

Millennials on target to enjoy inheritance boom...

...but not until they're 61!

A recent report has revealed that millennials are set to benefit from an 'inheritance boom' bigger than that experienced by any other generation in the post-war period. The Resolution Foundation, the think-tank which carried out the research, defined millennials as people currently aged between 17 and 35, and found that those within this age bracket will be left record amounts of wealth by their 'baby boomer' parents and grandparents.

The report found that inheritances will double in size over the next twenty years, peaking in 2035, as baby boomers who generally have high levels of wealth move through old age. Additionally, nearly two thirds of millennials have parents who are property owners, of which they may receive a share in the future. This is a stark difference to adults born in the 1930s, of whom only 38% received an inheritance.

However, the Resolution Foundation also stressed that the inheritance boom will not be a 'silver bullet' which allows millennials to get on the property ladder or address the wealth gaps which are currently growing in society, as most will only benefit from their inheritance when they themselves are nearing pension age. The average age at which people lose both parents is getting later; people who are currently between 25 and 35 are expected to be 61 years old when this happens.

Another key finding of the report was the strong correlation between the property wealth of millennials and the amount they are set to inherit from their parents, with those who were able to get on the property ladder during their early 20s, destined to benefit the most from the inheritance boom. The new inheritance tax housing allowance will also be fully implemented in 2020, meaning that as much as £500,000 per person will be able to be passed on without incurring tax, allowing millennials whose parents own valuable homes to cut their average tax burden in half.

In comparison, those millennials who do not own their own home by their mid thirties are much less likely to receive a large inheritance from their parents. Additionally, if they inherit this when in their 60s, they'll then be much less likely to be able to secure a mortgage, meaning that some may struggle to climb onto the property ladder throughout both their working and retired lives.

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