

Follow the Money: WealthTransfer



WealthTransfer

Housekeeping

- Listen-only mode for attendees
- Use Q&A feature to submit your questions
- Questions will be visible to all attendees, but there is an option to submit anonymously
- Presentation recording will be available on our website at environicsanalytics.com/resources/webinars

Today's Presenter

Catherine Pearson

SVP & Practice Leader

Catherine.Pearson@environicsanalytics.com



Today's Presentation

- Transfer of wealth in Canada
- Why we built WealthTransfer
- What is WealthTransfer?
- How can your organization leverage WealthTransfer?



Key Trends



Aging population and desire to **leave a legacy** for family

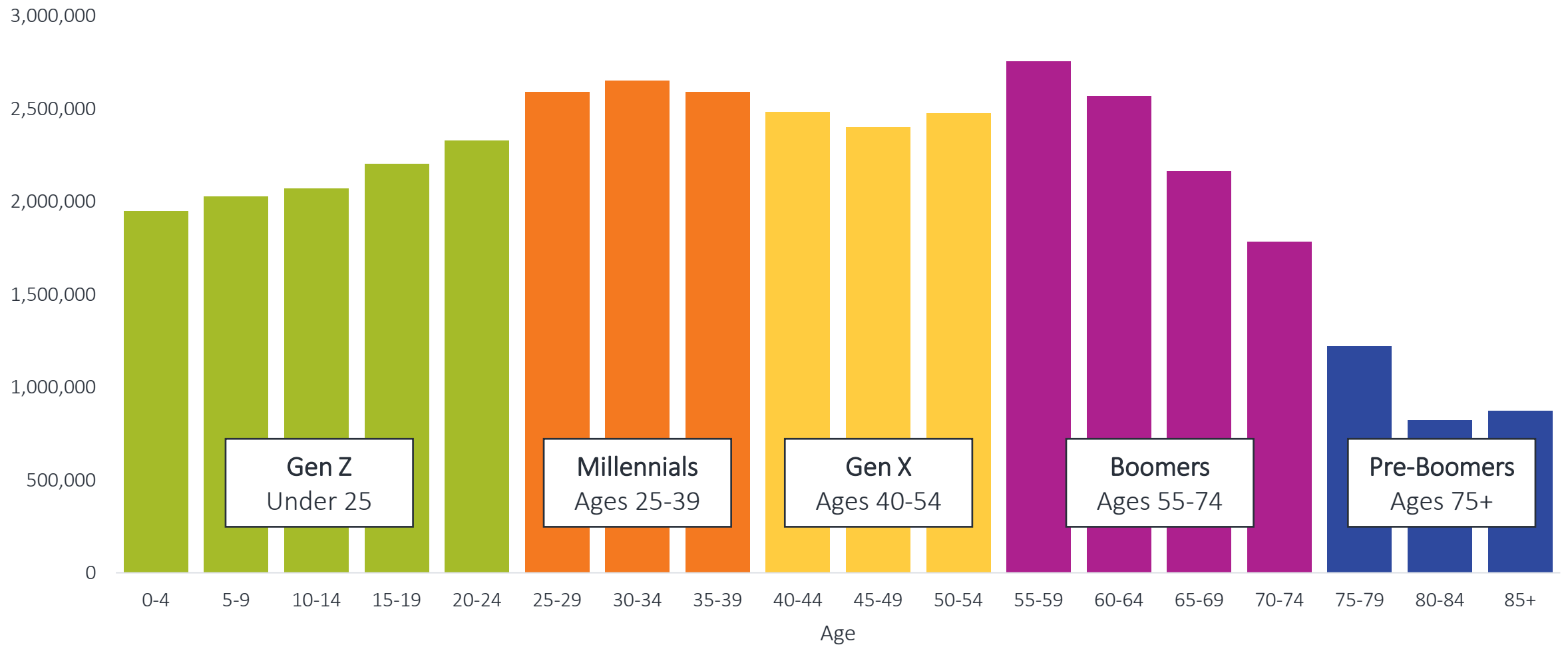


Largest impending transfer of wealth expected

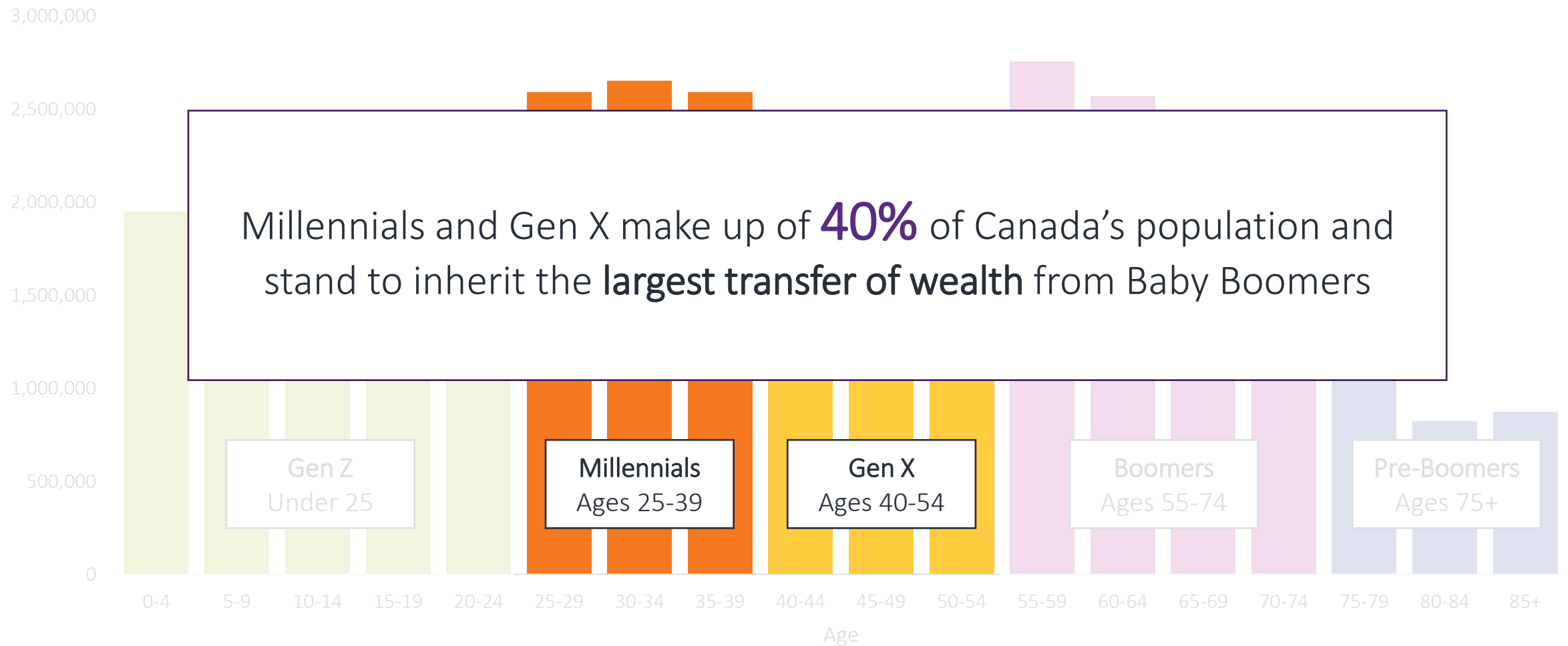


Millennials are **different** from older generation

Canada's Changing Demographics

