

A third of 24-45 year olds expect to rely on inheritance for financial security

According to a recent survey conducted by [Sanlam UK](#), 64% of 25-45 year olds expect to receive an inheritance from parents and grandparents. Of the people surveyed, 34% say they will rely on this inheritance to fund themselves in later life.

Almost a third of these individuals expect an inheritance with an average value of £233,000, with the lowest value expected to be £50,000. This has encouraged 31% of 25-45 year olds not to save and to 'live in the now' as they expect the inheritance windfall to fund them throughout their later years.

However, 38% haven't spoken to the relative providing them with the inheritance. This is a worrying indication that some 24-45 year olds are unprepared for later life. The concerns raised by Sanlam UK state that some expectations may not come to fruition.

Jonathan Polin, CEO of Sanlam UK, commented: "Overreliance on inheritance could be risky, especially if it affects the younger generation's level of engagement with savings and investments today. As a first step, families need to have full and frank conversations about inheritance – this will help ensure younger generations have realistic expectations of what they are to receive and can prepare accordingly."

So why are so many 25-45 year olds prepared to take a risk and assume they can use their inheritance to fund themselves in later life? Experts claim the reasoning behind the reliance on inheritance could be a remedy for low disposable income, debt, sluggish wage growth and ever-increasing house prices.

The older generations are fast-becoming aware of this strategy - 61% of over 55s believe younger people aren't getting sufficient financial advice. Around 40% were concerned about how their heirs would spend their inheritance. Only 9% of inheritance donors have urged their children to see a financial adviser.

Sophie Yates of Fodens Solicitors Ltd says that it is always reassuring to see those families who do have open conversations around inter generational planning. Children should not rely on an inheritance as it is not their right to inherit. However passing assets onto the next generation can be a useful way of planning for inheritance tax and other long term planning.