

# Financial Insights

from Quinn+Cardy Wealth Management  
of BMO Nesbitt Burns

## The Greatest Wealth Transfer in History is Here

As the youngest Baby Boomers turn 60 in 2024, and the oldest approach 80, the greatest intergenerational wealth transfer is now in motion.

In the coming decades, an expected \$1 trillion of wealth will be transferred to Canadians — a figure that has grown with the price growth in the financial and housing markets.<sup>1</sup> Consider that the S&P/TSX Composite Index Total Return is up by over 3,000 percent since the start of 1983!<sup>2</sup> Mirroring the distribution of wealth, this transfer is expected to disproportionately affect higher-income households. In Canada, the top 20 percent of households hold more than two-thirds of net worth, while the bottom 40 percent holds just 2.8 percent.<sup>3</sup>

As we begin a new year, it may be an opportune time to contemplate your own wealth transfer. In 2017, a survey suggested that only 22 percent of high-net-worth Canadians had a detailed plan to pass along assets, though nearly 60 percent were not confident in their children’s ability to preserve or grow their inheritance.<sup>4</sup> Since then, one of the more positive outcomes of the pandemic appeared to be that more Canadians were influenced into preparing basic estate planning documents.<sup>5</sup> However, a recent estate planning survey suggests we still may not be doing a very good job.<sup>6</sup>

- **33%** Do not update their Wills after experiencing life changes;
- **76%** Do not have a plan for their assets if they are unable to make financial decisions;
- **79%** Have not had detailed discussions with estate beneficiaries or executors of their Will.

### Do You Have Estate Planning Tools in Place?

Consider the many tools to support estate planning. When was the last time you reviewed them?\*

- |                                    |                                |
|------------------------------------|--------------------------------|
| • Will                             | • Beneficiary Designations     |
| • Power of Attorney/Mandate        | • Gifting Strategies           |
| • Living Will/Healthcare Directive | • Business Succession Planning |
| • Testamentary Trusts              | • Donation Strategy            |
| • Life Insurance                   |                                |

\*Names and obligations vary by province.



### The Benefits of a Comprehensive Estate Plan

Estate planning involves more than just the distribution of assets. Don’t overlook the benefits that may be achieved by building a comprehensive estate plan, including:

- Helping to ensure that the people you care about are protected, as intended;
- Protecting assets from unintended beneficiaries or creditors;
- Limiting expenses, such as minimizing tax or reducing other estate expenses;
- Helping to minimize the potential for conflict or disputes;
- Simplifying or speeding up the transition of assets;
- Reducing the stress or administrative burden on loved ones;
- Creating a legacy;
- Allowing you to more fully enjoy your assets today.

What about you? As the costs of living, housing and raising families continue to surge, for many investors the tactics of estate planning may also be evolving. Some are pursuing a “giving while living” strategy. Others are using insurance and trusts to help support future generations and create a lasting legacy.

If you have yet to give your estate plan the thought it deserves, why not make this a priority for 2024? It has the potential to enhance your overall wealth management and can be one of the greatest gifts you leave for your loved ones. Given our familiarity with your financial position, we can provide support. For ideas on where to start, please call.

1. <https://financialpost.com/personal-finance/retirement/canadian-inheritances-could-hit-1-trillion-over-the-next-decade-and-both-bequeathers-and-beneficiaries-need-to-be-ready>; 2. S&P/TSX Composite Total Return Index 12/31/82 – 2,562.85; 8/1/23 – 81,166.08; 3. <https://www150.statcan.gc.ca/n1/daily-quotidien/221003/dq221003a-eng.htm>; 4. <https://financialpost.com/personal-finance/family-finance/high-net-worth-families/most-high-net-worth-individuals-lack-inheritance-plan-despite-largest-transfer-of-wealth-coming-study>; 5. [www.newswire.ca/news-releases/pandemic-influenced-canadians-to-prepare-estate-planning-documents-832378633.html](https://www.newswire.ca/news-releases/pandemic-influenced-canadians-to-prepare-estate-planning-documents-832378633.html); 6. <https://www.bloomberg.com/press-releases/2023-05-15/ig-wealth-management-estate-planning-study-despite-aging-population-most-canadians-lack-estate-plan>



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