BAKER DAVIES

POOLE
01202 716455
SALISBURY
01722 322872

clientservices@bakerdavies.com
bakerdavies.com

Your **wealth**

Is your family ready for the largest international transfer in wealth?

The world is on the brink of an unprecedented transfer of wealth. A notable World Wealth Report[1], which gauges the opinions of over 6,000 global high-net-worth individuals (HNWIs), highlights a *'staggering $83.5tn in wealth'* will pass to younger generations by 2048. Other research suggests the figure could be even higher. In the UK alone, around £7tn is forecast to transfer between generations by 2050.

The report, entitled *'Sail the great wealth transfer,'* explores the transformation of the wealth management topography as Gen X, Millennials and Gen Z are set to take control of this growing pool of assets. Strong equity market performance has driven sustained growth in HNWI wealth, further increasing the value of assets likely to be passed on.

The scale of this transfer brings challenges. Research shows that up to 70% of wealthy families lose their wealth by the next generation and as many as 90% by the third. Without careful planning, wealth can quickly erode through poor decision-making, tax inefficiency and lack of financial education.

This is where proactive advice and structured planning play a vital role in preserving wealth.

Transferring wealth is about far more than handing over a lump sum. It's about securing your family's long-term financial wellbeing, aligning wealth with your values, and preparing future generations to manage it responsibly.

Open communication is essential, even if conversations about money feel uncomfortable at first. Being transparent about your intentions, goals and expectations can help prevent misunderstandings and conflict later on.

Breaking the process into manageable steps can make it far less daunting. We can support you at every stage, including:

- Identifying your beneficiaries and clarifying who you want to benefit
- Selecting the most appropriate wealth transfer structures, such as trusts and lifetime gifting
- Developing a tax-efficient strategy to minimise Inheritance Tax (IHT) and other liabilities
- Facilitating family discussions to ensure everyone understands the plan
- Helping educate future beneficiaries so they are prepared to manage their inheritance
- Reviewing and updating your plan regularly to reflect changing circumstances.

Proposed changes to the IHT treatment of pensions from April 2027 may accelerate the pace of wealth transfer. This makes now an ideal time to review your plans and consider whether lifetime gifting or other strategies could help reduce future liabilities. With the right guidance, the great wealth transfer can be more opportunity than risk, for your family.

[1]Capgemini 2025

Passing on wealth – the essentials of IHT

- IHT is a tax charge based on the value of someone's estate when they die, though currently any transfer to a surviving spouse or civil partner is exempt
- An estate includes property, savings, investments, personal possessions and other assets held in the deceased's name
- Currently, estates worth more than £325,000 may be taxed on the amount above this level
- The standard IHT rate is 40%, although this can reduce to 36% if at least 10% of the estate is left to charity
- There is an extra allowance (£175,000) when leaving a main residence to direct descendants (children, stepchildren or grandchildren), which can increase the tax-free amount
- The tax is usually paid by the executor(s) of the estate before assets are distributed to beneficiaries
- Making lifetime gifts, within certain rules and allowances, can help reduce the value of an estate over time
- In some cases, placing assets into trusts may help with passing on wealth while keeping a level of control, but this can be complex
- Planning ahead may help reduce the amount of tax due, but the rules can be complicated
- Seeking professional advice can help ensure you understand your options and make informed decisions for yourself and your family.

Gifting and trust strategies can have tax implications and may not be suitable for everyone.

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IN THE **News**

Sabbaticals on the rise with Gen X leading

Research[2] has highlighted a growing shift in UK work-life priorities, with Gen X (those born between 1965 and 1980) driving the change. Twice as many UK workers want to take sabbaticals than have actually taken one, underlining a clear gap between aspiration and reality. Health and wellbeing are the top motivators for taking some time out, to recharge and reflect. However, affordability (45%) and other barriers, such as lack of employer support (22%), are holding people back.

Four times as many Gen Xers would like to take time out through a sabbatical than have put it into practice, despite being the least likely generation to say they enjoy their job.

Property wealth drives IHT burden

Property wealth accounts for a significant share of IHT-paying estates, particularly in London, where it represents 47% of total estate value, according to a new report[3]. Comparable figures stand at 42% in the South East and East of England, 36% South West and 33% East Midlands, with most regions reporting property making up around a third or more of taxable estates. In the 2022/23 financial year (the most recent data available), the average property value within London estates exceeded £862,000, contributing to an overall average estate value of more than £1.6m.

