Redefining legacy: a lifetime of shaping inheritance aspirations.
New research by the European arm of Standard Chartered Private Bank explores how affluent people interpret legacy and some of the challenges they encounter in achieving their inheritance goals.

By common definition, legacy means something left behind to someone by another person in the final part of their life, usually in the form of money or property. Or, it represents something such as a tradition or situation that exists as a result of something that happened in the past. The findings reveal whether legacy has taken on a modern concept for the wealthy.

### Defining a legacy

- **82%** believe that the most important legacy they can create is to support future generations of their family.
- **74%** want to use their wealth to drive wider positive change.

Investing in assets that have a positive environmental impact is important for **84%** of under 40s, but only **65%** of those over 60 years old.

Charitable giving is important to **83%** of under 40s and **73%** in older age categories.

Three quarters (74%) said that they would increase their charitable giving if they had the technology available to see the impact of the money they donate.

### Reaching legacy goals

- **79%** have a relatively clear idea about the legacy they want to leave, but there are uncertainties on how best to achieve this.
- **82%** for world events create uncertainty in their legacy planning, rising to **88%** of under 40s.
- **69%** said they are concerned that their successors might try to use the inheritance in a different way than they had intended.

Just over two thirds (68%) think they lack the necessary knowledge to structure their legacy, while **70%** are concerned about advisers’ limitations.

### Structuring wealth

- **79%** want to maintain control over their own assets and **81%** over their own decision-making during their lifetime. These priorities are more important for women, at **83%** and **93%** respectively.
- **81%** want their personal assets and **79%** their business assets to be held and successfully grow across more than one generation. They would like robust structuring and better governance so that the next generation does not deviate from the original ambition.
- **76%** want a structure that will enable them to develop their philanthropic objectives.
Defining legacy, both during and beyond a lifetime

Standard Chartered research shows that people of all ages across all the Europe, Africa and Middle East countries included want their lives to make a positive impact through what they achieve over the years, and the financial assets they leave behind. It can be a challenge in practice to find the best way to realise the goals they desire, both during their lifetime and beyond. Furthermore, priorities shift over time, both gradually, and sometimes at a defining moment. Unsurprisingly, the COVID-19 pandemic has caused nearly three quarters of people (70 per cent) to reassess how and when to use their wealth.

For many people, the legacy priority is to provide something that their loved ones and their communities will value, whether it’s their financial assets, their professional and personal achievements, or the beliefs they live by. Eighty-two per cent of research respondents believe that the most important legacy they can leave is to support future generations of their family, while 74 per cent want to use their wealth to drive wider positive change. This figure is higher amongst women, at 80 per cent. Participants in Africa and the Middle East are typically more motivated to use wealth to drive positive change than those in Europe. This is demonstrated by the 93 per cent in Africa and 89 per cent in the Middle East who believe the ability to spend time and effort on causes that are crucial to them is a significant part of their legacy, compared with 67 per cent in Europe.

These aims are not mutually exclusive. As Figure 1 shows, the first priority for most people (61 per cent) is to make sure their loved ones are financially secure and that their wealth is protected for future generations (59 per cent). For nearly half of people who took part in the study, their values and achievements also define their legacy. Forty-five per cent want to make a positive impact on their community during their lifetime as a key aspect of their legacy, and 47 per cent on society more widely. How people use their assets during their lifetime also matters, this appetite is shown both through sustainable investment strategies (44 per cent) and the causes they give to (43 per cent).
Figure 1. **What do you want to achieve with your assets?**

- **Financial: Wealth and family outcomes**
  - Securing the financial well-being and independence of individual members of my family: 61%
  - Preserving my wealth to pass on to future generations for them to live and build on the values I have set: 59%
  - Maximising my total net wealth – but financial (e.g. investments, cash), businesses and goods (e.g. real estate, luxury goods including art): 56%
  - Having a positive impact on society: 47%
  - Having a positive impact on the community in which I live: 45%
  - Ensuring my investment strategy is designed to have a positive impact on the environment and sustainability: 44%
  - Donating to causes important to me: 43%
  - Achievements in business: 42%
  - Having a positive impact on technology / science: 38%
  - Having a positive impact on central and local government policies: 31%
  - Personal brand: 31%
  - Meeting religious / cultural preferences: 28%

- **Non-Financial: Society and reputation outcomes**
The changing view of legacy

The research reveals that the way participants define their legacy, and their priorities, alter as they go through life. Financial issues become more important as people age, while social and reputational issues are higher priorities amongst younger age groups (Figure 2). Under 40s are more likely to prioritise their values and achievements (58 per cent) whereas those over 60 are more inclined towards protecting their assets for future generations (55 per cent).

