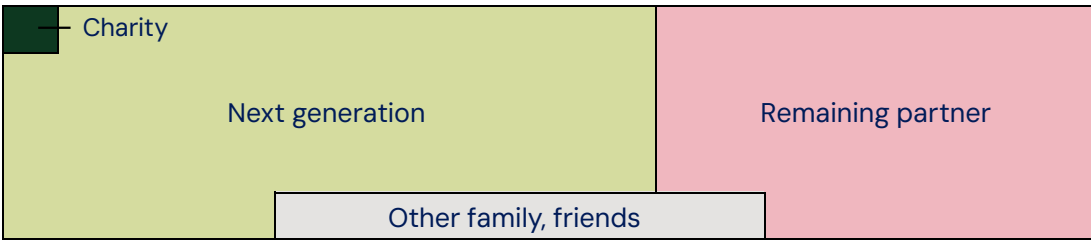
What currently happens

From the options available for inheritances, choices that were made largely came down to whether the person had a partner and if they had children. Around 40% of people passing away have a partner and 95% of their assets pass to that surviving partner with another 4% to the next generation. However, on average, after around 12 years for a surviving female or nine years for a surviving male, that person will pass as ‘single’ and 85% of their assets will move to the next generation with the remaining going mostly to other family and friends, particularly if they had no children. The overall proportion left to charity is around 1.3% in New Zealand which is well below values seen in the USA or the UK. We make those comparisons in more detail in a later section of this report.

Figure 2 – Who inheritance comes from



Who inheritance goes to



Source: JBWere

For those with children, consider whether real life support for them would be reduced significantly if an increased amount was designated for charity. Indeed, might that increased support for charity actually broaden the value of your legacy? The amounts left per child are not significantly reduced even with increasing charity allocations (Table 4).

Table 4 – Proportion of inheritance received per child

No. of children	1	2	3	4
Allocation to charity				
0%	100%	50%	33.3%	25%
1%	99%	49.5%	33%	24.8%
2%	98%	49%	32.7%	24.5%
5%	95%	47.5%	31.7%	23.8%
10%	90%	45%	30%	22.5%
20%	80%	40%	26.7%	20%

Source: JBWere

Consider a family with three children whose net wealth had risen over their lifetime to \$2 million, placing them in the top 10% of New Zealand households. If they left 10% of that wealth to charity, each child would still receive \$0.6 million rather than \$0.67 million but would also have been part of continuing that family's values through the legacy of their parents.



— Malaghan Institute of Medical Research
Professor Kjesten Wiig, Director

The Bequest Report highlights the transformative potential of charitable bequests in shaping Aotearoa New Zealand's future. By normalising the conversation and encouraging more people to include charities in their wills, we can ensure lasting positive impacts on our communities and support vital causes for generations to come.

David and Katherine Downs



Seven years ago my life was saved by CAR T-cell therapy in the USA – a ground-breaking cancer treatment that wasn't available in New Zealand at the time. It made me and my wife Katherine realise the importance of supporting medical research here at home.

Like all parents, we want to make sure our kids are looked after once we're gone. We also want to ensure future generations have access to cutting-edge treatments that could save lives. We believe in the institute's vision of a more innovative, equitable and sustainable healthcare system that makes medical breakthroughs accessible to all Kiwis.

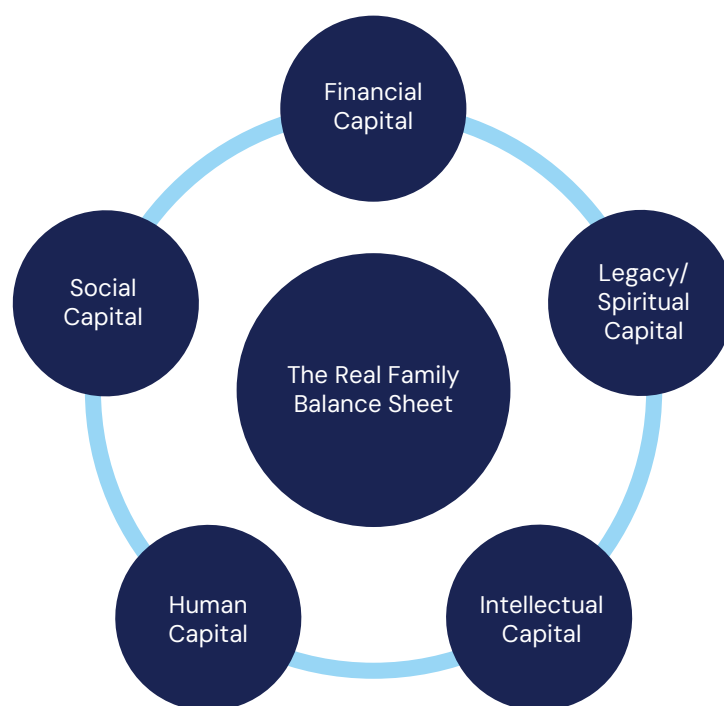
Our hope is that our legacy gift contributes to this transformation. By supporting the Malaghan Institute we're investing in a future where families, like ours, have more options, more hope and ultimately, more time.

The meaning of wealth

Whilst material possessions often define success in a society focused on accumulation, wealthy families increasingly recognise a deeper meaning of legacy that transcends tangible assets. As families transition through generations, the concept of a 'life well lived' can become defined by parenting, grandparenting and service to community. Parents naturally aspire to instil in their children generosity, a strong sense of family values, and a desire to contribute positively to society. The discussion to be encouraged then is whether an average asset breakup is achieving the best outcome for the family legacy that most are trying to attain. Financial success is often equated with wealth, but for families aiming to build a real legacy, 'wellbeing' takes centre stage. James (Jay) E. Hughes Jr., a renowned family enterprise advisor, proposes that families should exist primarily to enhance the lives of others. He identifies five key areas shown below, the 'real balance sheet of the family', that contribute to a family's ability to flourish across generations (Figure 3):

- **Human Dimension** – This encompasses the physical and emotional health of family members, fostering a supportive and nurturing environment.
- **Intellectual Dimension** – Encouraging continuous learning and personal growth for all family members creates a dynamic and stimulating environment.
- **Social Dimension** – Building strong relationships within the family and fostering connections with the broader community fosters a sense of belonging and purpose.
- **Spiritual Dimension** – This can encompass prayer, shared values, beliefs, and a sense of purpose that goes beyond the individual.
- **Financial Dimension** – Whilst the only quantitative element, financial capital plays a crucial role in supporting and cultivating the other dimensions, allowing wealth to have a deeper meaning.