[2]Aegon 2025, [3]FOI 2026

Investor confidence 2026

How confident do you feel as an investor? There are so many factors that can impact confidence, from level of knowledge and experience to market movements and professional support. Psychologically, your approach to investing is inextricably linked to your emotional state and cognitive biases – are you overconfident, are you risk averse, perhaps you tend to follow the herd or can sometimes be irrational with decision making? Success in financial markets can hinge on so many factors.

A recent '*Investor Confidence Barometer,*'[4] which has surveyed 1,000 adult investors holding a pension and investable assets of least £100,000, has provided some interesting insight.

Some of the key findings suggest that investors are generally confident about their finances this year and plan to boost their contributions. However, many have an emotional reaction to market movements, which may impact their long-term plans and discipline.

Some investors admit to having made mistakes in the last year, with main issues including taking too little risk (24%) and taking too much risk (18%). Non-advised investors have a tendency to over-allocate to cash, they exhibit lower levels of confidence and are more likely to react emotionally to headlines. Meanwhile, some 22% of non-advised investors have reacted emotionally to markets, compared to just 13% of advised investors.

There is an interesting division between advised and non-advised investors, with almost three quarters (74%) of those taking advice planning to increase their contributions over the year ahead, versus half of non-advised investors. Those who take advice seem to have a *'deeper investable capacity and long-term strategy'* adding higher amounts (£38,983 versus £25,908 on average for non-advised).

- Almost two-thirds of investors (62%) are looking to increase their investments over the next year
- Long-term planning is the main driver for those intending to increase contributions (67%), followed by expectations of strong returns (47%)
- Adviser guidance influences 43% of those increasing investments and is the single biggest driver (60%) among advised investors
- Over three quarters of investors (77%) are confident about achieving portfolio growth - falling to 61% without adviser support, *'highlighting the critical role of advice in converting confidence into outcomes'*
- Confidence in retirement funding rises from 68% for non-advised investors to 82% for those receiving advice.

The constancy of advice

The report findings highlight that investors are clearly still seeking *'the human connection that in-person advice brings to the table'* reinforcing the vital role of advice in changing behaviours to improve people's long-term outcomes. The findings suggest, *'As economic uncertainty, technological transformation and regulatory change collide, the role of advisers as a trusted partner to clients holds true.'*

We can help you maintain discipline and focus to help you work towards effectively achieving your long-term financial ambitions.

[4]Scottish Widows 2026 (survey conducted prior to the Middle East conflict)

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Build momentum from day one – new tax year planning

A new tax year feels a bit like spring cleaning for your finances - a fresh start, new allowances and a chance to put good habits in place early.

Acting now, rather than later in the year, can help you make the most of available tax reliefs and shape a plan that supports your longer-term goals. A few simple steps can make a meaningful difference.

Make the most of this year's allowances

- **Use your ISA allowance** - you can invest up to £20,000 into ISAs this tax year. The sooner you contribute, the longer your money has the potential to grow tax-free. You can also contribute to a Junior ISA (JISA) for your children (or grandchildren), helping to build tax-efficient savings for their future
- **Review your capital gains position** - using your annual exemption thoughtfully can help reduce tax on investment gains
- **Strengthen your pension savings** Pension contributions benefit from tax relief and may reduce your taxable income. Starting early can smooth contributions across the year
- **Consider IHT planning** - making use of gifting allowances during your lifetime can gradually reduce the value of your estate and support the next generation.

Start the 2026/27 tax year with confidence

The start of the tax year is the ideal time to step back and review your wider financial plan. Are your investments aligned with your goals? Are you saving in the most efficient way? Small, proactive decisions now can create flexibility and confidence later.

If you'd like to explore how to make the most of the 2026/27 tax year that starts on 6 April, we're here to help you put a clear plan in place - so you can move forward with clarity and peace of mind.

Tax treatment depends on individual circumstances and may change in future.

Salary sacrifice – things to consider

Salary sacrifice is one of the most effective pension planning tools available, particularly for higher earners. It allows you to exchange part of your salary for increased pension contributions, reducing both Income Tax and National Insurance (NI) in the process. The November Budget confirmed that from 6 April 2029, the NI advantages of salary sacrifice will be restricted, making the current rules more valuable in the years ahead.

