MINERVA

A WOMEN OF BURGUNDY PUBLICATION / **ISSUE NINE**

THE INHERITANCE ECONOMY

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MINERVA
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The Women of Burgundy was founded in April 2014. Our mission is to build a community that inspires women to make investing a priority. We will move forward together, fostering curiosity, confidence and continual growth as investors.

Named after the Roman goddess of wisdom and the sponsor of arts, trade and strategy, ***Minerva*** is a Women of Burgundy publication. An inspirational call to action, the goddess Minerva embodies the highest values of wisdom, knowledge and mastery.

Front cover: Anne Maggisano and Rachel Davies
Back cover: Original artwork by Holly Stapleton

FROM *the* EDITORS

For more than a decade, we have built a community that inspires women to make investing a priority and take a leadership role over their wealth.

Through our Minerva Summits, we have carried this mission forward by turning our attention on generational wealth—looking beyond a single lifetime to the long-term strength of families. Our attention to generational wealth overlaps with some of the defining challenges of our time. Last year, we explored the healthspan–lifespan gap. This year, we confront another force shaping the future: the inheritance economy.

We all know a young woman who has done everything "right." She studied, worked hard, saved, and built a stable career. Yet she cannot buy even a modest home without her family's help. Her parents also feel unsettled. They believed each generation would do better than the last. Now, that generational promise feels broken. What should they do? Give too much and risk undermining her independence, or hold back and force her to struggle in a world so different from their own? For the daughter, the questions are equally complicated. Accepting support carries its own weight—the shame of having a safety net when others do not. She was raised to believe that hard work builds independence. But the numbers are not adding up.

Anne Maggisano, Vice President and Founder, Women of Burgundy, and Rachel Davies, Vice President and Co-Head, Women of Burgundy.

This is the conundrum of the inheritance economy. Parents want to give without causing harm, and children want to succeed without strings. Today, stepping onto the housing ladder depends less on effort and more on whether parents—or grandparents—decide to bridge the gap.

Around the world, inherited wealth is rising. In advanced economies, roughly US$6 trillion is expected to be transferred this year alone. In Canada, more than C$1 trillion—nearly half of Canada's economy—is expected to change hands over the coming decade. The scale is unprecedented.

In a world where security depends less on what we earn and more on what we own, how we invest, plan, and pass on our wealth—and even the policies we support—will shape both our families' futures and the society we leave behind.

We are on the front lines of the inheritance economy. Since the Global Financial Crisis, incomes and asset prices have diverged sharply. Historically, shifts in wealth and society have played out over many decades, placing this one in its early stages and giving us the opportunity to prepare.

The pages that follow capture the insights from our most recent Minerva Summit to help you navigate this changing landscape with clarity and confidence.

Dr. Eliza Filby explores how the "Bank of Mum and Dad" and the generational wealth transfer are redefining opportunity for millennials and Gen Z.

Dr. Rhonda McEwen and Dr. Carolyn Whitzman share how pressures on higher education and housing are disrupting the two historical levers parents have used to support their children's mobility and success.

As the inheritance economy reshapes financial decisions, Judi Cunningham considers the power of governance and communication in building lasting wealth, while Nicole Woodward outlines key considerations in transferring wealth to children through gifts and/or loans. Kate Pal and Burgundy Investment Counsellors explore insurance and investment strategies for minors and young adults, and Robin Taub offers expert strategies for preparing the next generation for the inheritance economy.

At our Montreal Minerva Summit, Helen Antoniou reflects on how legacies are built, maintained, and passed down over generations.

Finally, Janice Gross Stein addresses what she believes is today's most pressing geopolitical concern: angry young men.

This issue of Minerva features original art by Canadian artists Rachel Joanis and Holly Stapleton, whose work brings these pages to life.

We invite you to explore and enjoy the ninth issue of Minerva. We believe it speaks to the ideas that matter to you as informed and successful investors.

VOICES *behind* MINERVA

JESSIE BOBINSKI

Vice President, Investment Counsellor for Burgundy's Private Client Team. Currently, Jessie serves as an executive of the Estate Planning Council of Vancouver and is a committee member for the Cause We Care Foundation and the Resound Gala, Chor Leoni.

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Investment Counsellor for Burgundy's Private Client Team. Mirjana co-led the 2022 Women of Burgundy Book Club and is a Board Director of College-Montrose Children's Place.

Special thanks to Burgundy's Tiffany Huynh, Elizabeth Andrews, and Jaimie Gateman.

The INHERITANCE ECONOMY

Unpacking how the Bank of Mum and Dad has changed the way younger generations live

By: Dr. Eliza Filby

Dr. Eliza Filby is an award-winning British historian, thinker, and writer whose work focuses on the evolution of money, family, and identity in the 21st century. Her 2024 book, ***Inheritocracy***, explores how parental financial support—or "the Bank of Mum and Dad"—and generational wealth have fundamentally changed the way millennials and Gen Z live and reach life milestones when compared to older generations. During last fall's Minerva Summit, Dr. Filby broke down these shifts and what they mean for how younger people approach money and wealth. Below is an edited version of her keynote address.

If a society is a meritocracy, it is built on hard work and reward. "Inheritocracy"—the title of and idea behind my 2024 book—is a complete antithesis to that. It's a society where opportunity is not defined by what you earn or learn, but by whether you have access or not to the Bank of Mum and Dad.

I was the first generation in my family to ever go to university. As the father of three girls, it was my father's dream that we were all educated as much as possible because that, we were all told, was how to find opportunity and financial stability. By the age of 31, I had three degrees, because I went to university and never left, and I started to realize something quite disturbing. I was a lecturer at King's College London, yet I also had a part-time cleaning job because the wages at my teaching job did not pay what I needed to live in the city. I was even living in my parents' second home rent-free because that was the only

way I could afford to work at the university. And I was profoundly and acutely aware that a lot of my friends who were succeeding were not succeeding because they were earning lots of money; they were succeeding because they had the safety net and the springboard of mum and dad—and so did I. Gradually, I realized that, increasingly, it was the access and opportunity that my parents were providing for me that was defining where I was in life. And, in different ways, this is the post-2008 story for millennials and Gen Z.

THE INHERITOCRACY AND DELAYED MILESTONES

"Parents have become the gatekeepers to their children's adulthood." This quote summarizes what has been happening since 2008. The wealth level of the previous generation is determining which milestones are achievable and which ones are not for millennials and Gen Z.

What was very clear as I was writing my book was that anyone under the age of 45 had experienced delayed adulthood compared to their parents. We used to think that you reach adulthood at around 21. Now, it's more likely to be 30. (It may even be 35 for young men, because there is a gender pay gap when it comes to the Bank of Mum and Dad. Sons get more than daughters; sons live at home longer than daughters.)

Think about the five milestones of adulthood: finishing your education, leaving home, getting married, having children, and becoming financially independent from your parents. I was doing those five things approximately a decade later than my mother, who's a baby boomer, did them. That's partly because I had "my fun years," which extended well into my 30s; I had so many fun years, I had to grow up very, very quickly. I had two kids and bought a house in a short amount of time.