Figure 3 – Elements of the full family balance sheet

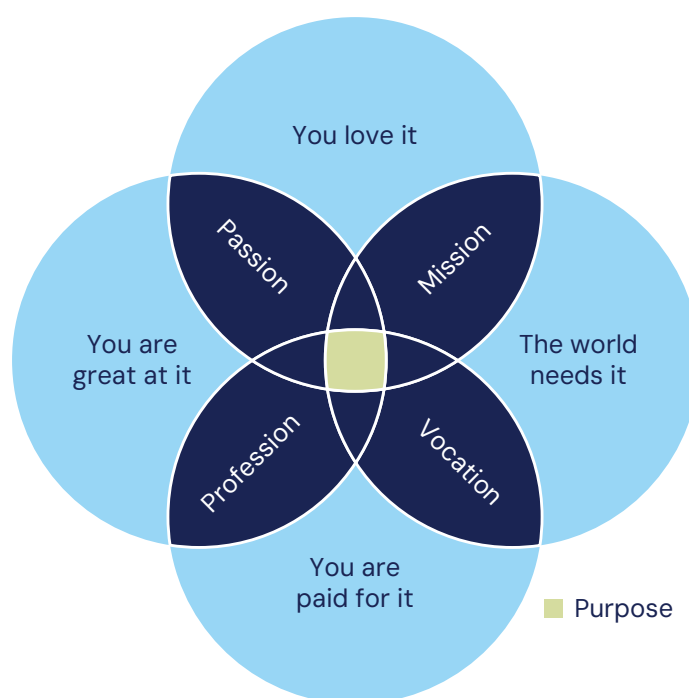


Source: James E. Hughes Jr.

By actively considering these five capitals when evaluating family wellbeing and wealth, families can significantly improve their chances of building a legacy and perpetuating wealth across generations.

Leaving children the right share of the full family balance sheet can better equip them to achieve purpose in their own lives. Putting in place support for broader societal impact through an inheritance that goes beyond just family can be the common thread that stitches future generations together. Leaving them enough to achieve purpose (Figure 4) and guiding them with the values and family ethos exhibited during your life may be the best gift to pass on.

Figure 4 – Productivity and the power of purpose



Source: Productivity and the power of purpose, by Ashutosh at Medium



— **Breast Cancer Foundation NZ**
Ah-Leen Rayner, Chief Executive

Breast Cancer Foundation NZ has made significant investments in our Gift in Will programme in recent years, and we are incredibly grateful to JBWere for providing such an in-depth, insightful report to help direct our strategic planning and further investment into this space.

Melanie is an incredibly passionate woman and was brought up with the values of giving back and supporting people. She has felt the impact of breast cancer, losing friends and her beloved sister-in-law, Kate, to this disease.

“Kate was only 51 and she had such a spiritual aura about her. She just was one of those extraordinary, lovely people.” This led her to become involved with Breast Cancer Foundation NZ in many different ways, most importantly, by leaving the Foundation a gift in her Will. “In my lifetime I want to see zero deaths from breast cancer, I don’t want my loved ones to lose anyone else to breast cancer.”

— Melanie Miller, BCFNZ supporter who has left the Foundation a gift in her Will



How to approach the intergenerational family discussion

By openly communicating and documenting their values, a family can develop their own legacy statement. This statement should capture the shared values and vision that bind the family together and will support them in navigating any challenges with greater clarity and purpose. When used as a guiding principle for addressing wealth transfer questions, it can help families;

- **Minimise conflict** – Whilst conflict may not be entirely avoidable, a strong legacy statement equips families to process decisions collaboratively and accept outcomes, reducing the risk of disengagement and fractured relationships.
- **Foster open communication** – Families are inherently emotional systems, with deep-seated feelings influencing behaviour. Open communication, trust building, and a shared sense of purpose are essential for managing hurt feelings and disappointment, which inevitably lead to conflict.
- **Build a stronger family unit** – By addressing the human need for love and belonging, families can cultivate a sense of connection where family members feel heard and treated fairly. This fosters a thriving family unit, contributing positively to society as a whole.

Whilst planning is critical, it is not sufficient to avoid conflict. Having a plan that is not discussed presents a high likelihood of conflict – communication is key. It is never too early to incorporate these strategies into your family routines. Adapt the communication style and frequency to your specific needs and family. Whether it is annual family retreats or regular family meetings, create a space for open dialogue about the family wealth and shared values.

- **Defining family goals** – Discuss and define what ‘good’ looks like for your family. What are the shared aspirations and values?
- **Open communication channels** – Establish a safe and open environment where family members can share ideas and information.
- **Lifelong learning** – Cultivate a culture of continuous learning that encourages personal growth for all family members across the generations.
- **Family identity** – Collectively define what your family represents and what core values bind you together.
- **Shared vision** – Articulate a shared vision for the future that guides your decisions.
- **Storytelling and documentation** – Utilise storytelling and documentation to preserve family history, strengthen connections, and foster a sense of belonging across generations.
- **Family dynamics** – Acknowledge and understand the unwritten rules that shape family interactions. Some families may even establish a code of conduct to ensure respectful communication.
- **Decision making** – Clearly define who participates in family decision making processes. Outline roles and responsibilities for each member to ensure clarity and prevent conflict.



One of the trends increasingly seen in the USA is for the family charitable foundation, established during their lifetime, to be a recipient of the intergenerational wealth transfer. The higher proliferation of family foundations in the USA is part cultural, part taxation, particularly from Estates, and part the length of time they have been available.

New Zealand and Australia are slowly catching up with the growing number of charitable trusts (including Private Ancillary Funds in Australia) and an increasing interest in the use of subfunds in community foundations. We expect an increasing number of these funds will be a part recipient of inheritances. A recent discussion with a charitable trust holder demonstrated this likelihood as they explained that their four children have been told the family charitable trust is now being treated as their 'fifth child' when it comes to inheritance. The recent book by Peter Winneke, *Give While You Live*, promotes both this broader enjoyment of giving while donors are alive to see the impact.

If the growing number of these vehicles were also beneficiaries of an inheritance, the impact created in the for-purpose world would be dramatically improved and the lives of their family enhanced through their ongoing connection to community.



