

Will your children Inherit equally?

A recent report has found that only half of parents plan to share their estate equally between their children.

A report, carried out on behalf of Netwealth and The Money Whisperer®, found that there was a lack of understanding on the part of both parents and young adults in respect of finances and what might be inherited when the time comes.

The study identified different levels of financial comprehension. Only 23% of young adults had had open discussions with their parents about their plans for the future, with money being a continuing conversational taboo for many.

Of the young adults questioned, 30% said that they themselves had not taken any steps to put financial security in place for their own families.

Attitudes to leaving money in a Will

Only 53% of parents plan to leave their money to their children in equal shares. It appears that some have failed to share their intentions with their offspring. While 66% of parents stated that their children had a clear understanding of their intentions, only 39% of young adults said that they knew what arrangements their parents were making.

Transferring wealth during life

Almost two-thirds of parents (65%) intend to transfer money in instalments to their chosen beneficiaries over a number of years during their lifetime, rather than leave the whole lump sum to be inherited on their death.

There can be Inheritance Tax implications when making lifetime transfers, to include for the beneficiaries. Only 28% of young adults were aware of these plans, meaning they were lacking in important information that could help with their own inheritance and estate planning.

Leaving more to one child than to another

Some 47% of parents do not intend to leave their money to their children in equal shares. There were a number of reasons for this, as follows:

- Do not wish to support their child's partner/wider family: 4%
- Estranged from one or more children: 7%
- Children do not have the same number of children and parent wants to provide for all grandchildren equally: 12%
- Children have different approaches to money so more support will be given to the ones that are trusted to use it wisely: 13%
- Children have different approaches to money so greater support will be provided to those who are not as responsible to ensure that they are looked after: 13%
- Children have different incomes so greater support will be given to the ones who need it more: 14%
- Children have different financial responsibilities so greater support will be provided to the ones who need it more, eg, those who have care responsibilities: 14%
- Have already provided significant financial support to one/some children so will reduce their inheritance to balance it out overall: 15%
- Plan to distribute wealth equally amongst children: 53%



SUFFOLK WILL SERVICES

▪ **CALL TODAY**

01473 808499

-

▪ **EMAIL**

info@suffolkwillservices.co.uk

-

▪ **BOOK A MEETING**

Home visit, at our office
or online

-

www.suffolkwillservices.co.uk