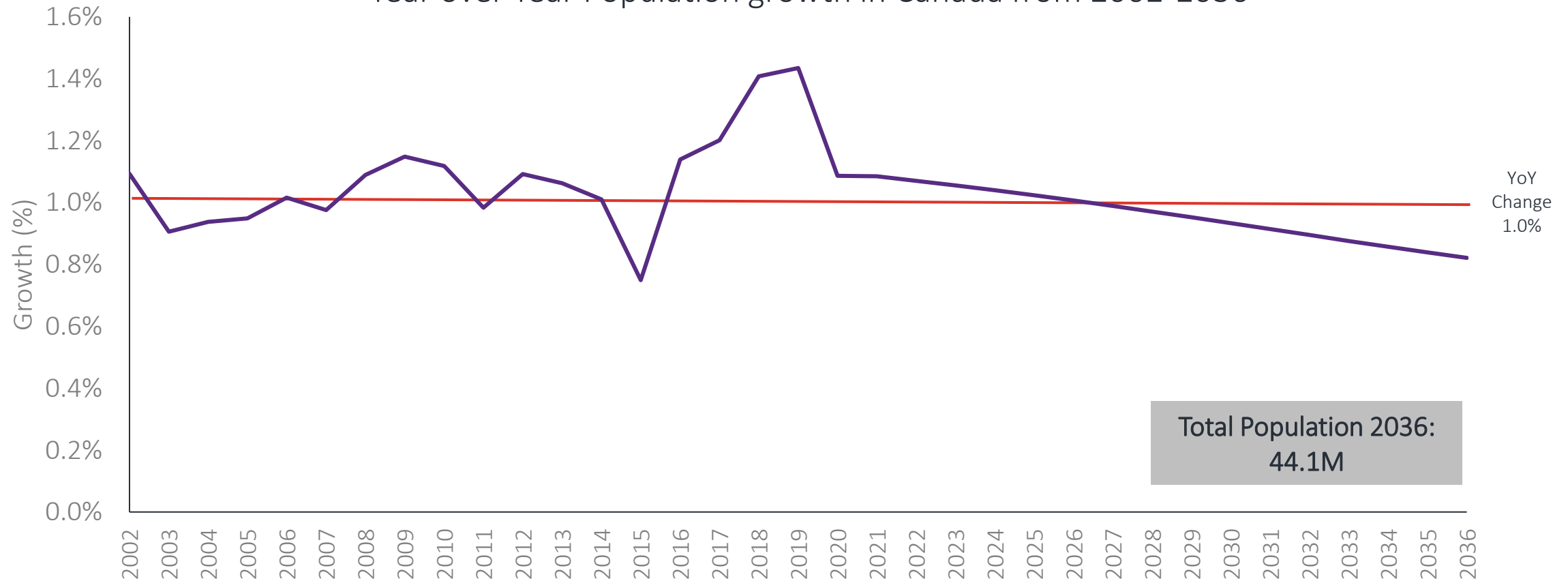


Canada's Changing Demographics



Future Growth Expected to Slowly Decline Due to Aging Population

Year over Year Population growth in Canada from 2002-2036



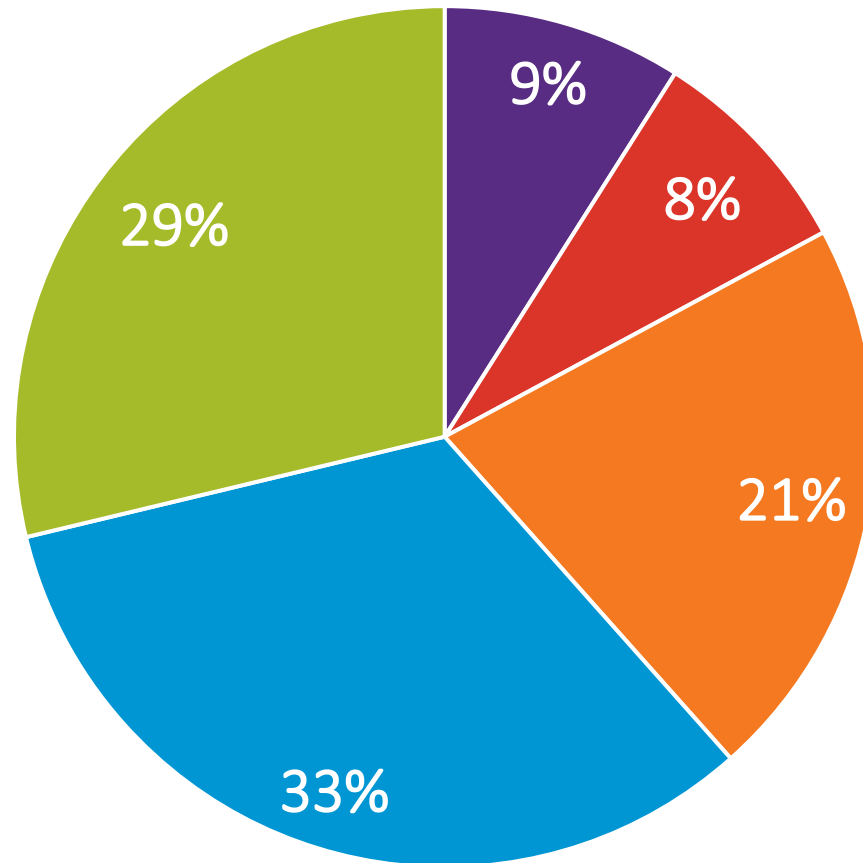


More than
\$576 Billion
in inheritances have
been received by
Canadians

Lifetime Inheritance by Receiver Age

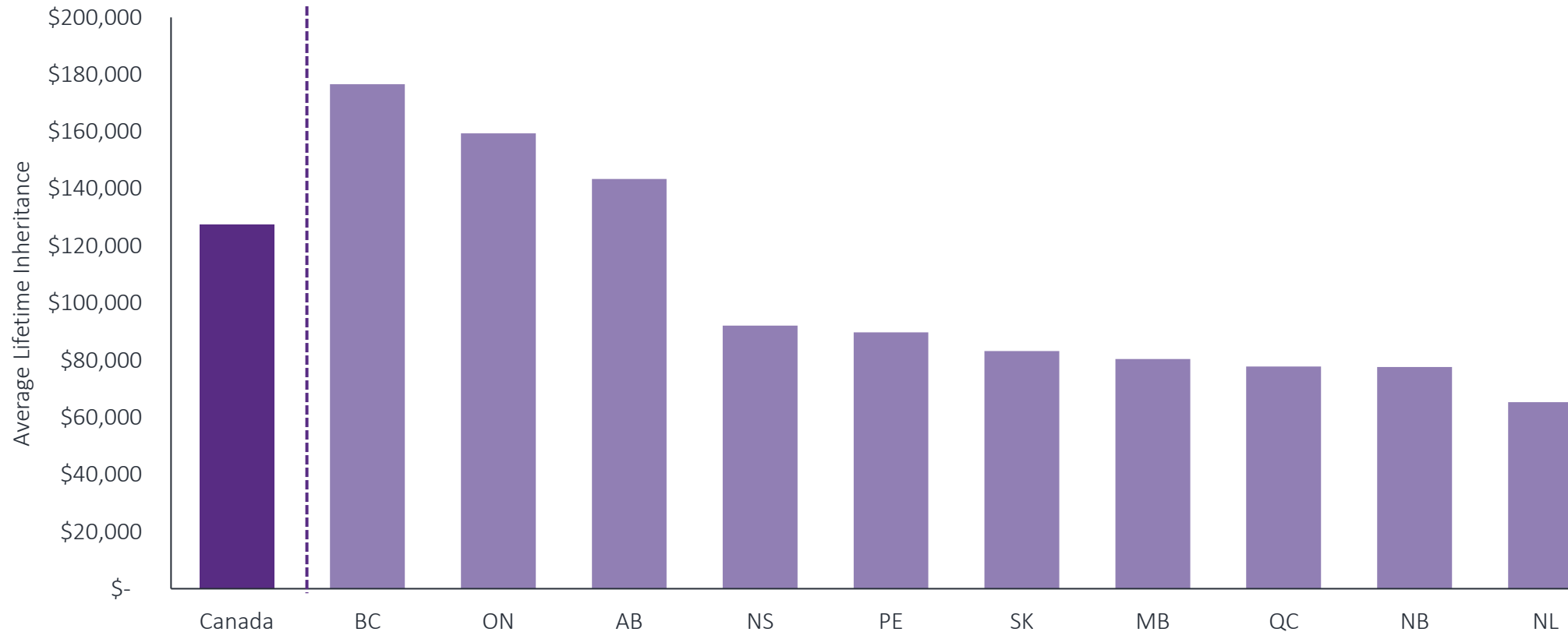
Inheritance Value by Receiver Age

■ <40 ■ 40-49 ■ 50-59 ■ 60-69 ■ 70+



Inheritance Received by Province

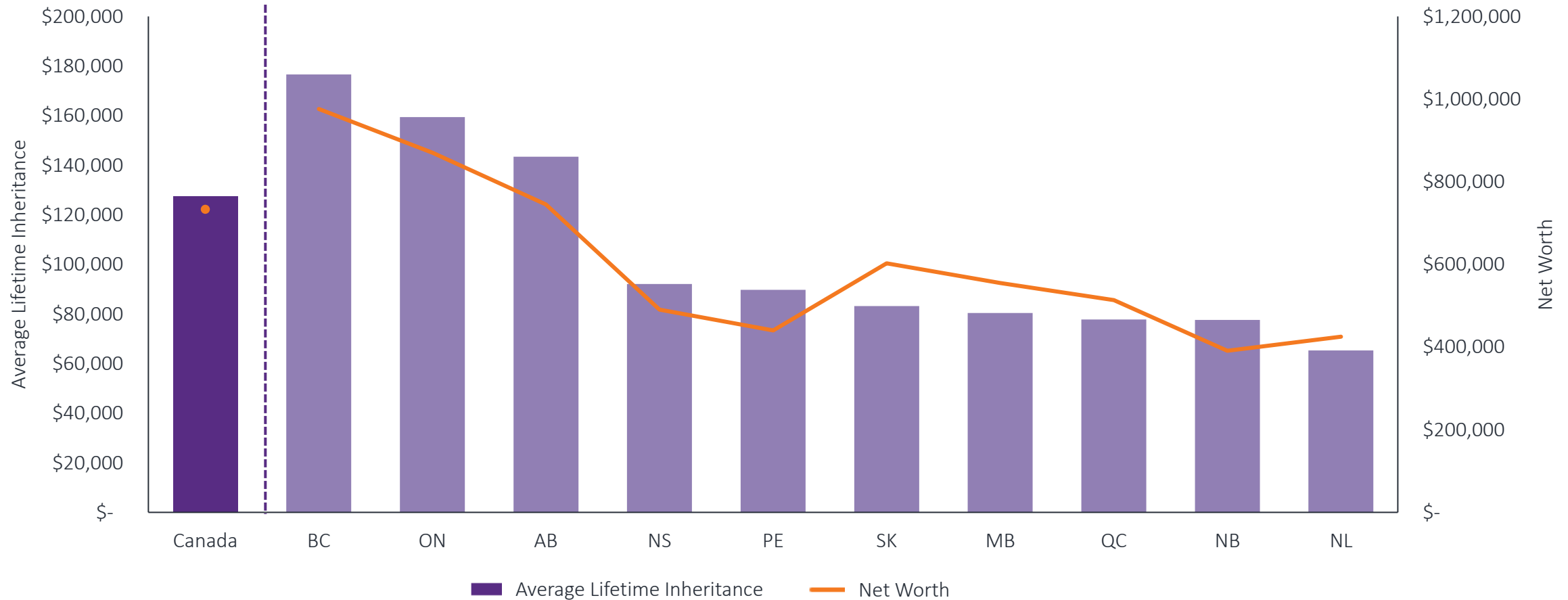
Average Lifetime Inheritance Received by Province



Sources: Statistics Canada Survey of Financial Security

Inheritance Received and Net Worth

Average Lifetime Inheritance and Net Worth by Province



Sources: Statistics Canada Survey of Financial Security, WealthScapes 2020

What We Are Hearing





WealthTransfer

What is WealthTransfer?