This balance between values and achievements, and preservation of assets, is also apparent in the way that people use their wealth over time (Figure 3). For 84 per cent of under 40s, environmentally sustainable investment is a key factor, but this applies to fewer (65 per cent) of those over 60. Women are more likely to want to invest in the environment than men, at 83 per cent, compared with 68 per cent.

The age and gender divide is visible in charitable giving as well, although to a lesser degree. Eighty-one per cent of women believe that charitable giving is key to achieving their legacy goals, compared with 72 per cent of men. Eighty-three per cent of under 40s are inclined to give to charity, but this levels off to 72 – 74 per cent above the age of 40. There are also regional variations: for instance, charitable giving is more important to those questioned in the Middle East (89 per cent) and Africa (82 per cent) compared with Europe (62 per cent). However, one of the obstacles to charitable or philanthropic giving is that it is difficult to see the impact. Seventy-four per cent of respondents said that would increase their charitable giving if they had the technology available to do this.

Figure 2. How does the view of legacy change over time?
Figure 3. **How important is sustainable investment and charitable giving?**

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Charitable Giving</th>
<th>Investing in the Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 40s</td>
<td>84%</td>
<td>83%</td>
</tr>
<tr>
<td>40-59</td>
<td>76%</td>
<td>74%</td>
</tr>
<tr>
<td>Over 60s</td>
<td>72%</td>
<td>65%</td>
</tr>
</tbody>
</table>

- **Charitable giving**
- **Investing in the environment**
Obstacles to achieving legacy goals

Although most (79 per cent) of the wealthy interviewees have a relatively clear idea about the legacy they want to leave, it can be difficult to work out how best to achieve it. The research results highlight a variety of challenges:

**World events.** In an era still defined by COVID-19, it is not surprising that global issues generate uncertainty for 82 per cent of respondents. This particularly relates to those under 40 (88 per cent) who may have experienced fewer major events, but several large ones in the past decade including COVID-19 and the financial crisis in 2008.

**Family developments.** Families and friendship groups evolve over time, and 61 per cent said this caused ambiguity when it comes to legacy planning. Additionally, future generations may have varying challenges and priorities. Sixty-nine per cent said they were concerned that their successors might try to use their inheritance in a different way than they had intended. Family matters are most likely to concern people aged between 40-60 (70 per cent) but least likely amongst those aged above 60 (59 per cent).

**Legacy planning challenges.** Tax, legal and financial complexities can all make it problematic for people to determine how best to structure a financial legacy to meet their long-term goals, particularly amongst those aged 40-60. Seventy per cent of participants in this age group are concerned about legacy planning challenges. Across the research overall, 68 per cent think they lack the necessary knowledge, while 70 per cent are worried about limitations amongst their advisers, and 60 per cent know they are bound by country rules and regulations in their country.

**Finding the right financial structures.** Seventy-four per cent of research participants want to keep their net wealth intact, but the complex structure of their wealth can make this a challenge for 70 per cent. Sixty-nine per cent say that they find it difficult to invest in the most appropriate solutions or opportunities, a problem that is particularly pronounced in the Middle East and Africa. Related to this, legal issues in a person’s home country, or the country in which their assets are based, equally bring about complications (69 per cent).
Figure 4. **What are the challenges to using your wealth as a legacy?**

- **Legacy planning challenges**
- **Global events**
- **Family developments**
- **Finding the right financial structure**

<table>
<thead>
<tr>
<th>Category</th>
<th>Under 40s</th>
<th>40-59</th>
<th>60+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legacy planning</td>
<td>69%</td>
<td>71%</td>
<td>73%</td>
</tr>
<tr>
<td>Global events</td>
<td>65%</td>
<td>68%</td>
<td>70%</td>
</tr>
<tr>
<td>Family developments</td>
<td>71%</td>
<td>74%</td>
<td>79%</td>
</tr>
<tr>
<td>Finding the right financial structure</td>
<td>82%</td>
<td>82%</td>
<td>64%</td>
</tr>
</tbody>
</table>
Structuring wealth to achieve legacy goals

As they think about how they structure their assets during their lifetimes and beyond, survey respondents stressed the importance of maintaining control over their own assets (79 per cent) and their own decision-making (86 per cent) (Figure 5). These aims are particularly important for women, at 93 per cent versus 83 per cent of men. More than eight in 10 people are keen to establish a structure that will enable their personal assets (81 per cent) and business assets (79 per cent) to be held and grow across more than one generation.

