

The Inheritance Economy



What

- ★ Over the next 30 years, roughly £5.5 trillion is due to be passed between generations in the UK.
- ★ Rather than a single event, the Inheritance Economy is already under way, and happens inheritance by inheritance, involving the investors clients and beneficiaries.

The Opportunities

- ★ The Inheritance Economy creates opportunities for advisers and wealth managers to actively engage with both this generation and those inheriting (the inheritance generation) to ensure that this wealth is transferred efficiently to minimise the effects of Inheritance Tax (IHT).
- ★ The next opportunity will be who will advise the clients' beneficiaries once they have inherited a vast sum of wealth.

Why

- ★ Most of the inheriting generations (Generation X and millennials) currently do not have a financial adviser, regardless of their current financial status.
- ★ Retirees are open to involving beneficiaries in their financial planning than are opposed to it, creating more opportunities to begin the conversation.

How Advisers Can Help

- ★ Advisers should be asking their clients if there is anything stopping them having conversations about estate and succession planning.
- ★ Being proactive and having the most up-to-date contact details of each client's main beneficiaries will be useful once the process of probate begins.
- ★ Proving their value to the existing client puts them in an empowering position to take on their beneficiaries.

Challenges



172% increase in financial wealth of households between 1995 to 2015
Source: ONS



Over 70% of household wealth in the UK is held by the over 50s
Source: KCT



This means that unadvised families risk millions of pounds becoming liable to IHT



Opening discussions early on is key when planning a will and the client's inheritance



Solutions



Successful planning protects your client's assets from falling outside the family



Your client's beneficiaries retain 100% of the inheritance

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