Ability to quantify the inheritance opportunity by number of households and dollars in given year



Incidence and Value Scores to compare markets and customers



Actionable at the 6-digit postal code



10 months of development and annual updates

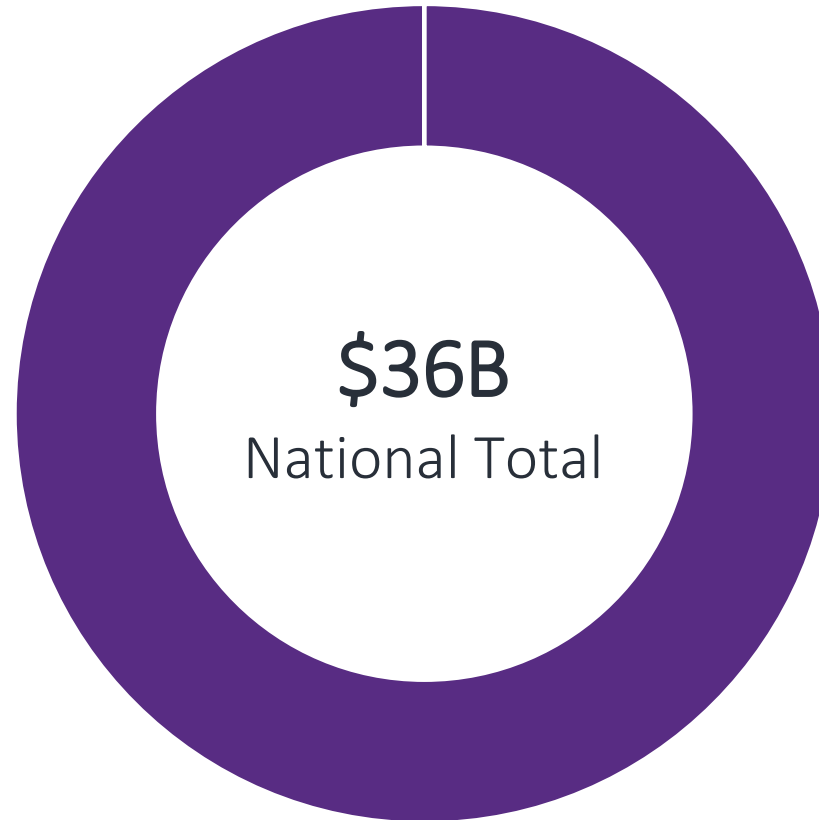


Primary source – Survey of Financial Security modeled to the six digit postal code using our Econometric & Demographic models, Age by Income, Urbanity, Taxfiler, PRIZM plus custom data from Statistics Canada