In recent years, we are delaying key milestones, both because of freedom and expenses. For example, not only do people not want to have children as young, they can't afford to either. But what this is doing is changing the life course.

GENERATIONAL DIFFERENCES AND THE TRANSFER OF WEALTH

When I was writing the book, I interviewed a 38-year-old woman called Alena, who is from Mumbai. She comes from a culture where it was expected that the Bank of Mum and Dad would provide. She said, "My dad has been saving for my education and my wedding since I

Top to bottom: Host of the Minerva Summit, Dr. Wendy Cecil; Dr. Eliza Filby; Mathew Harrison

was four. Why is this even an issue?" She lives in a very nice part of West London, which she is fully prepared to leave behind. She said, "I will live here for 10 years, and then I know I will have to go back to India to look after my parents and my in-laws as they age."

This reciprocal expectation in Asian culture is now becoming more and more of an expectation in Western culture as well. Because at a time when the markets became dysfunctional, particularly in respect to housing and higher education, and at a time when the state couldn't afford elder care and childcare support, who steps up? The family. So, in many respects, this is not an evil capitalist system that we're talking about in regards to inheritocracy. This is parental love. This is parental duty. Generational wealth is aspirational. It's not a dirty phrase, but it is a conversation that families need to be having. But these conversations also need to speak to people's reality and the economic systems that have shaped the fact that your kids' lives have been very different from yours.

In Canada, there is a significant amount of uneven wealth in the baby boomer and Gen X generations; an unprecedented amount of money is about to trickle down. But before it goes down, it goes sideways—look at the great gender transfer.

A couple of years ago, I did a report for Schroders bank, and I interviewed a lot of widows about what they did with and how they handled the responsibility of the money they inherited from their husbands when they passed. One particular woman spent her 20s island-hopping in the Caribbean; she lived this wonderfully debauched life in the '60s, and then she met her husband. She told me: "Darling, I've literally never paid a bill in my life." She said that when he died, she "didn't even know where the key was to the desk where all the papers were." She added that it was "frankly ghastly," because when he died, a financial adviser uncovered debts. So, she went through a process of financial empowerment and education for the first time in her life—at 75 years old. Her hand was held, of course, but she said, "Oh, you wouldn't believe how fabulous I now feel, how powerful I now feel because I have control over my money. I know what money I've got. I know how it's spent, how it's invested, all of it. I bought a house he would have hated. Now I'm spending my husband's money in a way that I finally want to." She's done it all—even horse riding in Mongolia—and she's having an absolute dream of a time.

> "Parenting in the inheritance economy is a 30-year financial commitment, with the most expensive years coming after age 18."

In many respects, we are seeing the rising agency of female power when it comes to money. Baby boomer women are the first generation to inherit that. Gen X women are the first generation to really be financially earning in the same way that men have. Millennial women are going to inherit as well as earn and, therefore, will be on par with millennial men. And Gen Z women in big cities across the world are now outearning Gen Z men.

THE NEW STAGES OF LIFE

The Bank of Mum and Dad plays out differently in different geographies. In the U.S., most of the money is going toward college, although that is currently changing with Gen Z. In the U.K., the property market is the big expense for parents when it comes to their kids. And Canada is not an exception in the story of how parents are really helping out, particularly with housing. But Gen Xers in their 50s are now thinking not just about college, not just about housing, but also about the elder care of their parents. That also means that they are thinking very differently about retirement.

And it's not just people thinking, "What do I need to do to get my kids on the ladder?" It's: "Is a college degree worth it in the age of AI and in a tightening labour market in Canada with quite a steep rise of graduate unemployment? How much do I have to devote to my own elder care costs? How much do I need to be thinking about not just what I need for retirement, but what I need multigenerationally?" People are thinking about their wealth, not just in terms of themselves or as part of a couple—they're thinking about how it flows down and, potentially, even how it flows up the generations if you have family members who are vulnerable.

We like to think of the baby boomer trajectory as the norm, but it's not. They are the richest demographic, and are privileged in terms of wealth and health. They are also redefining old age. It's not all golf courses, grandkids, and cruises. The biggest rise in adventure travel is amongst baby boomers—horse riding in Mongolia. Retirement is starting to look very different. Perhaps they are downsizing their careers slowly, perhaps they're downsizing their homes. In the U.K., for example, the biggest rise in

Dr. Eliza Filby on stage at the Minerva Summit

female entrepreneurship is in the 60-plus demographic. And on Airbnb across the world, who is getting all those superhost ratings? It's women aged over 65.

Gen X is the squeezed generation because they are potentially looking after their parents and their kids. Because we're living longer—but with illness—you're now getting Gen X financially supporting multiple generations. They're putting off retirement and rethinking plans because they want to get their kids on the ladder and get them through college. For them, parenting in the inheritance economy is a 30-year financial commitment, with the most expensive years coming after age 18. So, what we have is a new life stage. They want to get their parents financially supported through elder care. It's also why a lot of women in their 50s are leaving the workforce. For example, if mum and dad bought the house, then you're moving mum in when she needs you to and, suddenly, you're parenting the parents. If there's a financial imbalance there, it becomes a really important part of the deal.

Gen X is a critical generation because it's also the generation in which women started to outnumber men at university. You've got the rise of professional women coming of age in the 1990s and reaching seniority in the 2010s. And what you've got, therefore, is financially empowered women. And one of the really interesting shifts that you get in Gen X that you don't get in baby boomer women is the rise of female bankruptcy. It's not as equal as male bankruptcy, but it's a sign of financial equality and empowerment, bizarrely. Women can lose just as much as men. That also means there are women who are not financially dependent on marriage, on a male pension, and on a man making the financial decisions and paying all of the bills.

Millennials are a critical generation. This is the generation that's been told, "Let's get as many of you to college as possible because we're living in a knowledge economy and opportunity is in education, particularly for girls." But then the price of that degree went up and the value of that degree went down because more and more people have them. So, the first defining feature of millennials is how pressurized school became, and how parenting in the '80s and '90s became "investing"—note that financial term—in your children. It was then on the children to not fail. And so, you see very interesting shifts in millennial children: the decline of working during teenage years, for example ("No, no, no, homework is more important."); the decline of driver's licences; and the rise of helicopter parenting. There was this desperate fear in an economy that became very, very difficult post-2008: "I don't want my children to fail and drop." This fear of downward social mobility forces middle-class parents to invest as much as they possibly can in their kids, particularly their education.

I like to call Gen Zers the "experimental generation." They are looking at millennials going, "Hang on a minute. You followed

the script of the late 20th century, and it hasn't really worked out for you." They're kind of trying to become their parents, but realizing very quickly that they can't afford to. As a result, Gen Z is saving more of their wages now than any other generation has. They're incredibly savvy when it comes to their financial education, and they do not believe that one wage alone will give them what they want.