— **Tōtara Hospice**
Tina McCafferty, Chief Executive

The JBWere Bequest Report underscores the opportunities available to the charitable sector to harness intergenerational wealth transfer. By championing bequests, fostering legacy conversations, and removing barriers, we can unlock unprecedented resources to address society's critical needs, ensuring lasting impact and transforming the future of philanthropy.

'Andrea' was a long-time supporter of Tōtara Hospice. She volunteered her time in 'house services' and would also occasionally donate useful items for patient care, such as linen. Andrea arranged for her support of Hospice to continue after her own death by leaving a legacy gift in her will; a humbling, extraordinary bequest of \$370,000. This supported daily operations and the renewal of the kitchen and laundry, which she would have loved. With only 50% of our operating costs covered by government, Andrea's foresight made an invaluable impact. A loved one shared her motivation: she deeply believed in supporting hospice care, recognising its underfunding. We honour her legacy and remain grateful for her extraordinary contribution.



How can you make your legacy count?

A guide to bequesting by ImpactLab, a leading New Zealand social analytics firm.

Deciding which bequests to write into a will is one of the most impactful decisions a person – or family – can make.

One of the most frequent questions we get asked as a social impact firm that speaks regularly with the country's philanthropic community is 'how can I make sure my legacy counts?'

Bequests are amongst the most valuable donations a charity can receive. They are an efficient way of raising funds for an often time-poor group of people, and crucially, they are not generally pegged to a certain outcome so organisations can put them towards any kind of spending they might require.

What kind of legacy do you want to leave behind?

We know it can be difficult to gauge which charitable causes and organisations you should put your bequests toward, particularly when they are so many worthy ones.

Before you even think about organisations or even the sector you would like to make an impact, it can be worth thinking about what kind of impact you would like to make.

In 2023, ImpactLab and Jarden produced a joint research report into New Zealand's charitable sector. We found that there were three distinct categories New Zealand charitable investment fell into depending on the kind of intervention a charity delivers: broad, deep or balanced impact.

A 'broad impact' charity delivers services to a wide base of people, often for relatively little investment – think a sports club running tournaments for kids.

At the other end of the spectrum is 'deep investment' providers, who put substantial investment into fewer people, often because they have very complex lives and needs – examples could be finding secure housing or employment.

Finally, there are balanced impact organisations who fall somewhere in the middle such mentoring for young people in lower socio-economic areas.

None of these categories indicate a better investment over another – they are simply different ways of operating – but can be useful to consider as part of your values and legacy.

Know, show and grow

Trust is a key ingredient when it comes to making bequests – especially when you are expecting your bequest to make an impact long after you might be gone.

But how can you trust that an organisation is making impact? Or that they will use your bequest wisely?

We always advise funders to look for the ‘know, show and grow’ within a charitable organisation.

- **Know** – Is the organisation clear on who it exists to serve and how it is seeking to make a difference? And does the organisation use any data to track whether this is happening? In our experience, teams that are clear each day why they are turning up to work are more motivated and better able to focus, build the right partnerships and respond quickly as their environment changes.
- **Show** – Can the charity demonstrate how it is making impact and share this story with potential supporters? Regular social impact reporting is one way to do this. Social change is complex and often does not happen overnight. So as well as short-term signs of change, it is important to understand the difference an organisation is making over the long term. Look out for key metrics like Social Return on Investment (SROI) and Total Social Value. These measures are internationally recognised ways of quantifying how an intervention supports positive change for people over their lifetime.
- **Grow** – Does the organisation you are considering have a growth mindset? For example, have they made improvements to how they operate based on prior data insights? Do they have ideas for how they can improve their service to have even more impact for the community they serve? This willingness to learn and improve is a great sign that your bequest is in safe hands.

About ImpactLab

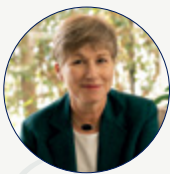
ImpactLab was established in 2018, with a commitment to making investment work for communities, so that people can live the lives they choose. ImpactLab connects decisionmakers in the social and community sector with information that helps them to do good, better.

The team at ImpactLab combine powerful analytics, the best academic evidence, and frontline community data, to help community organisations know, show and grow their impact.

Practical instructions for bequests

We recently worked with a donor who wanted to find some practical ways to ensure their bequest will be managed well, particularly after their trust has passed on from being managed by immediate family members. They decided to include guidance for trustees, recommending a social impact report be undertaken before investing in an organisation not already approved by the bequester.

We also work with a number of charities who are able to use bequest donations to fund regular social impact reporting and improvements to their data systems. These investments, which can be difficult to fund out of tagged or contracted funding, have enabled these charities to better know their impact, build the confidence of their funding partners, and identify targeted opportunities to improve.



— **Christchurch Foundation**
Lynne Umbers, Interim General Manager

The report explores the complexities between wealth, values and family dynamics. In doing so, it highlights the opportunity to leave a lasting legacy beyond the family unit.

Community Foundations are ideally placed to act as a conduit for such generosity, providing support locally, where it is needed most, now and in the future.



Karen Koed saw a need, and has stepped up to fill it.

“Many women can’t access the treatment I had after my breast cancer. I wanted to prevent the potentially disabling effects of lymphoedema. That’s why I have an endowment with The Christchurch Foundation, and this fund is included in my will.”

The Koed Lymphoedema Treatment and Research Support Fund will enable patients to access treatment, and contribute to lymphoedema research. “Lymphoedema treatment helps rehabilitation, so patients can get back to the normal physical things they love. For me, it was dancing and tai chi.”

Karen wishes that for everyone, and that’s why this bequest is so important to her. “My mind is at rest, knowing the fund is ready for the gift when I pass.”

