

ATB Investor Beat

The pulse of Alberta investors



Volume 15, May 2019

Why you should talk about death with your financial advisor

Peace of mind. This is ultimately what we want to leave behind for our loved ones, and to ensure they are taken care of to the best of our abilities. Earlier in our investing journey, we focus on plans for life events like saving for a wedding, our first home or a child's education and on what an ideal retirement looks like. But the conversation we often overlook is the one about our beneficiaries and what happens when we're no longer here. It's not a conversation many people feel comfortable having, so if you haven't broached the topic yet, you aren't alone.

By discussing money with our loved ones, kids and parents, we begin to shed the taboo associated with money and death. In the latest version of ATB Investor Beat, 39% of Albertans surveyed said they openly discuss money with their family, while 35% said they don't.

Proper planning can help reduce stress and tension during a trying time, such as the loss of a loved one. In fact, approximately two thirds of Albertans with a will in place (63%) say they created it for peace of mind, and are more likely to be at ease with planning for their death than those without a will (67% versus 46%). Seven-in-ten Albertans with children who have a will have talked to their children about the existence of the will. However, a much smaller proportion of those have discussed the document's financial impact (37%) and fewer than one-in-three have introduced their children over the age of 18 to a financial advisor. Of Albertans with living parents, 52% surveyed believe their parents have a current will, but one third of those have never talked to their parents about it.

We prepare for and find meaning in marriage, purchasing a home, educating our children and saving for retirement. It's easy to forget that death is also a significant life event. Death holds just as much meaning and is fraught with emotion. By planning both emotionally and financially for your passing, you'll have peace of

mind knowing your family will be able to focus on celebrating your life rather than on how to manage expensive funeral costs.

Just like there's no perfect time to start saving and investing for your future goals and dreams, there's no perfect time to start planning your will. Every adult should have a will, and much like a financial plan, you should review your will regularly.

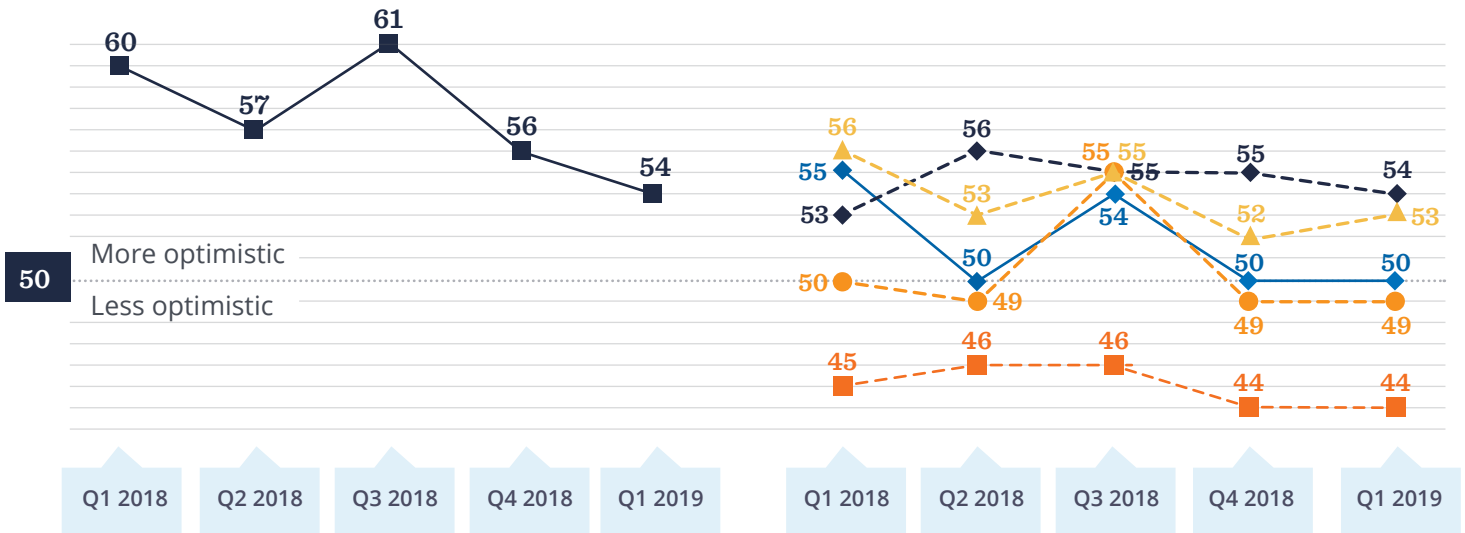
Remember, it's not about the money. What's important is peace of mind for those who you care about. Seeking professional advice not only allows you to have a plan that provides clarity and confidence, it also helps to keep emotions in check when grieving the loss of a loved one.

Many people may not realize that not talking about taboo topics, like death, can have a lasting and direct impact on the achievement of your goals and aspirations, and ultimately, your happiness. We will continue talking about topics that people normally don't discuss in the next three versions of ATB Investor Beat to help make the uncomfortable more comfortable.



Chris Turchansky
President
ATB Wealth

The Investor Beat Optimism Index



The **Investor Beat Optimism Index** is based on a representative sample of Albertans who rate their optimism towards investing, different investment products and economic factors. The ratings are based on a net positive score, which is then rescaled to fit an index ranging from 0 to 100.

- ▲--- Balanced mutual funds
- Real estate
- ◆--- Cash
- ◆--- Stocks (directly and equity funds)
- Bonds

Overall investor optimism softened two points this quarter to 54. While specific investment product optimism remained fairly stable quarter over quarter, there was a significant decline in the number of Albertans overall who feel now is a good time to invest (14%, compared to the previous quarter (19%).