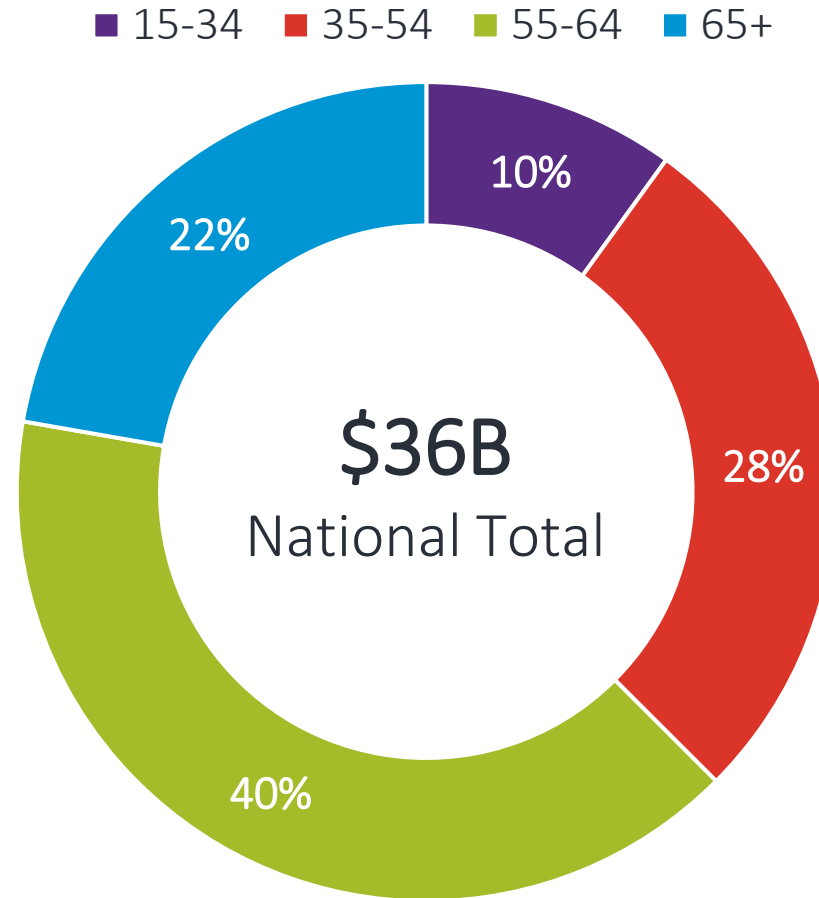


Privacy friendly and exclusive data that integrates with EA's suite of products

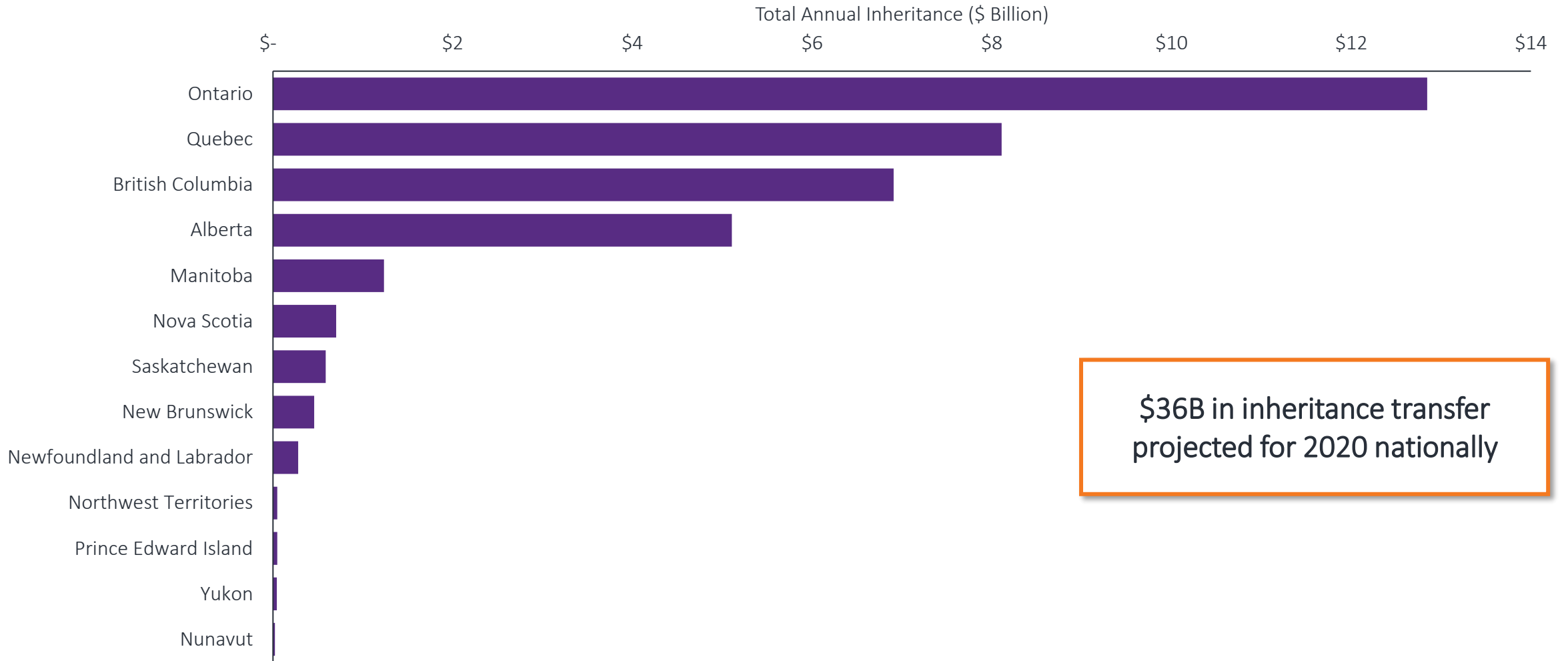
2020: Total Estimated Inheritance



Inheritance Not Just for Older Generation

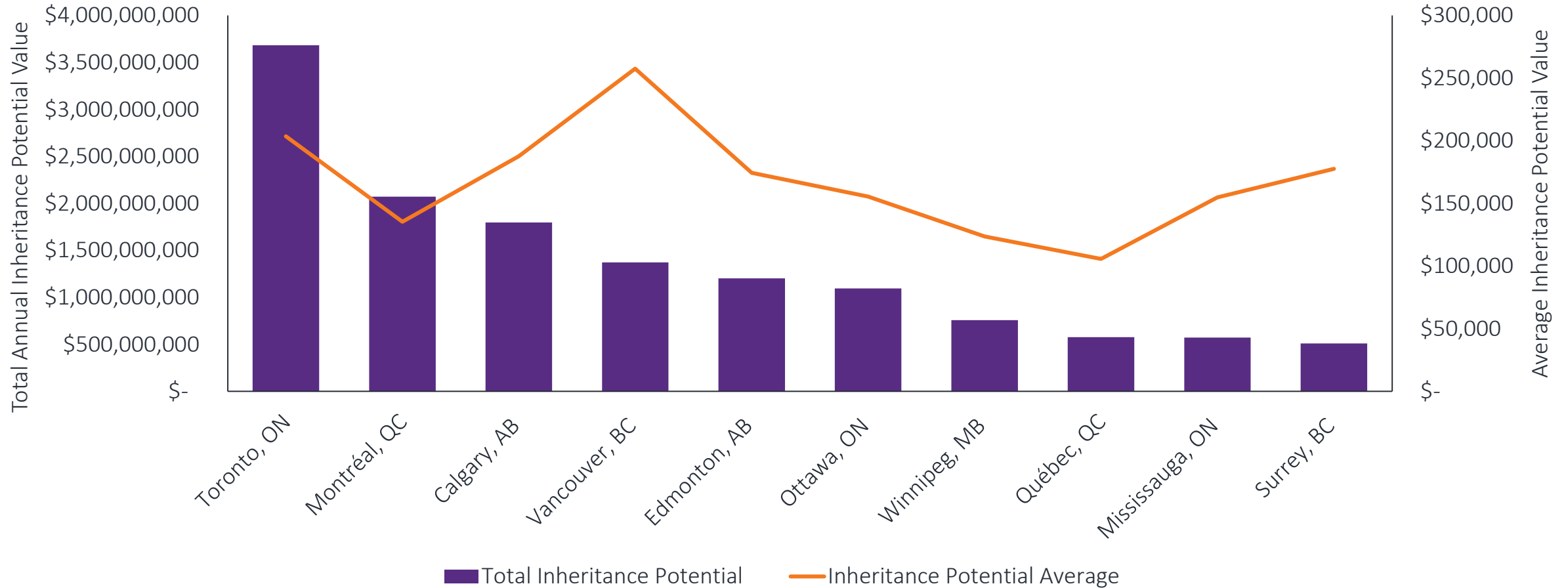


2020: Total Estimated Inheritance by Province



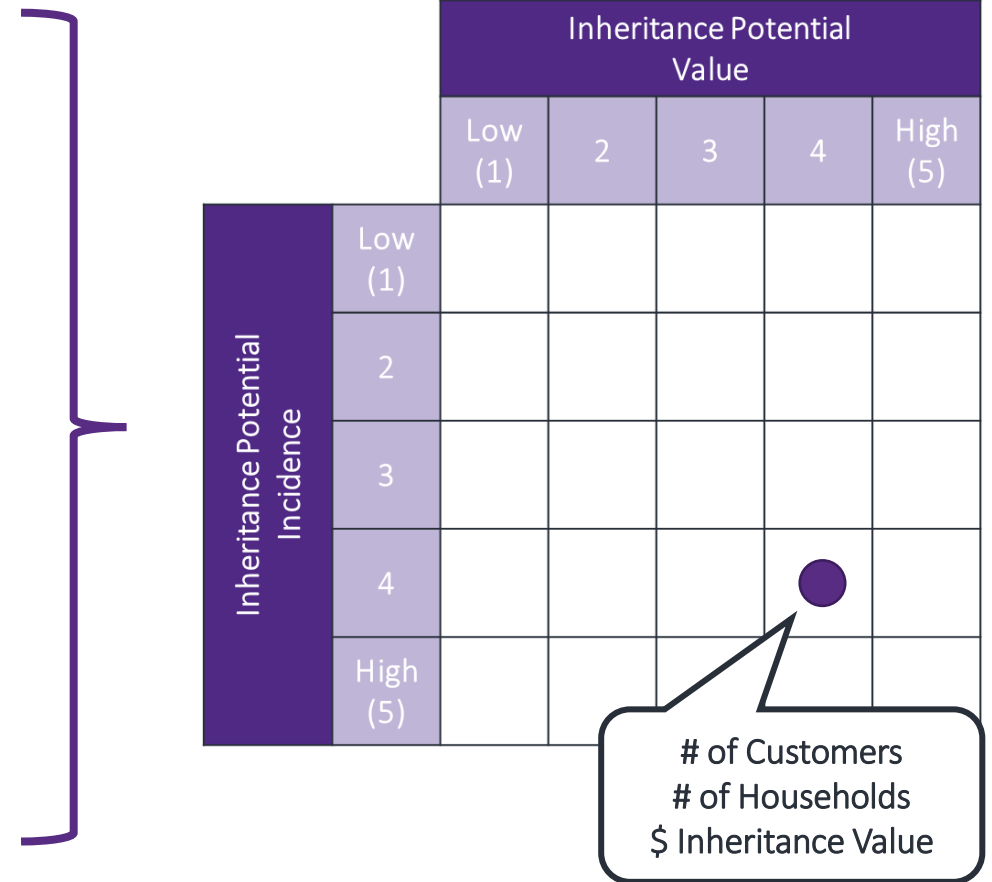
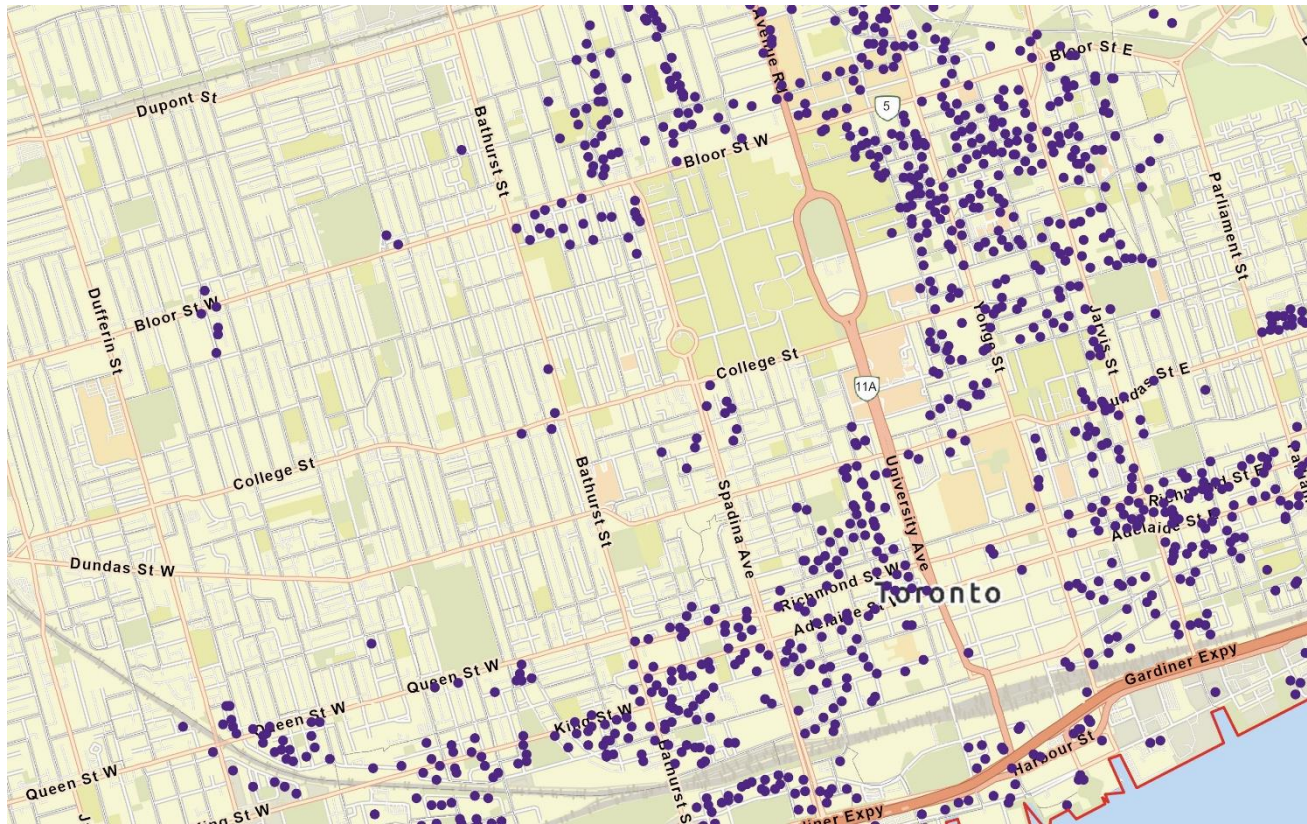
Not All Markets Expected to Behave the Same

