



# INVESTMENT QUORUM

UNIQUE, BOUTIQUE WEALTH MANAGEMENT

**Investment Quorum**  
Guildhall House, 85 Gresham Street  
London  
EC2V 7NQ

**Tel:** 0207 337 1390  
**Web:** [www.investmentquorum.com](http://www.investmentquorum.com)

## Planning for succession

How you will 'slice up your wealth pie?'

There is no easy way to say it – anticipating one's death is an uncomfortable topic. Yet it is often worth pushing past the initial discomfort to pursue the potential rewards of effective wealth transfer planning. There are three places your assets can go at your death: to your family and friends, to charity or to the government in the form of taxes.

Almost half of all Baby Boomers say they have enough personal wealth that they can afford to gift some of it away during their lifetime, new research shows<sup>[1]</sup>. The figures, collected by YouGov show that 48% of Baby Boomers say they could afford to give money to family members before they die. Less than a third (29%) ruled it out, and 26% say they are unsure.

### LARGER ONE-OFF WEALTH TRANSFERS

Of those who say they can afford to make lifetime gifts, 40% say they would favour multiple small gifts and a third (33%) would prefer larger one-off wealth transfers. A further 30% are unsure which would better suit their needs.

Despite the large number of people who estimate they can afford to pass some of their savings and assets to family members, government statistics suggest only between 31% to 39% of people aged 50-69 have ever given a financial gift. And just a small minority appear to have a plan for regular annual gifting, with just 15% of 50-59-year-olds having gifted in the last two years.

### INTERGENERATIONAL FINANCIAL ADVICE

The statistics reveal the importance of wealth transfer planning and lifetime gifting advice. It is estimated that around £5.5trn of intergenerational wealth transfers will occur over the next 30 years<sup>[2]</sup>. An effective plan can lessen the likelihood

of family conflict, reduce estate costs, reduce taxes and preserve wealth.

Obtaining professional intergenerational financial advice will increasingly become a key part of financial planning for the Baby Boomer generation. This generation has accrued significant personal wealth, having benefitted from rising house prices, stock market growth and the higher prevalence of generous pension schemes, and they want to give younger generations a financial boost.

### LIFELINE FOR SOME YOUNGER PEOPLE

In contrast, younger generations often find themselves facing high house prices and the need to make significant personal contributions to their





# INVESTMENT QUORUM

UNIQUE, BOUTIQUE WEALTH MANAGEMENT

**Investment Quorum**  
Guildhall House, 85 Gresham Street  
London  
EC2V 7NQ

**Tel:** 0207 337 1390  
**Web:** [www.investmentquorum.com](http://www.investmentquorum.com)

FACTSHEET

Defined Contribution pensions in order to secure a decent retirement fund.

Giftng between the generations will increasingly become a lifeline for some younger people as they struggle to get on the housing ladder, pay for school fees and deal with the ever-increasing expenses of living.

## CAREFUL BALANCING ACT TO FIGURE OUT

Passing on wealth to the next generation is one of the most important yet challenging aspects of financial planning. It's vital that helping the younger generations doesn't come at the expense of your own retirement funds and so there is a careful balancing act to figure out if you can afford it. If you can afford to gift, it's vitally important to consider the various Inheritance Tax and gifting rules.

Despite this, there is still a clear 'gifting gap' between the number of people who can afford to gift and those who actually have a lifetime gifting plan in place. Gifting is a great way to help you make the most of your financial assets and enjoy seeing your life savings helping your children and grandchildren. ■

## WEALTH TRANSFER PLANNING PROCESS

Establishing who gets what, how they get it, and when they get it, are, as a general rule, personal matters. But these decisions can have significant financial implications. Life events, as well as market and regulatory factors, can impact the wealth transfer planning process. Therefore, it is important for your wealth transfer plan to remain flexible and be revisited and adjusted periodically. Please contact us to discuss your plans.

*Information is based on our current understanding of taxation legislation and regulations. Any levels and bases of, and reliefs from, taxation are subject to change. Tax treatment is based on individual circumstances and may be subject to change in the future. Although endeavours have been made to provide accurate and timely information, we cannot guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No individual or company should act upon such information without receiving appropriate professional advice after a thorough review of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions.*

### Source data:

[1] Research commissioned by Qulter and undertaken by YouGov Plc, an independent research agency. All figures, unless otherwise stated, are from YouGov Plc. The total sample size is 1,544 UK adults, comprised of 529 Baby Boomers, 501 Generation Xers and 514 Millennials. Fieldwork was undertaken between 07/07/2020 – 08/07/2020. The survey was carried out online.

[2] Passing on the pounds – The rise of the UK's inheritance economy. Published May 2019. Author: Kings Court Trust