Gen Z is also disillusioned with the idea of a salary, disillusioned with work, and very real when it comes to the professional ladder, which is why it's so difficult to manage them in the workplace. Kids of the 21st century have had a smartphone in their pocket since they were 13 years old, and that's meant two things. First, they have access to the world's information, which means they aren't really impressed with anything you say because wonder has been destroyed. And the second thing smartphones have done is create access to the world's marketplace, which is why a lot of them are solopreneurs buying and selling sneakers on Depop or eBay, creating and monetizing online content, and have multiple streams of revenue. It's a generation that is thinking very differently about money, and they are now graduating from college with potentially thousands of dollars of debt into a job market that is increasingly challenging. And this disillusionment, which started during COVID-19, was perpetuated by looking at their millennial elders struggling and, now, as they are exposed to the world of AI adoption and economic uncertainty, is actually forcing them to question the narratives millennials took for granted.

I interviewed a Gen Z the other month, and one of the things that struck me was that she didn't believe that she would ever buy a house—nor did she want to. She was trying to convince her parents to invest in her business instead. Her dad, who had come of age in the '80s, bought multiple houses, and saw homeownership as an investment, not just a home—couldn't understand that her business was worth investing in over a house. And that is a generational gap. In her mind and in her words: "My business can travel with me. A house is just a pile of bricks." It's a completely different mindset when it comes to building one's future and building one's wealth.

Anyone over the age of 45 here has lived a 20th-century three-stage life. They potentially had some proportion of their life spent in education, maybe not all the way through college. They had a working life, potentially with a long break for having children, if they did. And then retirement. For anyone under the age of 45, life will look very different and much more complicated than that—particularly for women. It will be a multistage life.

> "This fear of downward social mobility forces middle-class parents to invest as much as they possibly can in their kids."

CHANGING FUTURES

A few stories that I gathered while researching the book really illustrate what's going through the minds of millennials. Take Tom, someone who had, in his own words, a very privileged upbringing. He lived with two parents and his brother in Surrey, England. Both of his parents were very affluent lawyers. He had nannies, he attended private schools, he went to The University of Oxford—and then he became an actor. He wanted to do something he loved and he was encouraged by his mother, who had been an actor at university. For eight years, she basically discouraged him from working and funded his acting journey, including an apartment in Central London, plus all food and living costs. He said he was "so bloody lazy," and "that it is the period of life [he] regret[s]."

That's because Tom, who is now in his mid-30s and a father of one, married a financially savvy woman who had no help from the Bank of Mum and Dad, but still had as much of a deposit as he did by the time it came to actually buy a house. He said "she saved me" because he is someone who had been debilitated by help. He told me that he wished his parents had forced him out the front door without help and that he'd started his life earlier, standing on his own two feet. But what Tom has also realized, as a father of a one-year-old, is that he cannot possibly recreate the life his parents gave him. And that's not because he's fritted away money trying to be an actor; it's because the economic circumstances of life have changed. "I feel like there's no point trying to compare my life. I cannot recreate it, not even a small portion of it," he said. One of the psychological things he's had to come to terms with is that he's a very fortunate person who hasn't made the most of his advantages.

Then there's a woman called Lucy. She was 42 and lives in Scotland. And gosh, she is savvy with money. And she is not

only savvy with money, she was also helped onto the property ladder by her mother when she was in her 20s. She owned her own house at 25. At 27, she met a man who she's still with. She told me that she does not believe in sharing financial resources with her partner. They're not married—she doesn't believe in marriage, as a product of a divorce. Lucy was very clear in explaining this: "We're not married because, should our relationship ever break down, I don't want him to get half of anything that is mine. It sounds really harsh, but I've also seen how people who love each other can go awry."

and that unless you've got control of your finances, you are vulnerable.

Finally, there's Emma. Emma is someone in her early 30s who can't get onto the housing ladder. As she saw property prices go up, and up, and up, she was very clear that she didn't want to accept money from her parents because when her sisters—there's a 10-year age gap between her and her oldest sister—were asking for help for a house, her dad was still working. Now he's retired and she still didn't accept the money that her parents offered her for a down payment on a house. She told me, quite honestly: "There will be a time very soon where we will get

ing to data compiled from Canada, over 50 percent of parents expect to support adult children; 61 percent are not confident at providing support and are making themselves financially vulnerable by doing so. Parents are worrying about their kids' financial futures and don't feel prepared to have those conversations, let alone be a teacher when it comes to financial advice.

So, what are the kids saying? A number of young people consider themselves financially literate. But when you ask them further questions, they may feel disabled and infantilized by their parents' wealth. They don't think they can initiate conversa-

> "Think about the degree to which the story you were told about success, opportunity, achievement - the way that you have accrued wealth, acquired wealth, and sustained your wealth - differs from how your children are going to do it."

What was fascinating about Lucy is she may not have a joint account with her partner, but she does have one with her mother. She trusts her mother more than her partner. She's an extreme example of a common trend. My research shows that young women are more likely to say the inheritance that they received from their parents was theirs than men—they said it was co-joined with their partner. We have seen women finally get some stake in the game after being financially disempowered for centuries, so it's no surprise that women see their money as theirs. And it's no surprise that, in a post-feminist society, millennial and Gen Z women are more likely to align with and be dependent on their parents than a man. But I think this is also a consequence of a society where just under 50 percent of marriages end in divorce, especially when women have been told that divorce disadvantages women—which it still does—

money, and I'm much more comfortable in receiving an inheritance at the point of death rather than a gift during life." She said, "My husband says, 'The sad reality is that both sets of our parents are in their 70s. In 10 years' time, we're going to have more money than we know what to do with.' It's morbid but true."

Is it? No, because overreliance on an inheritance or pension to get on the housing ladder or, frankly, anything, is dangerous. It cannot be relied on—whether that's because of elder-care costs, family disputes, or even parents blowing it on something. Today, the majority of millennials will actually inherit much later than they think—in their 60s—and, certainly, there will be inequality between those who can retire early and those who can't because of inheritance.

Let's look at it from different perspectives: what the parents are thinking and what the children are thinking? Accord-

tions around inheritances, gifting, or money trickling down. There's a power imbalance there. Financial planning for those under 45 has now become about what is available from their parents rather than what they need to be thinking for themselves.

Think about the degree to which the story you were told about success, opportunity, achievement—the way that you have accrued wealth, acquired wealth, and sustained your wealth—differs from how your children are going to do it. Inheritocracy may be a crude word, but it describes something we all need to be doing: being much more open, much more enabling and empowering, and much more honest about money. Our money isn't just about money. It's about freedom. It's about identity. It's about choice. It's about so many things. And if you are the Bank of Mum and Dad, it's within your power to have those conversations and to enable your kids to feel empowered in them. **M**

THE TWO PILLARS

Exploring housing and higher education as levers of generational support.

By: Dr. Rhonda McEwen, Dr. Carolyn Whitzman & Anne Maggisano

Higher education and housing have long been two powerful investments for families seeking a brighter future for their children. Today, both levers are under strain. In a conversation hosted by Burgundy Vice President Anne Maggisano during last fall's Minerva Summit, Dr. Rhonda McEwen—President and Vice Chancellor of Victoria University at the University of Toronto, who focuses on how emerging technologies shape communication, learning, and inclusion—and Dr. Carolyn Whitzman—adjunct professor at the School of Cities at the University of Toronto and author of *Home Truths: Fixing Canada's Housing Crisis*—came together to examine the pressures on these systems. Their conversation explored the changing attitudes toward post-secondary education, how the current state of housing in Canada reflects the inheritance economy, and how each lever influences the other.