Inheritance Potential by Top 10 Census Subdivisions



Sources: WealthTransfer 2020

Score Your Market or Customers to Identify Where the Highest Potential Exists



Sources: WealthTransfer 2020

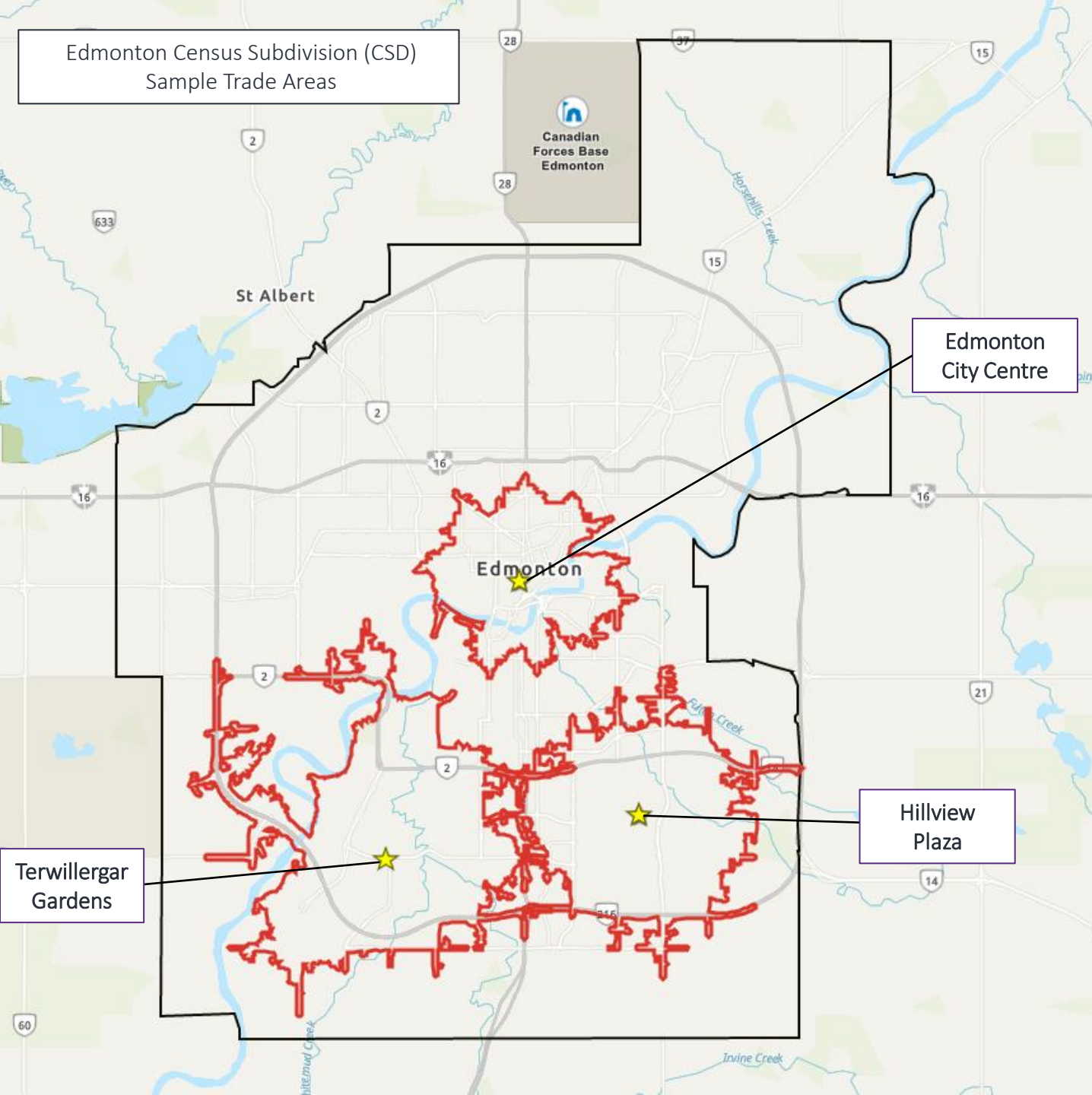
Use Case: Edmonton



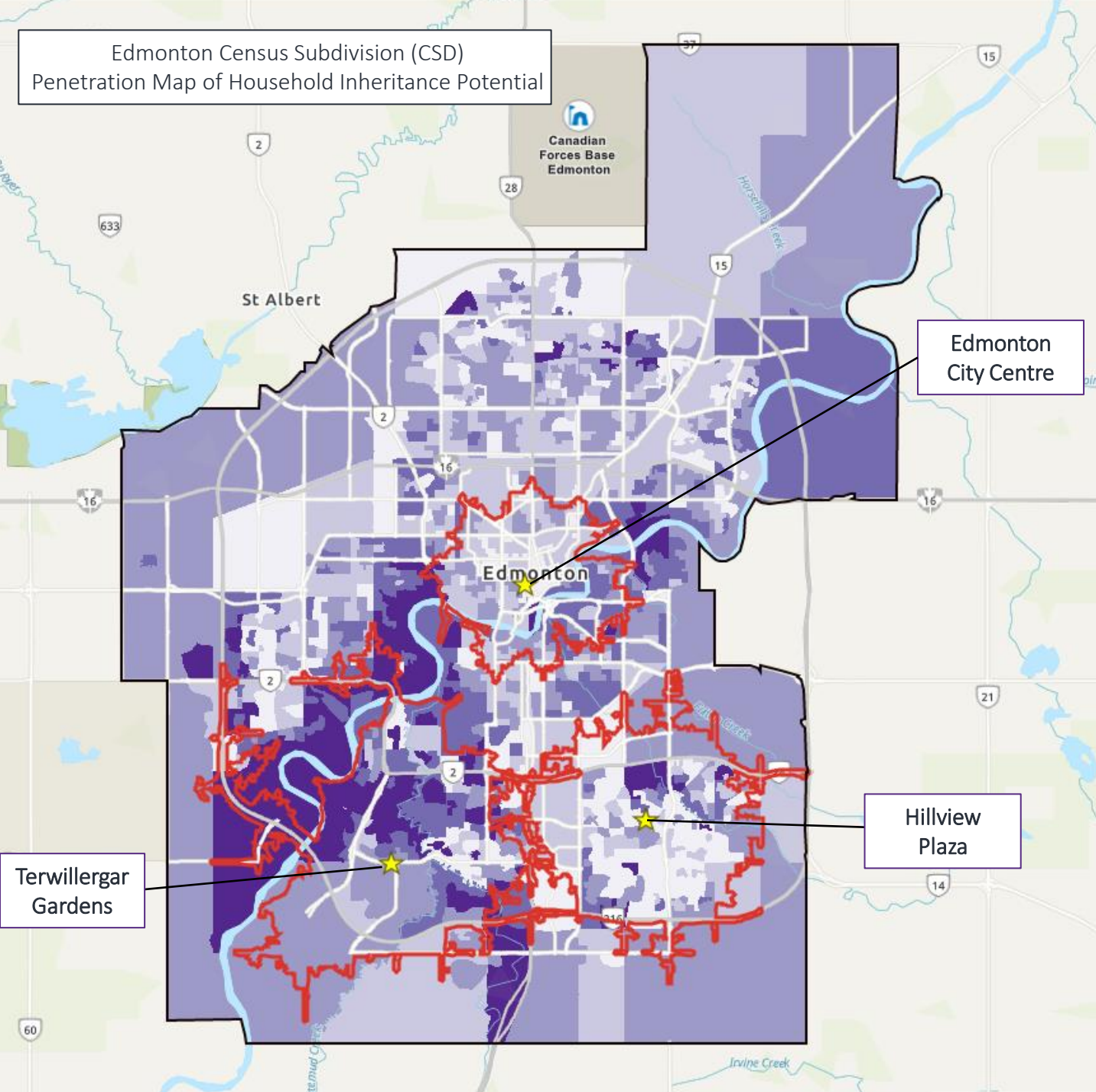
Use Case: Edmonton

Questions we are looking to answer:

- Where is the opportunity for transfer of wealth in my trade areas?
- What is the size of the opportunity?
- Who is likely to receive an inheritance? How much?
- How do I target and engage them?
- How do I staff appropriately?

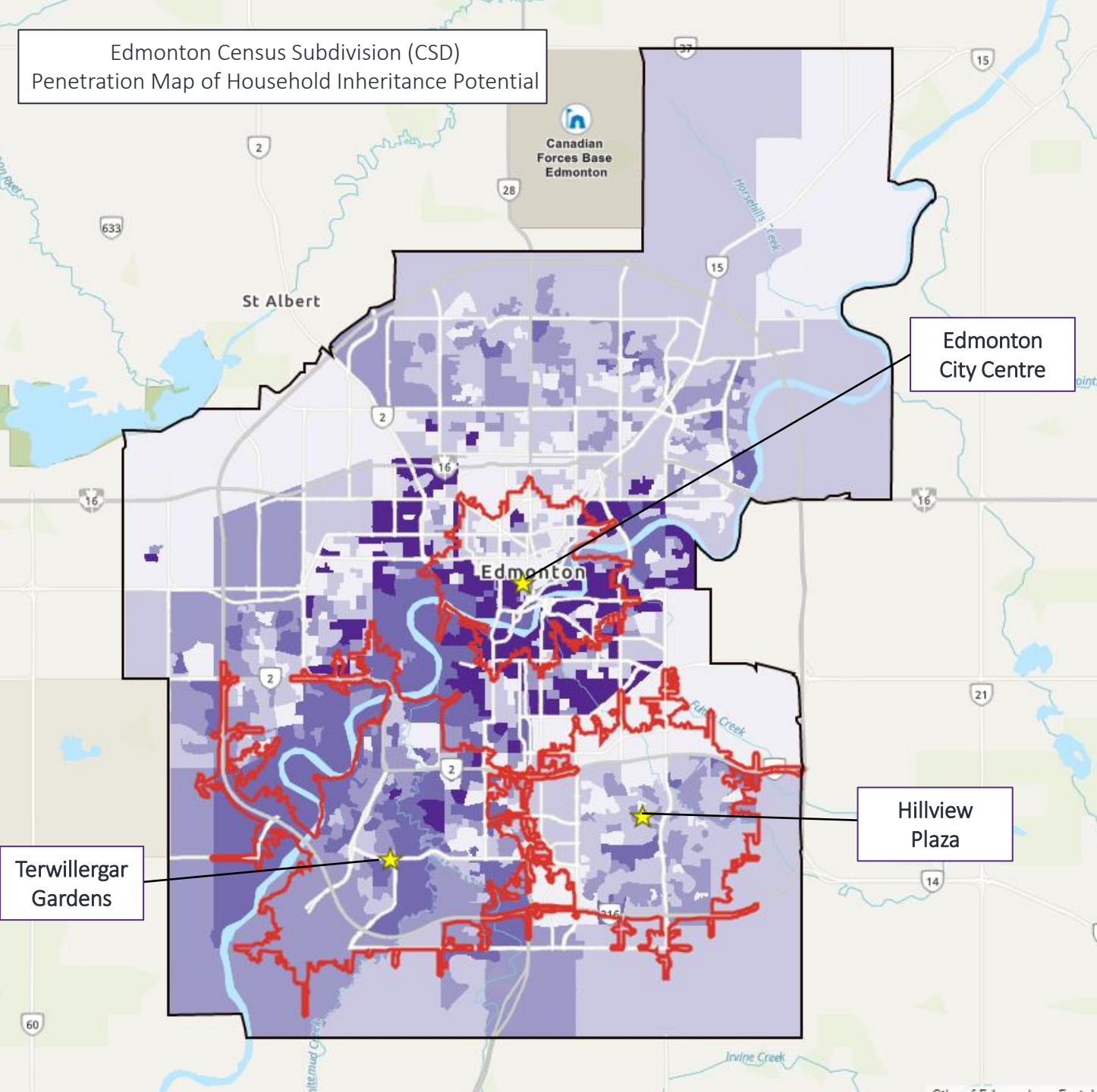


Edmonton Census Subdivision (CSD)
Penetration Map of Household Inheritance Potential



Inheritance Potential by Incidence

Edmonton Census Subdivision (CSD)
Penetration Map of Household Inheritance Potential



Inheritance Potential by Average Inheritance

Sizing the Opportunity for Inheritance Potential

Location (Trade Area)	Total Households	Inheritance Potential		
		Households	Total Dollars	Average Dollars
Edmonton City Centre	61,765	1,108	\$230,723,713	\$226,644
Hillview Plaza	37,046	565	\$83,846,841	\$148,401
Terwillergar Gardens	50,711	1,045	\$190,581,233	\$182,374
Total	392,545	2,628	\$505,151,787	\$192,219

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Sources: WealthTransfer 2020

Integrating WealthTransfer with Other EA Data



Who are the Receivers of Inheritance?

