

Legacy planning: seniors' ambition to strengthen family financial security

New research reveals that over half of Kiwis over 50 agree financial wellbeing of younger generation will depend on inheritance amidst challenging economic headwinds.

Auckland, November 2023 – Estate and Will planning are top of mind among Kiwis over 50 amid current economic uncertainty. An increasing number are proactively taking action, driven by the desire to offer financial support to loved ones, while grappling with growing concerns about how much help they can afford to give.

According to new research from New Zealand Seniors, around eight in 10 (80%) Kiwis over 50 have intentions of leaving an inheritance when they pass, with two-thirds (66%) aiming to provide greater financial security for their younger family members. Meanwhile, a growing number (37%) of have already or are planning to transfer their wealth to their loved ones before they pass.

The Legacy Report 2023, commissioned by New Zealand Seniors in partnership with consumer research group CoreData, surveyed more than 500 Kiwis over 50 about their attitudes toward leaving financial legacies.

The study found over half (54%) believe the wealth of younger generations is now largely reliant on how much they inherit. And while the majority (82%) already have a wealth transfer plan in place, just over half (58%) have discussed a will or an asset inventory with family.

Nearly a third (30%) agreed that leaving a positive financial legacy behind is now more important than ever, with the vast majority planning to pass down financial assets, such as valuable personal property (72%), real estate (68%), and cash savings (65%).

Unsurprisingly, the older Kiwis get, the more thought they give to legacy planning. According to the findings, less than a third (31%) of Gen X respondents have given a great or considerable amount of thought to their legacy, compared to Baby Boomers (49%) and Pre-Boomers (68%).

Some have even given thought to who they plan to exclude from their inheritance, with just under one in six (16%) saying they are likely to leave out at least one family member.

Vicki Ammundsen, Director of Vicki Ammundsen Trust Law, who specialises in family law, will and estates, comments on the growing trend of passing down financial legacies in life: “It is helpful to appreciate that legacies do not necessarily have to be made following death. Provided sufficient resources are retained to ensure an appropriate standard of living, lifetime support can be more meaningful and a better representation of values than inheritances. Looking at legacies through the lens of the recipient can provide helpful guidance as to meaningful financial support that is reflective of personal values independently of legal convention, while these may be difficult conversations to start, once the conversation has been started it can be re-visited and built on. Regardless of views regarding legacies, the importance of legal advice cannot be overstated.”

Economic challenges dent legacy confidence

Amid growing financial pressures, more than three-quarters (76%) agree it's becoming increasingly difficult to leave an inheritance, and close to a quarter (23%) feel less confident about the help they can afford to give. And well over half (57%) have concerns about the financial legacy they will leave behind, the most common being the inability to leave as much as they would like (41%).

A key consideration has been the slew of economic challenges in recent memory. On one front, the pandemic disrupted jobs and wages. On the other, Kiwis grip with high property prices and recession.

According to the [Reserve Bank of New Zealand](#), most Kiwis are homeowners, and more than half (57%) of household wealth consists of land and property.

Consequently, an overwhelming majority (91%) of over 50s believe home ownership in New Zealand is becoming increasingly difficult for those without assistance from family.

The research also found two-fifths (40%) hope that providing a financial legacy will support the younger generation in entering or getting ahead in the property market.

Many believe executing their wishes before they pass is key to successful legacy planning, with close to two in five (37%) having transferred or currently planning to transfer their wealth. Cash savings were the most transferred asset (52%), followed by personal property (34%), and real estate (29%).

Leave nothing unsaid

The findings also highlight the significance of open communication, revealing that an overwhelming majority (86%) of Kiwis over 50 consider discussing inheritance with the family to be important. And slightly more than half (52%) deem this conversation to be very or extremely important.

Engaging in open conversations and sharing your legacy plans with loved ones is a fundamental step in guaranteeing the successful realisation of your intentions.

Family Trust Law specialist, Vicki Amundsen, shares advice for starting legacy conversations with loved ones: “Conversations regarding mortality and legacy planning can be confronting especially where these are left until later in life. The recommended approach is to communicate with family members or other parties involved in your life regarding wishes, fears, expectations and how these change over time. A common strategy is to review wills and life plans each decade or sooner where there is a major life change. It is also important to have legal support so that legacy planning and testamentary wishes are correctly recorded with an appreciation of the relevant legal framework.”

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About the Legacy Report

The Legacy Report 2023 surveyed over 500 New Zealanders over 50 to uncover their attitudes toward leaving behind a legacy and planning a Will. The research was conducted by New Zealand Seniors in partnership with consumer research group CoreData, against the backdrop growing economic uncertainty, highlighting popular sentiments towards providing financial support for loved ones.

About New Zealand Seniors

New Zealand Seniors offers financial products that help people protect what's most important to them. We place our customers at the heart of everything we do by providing trusted service and products that are simple to use and understand. We are committed to identifying and developing services and products we believe protect and improve the wellbeing of all senior New Zealanders.