



Bridging the financial gap across generations

Why planning, talking and taking action now can secure your family's future

There is rarely a perfect moment to discuss finances, particularly with older relatives. It's a sensitive topic, often accompanied by emotions and discomfort. However, avoiding these conversations can lead to unnecessary stress and uncertainty in the future. Financial strains, such as unexpected medical bills or inadequate retirement savings, can impose a heavy burden on families, not just emotionally but also practically.

By taking the time to start these conversations, you can tackle potential challenges early and create a plan that benefits everyone involved. Whether it's ensuring sufficient funds are saved for future care, discussing how assets will be managed or simply understanding the wishes of older relatives, these discussions help eliminate uncertainty.

WHY TALKING ABOUT FINANCES IS ESSENTIAL

Delaying financial discussions can lead to anxiety and leave families unprepared. Research shows that the life expectancy of a 50-year-old in the UK is now 86, which means many of us will need to finance over three decades in later life^[1].

At the same time, societal shifts are altering our financial responsibilities. More families in England and Wales now have adult children living with their parents over 50, with a 13.6% increase recorded between 2011 and 2021^[2].

Meanwhile, over 1.3 million people in the UK are juggling caregiving responsibilities for both their children and ageing parents. Rising financial pressures mean that more people are working later in life, with the number of UK workers aged 65 and over increasing by 36% between 2014 and 2022^[3].

START THE CONVERSATION EARLY

Initiating the conversation as early as possible benefits everyone. Addressing topics like care plans, inheritance and financial wellbeing promotes smoother planning and greater peace of mind for

the entire family. If you're unsure how to approach these subjects, don't worry – here are some key questions to ask and actions to consider.

HAVE YOU REVIEWED YOUR LIVING COSTS RECENTLY?

Help older relatives successfully manage their day-to-day expenses by working together on a budget. Include necessities, treats, savings and one-off expenditures. It's also worth reviewing utilities, insurance policies and subscriptions to ensure they're competitively priced and truly needed.

Younger family members can assist with online research, helping their elders access the better deals if they are less confident navigating digital platforms. Finally, check whether all available tax allowances are being claimed, such as the marriage allowance. These steps can make budgets more efficient and savings more impactful.

WHAT ABOUT PREPARING FOR INHERITANCE TAX (IHT)?

Rising property values, frozen IHT thresholds and pension changes due in April 2027 mean more

families may see larger IHT bills in the future. However, strategies like gifting assets and setting up trusts, such as gift or loan trusts, can ease these burdens.

Seeking professional financial advice can help your family choose the best route for reducing IHT responsibilities and protecting the value of your estate.

LEGAL PREPARATIONS MAKE A DIFFERENCE

DO YOU HAVE AN UPDATED WILL?

Having a Will ensures your wishes are followed and helps prevent disputes among loved ones. Regularly updating it is crucial, particularly after big life events





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such as births, marriages or deaths. For example, marriage automatically invalidates a previous Will, which means a new one is needed.

Taking time as a family to discuss the contents of a Will together can provide reassurance and avoid unpleasant surprises later on. Effective communication brings clarity and peace of mind.

HAVE YOU SET UP A LASTING POWER OF ATTORNEY (LPA)?

An LPA grants a trusted person authority to make decisions regarding your finances or healthcare if you're unable to. By setting this up alongside a Will, you can save time, money and stress down the line.

With the rising costs of long-term care threatening to erode wealth, planning for these expenses is equally important. Options like immediate needs annuities can provide tax-free income directly to care providers, easing financial strain and ensuring your loved ones receive the care they deserve.

KEEP YOUR RECORDS IN ORDER

ARE ALL IMPORTANT DOCUMENTS ORGANISED?

Good record-keeping can prevent unnecessary confusion during critical times. Ensure financial documents and paperwork, Wills, trust documents and pension letters of wishes are not only stored securely but that family members know where to find them.

Maintaining a thorough record of gifts and expenditures can also help prove any IHT exemptions in future. Having orderly financial documents provides clarity when it's needed most.

TAKE CONTROL OF YOUR FAMILY'S FINANCIAL FUTURE

When families come together to collaborate on financial planning, it does more than simply manage money – it strengthens relationships and alleviates unnecessary stress. Investing time now to discuss and plan for the future not only ensures financial security but also establishes a legacy of peace and stability.

Engaging in conversations about savings, investments, retirement and future goals prepares everyone for what lies ahead, reducing potential tensions or conflicts down the line. More importantly, these plans offer a gift that transcends money – the reassurance that your loved ones are well taken care of. When financial concerns are addressed with foresight and collaboration, it paves the way for a more harmonious and fulfilling life for all involved. ■

ARE YOU READY TO SECURE YOUR FAMILY'S FUTURE WITH EXPERT, PERSONALISED FINANCIAL GUIDANCE?

We're here to support your family at every step. Whether it's managing care costs, planning your estate or navigating tax efficiencies, we'll customise our advice to meet your unique needs. Contact us to discuss your requirements or learn more about ensuring financial stability for your loved ones.

Source data:

[1] Projected life expectancy for a 50-year-old UK male is 84 years. Projected life expectancy for a 50-year-old UK female is 87 years. Average projected life expectancy for 50-year-old UK male and females is 86 years. Life expectancy calculator. Data source: Office for National Statistics, calculated on 29 October 2024.

[2] More adults living with their parents. Data source: Office for National Statistics, published 10 May 2023.

[3] More than one in four sandwich carers report symptoms of mental ill-health. Data source: Office for National Statistics, published 14 January 2019.

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