

# JUST.

## NEWS RELEASE

Wednesday 16 October 2019



### Over-optimistic UK adults expecting inheritance of over £130,000

- Adults in the UK expect to receive an inheritance of over £130,000 from their parents with those aged 18-34 hoping for more than £150,000
- 98% of under 40s expecting to receive an inheritance say the money will be important in helping them get on the property ladder
- However, more than half (57%) of UK adults don't expect to receive any inheritance whatsoever

New research<sup>1</sup> from **Just Group**, the retirement specialist, finds that UK adults expect to receive an inheritance windfall of £132,000, on average, with many relying on the cash to take their first steps on the property ladder.

But the reality could be a big shock as ONS figures suggest the median inheritance passed down by parents in the last two years is much less, at £30,000 (overall mean £50,000)<sup>2</sup>.

The youngest generation has the greatest expectations of inheritance with 18-34 year olds saying they expect to receive or have received £151,000, and those in the 35-54 age bracket anticipating a similar amount (around £148,000).

Over 55s, who are more likely to have already received inheritance money from their parents, said they expected or had received £98,000 – less than the younger cohorts, but still a long way over official figures for their age group (c£39,000).

Over-estimating the amount of money that will be passed down from parents could be a major hurdle impacting people's property aspirations. 98% of people under 40 who expect an inheritance say it will be important in helping them buy their first property.

For some, however, their expectations of receiving an inheritance are rather bleaker. Across all age groups more than half (57%) do not expect to receive an inheritance.

**Stephen Lowe, group communications director at Just Group**, believes the disparity between expectation and reality highlights the importance for families to find ways to discuss their financial situation and the realities facing them in later life.

“The rise in house prices over the last few decades seems to have left younger people pinning their hopes on receiving an inheritance windfall to help them join the property market, but the mismatch in expectation versus past reality may leave many people disappointed.

“As people live longer, they will need to fund more years of retirement – which may include paying for social care. So, it's surprising that people are quite so confident in the size of inheritances they expect to receive.

“Families tend not to talk about money and death. But if we don't talk about these themes it becomes very hard to make practical plans – be that getting onto the property ladder or preparing for care in later life. It might not feel comfortable to broach these subjects but it's better than misunderstandings and disappointments later. It really is good to talk.”

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## Enquiries

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### Media

Stephen Lowe, Group Communications Director

Lucy Grubb, Head of Media & PR

Telephone: +44 (0) 1737 827 301  
press.office@wearejust.co.uk

Temple Bar Advisory

Alex Child-Villiers

William Barker

Sam Livingstone

Telephone: +44 (0) 20 7002 1080

### Notes to Editors:

#### Research

1 - Opinium Research conducted a survey amongst 4,000 UK adults between 17 and 24 January 2019. Results have been weighted to reflect a nationally representative audience.

#### 2 - Supplementary tables on inheritances received by age:

<https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/adhocs/009319supplementarytablesoninheritancesreceivedbyagegreatbritainjuly2014tojune2016>

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#### Marketed Products

- De-risking solutions for pension scheme trustees who want to remove the financial uncertainty of operating defined benefit pension schemes;
- Individually underwritten retirement income products delivering a guaranteed income for life and flexible pension plans offering customers the options to blend secured and unsecured income;
- Long term care plans that provide those people moving into residential care with peace of mind by knowing a regular payment will be made to the care provider for the rest of their life;
- Lifetime mortgages for people who want to safely release some of the value from their home.

#### Professional services

- Regulated financial advice and guidance services for individuals wanting help in using their pension savings and/or releasing some of the value from their home; and
- A range of business services tailored for our corporate clients, ranging from consultancy and software development to fully outsourced customer service delivery and marketing services.

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