



## Affluent Canadians are worried about wealth transfer

*Most wealthy Canadians have not discussed inheritance with their heirs – and some don't plan to, reveals new IPC Private Wealth poll*

**TORONTO, January 30, 2018** – 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, revealed a new poll by IPC Private Wealth of Investment Planning Counsel.

IPC Private Wealth's survey revealed that 58 per cent have not discussed instructions for their estate with their heirs, of which 12 per cent do not plan to talk about their inheritance plan at all with their beneficiaries. IPC Private Wealth partnered with Environics Research to do the poll among 400 Canadians with at least \$500,000 in investable assets.

"The topic of inheritance is an important issue that requires communication to help the next generation succeed in handling new found wealth," says Sam Febbraro, Executive Vice President of Investment Planning Counsel. "Children need to understand their parents' financial objectives for the money that they are leaving behind so they can continue their legacy."

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 per cent of that in the form of financial assets.

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

Yet, the data revealed that only one in five (19 per cent) say they have introduced their children to a financial advisor or have taken them to a planning meeting with the person currently managing their money (18 per cent).

"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 revealed 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 per cent).

They also share a range of other concerns, such as whom to appoint as the primary beneficiary (15 per cent), how to fairly divide assets (13 per cent), and the fact that they haven't spoken openly to their spouse about their estate plans (13 per cent). Almost 20 per cent of the 400 surveyed were part of blended families.

“There is an opportunity for financial advisors to start that dialogue with their clients on inheritance planning and help educate the next generation on how to steward their finances,” says Paul Wylie, Senior Vice President of Business Development at IPC Private Wealth. “Advisors can play a quarterback role and help clients overcome their fears over their heirs’ ability to manage their wealth.”

Other key findings in the IPC Private Wealth poll include:

- One in five (20 per cent) fear that their children will not have anything to pass down to their own children
- 28 per cent don’t trust their children’s spouses to manage their heirs’ inheritance money
- Men (74 per cent) remain the lead decision-maker in their household when it comes to finances and investments
- 40 per cent want their heirs to have the same financial advisor that they have to help manage their wealth

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#### **About Investment Planning Counsel Inc.**

Investment Planning Counsel Inc. is an integrated wealth management company founded in 1996. Investment Planning Counsel supports Advisors in delivering a distinctive client service experience by providing client-focused advice that helps Canadians live their dreams. With \$28 billion in assets under administration, Investment Planning Counsel is a member of the IGM Financial Inc. (TSX: IGM) group of companies. IPC Private Wealth is a program offered by IPC Securities Corporation, a subsidiary of Investment Planning Counsel.

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