



# A MATTER OF INHERITANCE

## - IT'S GOOD TO TALK

Leaving loved ones some financial security is a priority for many. So-called baby boomers have been fortunate to have benefited from soaring house prices and bumper pensions, which means they can often hand down a large estate to the next generations.

According to a new study<sup>1</sup>, grown-up children rely on this inheritance to help with property purchases and found that 43% of those with at least one property-owning parent relied on an inheritance to buy their first home.

A total of 58% of people said they expected to be able to move house, upgrade their home or pay off some or all of their mortgage due to receiving their inheritance. Of those, 36% are renting until they inherit, at which point they will buy to get on the property ladder, while 29% have gone as far as to purchase a home, knowing that they will eventually receive an inheritance to help pay their mortgage.

On average, grown-up children expect to inherit around £195,000, with the vast majority coming from wealth built up in property. Indeed, half of those questioned admitted that they had checked the value of their parent's property. Worryingly, only 30% said they had spoken with their parents about how much they were likely to inherit.

Discussing the topic of inheritance is often seen as taboo. However, 43% believe it is acceptable to discuss with your parents. Still, only 19% believe it is acceptable to talk to your children about it, suggesting that, whilst children may be keen to discuss inheritance with their parents to help with financial planning, parents would prefer to refrain from discussing it.

Perhaps explaining why so many are wary of discussing the topic, 30% say they have fallen out with family members over inheritance discussions, and 51% think inheritance could cause family arguments in the future.



41%

Currently, 41% of Brits with home-owning parents say they have never discussed inheritance with family.

## IT PAYS TO TALK

Talking about inheritance and estate planning with your family is essential. During family meetings, you can explore shared values and plans for the future and discuss wealth's purpose.

Often, these conversations happen too late or not at all, as is shown in the study.

Getting professional advice on estate planning, as well as making provisions for long-term care, making a Will and getting a Lasting Power of Attorney in place is a must as part of ensuring you and your family are provided for.

As part of the advice process, an adviser can facilitate a family meeting if this topic is difficult for you and your loved ones. Not everyone finds this subject an easy one to navigate, as the study revealed.

By introducing them to a trusted adviser, you can also ensure that your grown-up children have someone to guide them in making smart decisions about investing their inheritance when the time comes.

The earlier you seek professional advice, the sooner you can all have peace of mind about what's in place for the future, with more options available to help reduce the inheritance tax liability.

Getting advice on the timing of transferring assets could also help you decide what's best for you and your family.

For example, some can pass on wealth more tax-efficiently by giving away part of an estate whilst alive using valuable tax-free allowances.

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<sup>1</sup><https://www.zoopla.co.uk/press/releases/half-of-brits-admit-they-have-checked-what-their-parents-home-is-worth-with-over-four-in-ten-admitting-they-are-relying-on-an-in/>