

The Role of Baby Boomers in Global Philanthropy

As Baby Boomers hit key age milestones, think beyond planned giving strategies.

First, let's review some quick figures about US baby boomers:

- Baby boomers were born between 1946 and 1964.
- 2024 was considered the "peak 65" year for boomers, where the largest number of them turned 65 years old, the customary retirement year for most Americans.
- In 2025, baby boomers will be between 61 and 79 years old; and the majority of boomers will be between 61 and 69 years old.

Why is this information important for fundraisers to track? Because in addition to traditional planned giving, donations designated for an organization at a future date, often at the time of death through a will, it's important to be aware of other opportunities to receive gifts while boomers are still living, especially as they age into their 70s.

There are several options to consider when communicating with your donors:

Qualified Charitable Donations (QCD)

A QCD is a way for individuals aged 70½ and older to donate money directly from their traditional Individual Retirement Account (IRA) to a qualified charity, allowing them to exclude that amount from their taxable income. This essentially makes the donation tax-free while still counting towards the donor's required minimum distribution (RMD) for the year.

Many boomers accumulated significant wealth in IRAs during their working years and now retired, they are looking for ways to meet their RMD amount without increasing their tax liabilities. QCDs provide an excellent opportunity for them to do so while helping a favorite charity. As large numbers of boomers age into their 70s they may seek ways to reduce their taxable income, so be sure this option is in your fundraising toolkit.

Donor Advised Fund (DAF)

DAFs are a fund held by a foundation which allows a donor to make a charitable contribution, receive an immediate tax deduction and then recommend grants from the fund over time. DAFs have grown rapidly in popularity in the past several decades and are especially popular with high-net-worth boomers.



While most DAFs do not have annual or age-related distribution minimums, many DAF advisors intend to spend down the fund during their lifetime. So, be sure to inquire about DAFs when engaging with your donors.

Appreciated Securities

US donors can gift appreciated securities, such as stocks and bonds, to a charity. The donor won't owe capital gains tax on the securities and may be eligible for a tax deduction equal to their full market value.

Of course, donors of any age may hold appreciated securities, but many boomers invested in securities that have gained significant value over time. Ensure your donors are aware of this opportunity to support your charitable work.

In summary, much of the focus on baby boomers has traditionally focused on planned gifts, but don't miss out on opportunities like QCDs, DAFs and appreciated securities when engaging with your donors now and ensure these options are on their radar.

