

Money from above

In the years to come, many millennial-aged Canadians will inherit money from their loved ones. The question is: What will they do with it?

MILLENNIALS THOSE BORN 1980-1996



1 in 3 MILLENNIAL-AGED CANADIANS SAY THEY EXPECT TO RECEIVE AN INHERITANCE

It's easy to see why being a millennial could seem like a drag. Every week brings fresh headlines trumpeting the challenges 20- and 30-somethings can face when buying homes, saving for retirement and affording the trappings of their social media-heavy lifestyles.¹ But help may come from a familiar source: their families. There's strong evidence that a massive generational transfer of wealth is taking place as retired baby boomers pass down assets to their millennial children and heirs.² The question is: Are they ready for it? A recent TD survey asked more than 6,000 Canadians whether they expect to receive an inheritance.³ And while a large portion of millennial-aged Canadians say they expect to receive assets from a loved one, only a third of them have had a conversation about it with their spouse or partner. Here's what else we learned from that survey.

- 43%** Expect to inherit or have inherited a residential property, or the proceeds from the sale of one
- 60%** Expect to inherit or have inherited cash
- 34%** Expect to inherit or have inherited family heirlooms
- 20%** Expect to inherit or have inherited an investment portfolio
- 18%** Expect to inherit or have inherited a vacation property

WHAT SOME MILLENNIALS SAY THEY WOULD DO IF THEY RECEIVED AN INHERITANCE TODAY



35%

16%

Travel

22%

Contribute to retirement plan

18%

Pay down non-mortgage debt

27%

Pay down a mortgage

OF MILLENNIALS WHO EXPECT AN INHERITANCE HAVE DISCUSSED PLANS FOR USING AN INHERITANCE WITH A SPOUSE OR PARTNER

20%

Use it to purchase a home

SOME MILLENNIALS WHO HAVE INHERITED ASSETS SAY IT MADE THEM FEEL



27%
Relieved



25%
Sad



26%
Overwhelmed



23%
Surprised

How much did they receive?

8%

Less than expected

34%

As much as expected

45%

More than expected

NEARLY HALF
46%

OF MILLENNIALS WHO HAVE ALREADY INHERITED ASSETS WISH THEY HAD SOUGHT THE ADVICE OF A PROFESSIONAL

For many millennials, a sudden surge in wealth that comes from inheriting assets could dramatically change their financial situation. It can also be an overwhelming experience, both emotionally and practically. An advisor may be able to help parents and children navigate this important transition and highlight potential opportunities and priorities for everyone involved.

About the TD Survey

TD Bank Group commissioned Environics Research Group to conduct a custom survey of 6,021 Canadians aged 18 and older. Responses were collected between February 20 and March 1, 2018. This report includes questions asked to 3,028 Canadians, of which 687 are millennials, who have received or anticipate receiving an inheritance in the future.

¹TD Ameritrade, "Financially Optimistic Millennials Aspire to be Millionaires, Retire Early" June 11, 2018. www.amtd.com/newsroom/press-releases/press-release-details/2018/Financially-Optimistic-Millennials-Aspire-to-be-Millionaires-Retire-Early/default.aspx Accessed November 6, 2018.

²Accenture, "The Greater Wealth Transfer: Capitalizing on the Intergenerational Shift in Wealth" June 2012 www.accenture.com/ca-en/-/media/Accenture/Conversion-Assets/DocCom/Documents/Global/PDF/Industries_5/Accenture-CM-AWAMS-Wealth-Transfer-Final-June2012-Web-Version.pdf Accessed November 6, 2018

³TD, "Double or Nothing: Are Millennials Gambling with their Financial Future?" April 14, 2018. <http://td.mediaroom.com/2018-08-14-Double-or-Nothing-Are-Millennials-Gambling-with-their-Financial-Future> Accessed October 10, 2018.

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