Anne Maggisano: Housing and higher education are the primary levers many parents have used to support their children's mobility, and yet both are clearly under strain. At a very high level, just to set the context, are these pillars already reflecting the rise of an inheritance economy in Canada? And what risks or responsibilities does that place on families themselves?

Dr. Rhonda McEwen: Globally, Canada ranks first in post-secondary education attainment. By comparison, the U.K. ranks seventh. That matters when you consider population size: Canada has about 40 to 41 million people, while the U.K. has roughly 70 million.

In Canada, about 65 percent of adults have at least one post-secondary education degree—a remarkably high figure compared to the rest of the world. Among 18- to 24-year-olds in Canada, that number rises to nearly three-quarters. I'm emphasizing this because it fundamentally shapes how meritocracy and inheritocracy intersect

in Canada. Our baseline education standard is already very high, which changes what "advantage" looks like.

When we look at what's keeping Canadians up at night right now, the top concerns are cost of living, housing accessibility and affordability, inflation, health care, immigration, lack of freedom, too much political correctness, inequality, and poverty. Higher education still matters—it's on the list of top issues, but not high on the list.

When Canadians are polled about the role of universities [*David Coletto, Abacus Data*], 41 percent say universities should drive social mobility and reduce inequality. You would think that it would be much higher than that. If an undergraduate education at minimum or a college certificate is the norm, then higher education is seen as a basic condition of living in Canada versus as a way up the ladder. That shifts how people understand social mobility. When education is universal, it no longer feels like a lever, it feels like table stakes.

AM: Dr. Whitzman, when you look at housing in Canada, is it already reflecting the rise of an inheritance economy?

Dr. Carolyn Whitzman: When we look at housing in Canada, the basic distribution hasn't changed much since the 1970s: about one-third renters, one-third homeowners with mortgages, and one-third homeowners without mortgages.

What has shifted dramatically is the affordability of those choices. The international benchmark for affordable homeownership is that the average home should cost no more than three times the average household income. That held true in Canada throughout the 1970s, the 1980s, and even into the 1990s. Today, the average home costs about three times more than what a middle-income household can afford. In Toronto, the average cost is closer to four times; in Vancouver, it's five times. Canada now ranks among the most unaffordable countries in the world for homeownership.

My mother was a single mom. We grew up as renters in Montreal, and we were comfortably middle-class. I found it very easy to move out while studying. Today, the average rent for a two-bedroom apartment is well over twice what two minimum-wage earners can afford. There is no city in Canada where a single mother can afford the average apartment. Homelessness—once quite rare and not very visible—has doubled in the last six years. So, it's a profoundly different world.

AM: Let's do a bit of a deeper dive into higher education. Dr. McEwen, when we look at higher education in Canada through a demographic lens, who is gaining access and who is being left out?

RM: Women now make up about 59 percent of university students in Canada, and that figure keeps rising. At Victoria University, we're closer to 63 percent, including in fields like engineering and computer science that, typically, are predominantly made up of men.

Among childhood immigrants aged 25 to 44, 44 percent hold a bachelor's degree or higher in Canada as of 2016. First-generation immigrant families, in particular, show extremely high educational aspiration. For many years, I taught at the Mississauga campus of the University of Toronto, and most students in my classes were first-generation Canadians—their parents moved here so they could attend university in Canada. That was the goal. This is important because it tells us that although the social mobility number on average is only 41 percent, it's much higher among first-generation Canadians—often above 80 percent. Among second-generation immigrants, you still see

quite a high number.

International students became politically contentious in the last federal election, but some of that was just rhetoric. In Canada, international students represent only about 20 to 21 percent of university students, which is low compared to the U.K. and other parts of the world. International graduate-level students are around 16.4 percent. PhDs represent a very high number of these. This is astonishing, and it's quite unusual globally. Canada has been a net attractor of doctoral students versus many other countries.

One-third of new university entrants are racialized Canadians—that's a really interesting stat too, especially as we start talking about who's being left out. Access for low-income students is still an issue here. The cost of higher education in Canada is accessible compared to the U.S., but, globally, it is not the cheapest. According to Statistics Canada, rural and northern youth participation is still lower than it should be. Among Indigenous adults, the number of degrees are tens of percentage points lower than the rest of the population. And while 96 percent of young Black people aspire to university, only 60 percent get there. That tells

Left: Anne Maggisano, Dr. Rhonda McEwen, Dr. Carolyn Whitzman on stage at the Minerva Summit

Top to bottom: Anne Maggisano; Burgundy's Co-Founder Richard Rooney; Anne Maggisano, Meghan Moore, Lauren Davis Landau, Rachel Davies

us that there's a structural problem somewhere in our system—the aspiration is not met, especially when you compare it to the aspirations of other demographic groups who are getting to university. Finally, men: Young men are now underrepresented across any demographic group, and are at lower percentages getting into university or even attempting to get to university. Those who enter are graduating at the same rates as their cohort. Where are the young men? This is a serious concern. On one hand, we could celebrate that young women are making it, but this is not a great trend for a country.

CW: Let's look at the intersection of education and housing—student housing—for a moment. International students have been scapegoated for a housing crisis that has very little to do with them. When it comes to how we measure housing needs in Canada, students have been excluded since Statistics Canada introduced the measure of "core housing need" in the late 1980s. There are some practical reasons why 2.3 million students, only 10 percent of whom have residence beds, are left out of this data. First, the census is taken in May, which is a really hard time to count students and residents accurately. But officially, the reason is that being a student is considered a temporary and voluntary state of poverty—that is literally what Statistics Canada says. But it isn't voluntary to pursue post-secondary education; it has become just as essential as primary education was when it was made mandatory two centuries ago in Canada.

What we're effectively saying to lower-income students, then, is: "Not only will you need to take on significant debt to get an education, you'll also have to work two or three part-time jobs in order to afford a living situation—often in overcrowded one- or two-bedroom apartments—or you will have to forgo the degree that you want because you can't afford to live in a certain city."

AM: What broader disruptors are you seeing in higher education today?

RM: This is a genuinely shocking trend: Only 50 percent of Canadians currently have a positive impression of Canadian universities. Now, overlay that with what I've already said: Most of us go to university and most of us expect to go, yet only 50 percent have a positive impression. About 14 percent of Canadians have a negative impression. Over five years, we've seen a significant drop in positive impressions and a worrying doubling in negative ones.

> **AI is here to stay, but it doesn't replace the purpose of post-secondary education. In fact, it makes that purpose more important.**

If you look at 18- to 29-year-olds, they're still relatively positive, but they also have one of the highest neutral positions—the "meh" response. As you move into older age groups, perceptions improve somewhat, particularly among those aged 45 to 59, but you also see an increase in "very negative" responses.

