Embargoed press release: 1-in-4 Baby Boomers don't trust younger generations with inheritance - Progeny/YouGov research

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PRESS RELEASE

1-in-4 Baby Boomers don’t trust younger generations with inheritance – Progeny/YouGov research

1-in-4 Baby Boomers don’t trust the younger generation to use their inheritance wisely, according to a national survey by professional services firm, Progeny.

Additionally, nearly half (48%) of Baby Boomers say the attitudes and priorities of younger generations affect their decision-making around transferring wealth to the next generation.

The research report – *Planning to pass it on* (attached) – conducted by YouGov for Progeny, aimed to uncover national attitudes around gifting or leaving money as an inheritance, and polled three generations for their views.

Intention without action

The majority of respondents said they intend to pass on something to the next generations of their family, with 60% planning to do so.

However, of those aiming to provide financial support or inheritance to loved ones, the majority questioned (49%) didn’t know, beyond that, how they might do it.

Fewer than half (47%) of Baby Boomers were confident about making plans or taking financial decisions about transferring wealth, and a third (32%) said they were not confident.

Around the same proportion of Generation X and Millennials (45%) were confident about making use of any received inheritance, versus 39% who said they were not confident.

Regional variations: Scots are least confident about making plans or taking financial decisions about transferring wealth to family or loved ones – 31% feel confident as opposed to 57% confident in the east of England, 52% in the south of England.

Those in the south of England are also most likely to have professionally written will in place (48%), with those in the Midlands and Scotland being least likely (31%).

Those in the north of England are most likely to seek professional advice to better manage an inheritance (41%) compared to just 25% of Londoners and 22% in Wales.

Enjoy life to the full

However, one fifth of respondents stated that they didn’t want to pass on a significant sum of money to their loved ones.

Nearly half of those questioned (49%) felt it was more important to use their money to enjoy life to the full than to leave an inheritance.

Regional variations: People in the east of England feel it is more important to use their money to enjoy life to the full than to leave an inheritance more than any other area in the UK (58%), followed by 53% in Wales and 50% in the south of England and Scotland.

Cost of living concerns

There was clear evidence of the impact of the cost-of-living crisis in the immediate financial goals of the survey respondents.

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The highest proportion (45%) said that ensuring they meet regular financial commitments was their top financial goal, followed by 35% who wanted to have enough cash in case of emergencies and 29% who were focused on saving enough to enjoy retirement.

At the top of their list of financial concerns or challenges was the increase in the cost of living (59%), followed by their anxieties over not saving enough (43%) and not having enough for emergencies (39%).

More Millennials were concerned about an increase in daily living costs than the other generations – 78%, compared to 59% of Gen X and 41% of Baby Boomers.

Regional variations: A rise in day to day living costs rated as the greatest financial concern or challenge across all regions, with those in the Midlands most concerned (64%) compared to 52% in the east of England.

Taboo topic

The difficulty of communicating on such a sensitive topic was a consistent theme in the research. The majority of Millennials and Generation X (41%) found it 'uncomfortable' to discuss inheritance and wealth transfer with their parents.

Only 58% of Baby Boomers said they have discussed inheritance or gifting with loved ones.

Amongst those who did expect to one day talk about passing on money to the generations below, the majority (53%) said they wouldn't tell the beneficiaries the amount they will be receiving.

Regional variations: Welsh people are most likely to have discussed their plans to financially support their loved ones or provide an inheritance with them (69%), with Londoners being least likely (53%).

Millennials and Generation X in the Midlands feel least comfortable about discussing their parents' inheritance plans with them. Only 31% feel confident, with those in the south of England most comfortable about doing this (50%).

Expectation

Amongst those expecting to receive inheritance or wealth, when asked how they were planning to use this money, the most popular answers were to build their savings pot (35%), fund retirement (29%) or pay off their mortgage (25%).

1-in-10 said they intended to use it to leave a further financial gift in their will for their family.

Nearly two-fifths (38%) of those expecting to receive an inheritance did not know the amount they would be receiving.

Regional variations: Londoners have the highest expectation of inheriting property (86%) whereas Scots are most likely to expect to inherit cash (90%).

A quarter of Londoners don't know what they would do with an inheritance (25%) compared to only 5% of Scots. Those in the Midlands are most likely to use an inheritance to fund their savings (53%) whereas those in the south of England favour paying off their mortgage (39%).

Neil Moles, CEO of Progeny, said: "This research has given us an illuminating snapshot of national attitudes towards inheritance and intergenerational wealth transfer today.

"Transferring money to the next generation is an ambition for many, yet there is a stark lack of any structured planning in evidence. This creates both risk and missed opportunities for those on both sides of the wealth transfer.

"A unique set of economic circumstances have helped the Baby Boomer generation to build up significant levels of wealth compared with the generations that went before them.

"In the years ahead, we will see more families having more complex requirements when it comes to passing on their wealth to the next generation.

"Some may be the first generation of their families to need to plan for intergenerational wealth transfer or prepare for considerations like Inheritance Tax.

“Addressing the issue as a family is likely to lead to better outcomes for everyone. Creating a joined-up, coordinated plan for giving and receiving an inheritance will help the older generation to pass on wealth effectively when the time comes and ensure today’s younger generations have something to pass on in future.”

ENDS

All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 1004 adults. Fieldwork was undertaken between 12th - 18th August 2022. The survey was carried out online. The figures have been weighted and are representative of GB adults aged 24 - 74.

Millennials (aged 24 – 39), Gen X (aged 40 – 55), Baby Boomers (aged 56 – 74)

Notes to editors

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Progeny is the first and only firm in the UK to bring together independent financial planning, asset management, tax, HR and private and corporate legal services.

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