Preparing for your own death

Have a completed personal will in place:

No



Yes



The top 3 reasons for not having a will in place:

- 31% I don't know where to start
- 29% I don't have enough to leave in a will
- 24%
 - Lack of knowledge
 - I am too young

The top 3 reasons for creating a will:

- 63% Peace of mind/settled affairs after passing
- 45% Providing for surviving spouse and children
- 40% Fair division of wealth/estate for surviving family

**No, in the process/
have a partial one** 11%

Prefer not to say 3%

Albertans' ideal time to create a will:



31%
By a certain
age (average 42)



23%
After having
children



17%
After
marriage

Just over one third of Albertans have a complete will in place. Notably, however, half of Albertans do not have a complete or even partial personal will. Comparing across age, it's not just younger Albertans that have yet to set up a personal will. Where close to three quarters of younger Albertans (74%) don't have one, just over half of middle aged (58%) and one fifth of older Albertans (18%) also do not have a will in place. The top reason for having a will is for peace of mind and settling affairs after one's passing, whereas the top reason for not having a will in place is not knowing where to start.

Talking to your children about death and money

Albertans with a will have talked to their children about...



The existence
of the will



How the will could impact
them financially

Albertans with children under 18

▼ 18 ▲

Albertans with children over 18



Reassuring they are taken
care of when you pass

47%



Money available for their
post-secondary education

43%



Introducing them to a
financial advisor

28%



How to best manage
their inheritance

22%

Preparing children to be financially responsible:

Are you confident
you've prepared
your child(ren)
to be financially
responsible?

54% Yes
24% No
22% Don't know

The top 3 reasons
Albertan parents
are not confident
they've prepared
their child(ren)

56% Child(ren) too young to understand
25% Child(ren) uninterested in learning about finances
16% I lack the financial knowledge to prepare them

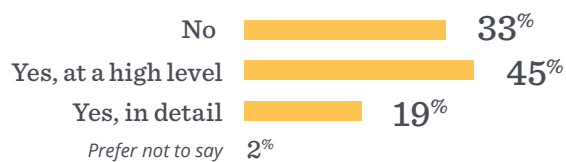
Seven-in-ten Albertans with both children and a personal will have talked to their kids about the existence of their will, but a much smaller proportion have discussed the financial impact of this document. For Albertans with children, over half (54%) are confident they've prepared their children to be financially responsible. Among the one quarter who lack confidence in their children's financial independence, the main reason is that their children are too young; however, one-in-four expressed that their child is uninterested in learning about finances. As this sub-group is made up primarily of parents with kids under 18, this answer is not unexpected.

Talking to your parents about death and money

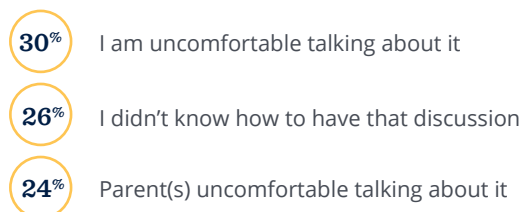
Albertans with living parents:



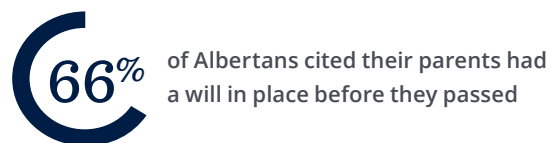
Discussed content of will with parent(s)?



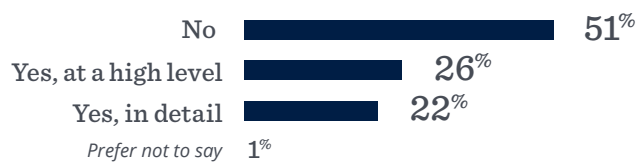
The top barriers to talking to living parents about their will



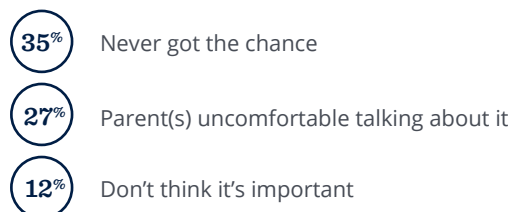
Albertans whose parents passed away:



Discussed content of will with parent(s) before they passed?



The top barriers to talking to parents about their will before they passed



Over half of Albertans with living parents report that their parents have a completed will in place, yet one third of this subgroup have never talked to their parents about this document. Main barriers for having this discussion include the discomfort of talking about this topic (for both themselves and their parents) and not knowing how to start this conversation. When parents have passed away, there is a higher percentage that had a will in place, but more Albertans reported they did not discuss the will with their parents prior to their passing. The biggest reason for this was that they never got the chance before their parent(s) died, followed by parents being uncomfortable having that conversation.

For more information on this report or the next edition of ATB Investor Beat, please write us at investorbeat@atb.com. You can also visit atb.com/investorbeat to be included on the mailing list.

About ATB Wealth

ATB Wealth is the wealth management arm of ATB Financial. Our goal is to sort through the clutter and make investing easier to understand so our clients can focus on the things that really matter in life.

To learn more about ways our investing philosophy is helping Albertans, please contact Chris Turchansky, president of ATB Wealth, at christurchansky@atb.com

Who did we talk to?

Ipsos (www.ipsos-na.com) is the third largest market research company in the global industry providing a full range of market research services. In North America, Ipsos has more than 2,100 research professionals and support staff located in 33 offices, with eight offices in Canada.

These findings are from an online survey conducted from February 14 to March 1, 2019, using Ipsos' i-Say panel. The 1,000 respondents are representative of Albertans 18 years of age and older based on age, gender and region. Using a Bayesian credibility interval, the survey is considered accurate to within +/- 3.5 percentage points had all adults in Alberta been polled.