People speculate about these patterns, and I think that part of it is that when you are in university, it's hard to love it. We tend to look back nostalgically and think, "It was so great then." But while you're there, it's stressful. It's hard work. So, we understand why 18- to 20-year-olds feel the way they do; they're being graded by us, and they're not loving that part.

All of this connects back to a bigger issue, which is the question of value. What is the value of higher education? And that's something that is starting to get lost.

Another disrupter is AI, my research area. AI isn't "coming"—it's here. It's out in the world, it's running wild, and it's having a massive impact on higher education. Any faculty member you speak to right now will tell you it's at the top of mind. We're rethinking assessments, objectives and learning outcomes.

But here's the thing: AI will not fix everything. I lived through the generation that asked, "Will the Internet be here to stay?" I've been through this once before. AI is here to stay, but it doesn't replace the purpose of post-secondary education. In fact, it makes that purpose more important: knowing how to ask good questions, knowing how to check whether the answers you get are grounded in reality, and knowing how to build context into a conversation. These are human skills.

AM: We are going to now turn to housing. Dr. Whitzman, help us understand: How did we get to where we are today?

CW: First, we are building fewer homes than we were 50 years ago. That's remarkable. Back then, Canada's population was half of what it was today. Households were bigger because people got married earlier. And, as I used to joke, they were very polite and they smoked a lot, so they died earlier.

We're building fewer homes than we did in the 1970s, but I want to unpack that aggregate supply. We stopped building rental homes in the 1970s and started building condos instead. In the 1970s, we were building two and three-bedroom apartments. Today, we have a massive deficit of suitable rental apartments as everyone is rushing to rent. Older empty nesters who want to downsize are rushing to rent. Young people are rushing to rent. People who can't afford to own homes are rush-

Burgundy's Kate Mostowyk (left) and Jennifer Dunsdon (right) at the Minerva Summit

ing to rent. We have an aging stock that is relatively affordable, but it is quickly losing that affordability.

Between 1970 and 1972, about 20 percent of the housing we built was non-market: public housing, cooperative housing, and other forms of non-profit housing. That share fluctuated with policy changes, but it fell off a cliff in 1992 when the federal government downloaded responsibility to provinces, and, in Ontario, responsibility was downloaded to municipalities. It went to nearly zero.

There is a small increase later that coincides with the National Housing Strategy—that's short-term private market, inclusionary zoning, or temporarily affordable housing. Across the 1970s and '80s, roughly 14 percent of housing was consistently built for people who needed housing the most and who were not being served by the market. In the last eight years under the National Housing Strategy, it's been closer to 2 to 3 percent. If we had kept building at earlier levels, we would have well over two million more deeply affordable homes today. Instead, we're working with enormous deficits.

AM: Dr. McEwen, you raised the question "What is the value of a university education today?" When you look at the project of the university, what do you think needs to change and what needs to endure?

RM: We need to talk to our grandchildren and our children and our nephews and our nieces and our neighbours' kids about why we went to university. There's a troubling narrative that many students at universities and colleges are living with today, which goes something like: "I go to university to get a job." We know that's part of it, but they also need to hear: "I went because I wanted my mind blown a few times." And that's what happened along with the exams, the angst and distress, and all of the hard parts. But we sat in classrooms where people said things that were completely alien to our worldview. We met people we had nothing in common with on paper. We worked with them, argued with them, and learned from them. And we grew up.

Critical thinking means being willing to have your mind blown a little. Right now, we're in a moment where students say to me, as a president, "You need to protect me. I don't feel safe." And I always ask: "Do you mean physically safe? Because that's something I take very seriously. But if you're saying you don't feel safe because your economics professor gave a lecture on the unhoused and it made you uncomfortable, then the classroom is not meant to be a place of safety in that sense. It's a place to be challenged."

We are in a moment where we have to fight for that, and it's worth fighting for. It's time to tell young people that it's okay to build an argument against the thing that unsettled you—build a good one. We're teaching you how to construct alternatives, not just absorb information. You don't have to agree, but you do need to be able to build a cogent, sensible, data-driven (or even experience-informed) argument. Right now, too often, the response is simply: "I don't like it, I don't want to hear it, and I'm out."

For me, that's the value of the university. AI can come and go. The next technology will come and go. What should endure is the knowledge and experience that teach you how to think, how to reason, and how to problem solve in complex, uncertain situations. I miss the fact that we don't talk about this role of the university anymore. It's not just about getting a job. Of course, that matters, but universities should also be places where it's okay to simply grow and learn. And we'll only get back to that if we start talking about it openly, consistently, and honestly.

The inheritance will still come, but we want people to make good decisions when it does. How do you do that when you haven't learned how to think? That's why we educate—so that when life happens, you can pick yourself up and figure it out.

AM: Dr. Whitzman, I'm thinking about what Dr. McEwen said about university as a place where people who are different come together to talk, debate, and challenge each other. There is, of course, a

connection with housing. I remember my first two years of university, when I lived in residence, I was surrounded by people studying different things and, inevitably, they shaped my direction more than my family ever could have. What would you say about the role of housing and physical infrastructure in developing capable human capital and social capital?

CW: A lot of my learning and many of my most formative university experiences happened through extracurricular activities. It's very hard to have that sense of campus life when you live far away, have long and difficult commutes, or are working 40 hours a week just to afford where you live.

I see the very different university experiences my children are navigating compared to the one I experienced. I was a very lucky boomer. I was involved in the student paper, student politics, and all kinds of campus life. My daughter lived in residence, and it was incredibly helpful for her. We hadn't "ponied out" for much before that, and we said: "This is a big investment. You are going to live in residence—consider this your home down payment." My son, however, wasn't in residence. He lived in overcrowded student housing, didn't receive the support he needed, dropped out in his 20s, and worked as a baker for 10 years.

We live in less forgiving times. Housing is a major part of the increased pressure we're placing on young people. Whenever I talk to journalists, to students, or really to anyone under 40, I hear horrific stories. People are paying more than 100 percent of their income on rent, dipping into savings just to get by, and living one step away from homelessness simply because they're trying to meet day-to-day needs. That's the society we are handing down to young people today. We absolutely need to take care of our own children and aging parents, but we also need to take responsibility for the world we are building around them.

AM: If you had a magic wand and there was something you could do to make higher education and housing better for the next generation, what would that be?

RM: I would reclassify student housing as affordable housing. I have a project at Victoria University that aims to offer residence to any student who wants to live in residence for as long as they want to be there. Of course, that requires affordability. Right now, we only offer first-year guarantees, and most students have either one year or zero years living on campus. I truly believe living on campus is a transformative experience. Commuting is entirely different.

“We absolutely need to take care of our own children and aging parents, but we also need to take responsibility for the world we are building around them.”

And then there's faculty housing. People say, "Look at all these incredible scholars around the world who want to come to Canada." But they can't afford to live in our cities. Faculty compensation is simply too low for academic faculty to live and thrive here.

Housing intersects with childcare, schooling, logistics, and support. Many of us don't have family here. My parents don't live in this country. When we had children, we had to create a family and pay for care. All these pressures come together in ways that deeply affect higher education.