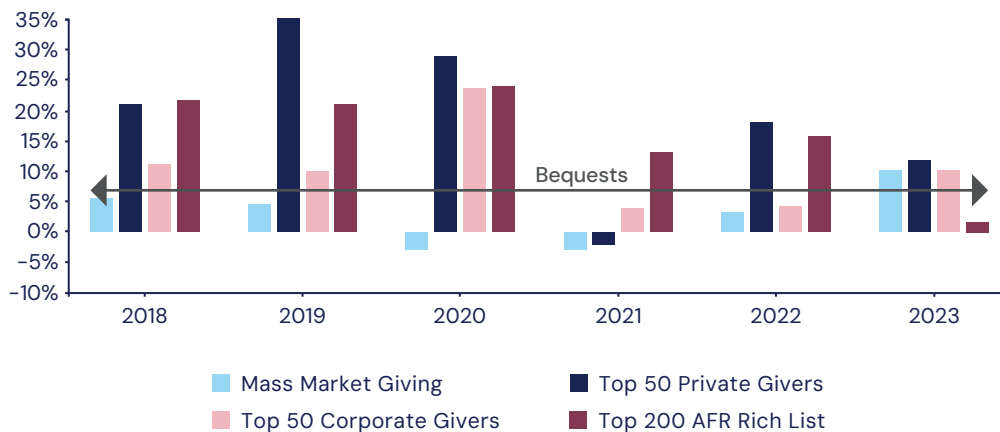
Opportunities for the for-purpose sector

The for-purpose sector will see great change in coming decades. Larger and evolving demand for services, continuing tight profit margins, not to mention ongoing COVID recovery, climate change and Artificial Intelligence will meet an ageing and growing population. The continued fall in mass market philanthropy and the current rates of volunteering are a worrying backdrop. Thankfully, there are opportunities from these changes.

Why charitable bequests are important

Philanthropy is the most valuable form of income for the for-purpose sector as it mostly comes without the service provision costs of government or client (fee for service) income. Although the cost of fundraising has risen over the last two decades due to competition in a falling mass market, it is still the highest margin form of income. Within that fundraising mix, bequests are the most valuable. They provide the highest returns on investment (around 25 times compared to 3–4 times for overall fundraising) and are usually unrestricted (only an average of 9% has a defined use). Also, while for individual organisations, bequests can be quite volatile year to year, for the overall sector they have averaged a reasonably steady estimated 7% growth in recent years. While annual growth rate comparisons to other forms of giving are not yet available in New Zealand, Chart 10 (based in Australian data) shows the relative attractiveness of bequests versus mass market giving, even at a rate a little less than here. We estimate charitable bequests in New Zealand at \$320 million for 2023.

Chart 10 – Annual growth rates for giving and wealth 2018 – 2023 Australia



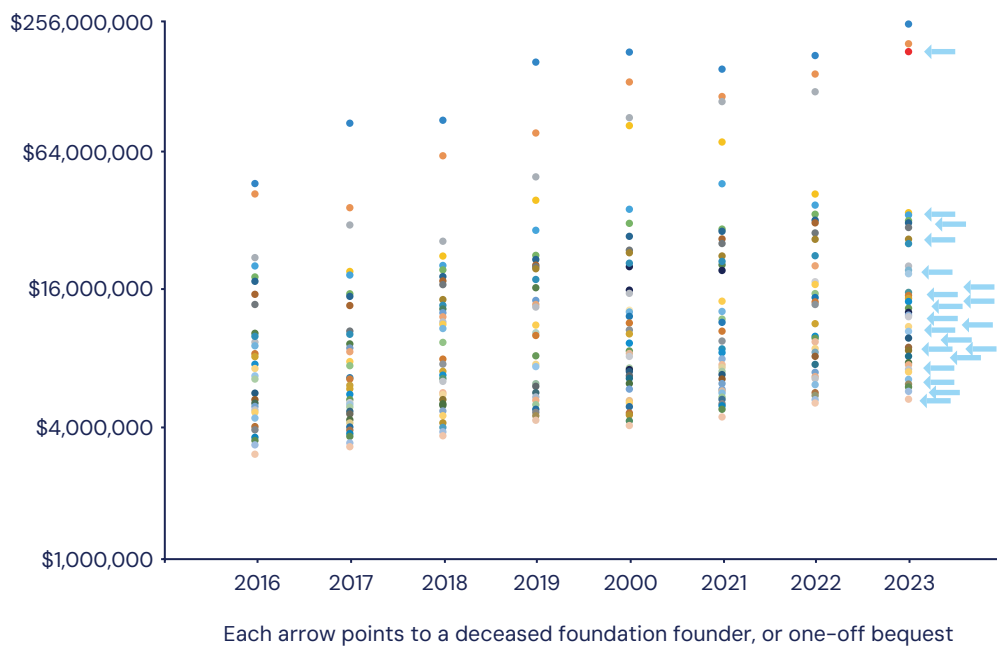
Source: JBWere estimates, AFR Rich List, JBWere/NAB Charitable Giving Index

The generally unrestricted nature of bequests is a rare and important factor for recipients, allowing funds to go to the highest priority, even if it is not the most 'attractive' funding area (e.g. administration costs). It can also allow the building of a future proofing corpus for an organisation which is often difficult to build from usually slim operating margins.

Bequests do present some challenges for organisations. They are difficult to predict, except for only the largest groups with a long and deep pipeline of prospects and confirmed donors. There is usually a long lead time, although having a strong relationship with a future bequestor who can pass on their intended support in messages and encouragement to others may be of even greater value. While bequests can be challenged, fewer than 5% are – however, they can receive more publicity. Encouragement for families to discuss intended bequests with children during their lifetime further reduces this likelihood.

To show the significance of bequests at the top end of philanthropic funding, we can look at the trend from the top 50 individual and family funders in Australia that JBWere has analysed for the Australian Financial Review over the last 8 years in their annual Philanthropy 50 special edition (Chart 11). In the most recent year to June 2023, we saw four large one-off bequests make the list and an even more impressive 16 from Foundations, established by now deceased founders, which are annually providing charitable grants at the top end of Australian philanthropy.

Chart 11 – Largest 50 private donations in Australia



Source: JBWere



— KidsCan Charitable Trust
Debbie Bell, Head of Philanthropy

KidsCan is fully supportive and eagerly anticipates the JBWere charity sector reports. Their support to the industry is significant and their deeply insightful research and benchmarking is helpful to our work and our donors in making well informed decisions.

We eagerly anticipate the arrival of the 2025 Bequest Report and using it to help guide some of our strategic thinking in this area.

Putting KidsCan in my will was a no brainer for me. To think that the work will carry on as part of my legacy gives me huge peace of mind and joy. As a supporter for many years, for me this is a logical way to ensure this imperative work goes on and that children of tomorrow will have this support. I fully endorse KidsCan's work and encourage other people to also leave a gift in their Will – any amount can make a difference.

— Anonymous KidsCan donor.