Young Singles & Couples



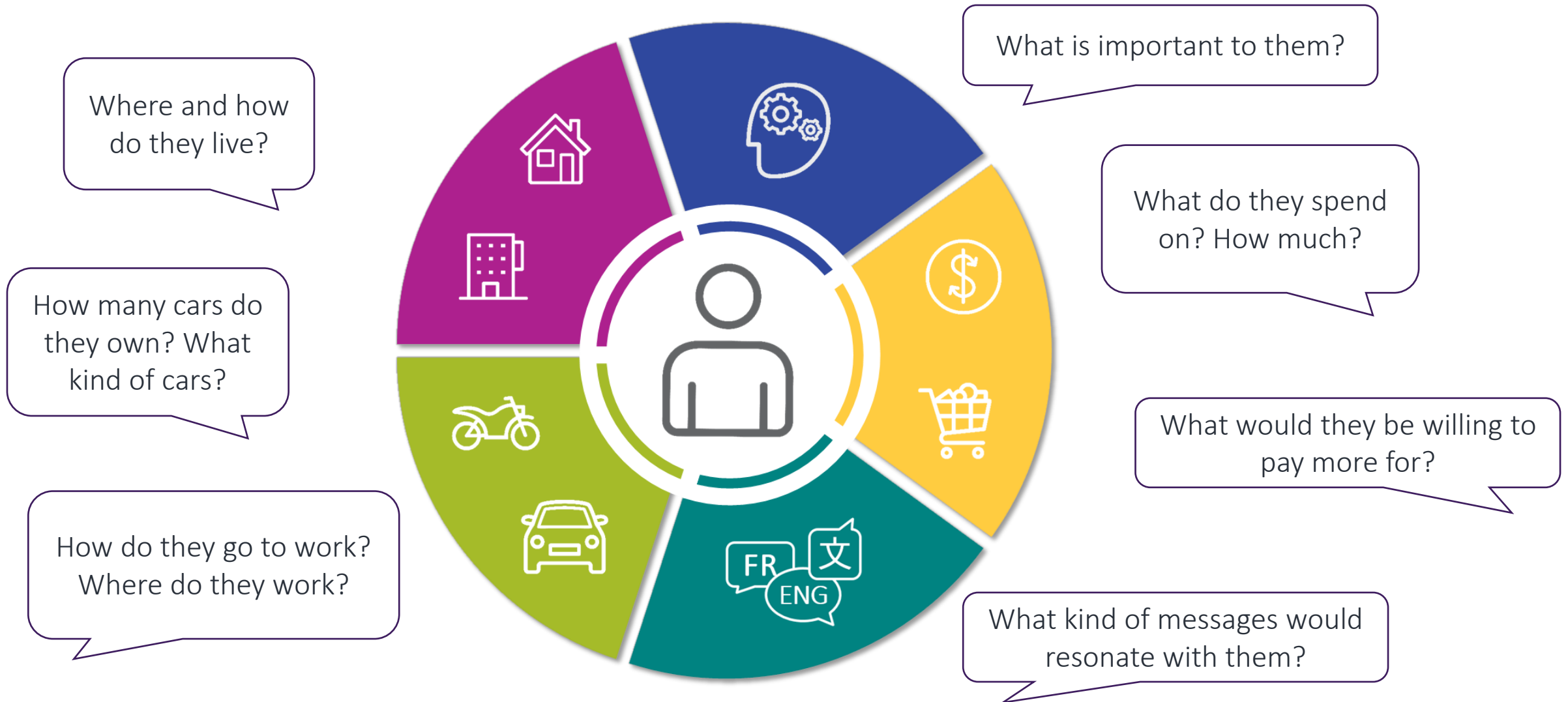
Established Families



Wealthy Matures



Understanding the Target Audience



Demographic Characteristics

Young Singles & Couples



Established Families



Wealth Matures



Age

Under 35

35 to 64

55 and Older



Household Structure

Singles and Couples

Families with Children at Home

Mature Singles and Couples, some with adult children at home



Education

University

College & University

University



Occupation

Arts, Education, Sciences

Business, Finance, Administration

Management (if not retired)

Wealth Characteristics

Young Singles & Couples



Established Families



Wealth Matures



Avg. Household Income

\$93,489

\$121,843

\$159,424



Avg. Net Worth

\$413,211

\$500,996

\$823,745



Home Ownership

Rent Primary Residence

Own Primary Residence and other Real Estate

Own Primary Residence and other Real Estate



Debt-to-Liquid Asset Ratio

0.23

0.32

0.32

After Receiving an Inheritance



Financial Characteristics

Young Singles & Couples



Established Families



Wealth Matures



Annual Spend

\$62,417

\$82,320

\$103,914

Spend Last Vacation

Under \$1,000

Under \$2,000

\$2,000 or More

Charity Donation
(Past year)

\$101 - \$500

\$101 - \$500

\$500 or more

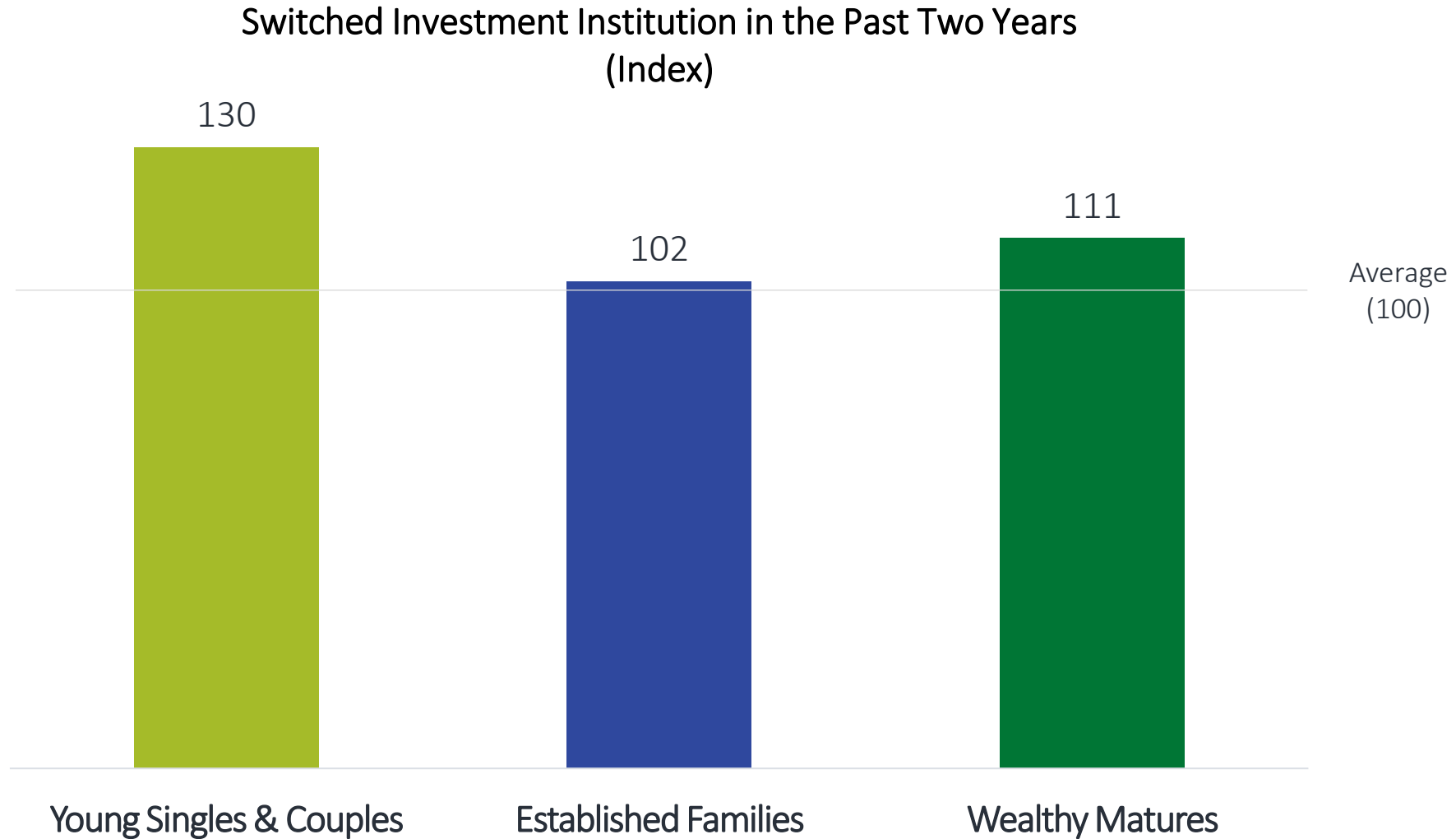
Financial Attitude

"I like talking to a professional when making important financial decisions"