The last thing I'll say is that I think this is a temporal issue. Let's play it forward. What happens if our children inherit wealth, but don't want to go to university? If fewer men are going? If values around education continue to shift? Over the long arc, I suspect we'll see the value of education rise again. But in this moment, how we manage these headwinds is critical.

CW: We used to talk about a housing ladder. I think that whole concept is gone now. There are times in life when we need a helping hand, and housing is part of that help. My best friend's dad became very ill with a brain tumour and was left with permanent brain damage in 1974. The family's circumstances profoundly changed, and her mother needed to become the wage earner. At one point, she lost custody of her children, partly because she didn't have a job or a livelihood. This was an era when women were expected not to go to school—even though my friend's mom wanted to—and to stay home and be a good wife and mother.

Because she and her daughters were able to live in public housing, she was able to go to the University of Toronto, earn a degree in social work, and become a social worker. Later, she became a homeowner and a landlord. And now, bless her, she's in her late 80s and lives in Stratford, Ont., in subsidized seniors' housing.

We all have periods when we are earners, and we all have periods when we are vulnerable and need help. But we don't have a housing system that recognizes that. It still assumes a linear path: You move out as a student, you rent, you buy a house, then you retire on your savings and make room for the next person to climb the same housing ladder. That is not most people's experience anymore. We need a model that recognizes there are times throughout life, not just in childhood or old age, when we need a caring society. **M**

The Power of STARTING EARLY

Exploring investment and insurance strategies for minors and young adults.

By: Kate Pal, Rachel Davies & Meghan Moore

It's never too early to start investing or to think about financial priorities. That was the resounding message at a workshop co-hosted by Kate Pal, President of life insurance and estate planning advisory firm Pal Insurance, Rachel Davies, Vice President and Investment Counsellor at Burgundy's Vancouver office, and Burgundy Investment Counsellor Meghan Moore. Below, they outline practical strategies that families can implement for their children—such as maximizing savings plans and informal trusts—and that young adults should prioritize as they enter the next stage of life.

In an inheritance economy where asset prices have far outpaced wage growth, intergenerational wealth transfer and early financial planning are more critical than ever. Fortunately, younger generations possess one of the most powerful advantages in investing: time. But the benefits of starting early extend beyond building capital. Early strategies also provide opportunities to engage the next generation in financial education and establish healthy values around money.

STRATEGIES FOR MINORS (Under Age 18 or 19)

Registered Education Savings Plans: Beyond the Government Match

Most families are familiar with Registered Education Savings Plans (RESPs), the government-supported program designed specifically to help people save for post-secondary education. These tax-sheltered accounts allow up to $50,000 in lifetime contributions per child. However, by focusing solely on maximizing the government match, many families miss

Original artwork by Rachel Joanis

Meghan Moore (left) and Kate Pal (right) presenting at the Minerva Summit

the opportunity to fully utilize the available contribution room.

The Canada Education Savings Grant (CESG) matches 20 percent of contributions to an RESP, up to $500 annually, with a lifetime maximum of $7,200 per child. To capture the full grant, most families contribute $2,500 per year for 14 years (receiving a grant of $500 annually), then contribute $1,000 in the final year (receiving a grant of $200), for a total of $36,000 in contributions and $7,200 in grants. This is often where families stop, leaving $14,000 in tax-sheltered contribution room unused.

Assuming a 6 percent annual return over 18 years, this strategy would grow to approximately $86,000, providing a solid foundation for post-secondary education. However, families with additional resources to contribute can do better. Table 1 compares this base case (Scenario 1) with two alternative approaches:

- Scenario 2: Contribute $36,000 for full CESG, plus an additional $14,000 in year one.
- Scenario 3: Contribute all $50,000 in year one, receiving only one $500 CESG.

The differences are significant. Scenario 2 demonstrates that the extra $14,000 contributed early generates nearly $40,000 in additional growth. Scenario 3 shows that, for families with available capital, early contributions outweigh foregone government grants at any return above 2.6 percent annually, a modest hurdle for long-term investing.

Withdrawals for education expenses can also be optimized to minimize tax. Families should prioritize the withdrawal of grants and investment growth first (referred to as Educational Assistance Payments or EAP), which are taxed as student income. With tuition credits, students typically pay minimal tax on the first $30,000 of income, making this an ideal time to draw down taxable funds. EAP withdrawals are capped at $8,000 during the first 13 weeks of full-time enrollment; after that, there are no limits. Original contributions can be withdrawn tax-free at any time.

In-Trust-For Accounts: Flexible Alternatives for Continued Investing

For families who have maximized their RESP contributions and wish to continue investing for their children, In-Trust-For (ITF) accounts offer a flexible alternative. Unlike the tax-sheltered RESP, these informal trusts are taxable accounts that allow parents to manage investments on behalf of minors (who cannot legally enter contracts). With no contribution limits or restrictions on how the funds are used, they're ideal for goals beyond education and help build children's financial literacy and investment

knowledge. ITF accounts are straightforward to establish, and the structure involves three roles: the contributor (who is making irrevocable gifts), the trustee (the manager of investments, typically a parent), and the beneficiary (the child who legally owns the assets).

ITF accounts offer a valuable tax benefit: Assets roll over to the child at the age of majority (18 or 19) on a tax-deferred basis, avoiding capital gains tax on the transfer. However, this automatic process means all assets must transfer at once. Distributions cannot be staged over time. Additionally, unlike formal trusts, ITF accounts lack detailed documentation of intent, which can lead to disputes if contributors and trustees disagree on management.

These limitations make ITF accounts best suited for moderate amounts where families are confident in their child's readiness to manage money. For larger sums (approaching $1 million or more), formal trusts or insurance structures typically provide better control and flexibility through staged distributions and formal documentation.

Lastly, tax treatment of ITFs involves some nuance, with trustees generally reporting income on their returns while capital gains may be taxable to the minor beneficiary. Consult your accountant for guidance on proper reporting.

INSURANCE STRATEGIES FOR CHILDREN

Life insurance has evolved. Originally created as risk protection for widows and orphans to replace income and cover liabilities like mortgages, life insurance is now a flexible financial planning tool. Modern life insurance functions as a distinct asset class with unique characteristics: tax-sheltered growth, low volatility, high guarantees, and tax-free payouts upon death.

For affluent families, permanent life insurance serves four primary purposes. First, it provides an efficient way to fund capital gains taxes due upon death. Second, it enables estate equalization when one child inherits a family business while others receive insurance proceeds. Third, it serves as a unique tax-efficient asset class to optimize a family's overall portfolio. Fourth, it provides liquidity when estates hold illiquid assets, ensuring executors have cash available to fund obligations.

Why Insure a Child or Grandchild?

