

The Great Wealth Transfer: Will It Be Great for Nonprofits?

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The Chronicle of Philanthropy article “[*The Great Wealth Transfer: Will It Be Great for Nonprofits?*](#)” examines the unprecedented opportunity for charities as an estimated \$18 trillion is expected to flow to philanthropic causes over the next 24 years.

Highlighting technology like FreeWill, which has already facilitated billions in charitable commitments, the piece underscores how technology and strategic planned giving can help nonprofits secure transformational gifts during this historic shift. Below are key talking points and insights from the article to guide discussions on maximizing this moment for nonprofit success.

FOUR KEY TAKEAWAYS

Significant Wealth Transfer Anticipated

Financial firms predict trillions of dollars will be transferred to charities over the next two decades, primarily from the baby boomer generation.

\$18 trillion will flow to charity over the next 24 years through wealth transfer alone — an average of nearly \$750 billion per year.

Planned Giving is Crucial

Nonprofits should prioritize and invest in planned giving strategies to secure their financial future, even if it feels uncomfortable. “There are not enough Gen Xers to fill the shoes of baby boomer donors — they just don’t exist,” says FreeWill’s Schmitt, alluding to the fact that birth rates were lower in the generation that followed the baby boom

“If your core donor is 70, in 15 years there will be fewer 70-year-olds than there are today. The way that you bridge the mountaintops of boomers and millennials is you get planned giving to carry you through the trough.”

Engage Younger Donors

Connecting with younger generations who will inherit wealth is essential, as they often have different philanthropic approaches.

From 2024 to 2048 an estimated \$12.37 trillion of wealth will transfer between generations. Nearly two thirds of that will come from baby boomers. Philanthropy will receive roughly 15%.

Technology and Soft Sell

Utilizing technology to reach donors and employing a "soft sell" approach when discussing planned gifts can be more effective than traditional methods.

Susan G. Komen had 20 known bequests in 2021, but since working with software companies like FreeWill, they now have over 1k+ known bequests totaling more than \$400M in pipeline.

THREE KEY ACTIONS FOR NONPROFITS TO TAKE

Invest in Planned Giving Programs

Nonprofits should establish or strengthen planned giving programs now to secure long-term financial sustainability. These programs allow organizations to cultivate relationships with donors who may include them in estate plans, leveraging larger gifts that often surpass annual contributions.

Engage Younger Generations

To capitalize on the wealth transfer, nonprofits must actively connect with Millennials and Gen Z donors.

This includes demonstrating authenticity, showcasing tangible outcomes, and providing diverse ways for them to contribute, such as volunteering, peer-to-peer fundraising, or joining junior boards.

Utilize Data-Driven Fundraising Strategies

Organizations should adopt advanced tools like artificial intelligence and data analytics to understand donor preferences and track wealth transfer events. Continuous enrichment of donor data will help nonprofits identify opportunities and adapt their fundraising strategies effectively.

Additional Resources on the Value of Planned Giving Right Now:

Bequests were the only source of funding that went up inflation adjusted in 2023 (Source: [Lilly Family School of Philanthropy](#), Giving USA), and we are just at the beginning of a giant wave of bequest realizations thanks to the Great Wealth Transfer.

Estimates of the Great Wealth Transfer just continue to grow. When FreeWill started in 2017, it was \$70T. The latest figure is \$124T (Source: [Cerulli Associates](#)).

We expect acceleration of bequests growing as a portion of total nonprofit funding. ~90% of baby boomers who will fuel the Great Wealth Transfer are still alive today (source: [Population Reference Bureau](#), 76M original baby boomers, 11M deaths, and 11.5M in new boomers from net immigration, there remains \$100T+ to be passed).

By 2045, it's projected that only around 25% of baby boomers will still be alive (source: [Investopedia](#), [Pew research](#)).