What we currently know about charitable bequests

The starting comment needs to be that there are large gaps in both international data and in New Zealand. While there has been some good analysis done by Public Trust (Intergenerational wealth research, June 2023) and *More Strategic and Project Periscope* (New Zealand's Willpower, March 2022), it was difficult when the charities regulator, Charities Services, ceased collecting individual charity bequest data from 2016. Various other countries estimate bequests using either a top-down or bottom-up methodology meaning consistency is not perfect, but data is gradually improving.

We have compiled data from various sources to compare annual inheritances on a top-down basis and then estimates of each country's charitable bequests from that inheritance pool (Table 5). The significant factors are highlighted showing that New Zealand ranks very highly on wealth and reasonably well on the proportion of people writing a will as they age, however we are well below on the proportion who include a charitable bequest and on the proportion of inheritance given to charity, particularly when compared to the USA and UK. Australia, also without estate or inheritance taxes, is similarly lower. Our reliance on bequests within overall philanthropy is lower than other countries but that is more reflective of other giving being higher, (e.g. Community Trusts and gambling revenue).

Table 5 – Inheritance and charitable requests by country

Local currency	NZ	USA	UK	Australia
Population (million)	5.2	338	67.5	26.0
Average wealth per adult global rank	# 7	# 4	# 13	# 5
Median wealth per adult global rank	# 5	# 14	# 8	# 2
Annual deaths	36,400	3,280,000	580,000	191,000
Total value of annual inheritances (billion)	\$26.20	\$1,035	£109	\$135
Average value per inheritance	\$720,000	\$315,549	£187,759	\$706,806
Proportion of population with a will	55%	32%	44%	60%
Proportion aged over 70 with a will	86%	72%	78%	90%
Proportion of wills including a charity	6.0%	10.0%	13.7%	6.5%
Value of annual charitable bequests (billion)	\$0.32	\$45.6	£4.0	\$1.3
Proportion of inheritance left to charity	1.3%	4.4%	3.7%	1.0%
Bequests as a proportion of all philanthropy	5.1%	9.1%	14%	10%
Bequests as a proportion of total charity income	1.3%	1.8%	4.5%	0.6%

Source: JBWere estimates, Giving USA, Smeed and Ford UK, Public Trust, Australian Taxation Office, Australian Charities and Not-for-profit Commission, Charities Services NZ

The following section shows some of the characteristics of bequests received by the for-purpose sector.

When leaving a bequest, people can choose different ways of defining what or how the gift is calculated (Table 6): a specific amount or pecuniary gift (e.g. \$10,000) or a residual amount (e.g. 10% of the remainder of the Estate after specific values are deducted) or a specific item (e.g. a painting or a house). While the majority of bequests, by number, are specific values, when it comes to the financial value of those bequests, the residual amounts dominate giving.

Table 6 – Types of charitable bequests

Charitable bequest income by value		Charitable bequest income by number	
Residuary (proportion of Estate)	84%	Residuary (proportion of Estate)	38%
Pecuniary (specific amount)	8%	Pecuniary (specific amount)	55%
Other (e.g. specific items)	8%	Other (e.g. specific items)	7%

Source: JBWere estimates.

The data available from a number of countries highlights the concentration of total bequest value that resides in the small number of major gifts (Table 7). While this is true in overall philanthropy, it is much more pronounced in bequests where the total number of bequestors is so fewer than from living donors.

Table 7 – Concentration of gifts

New Zealand	
Proportion of bequests over NZ\$1m	1%
Value of those in total bequests	52%
United Kingdom	
Proportion of bequests over £100,000	9%
Value of those in total bequests	59%
USA	
Proportion of large bequests	1.1%
Value of those in total bequests	43%
Australia	
Proportion of estates over AU\$2m	5%
Value of those in total bequests	56%
Proportion of estates below AU\$1m	85%
Value of those in total bequests	29%

Source: Christopher Baker Swinburne PhD, Fundraising Institute of New Zealand, Smee and Ford (UK), Russell James (USA)

Taking this concentration of gifts analysis further, the likelihood of gifts coming from larger Estates is significantly higher than from smaller Estates (Table 8). In both the USA and UK, estate and inheritance taxes help skew this trend even further.

Table 8 – Charitable bequests by estate size

USA (USD million)	1 – 1.25	2.5 – 5	5 – 10	10 – 20	20+
Charity share of assets	5%	11%	12%	17%	32%
Taxes share of assets	9%	25%	37%	41%	37%
Heirs share of assets	85%	64%	52%	43%	31%

UK (£ million)	Below 0.25	0.25 – 0.5	0.5 – 1.0	Above 1.0
Proportion including a charitable bequest	14%	27%	25%	38%

Source: HM Revenue and Customs (Pharoah and Harrow), IRS (Schervish)



— **Wakatipu Community Foundation**
Jennifer Belmont, Chief Executive Officer

As CEO of the Wakatipu Community Foundation, I want to thank JBWere for this vital report. It highlights the transformational opportunity intergenerational wealth transfer provides to support social and environmental needs...forever. Congratulations on creating such a valuable resource for Aotearoa.

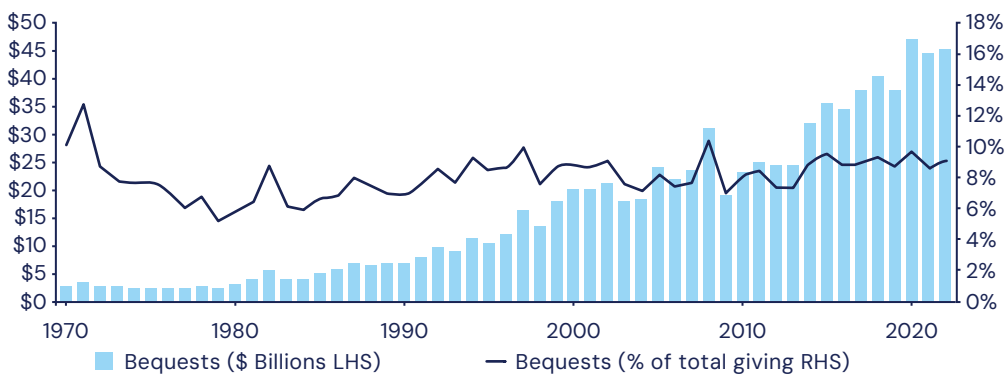
Sheena and Steve Brent are passionate about making a lasting difference in the community. Reflecting on their decision, they shared:

"We've seen the impact philanthropy can have and wanted to leave a legacy that helps the community thrive. Including a gift to the Wakatipu Community Foundation in our will felt like a meaningful way to continue supporting the causes we care about long into the future. We hope others will consider doing the same—it's a powerful way to give back and create lasting change."