"I have difficulty paying off my debt"

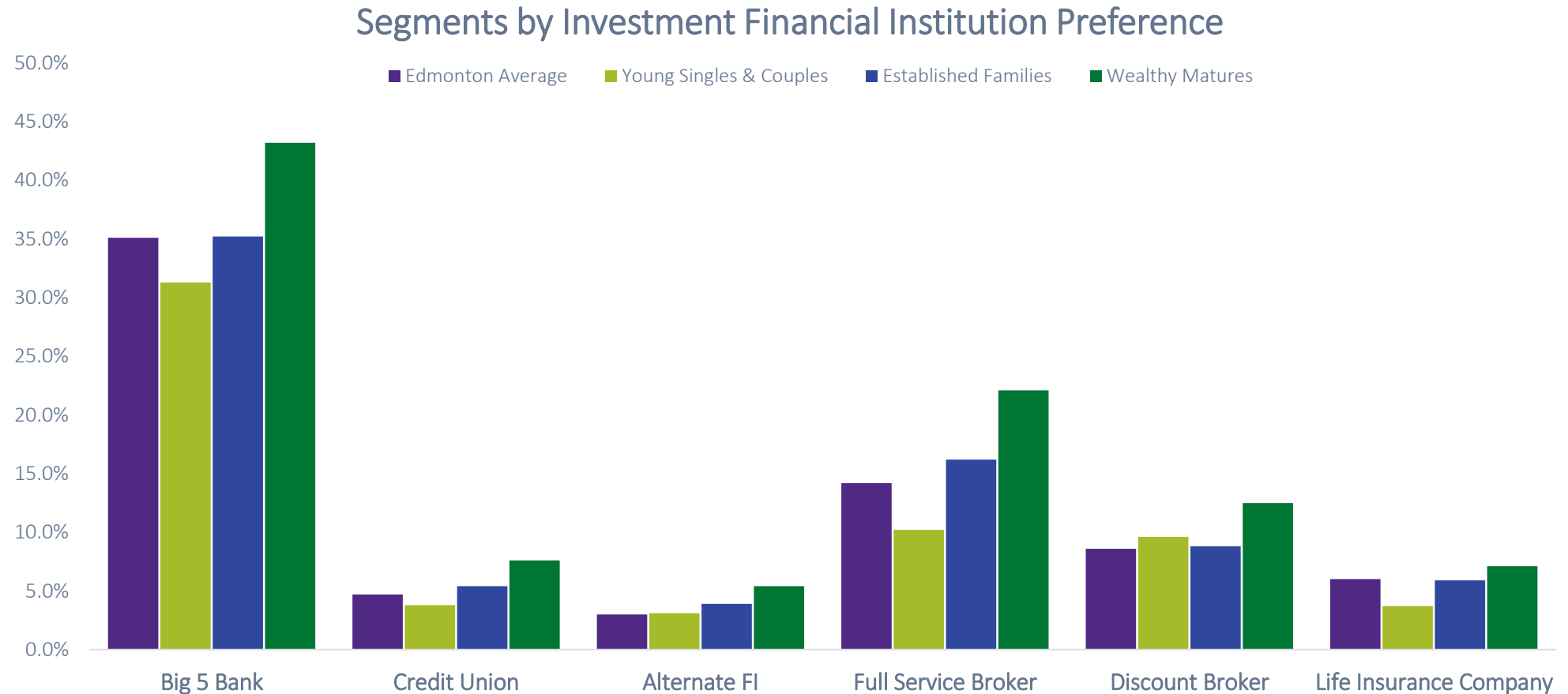
"I want to get a second opinion about my financial affairs"

Who is More Likely to Switch?



Sources: Opticks Numeris 2020, PRIZM 2020

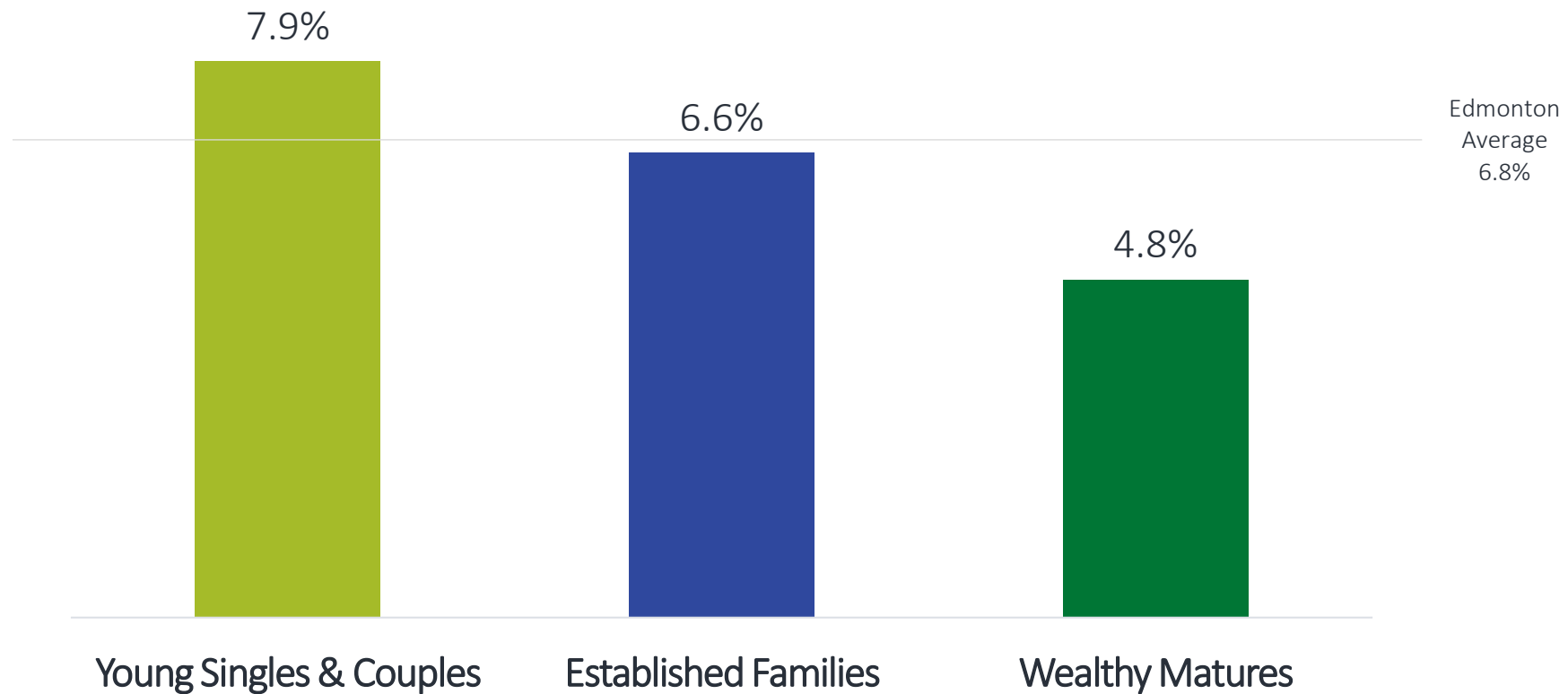
Financial Institution Preference for Investments



Sources: MoneyMatters 2020, PRIZM 2020

New Competitors on the Horizon

Have an Account with a FinTech Company

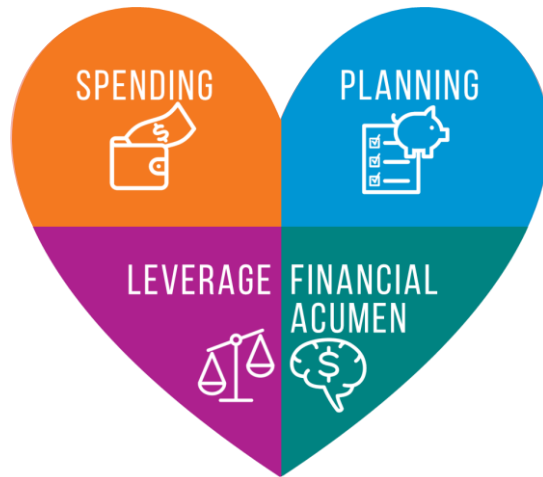




WealthCare

WealthCare Overview

WealthCare



Indicator of financial wellness
of all Canadians



Actionable at the 6-digit postal code



By lifestage and age



8 months in development



Over 100 variables from 10 different sources



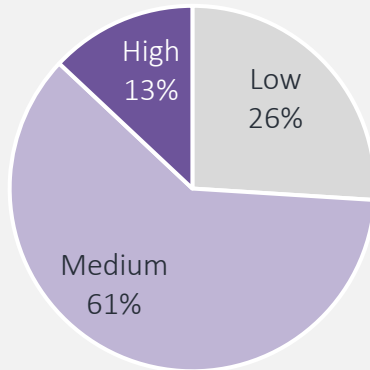
Includes wealth, attitudes and behaviours