It is not just preservation of assets for successors that is essential as people decide how best to structure their financial legacy. Over three quarters (76 per cent) of people sampled in the survey aim to put in place a structure that will allow themselves, and their family members, to continue developing their philanthropic objectives over time.
Figure 5. *Which of the following are important to you as you structure your wealth for future generations?*

- A structure that allows me to retain the ability to direct underlying investment decisions whilst I’m alive: 53% Very important, 33% Fairly / Somewhat important, 11% Slightly important, 2% Not at all important, 86% Don’t know.
- Rely on a will allowing surplus assets to be passed on to my beneficiaries for them to do as they see fit once I’m gone: 48% Very important, 33% Fairly / Somewhat important, 14% Slightly important, 4% Not at all important, 86% Don’t know.
- Establish a structure that will allow for my assets to be retained and grow across more than one generation: 53% Very important, 27% Fairly / Somewhat important, 12% Slightly important, 6% Not at all important, 86% Don’t know.
- Retain wealth in my name as long as possible to keep as much flexibility as I can: 49% Very important, 30% Fairly / Somewhat important, 14% Slightly important, 6% Not at all important, 86% Don’t know.
- A structure that allows for the consolidation and preservation of my business assets across more than one generation: 51% Very important, 28% Fairly / Somewhat important, 10% Slightly important, 10% Not at all important, 86% Don’t know.
- A structure that allows for myself and family members to develop my philanthropic objectives over time: 49% Very important, 27% Fairly / Somewhat important, 14% Slightly important, 10% Not at all important, 86% Don’t know.
- A structure that allows for the passing of all digital assets and belongings, including crypto-currencies: 44% Very important, 31% Fairly / Somewhat important, 13% Slightly important, 10% Not at all important, 86% Don’t know.
- Avoid any form of structure as these are often too complex to understand and provide limited benefit in passing wealth effectively: 38% Very important, 30% Fairly / Somewhat important, 19% Slightly important, 10% Not at all important, 86% Don’t know.
Balancing financial and personal legacy

The study concludes that the concept of legacy planning is not new, especially to the affluent and older generations, but now a process that last can last a lifetime. Traditionally, it involved maximising a person’s wealth for future generations in alignment with their personal values. Today, we see that legacy means much more to many people. It is no longer simply about wealth transfer, but a transfer of values and behaviours too. Although the traditional notion of legacy planning still holds, many seek to balance the financial value of their assets with how their wealth can benefit both their successors and families, and communities and society.

Conventionally, there has been a perception that legacy planning is primarily the concern of those further down the path of life. However, with increased global connectivity, digitisation and mind-set shifts between generations, brings a greater awareness of the responsibilities for the affluent. They have access to more choices when it comes to not only investing and managing their wealth, but also longer-term value setting and philanthropic giving.

With the right advice and financial structures in place, people can make an impact during their lifetime, including effecting real change through charitable giving and sustainable investment, as well as having the reassurance that future generations will be financially secure.
About the research

The extensive survey was carried out by the Consumer, Private and Business Banking (Europe) business in May-June 2021 amongst High-Net-Worth Individuals across Europe, the Middle East and Africa. The research polled:

500 respondents, across genders aged between 20 and 70 years old from:

- Europe – United Kingdom, Turkey
- The Middle East – United Arab Emirates, Saudi Arabia, Qatar, Bahrain, Kuwait, Oman
- Africa – South Africa, Nigeria, Kenya

320 respondents have investments of USD2-5million; one third (180 respondents) have investments of more than USD5million

About Standard Chartered Private Bank

Registered in the UK but with a truly international reach, Standard Chartered Private Bank is the leading international wealth management partner of choice for High Net Worth and Ultra High Net Worth clients.

The Consumer, Private and Business Banking business in Europe brings together Priority and Private Banking for emerging market clients (Africa, Middle East, Turkey) from a world-class Jersey platform and London and Dubai Advisory Centres. Additionally, our team of Wealth Advisers can help navigate the complexities of moving and living in the UK as a foreign domiciled individual.

Whether you are an entrepreneur, a senior executive, the owner of a thriving family business or financially successful, our specialists can help you maximise the potential of your wealth and leave a lasting legacy for your family.

Visit our Private Banking website and UK Resident Non-Domiciled website.