Their inspiring commitment demonstrates how planned giving can extend generosity beyond a lifetime, helping to build a stronger, more vibrant future for everyone.

Detailed and long term giving data is available in the US from Giving USA (Chart 12) and shows a consistent 9% of overall philanthropy coming from bequests. It also shows the significant rise in the value of that giving over the past decade. Given the strong rise in high net worth and foundation giving in the USA over that period, bequests have been impressive to maintain that share of overall philanthropy. A smaller but growing proportion of those bequests have also been directed to family charitable foundations established by the bequestor or previous family in their lifetime.

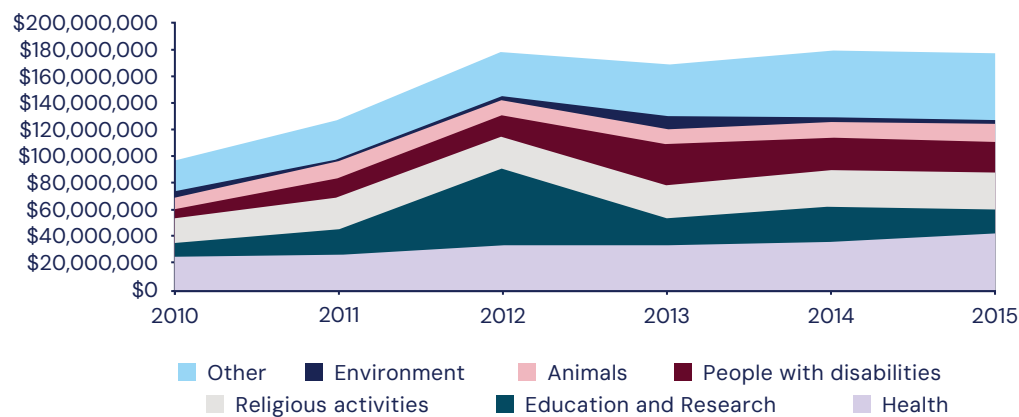
Chart 12 – Charitable bequests in USA 1970–2022



Source: Giving USA

New Zealand’s charity regulator, Charities Services, collected separate bequest data for a recent period and so provided a view into both totals and, more importantly, giving by cause which has provided useful data in estimating bequestor choices between causes (Chart 13). We would strongly encourage this reporting to recommence as it provides valuable data on both total and cause area support for the sector, particularly at this time of increasing intergenerational wealth transfer. It can also act as a catalyst to normalising of leaving charitable bequests.

Chart 13 – New Zealand bequests to charities by cause 2010–2015



Source: Charities Services NZ

There can be significant differences annually between causes supported due to the importance of unique larger gifts and some country differences are evident. However, data is patchy, and we have attempted to average the causes receiving bequests over a number of years and rounded to 5% for other countries to reflect that volatility (Table 9). For New Zealand, we have used the period when Charities Services collected data between 2010–2015. The often mentioned, animals cause is quite reliant on bequests at around 50% of total income, but it is also important to note the strong link between that cause and the passion and personal link to their donors. This should provide a lesson on the “what’s in it for me” message for other organisations looking to gain bequest support.

Table 9 – Bequests by cause

	NZ	Other countries
Health	23%	20%
Medical research	10%	10%
Animals	8%	20%
International	3%	10%
Environment	2%	5%
Religion	15%	10%
Welfare	12%	15%
Other	27%	10%

Source: JBWere estimates, Charities Services NZ

Future trends between causes will be decided by a combination of the demographics tending to support each cause, the evolving nature of public interest and the need demonstrated for those causes. While there will be short and medium-term winners, the focus must be on strongly growing the pie, rather than competition between causes. We all have much more to gain by broadly promoting charitable bequests than by being protective of our own share.



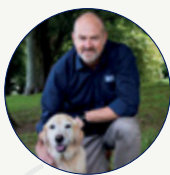
— **Hato Hone St John**
Peter Loveridge, Deputy Chief Executive – Community Health

Bequests are a vital source of income for Hato Hone St John. I am thrilled to endorse the JBWere Bequest Report, which provides valuable insights benefitting charities. As the opportunity for wealth transfer is imminent, we are grateful to all philanthropic individuals and families who contribute to the impact of the charitable sector by way of gifting a bequest.

“I’ve experienced the good work St John does in the community and want to help keep that going into the future.”

— Barbara, Hato Hone St John supporter

Barbara has included Hato Hone St John in her Will, to give back to the people who’ve been there when she needed them most. She’s proud that her legacy will help frontline crews continue to make a difference for families in the future, as they have done for her family and community over her lifetime.



— **Royal New Zealand Society for the Prevention of Cruelty to Animals (RNZSPCA)**,
Todd Westwood, Chief Executive Officer

The Report provides insights and context into generational wealth and the social factors shaping our donors' perspectives and choices. By better understanding supporter trends and behaviours, we can focus our resources more effectively. Converting supporters into legacy donors is essential for our ongoing sustainability.



Pinky Shah, Legacy Donor SPCA – “By leaving a gift to the SPCA in my Will, I know I can help animals in need, honouring my love for them and supporting the SPCA's vital mission. I want to help to prevent animal abuse and as a vegetarian help improve animal welfare. Their work in education, especially around de-sexing and microchipping, which I am passionate about, are essential to reducing the number of rescue animals needing homes. With more resources, they can focus on animals that truly need help rather than those born from unplanned litters. If everyone has the foresight to include a gift in their Will, we will all be contributing to a safer, better future long after we have all gone.”

How to focus on and grow charitable bequests

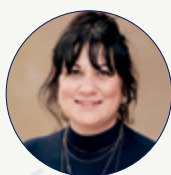
The most important starting point is for the Executive and Board to have an understanding of the opportunity and be supportive of the commitment required across the organisation. This means a multi-year (10 minimum) agreement to build and adequately resource at the appropriate scale.

Harnessing broad data from organisation records is important, not just current donors. Past supporters, current/past staff and volunteers should be part of the data set along with details where it is available including age, gender, and family situation. Depending on the nature of your organisation, data on the population by region, such as demographics and wealth, are important parts of the equation.

