



INVESTMENT QUORUM

UNIQUE, BOUTIQUE WEALTH MANAGEMENT

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Intergenerational financial planning

COVID-19 increases desire for sustainable investing for half of UK adults

The coronavirus (COVID-19) pandemic has prompted a desire to move into ethical and sustainable investing for more than half (51%) of advised UK adults, according to a new report^[1]. And while the trend is common across the generations, it's Millennials who are leading the charge.

The report found that 61% now care more about the environment and the planet than they did before the pandemic. More than a quarter (26%) of respondents admit they are more concerned than they've ever been. And one in five (21%) say they are more worried now that they have children/grandchildren.

SUSTAINABLE COMPANIES AND FUNDS

The pandemic has undoubtedly fuelled investor demand for sustainable investing and this is trickling down amongst generations: 60% of Millennials, 44% of Gen X and 35% of Baby Boomers confirmed that COVID-19 has increased their appetite for sustainable investments. And many investors go further. 45% confirmed that since the pandemic they now only want to invest in sustainable companies and funds.

Despite the desire for ethical and sustainable investing, more than a third (36%) of UK adults admit they actually have no idea what their current investments – including workplace and private pensions – are invested in, as they have little to no control.

REFRAMED FINANCIAL PRIORITIES

For many, the pandemic has shifted their financial priorities, prompting more to seek professional financial advice. One in two (53%) respondents said they had either already sought advice – or were planning to because of the pandemic. And just over one in five (21%) were seeking advice to begin their investment journey, potentially fuelled by individuals who had built up savings, not having the traditional outlets for spending their income.

With £5.5 trillion in personal wealth due to be passed to the next generation by 2047, the role intergenerational planning advice played, prior to the pandemic, was already a

significant one^[2]. Yet the COVID-19 pandemic has reframed financial priorities. Not just for those later in life with Inheritance Tax liabilities but for all generations.

PLANET, ENVIRONMENT AND SOCIETY

Once perhaps viewed as a fad, sustainable investing is becoming normalised, making it a fundamental building block within intergenerational financial planning. It also enables parents to leave their children more than just a financial legacy in terms of the planet, environment and society.

Two in five advised investors surveyed confirmed they expect to increase the amount they invest in Environmental, Social and Governance (ESG) investments over the next five years. ■

LOOKING FOR AUTHENTICITY IN SUSTAINABILITY AND INVESTMENT?

As attitudes continue to change, investors are increasingly looking to make a positive contribution to society and the environment through their personal finances, driving us towards a cleaner, healthier and more equitable future. ESG considerations regarding the investment approach aim to help investors do just that. To find out more – speak to us to review your options.

Source data:

[1] Second chapter of Prudential UK's Family Wealth Unlocked report. Research was carried by Opinium among a UK representative sample of 1,000 advised families. The study was completed in November 2020.

[2] Kings Court Trust's Inheritance Economy Research Papers: Passing on the Pounds and Wealth Transfer in the UK. Research conducted by The Centre for Economics and Business Research.

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.

THE VALUE OF INVESTMENTS AND INCOME FROM THEM MAY GO DOWN. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED.

PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.