Integrating WealthCare for Deeper Insights

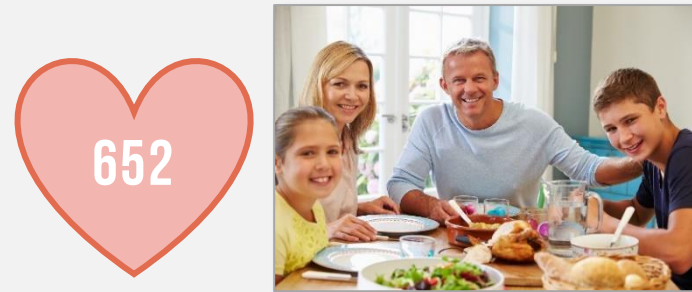
Young Singles & Couples



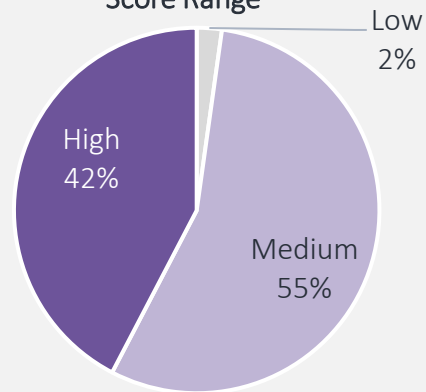
Score Range



Established Families



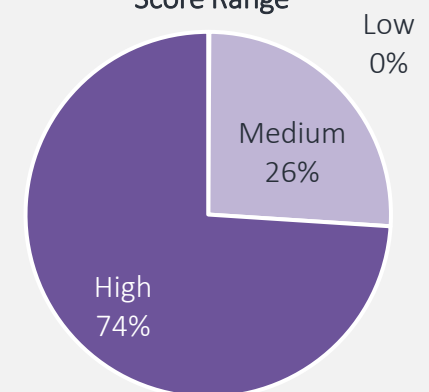
Score Range



Wealthy Matures

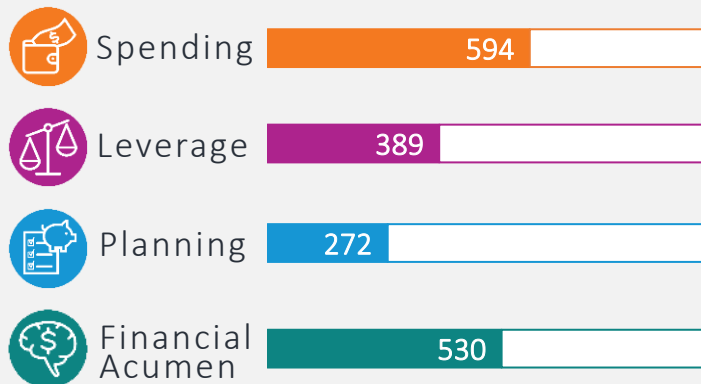


Score Range

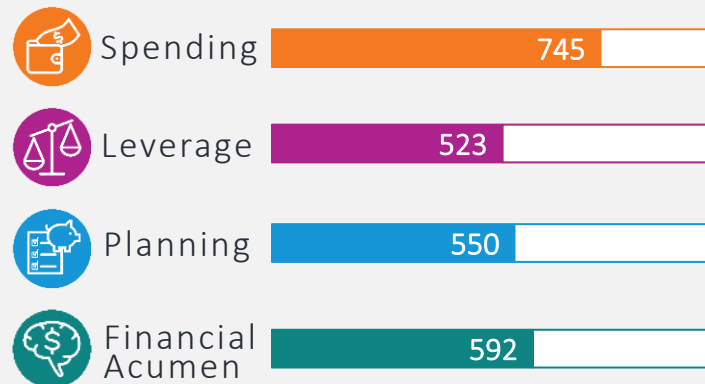


Integrating WealthCare for Deeper Insights

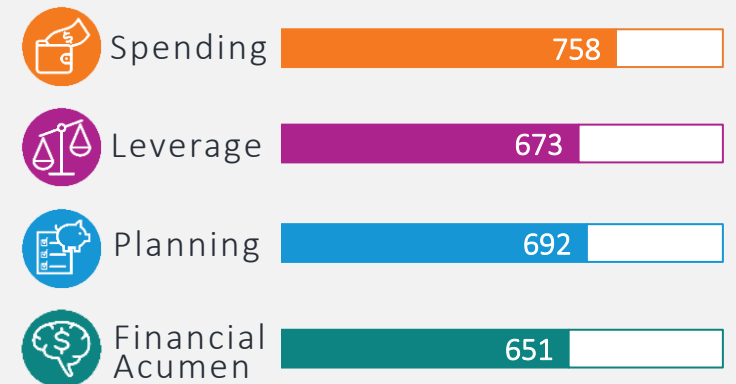
Young Singles & Couples



Established Families

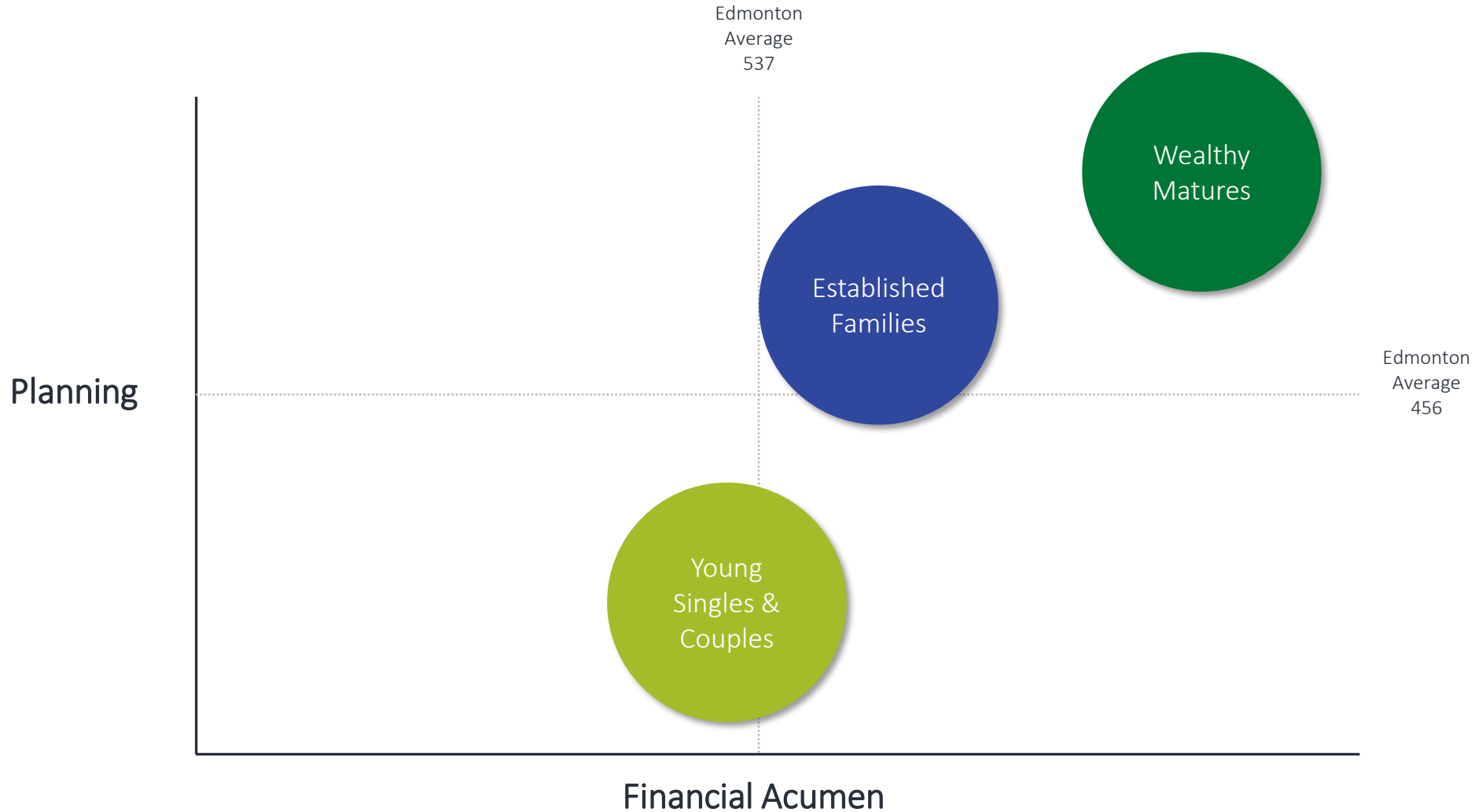


Wealthy Matures



Sources: WealthCare 2020, PRIZM 2020

Planning vs. Financial Acumen



Sources: WealthCare 2020, PRIZM 2020

Psychographics and Social Values

Young Singles & Couples



High Indexing
Social Values

Cultural Sampling
Rejection of Authority
Flexible Families
Ostentatious Consumption
Brand Genuineness
Penchant for Risk

Established Families



Flexible Families
Racial Fusion
Personal Control
Rejection of Orderliness
Personal Optimism
Emotional Control

Wealth Matures



Cultural Sampling
Legacy
Personal Control
Community Involvement
Emotional Control
Pursuit of Originality

Some Questions It Helps Answer

Which PRIZM segments are found within my trade area?

What are the best channels to reach different subsets of consumers or citizens?

Who are my best customers? Where do I have new and emerging opportunities?

How has the PRIZM profile of my customers changed pre versus post-COVID-19?



Operationalize & Strategize

MARKET OPPORTUNITY

Identify and locate target segments in your market



NEW ACQUISITION

CUSTOMER OPPORTUNITY

Score your customers and identify opportunity in your book of business



RETENTION & DEEPENING RELATIONSHIPS

EFFICIENT RESOURCING

Strategically allocate staffing resources



CUSTOMER EXPERIENCE

FOCUSED STRATEGY

Develop targeted marketing and communications strategy



BRANDING, CHANNEL & GROWTH STRATEGY

Wealth Transfer for Your Organization



Locate and quantify the opportunity for transfer of wealth in your markets and customer base



Identify your target audiences and enhance your acquisition, growth and retention strategies



Integrate with other data and analytical tools to boost your competitive advantage

Questions?



Environics Analytics

inquiries@environicsanalytics.ca