We know that, overall, only 20% of bequests come from people who have told you that they will be leaving one. Another 40% come from those you already know but did not realise they would leave a bequest. This leaves a huge 40% coming from people you did not know, but obviously knew of you. While this will vary between causes, it does highlight the need to be known. Name recognition is vitally important, hence the education of the public including local lawyers, wealth and financial planners and media about what you do is critical. Broadly, 90% of philanthropy goes to the top 10% of organisations by size. For charitable bequests, the concentration is even more pronounced with 95% going to the top 5%.

Being able to articulate why leaving your organisation a bequest is good for that person is important. What do they get out of it? Legacy, future impact from them when they are not around, family involvement and remembrance are all important but often missing pieces in the discussion.

Finally, the “how to do it”. Trust, safety, ease and just awareness of the option of leaving a charitable bequest are all critical. Some of the developing options promoted by groups such as ‘include a charity’, are helping raise awareness of the options and smooth the process for potential donors. It is not just about building a pipeline of potential bequestors, it is about stewarding those relationships over an extended time. One of the most powerful ways of having people consider a charitable bequest is when one of their peers speaks about why they have done it and what it means for their own family and legacy.



— **Auckland Foundation**
Melody Mobsby, Chief Executive

We often hear snippets about the ‘unprecedented intergenerational wealth transfer’ occurring in Aotearoa without the wider context or understanding how this will shape the future of giving. The JBWere Bequest Report provides insight into how bequest opportunities allow us to be deliberate with our generosity to create a legacy and make our giving go further and forever.

Having personally experienced the heartbreak of child cancer, Joy Whitley wanted to create something that would help to support families going through a similar experience. After losing her young son Clinton to lymphosarcoma, Joy dedicated her life to supporting families affected by child cancer. Her bequest to Auckland Foundation, contained in the Clinton and Joy Whitley Fund, ensures that her support will continue well beyond her lifetime. Long-time friend Adele says, “I particularly remember Joy’s love, kindness and amazing generosity.” Thanks to Joy’s generosity, the Fund will support organisations working in paediatric oncology and give hope to children and their families for generations to come.

Vision for the future

While the growth in the future value of total inheritances is locked in by demographics, it is how they are used where we could see the potential for great gains for Aotearoa New Zealand society. The opportunity is for families to pass on financial assets in alignment with their values, allowing the for-purpose sector to play a more significant role in assisting that legacy over time.

It is curious that when we examine our giving habits during life, an increasing proportion of people claim a tax credit for giving as they age and become wealthier. However, when we compare the statistics for bequests, both the proportion leaving them and the proportion of assets given declines significantly, despite not having personal expenses at that point. While some 60% give financially in some way each year, only 6% leave a charitable bequest. Much of this comes down to not considering charitable giving as a normal part of the will-making process in the way that people do when alive.

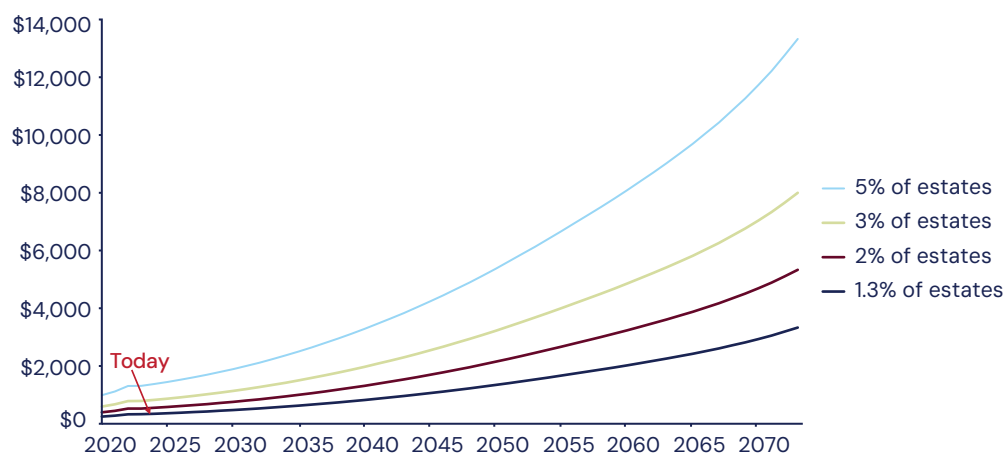
There are several factors that could enhance this scenario:

- Improving the proportion of those leaving a charitable bequest in their will, partly through a national giving campaign for philanthropy and volunteering that would raise awareness and help normalise this, and other giving and volunteering options.
- Education of influencers such as lawyers, wealth and financial planners, media and peer champions are needed to raise the recognition of this opportunity.
- As a component of this campaign and national discussion, highlight the advantages of legacy being created through passing on values and how for-purpose organisations can be part of the solution for donors in helping achieve generational goals in their wealth transfer.
- If we can accelerate the growth in family giving vehicles (charitable trusts and subfunds within community foundations) during people's lifetime, that future home for a part of their inheritance can be created and enjoyed while living and greatly enhanced for future generations.
- Consider the establishment of 'living bequests' in New Zealand. The US form of this structure has encouraged many confirmed bequests to be formed while donors are alive by providing a small tax incentive during their lifetime for a contractual gift after passing.
- While a much broader taxation discussion, it is observed that countries with a higher proportion and value of charitable bequests, usually also have estate or inheritance taxes which influence decisions, particularly at higher Estate values.

If we change nothing, charitable bequests are set for a significant increase in coming decades (Chart 14). However, if we enact some of the above suggestions, that value could rise even further, transforming both the for-purpose sector and benefitting our society more broadly, including those descendants who saw only a marginal reduction in their share of this growing pool of the intergenerational wealth transfer.

If we could normalise the inclusion of a charitable bequest and raise the participation rate to 30%, with giving from these to 10% (i.e. just 3% of total inheritances), we would see a huge jump from this growing pool to potentially \$2.4 billion in two decades – an almost eight fold increase.

Chart 14 – Value of annual charitable bequests in New Zealand (\$ million)



Source: JBWere estimates



— **Heart Foundation**
Alison Wheatley-Mahon, Head of Fundraising and Partnerships

The JBWere Bequest Report for the New Zealand market provides current context and trends for legacy giving. The Report data helps shape not only strategy and planning but helpfully provides insights to have an evidence-based dialogue with Board and C-Suite colleagues.

