A sudden windfall.

A windfall can be defined as the unexpected or unplanned acquisition of financial assets that alters the recipient’s financial position. This can be a welcome surprise, but the pressure of managing and dealing with a significant amount of money can also be an unforeseen burden.

More Canadians are going to get a windfall
Canada is forecast to see roughly $1 trillion in personal wealth transferring to the next generation between 2016 and 2026, with roughly 70% in the form of financial assets.

High net worth individuals (HNWIs) in Canada, 2008 to 2017

The number of high net worth Canadians – the population with at least U.S. $1 million in assets, not including their primary home – increased by 5.5% in 2017 to 376,680 and their wealth, in total, increased by 7.2% to U.S. $1.2 trillion.

Tips for managing a sudden windfall
- Take your time to plan
- Talk to family
- Speak to a financial professional
- Establish a wealth plan
- Pay off your debts
- Share the wealth
- Be aware of taxes
- Define your legacy

Top financial goals of respondents
- Achieve lifestyle goals in retirement: 55%
- Increase my wealth: 49%
- Protect current wealth: 40%

Top financial goals of respondents if they received a sudden windfall
- Share with family, friends and charity: 64%
- Pay off all my debts: 64%
- Invest in the stock market, a business or property: 47%
- My financial goals would remain the same: 38%

Investment and retirement concerns over a windfall
- How do I avoid family conflict over money? 18%
- How can I create a legacy with the money? 15%
- I have more money, I’d like to help others: 31%

Estate and legacy concerns over a windfall
- Can or should I stop working? 12%
- How does this change my retirement outlook? 18%

Source: BMO Wealth Management Report, A sudden windfall. A blessing, not a burden., December 2018. This publication is for informational purposes only and is not and should not be construed as, professional advice to any individual. Individuals should contact their BMO representative for professional advice regarding their personal circumstances and/or financial position. The information contained in this publication is based on material believed to be reliable, but BMO Wealth Management cannot guarantee the information is accurate or complete. BMO Wealth Management does not undertake to advise individuals as to a change in the information provided. It is intended as advice of a general nature and is not to be construed as specific advice to any particular person nor with respect to any specific risk or insurance product. The comments included in this publication are not intended to be a definitive analysis of tax applicability or trust and estates law. The comments contained herein are general in nature and professional advice regarding an individual’s particular tax position should be obtained in respect of any person’s specific circumstances.

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