

WEALTHY CANADIANS NOT DISCUSSING INHERITANCE WITH HEIRS: SURVEY

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The biggest inter-generational wealth transfer in Canadian history is taking place now, but the majority of affluent Canadians are keeping their heirs in the dark on how they plan to pass on their wealth.

In fact, 58% of wealthy Canadians have not discussed instructions for their estate with their heirs, finds a poll by IPC Private Wealth. Further, 12% do not plan to talk about their inheritance plan with their beneficiaries.

MORE DETAILS

Toronto-based research firm Strategic Insight projects that approximately \$1 trillion in personal wealth will be transferred from one generation to the next in Canada between 2016 and 2026, with roughly 70% of that in the form of financial assets.

Amid this vast amount of wealth that will be handed over, 32% of affluent Canadians say they are worried about how their heirs will handle their inheritance; and 36% say their children don't have the financial literacy to manage a potential windfall.

Yet, the data revealed that only 19% have introduced their children to a financial advisor or have taken them to a planning meeting with the person currently managing their money (18%).

"It's important to have that financial planning conversation between family members when parents are still healthy, and everyone is calm as opposed to making decisions in a time of crisis when emotions are high," says Febbraro.

BLENDED FAMILIES

The poll by IPC Private Wealth reveals that those who are part of a blended family—which includes children of a previous marriage of one spouse or both—are more likely to indicate a lack of trust in their beneficiaries' ability to manage their wealth (28%).

They also share a range of other concerns, such as whom to appoint as the primary beneficiary (15%), how to fairly divide assets (13%), and the fact that they haven't spoken openly to their spouse about their estate plans (13%).

Here are some additional findings.

- 20% fear that their children will not have anything to pass down to their own children.

- 28% don't trust their children's spouses to manage their heirs' inheritance money.
- Men (74%) remain the lead decision-maker in their household when it comes to finances and investments.
- 40% want their heirs to have the same financial advisor that they have to help manage their wealth.

About the survey: IPC Private Wealth partnered with Environics Research to do the poll among 400 Canadians with at least \$500,000 in investable assets.