For passionate horse enthusiast and champion driver, Dorothy, keeping families together for longer is a cause close to her heart. Sadly, Dorothy lost her father at age 67 to a sudden heart attack.

The loss inspired Dorothy to establish a legacy to prevent families like hers from losing loved ones too soon by pledging a gift in her Will to the Heart Foundation.

"I'm confident the Heart Foundation will put my gifts to good use," she explains. "Whether you have a little or a lot to contribute, it all helps. With our support, they can fund more research into the prevention and treatment of heart disease. I encourage more people to get behind them."



— **Diabetes New Zealand**
Heather Verry, Chief Executive

People who leave a legacy to Diabetes New Zealand are funding vital lifesaving services for people struggling with diabetes across Aotearoa. We launched our legacy programme in 2023 and already we can see how vital this programme is going to be to meeting future demand for our services.



For 86-year-old legacy donor Jenny Watts, her biggest heartbreak was the impact diabetes had on her pregnancies. In the 1960s little was known about the impact of high blood sugars on developing babies. Her first child was stillborn. Her son was born prematurely but survived and her third child died the day after her birth. "That was traumatic, I wouldn't wish that on anybody". Over the years Jenny has benefited from many medical advances, and she wants progress to continue for the next generation. "I thought we might have seen a cure for diabetes by now. But I believe it's possible and with the right research we will just continue to see breakthroughs. I want that for other people.

Author



JOHN MCLEOD Senior Research Consultant
Family Advisory and Philanthropic Services, JBWere Australia

John co-founded the JBWere Philanthropic Services team in 2001. Prior to this John spent 16 years as a financial analyst and manager of the Resource Research group within the firm's top-ranking strategy team.

John produces the leading research reports into the trends in the for-purpose and philanthropy sectors. In 2013, John co-authored the Impact – Australia report with the Federal Government, highlighting the current practice and growth potential for Impact Investing. In 2017, John co-authored Growing Impact in New Zealand, released at the Social Enterprise World Forum held in Christchurch. John has also produced the following research insights:

- The Cause Report (2016) examining the evolving shape of the for-purpose sector in Australia and the New Zealand Cause Report in 2017 and 2021;
- The Support Report (2018) focussing on the dramatic trends occurring in Australian giving and the implications for recipients over the coming decade and the New Zealand Support Report in 2020;
- The Corporate Support Report (2022); The evolution of corporate giving and community investment in Australia and the New Zealand Corporate Support Report in July 2022.

John also compiles the list of Australia's major philanthropists for the Australian Financial Review's (AFR) annual special, Philanthropy 50; and the list of Australia's top 50 companies for corporate community investment published in the AFRs Boss magazine. John serves on a volunteer basis as a Non-Executive Director for Liverty Housing and Philanthropy Australia.

Contributor



JOHN MORROW Head of Philanthropic Services
Family Advisory and Philanthropic Services, JBWere New Zealand

John leads the NZ Philanthropic Services that works alongside JBWere NZ Investment Advisors to assist purpose-led organisations and philanthropic families in Aotearoa New Zealand to contribute to positive and lasting impact.

John has contributed significantly to a number of JBWere Reports: he is the co-author of the 2021 New Zealand Cause Report, and the inaugural 2022 New Zealand Corporate Support Report which looks at local corporate generosity and community investment. He has also recently written the Outlook for Giving 2024-25 and has supported the release and publication of the New Zealand Bequest Report 2025.

A former banker and lawyer who has worked in or advised New Zealand's not-for-profit sector since 2003, (including at World Vision New Zealand as Head of Micro-Enterprise Development), John's expertise includes advising on the establishment and structure of significant fundraising and granting foundations. He has dedicated the past 14 years working with diverse boards, organisations and individuals that are committed to improving their sustainability and contributing to positive social and environmental change.

He supports charities and for-purpose organisations in their change strategy and fundraising initiatives. He assists philanthropic families in making a broad range of decisions concerning the design and execution of their giving strategies and review of next practices.

John recently graduated from the Maura Consulting Te Kaa programme, and the Australian Governance for Social Impact course (CSI-UNSW).

Across Australia and New Zealand JBWere Philanthropic Services supports more than 700 purpose-led clients.

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JBWere is a leading wealth manager that strengthens the financial standing of individuals, families, for-purpose organisations and companies, through tailor-made wealth and investment strategies, with a proud longstanding history.

About JBWere Philanthropic Services

Working with charitable and other for-purpose clients has been a key cornerstone of the growth and history of JBWere over its 184 years of existence.

For decades, we have partnered with our for-purpose clients to support them in shaping a better society.

The experts in our Philanthropic Services team are wholly focussed on leveraging the heritage, strength and scale of JBWere and our international network, so we can provide tailored advice and insight to our diverse range of clients.

As a trusted partner we develop a deep understanding of our for-purpose client's mission, needs and circumstances. We then proactively leverage our experience, expertise and networks to provide tailored advice, build capacity and facilitate valuable connections to ensure our clients are positioned to fulfil their ambitions.

If you are a family considering the role of bequests in your succession planning, or a for-purpose organisation who would like to explore how to turn these insights into strategy, please contact your JBWere adviser, or John Morrow at john.morrow@jbwere.co.nz or +64 21 441-087.

Our purpose:

- To inspire and support our clients to create lasting positive impact
- Leading provider of investment and philanthropic services to for-purpose in NZ and AUS
 - for-purpose individuals and families in structured giving and family governance
 - for-purpose organisations in community delivery, healthcare, research, aged care, education, faith, local government, industry and mutuals
 - business on a shared value journey, redesign, brokering partnerships
- Ensure latest insight and access to deliver on their mission
- Supports governance of impact in their impact investments – Investing for Good™

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700+
For-purpose clients

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JBWere

JBWere New Zealand

Auckland

Level 38, Vero Centre
48 Shortland Street
Auckland 1010

Telephone 09 927 1200
Toll free 0800 555 555

Wellington

Level 4, NZX Tower
11 Cable Street
Wellington 6011

Telephone 04 801 1429
Toll free 0800 555 5544

Christchurch

Level 6, Anthony Harper Tower
62 Worcester Boulevard
Christchurch 8013

Telephone 03 364 5610
Toll free 0800 555 553