While insuring a newborn may seem unusual at first, there are compelling reasons why many families implement policies for children early in life:

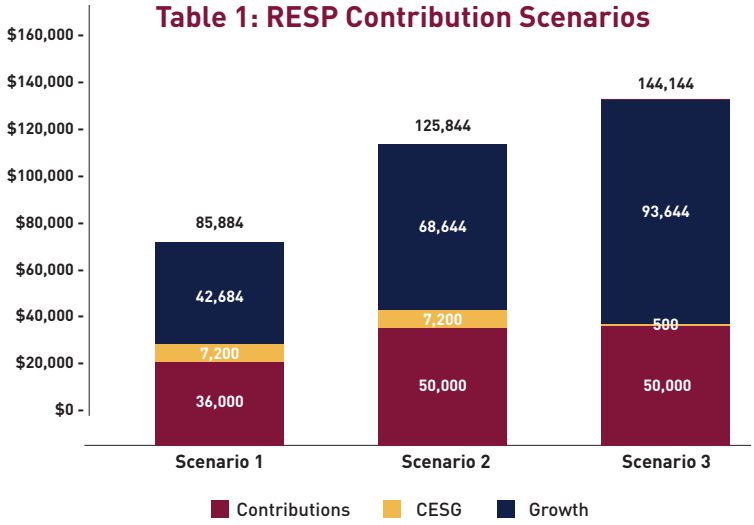
Guaranteed Insurability: Life insurance is unique amongst financial products as it requires health qualification at the time of purchase. Establishing coverage while children are young and healthy locks in insurability regardless of future health developments. This becomes particularly important as preventative health screenings and diagnostic tests become more common, creating medical records that must be disclosed during insurance applications.

Favourable Premiums: Insurance premiums are calculated based on mortality risk, which increases with age. Policies implemented for young children carry significantly lower premiums than identical coverage purchased decades later.

Power of Time: Establishing programs early creates substantial value by taking advantage of time and compound growth over decades. Consider a family contributing $50,000 annually for 10 years ($500,000 total). For a healthy 55-year-old, this might grow to approximately $1.5 million by age 90, a ratio of roughly 1:3. The same contributions for a five-year-old could grow to $19 million by age 90, a ratio of 1:38. Even after accounting for inflation, the difference is remarkable.

Flexible Financial Tool: A policy started for a child becomes a flexible financial asset throughout their life. When they're first getting married, they can be grateful they don't need to purchase expensive insurance or worry if they've developed a health condition. Later in life, the policy might provide liquidity for estate planning, or they might borrow against the cash value to invest in a

Table 1: RESP Contribution Scenarios



business or other opportunities.

For families with the means to do so, establishing life insurance for children is another way to build a solid financial base and help the next generation thrive. Alongside education funding, home down payments, and investment accounts, a permanent policy provides long-term security and flexibility.

STRATEGIES FOR YOUNG ADULTS

Strategic Use of Registered Accounts for Young Adults

At 18, young adults inherit the financial foundation established in childhood and gain direct access to all available investment accounts. This transition from beneficiary to active investor is critical. We've observed that young adults who grew up with exposure to budgeting tools and learning to allocate money across different goals are often better prepared. This mindset, combined with strategic account use, positions them to flourish in an economy where investment growth has become as essential as income for building wealth.

Three registered accounts available at the age of 18 offer unique tax advantages: TFSAs, RRSPs, and FHSAs. Here's how to prioritize them based on income and goals:

Tax-Free Savings Accounts (TFSAs): Contributions are made with after-tax dollars, but all growth and withdrawals are tax-free. Withdrawn amounts can be re-contributed in subsequent years. For young adults, TFSAs offer unmatched flexibility when future plans are uncertain. Whether saving for a home, additional education, or other goals, tax-free withdrawals and re-contribution provide optionality other registered accounts do not.

Registered Retirement Savings Plans (RRSPs): Contributions generate tax deductions, making this type of account particularly valuable in higher income years. While RRSPs are traditionally associated with retirement, the Home Buyers' Plan (HBP) allows up to $60,000 to be withdrawn tax-free and then repaid over 15 years. For young adults planning home purchases, the HBP transforms an RRSP into a vehicle that offers both tax deductions and tax-free access to capital.

First Home Savings Accounts (FHSAs): This newer account combines TFSA and RRSP benefits: tax-deductible contributions ($8,000 annually, $40,000 lifetime) with tax-free withdrawals for a first home, and can remain open for up to 15 years. Even without firm home purchase plans, an FHSA makes sense for young adults because unused funds will roll into an RRSP tax-free without affecting contribution room, building tax-sheltered savings while preserving flexibility.

> "Life insurance has evolved. Originally created as risk protection for widows and orphans to replace income and cover liabilities like mortgages, life insurance is now a flexible financial planning tool."

Guidelines for Prioritizing Accounts

While every financial situation is unique, the following guidelines can help young adults prioritize accounts:

- **Start with either a TFSA or an FHSA:** Both accounts offer compelling advantages for different reasons. A TFSA provides maximum flexibility with no restrictions on use or timing, which is ideal for 18-year-olds whose life plans remain fluid. An FHSA offers an immediate tax deduction (valuable at any income level) with the safety net of rolling unused funds to an RRSP. For many young adults, contributing to both in the early years makes sense, though an FHSA should be a priority if a tax refund and home ownership are more immediate goals.
- **Maximize RRSP deductions in high tax brackets:** Once an FHSA is maximized, high-earning young adults should prioritize RRSP contributions, which generate tax refunds that can fund TFSA contributions.
- **Consider the RRSP deduction carry-forward:** Young adults expecting significant income growth can contribute to RRSPs now but defer claiming deductions until higher earning years, maximizing the tax benefit.

Keep in mind the most important guideline is simply to start. Building the habit of regular contributions and letting time work in your favour matters more than perfect account prioritization. Combined with the foundation established in childhood, these registered accounts position young adults to build meaningful wealth over decades.

INSURANCE CONSIDERATIONS FOR YOUNG ADULTS

Timing and Insurability

As already mentioned, securing coverage while young and healthy locks in favour-

Top to bottom: Meghan Moore, Rachel Davies, Kate Pal at the Minerva Summit

able rates and guaranteed insurability. For those without childhood policies, the young adult years offer a second critical window, before lifestyle factors, risky hobbies, and health history begin to impact underwriting outcomes. Once a policy is issued, future lifestyle changes have no impact on coverage or rates.

Ownership Options: Personal vs. Corporate

Corporate ownership offers significant tax advantages. Policies are funded with lower-taxed corporate dollars, and, upon death (assuming life expectancy), the full death benefit flows out of the company tax-free to the personal estate. This structure works particularly well when a young adult is expected to eventually own investment or holding companies.

Personal ownership uses after-tax personal dollars but offers exceptional flexibility. The Income Tax Act allows policy owners to transfer ownership to the insured child or grandchild at any time, completely tax-free, even if the policy has significant gains. The owner controls the timing of this transfer, whenever deemed appropriate.

Accessing Value

Like equity in real estate, permanent cash value life insurance is an asset that can be borrowed against. Young adults with established policies may leverage this cash value to fund business ventures, investment opportunities, or other financial goals. Banks will typically lend 90 to 100 cents on the dollar against these policies due to the built-in guarantees and low volatility of this asset class.