Under a salary sacrifice arrangement, your employer pays part of your salary directly into your pension. This means you don't pay Income Tax or employee NI on that amount, and your employer also saves on NI – a saving that is often shared through additional pension contributions. It can also help reduce your taxable income for thresholds such as the higher-rate tax band, the High Income Child Benefit Charge and the tapering of the personal allowance above £100,000.

What's changing?

From April 2029, only the first **£2,000 per year** of pension contributions made via salary sacrifice will remain exempt from NI. Any amount above this will still receive Income Tax relief, but NI will be payable. While this change is still a few years away, it creates a clear planning opportunity. Contributions made between now and 2029 continue to benefit from full NI efficiency, making this a valuable window.

For those who can afford it, this may mean increasing salary sacrifice, using bonus sacrifice, or bringing forward planned contributions. The aim isn't to rush decisions, but to be aware that the rules will become less generous over time.

The big picture

Salary sacrifice works best as part of a wider, long-term strategy. Reviewing your position now can help ensure your pension contributions remain tax-efficient, affordable and aligned with your broader retirement and lifestyle goals.

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Economic green shoots of spring?

After a long, cold winter, there are tentative signs that spring is arriving. With hope in the air - what lies ahead for the global economy? Uncertainty still defines the backdrop, with economic resilience tested yet again by the outbreak of war in the Middle East.

Prior to the conflict, the World Bank's latest outlook stressed that global cooperation will be essential to restoring stability to international trade and to scale up support for vulnerable countries grappling with conflict, high debt levels and climate change. Alongside this, strong domestic policy action remains critical to contain inflation risks and reinforce fiscal resilience.

Growth prospects revised up

A similar message emerged from the World Economic Forum in Davos, held under the theme *"A Spirit of Dialogue."* Speaking there, IMF Managing Director Kristalina Georgieva struck a cautiously upbeat tone, noting that global growth prospects have been revised upwards to 3.3% in 2026 and 3.2% in 2027 (prior to the Middle East conflict). Yet she was clear about the environment ahead, warning that "*uncertainty is the new normal*" and urging leaders to factor this reality into decision-making. *"Learn to think of the unthinkable and then stay calm, adapt," she said, adding "I don't think... that we will go back to a world of predictability."*

On trade, she urged restraint, cautioning against *"tit-for-tat"* retaliation and highlighting the benefits of keeping trade flowing in an increasingly multipolar world. Investment in AI has supported economic resilience, but Georgieva stressed that its long-term value depends on how it is deployed.

Governments face complex pressures from ageing populations to safeguarding financial stability. Central banks must strike a careful balance. As the IMF recently noted, the task ahead is to balance optimism with prudence, ensuring today's technological momentum translates into sustainable, inclusive growth rather than another boom-and-bust cycle.

With research showing many UK investors are planning to increase their investment contributions this year, that willingness to commit more capital, despite ongoing geopolitical tensions and economic headwinds, reflects a quiet confidence in the long-term resilience of financial markets. Investors appear tuned in to opportunity and the potential for growth.

Market conditions can change and investors may experience losses as well as gains.

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Dividend outlook – growth expectations for 2026

Following growth of 1.3% in the fourth quarter and total headline payouts of £87.5bn in 2025, UK dividend expectations for the year ahead are positive, according to the latest dividend monitor[5]. Dividends are forecast to reach £88.8bn in 2026, representing a 1.5% headline increase.

The stronger end to 2025 was driven by better-than-expected payouts across the property, consumer staples and energy sectors, alongside a moderation in exchange-rate impacts, a late surge in special dividends and additional contributions from companies promoted from AIM.

Commenting on the outlook, Mark Cleland, CEO of Issuer Services (UCIA) at Computershare, noted *that "dividend payouts have still not regained pre-pandemic highs,"* despite pointing out that rates improved throughout last year. Looking ahead, he added that while there *are "no clear indications dividends will grow much faster in 2026,"* a median growth rate of 3.7% points to a healthier underlying trend.

Global perspective

Globally, aggregate dividends are projected to rise by 2.9% this year to $2.47tn[6]. Ongoing macroeconomic uncertainty, including geopolitical discord and trade issues, continue to weigh on corporate earnings and dividend growth. While this represents a slowdown from the 4.7% growth recorded in 2025, it reflects a broader return to more normalised post-pandemic levels. Regional expectations vary widely, with stronger growth forecast in the US and India, mixed prospects across Europe and more subdued outlooks in parts of Asia.

[5]Computershare 2026, [6]S&P Global Market Intelligence Dividend Forecasting 2026

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All details correct at time of writing (March 2026).