Optimal flexibility, however, requires policies structured with high early cash values, and not all policies are designed this way. Some are designed to maximize long-term death benefits with minimal accessible cash value. Families should clarify priorities when establishing coverage: immediate financial flexibility or maximum long-term estate value.

In Summary

The power of starting early cannot be overstated. The strategies outlined above all leverage the same fundamental advantages: time, tax-efficient structures, and compound growth.

The benefits also extend beyond numbers. These strategies create opportunities for conversation, education, and engagement across generations. They provide financial springboards, giving young adults the confidence, resources, and foundation to pursue their goals. Most importantly, they teach the next generation how wealth is generally built: through early action, consistent contributions, and patient compounding. **M**

PASSING *it* ON

What you need to know about transferring wealth through gifts and loans, especially as it pertains to housing.

By: Nicole Woodward

Original artwork by Rachel Joanis

How do you transfer money to your kids now while balancing family dynamics, protecting family assets, and ensuring alignment with your estate plan? Nicole Woodward, Partner and National Practice Group Leader of Private Client Services at Miller Thomson, has the answers. As one of Canada's leading legal minds in private wealth law, Woodward has unique insight into the realities of transferring wealth. In a workshop hosted by Burgundy Vice President and Investment Counsellor Lauren Davis Landau at the Minerva Summit, Woodward shared practical, real-world scenarios to help us better understand the options for providing financial assistance to loved ones, including through gifts and loans, while being mindful of asset-protection, tax, and other consequences.

These days, everything seems so much more expensive, whether it's housing, education, or simply the cost of day-to-day living. The housing affordability crisis in Canada—particularly in Toronto and Vancouver—has made it increasingly difficult for younger people to purchase their first home. This is changing the way families are thinking about transferring wealth, and in particular in relation to the purchase of a home.

Ahead is a review of some common considerations that arise when providing financial assistance to family members, including asset protection, matrimonial protection, cross-border tax implications, and protection of vulnerable persons.

To illustrate, we will follow Joan and her family through a series of scenarios. Joan is 80 years old and widowed. She has three children: Charles, Christina, and Chelsea. Charles has two adult children, Christina has one minor child, and Chelsea has no children. Each of Joan's children face a different circumstance, which will help us explore the various strategies and considerations for transferring wealth to the next generation.

Helping a Child with a Home Purchase: To Gift or Not to Gift?

Let's start with Christina, 45, and her husband, Brad. They have been renting for years and have found a home they would like to buy for a purchase price of $2 million. Christina approaches Joan and asks whether Joan would be willing to help by contributing $1 million towards the purchase of the property.

> "The best protection is a prenup that specifically addresses how such gifts are to be treated in the event of a marriage breakdown."

Joan has three main options for helping Christina and Brad: an outright gift, a loan, or some kind of co-ownership arrangement.

A. The Outright Gift

If Joan decides to make an outright gift of $1 million for the purchase of the property, she could first consider to whom the gift should be made. We recommend that when gifting, Joan should "keep it in the family" by making the gift to Christina alone. If the gift is made to both Christina and Brad, then Brad will be entitled to half of it in the event of a marriage breakdown.

What are the advantages of an outright gift? For many parents, there is an emotional appeal to "giving with a warm hand": helping their children now when they are able to witness the tangible difference the assistance makes in the lives of their loved ones. From a practical standpoint, the gift makes the home more affordable for Christina and Brad, and helps them start building their own wealth. Further, it decreases the portion of Joan's probatable estate, which, in Ontario, represents an estate administration tax savings of about $15,000. Tax savings should not be the driving consideration, but they should be on the list of considerations.

But outright gifts come with risks. For example, even if the gift is made to Christina alone, if Christina puts the money into the matrimonial home (often referred to as "the most sacred of possessions") it will likely be divisible between Christina and Brad in the event of a marriage breakdown, as already mentioned.

Could a prenuptial agreement help protect the gift? Potentially, but only if structured correctly. If the gift is an outright gift to both Christina and Brad, a prenup will not help because Brad could argue that Joan was simply being generous: She is permitted to give a gift to Christina and Brad if she wants to. If Joan insists on making the gift, the best protection is a prenup that specifically addresses how such gifts are to be treated in the event of a marriage breakdown, and an

Top to bottom:
Nicole Woodward;
Angela Bhutani;
Robin Taub

acknowledgment by everyone involved that this gift fits within gifts contemplated in the prenup as exempt from net family property.

Beyond the matrimonial risk, there are other matters that Joan should consider, such as whether the gift may cause dissention among her children. Presumably, Charles and Chelsea will eventually learn that Christina received $1 million, and the inequity may provoke feelings of resentment towards Christina and/or Joan. Whether Joan can equalize among her children depends on her financial situation. With $50 million of assets, equalization is straightforward with a conversation and some estate planning adjustments; but if Joan has $3 million of assets, a gift of one-third of her gross worth to one child creates an imbalance that may be impossible to resolve.

Another consideration is whether the gift creates an expectation by Christina for ongoing assistance, putting Joan in a position where she is unable to say "no," creating a strain on the relationship. We have seen instances where once the tap is turned on, ongoing requests for assistance can arise to fund a new car, home renovations, purchase of a cottage, the grandchildren's education, the list goes on. What was intended as a one-time gift has become an ongoing stream of support, and, worse, risks creating a dependency in adult children.

The most important consideration is, of course, whether Joan has sufficient wealth to support herself to the end of her days. Private health care is expensive. Some of our clients require in excess of $500,000 annually for 24-hour private care. Even part-time home care or quality retirement living can exceed $100,000 per year. If Joan needs this level of support one day, she could run out of money.

Finally, there are potential estate complications. Let's say Joan makes the gift and then does nothing else—doesn't update her will, doesn't document anything, doesn't communicate her intentions with her other children. Upon Joan's passing, Charles and Chelsea might take the position that the assistance was a loan rather than a gift. While Christina may ultimately be able to prove it was a gift, the damage is done. A dissension among siblings has been created at exactly the time when families should be coming together.

B. The Loan Alternative

Instead of a gift, Joan could structure the $1 million as a loan. Unlike a gift—which should only go to Christina—we recommend that a loan be made to both Christina and Brad.

The mechanics are straightforward. The loan may be documented by a promissory note that includes the loan amount, the repayment terms and the rate of interest. The note is then registered as a mortgage on title to the property. Registration is critical for Joan's loan to take priority over other future creditors who may later register liens and encumbrances on the property. While we appreciate that if Christina and Brad get a mortgage from a financial institution for the other half of the purchase funds, that financial institution will insist on their mortgage taking priority over Joan's mortgage, which

becomes a second mortgage. Nevertheless, we still recommend that Joan register her second mortgage on title to the property to preserve priority over other future creditors or encumbrances. It also prevents Christina and Brad from (among other things) obtaining a line of credit on the property which would take priority over Joan's loan and could result in the property being leveraged for more than it's worth.

The loan structure also provides for protection in the event of a marriage breakdown. If Christina and Brad separate, Joan can call in the loan and it becomes a debt jointly owed by both Christina and Brad. Once the loan is repaid and Christina's divorce has been finalized, Joan may decide to loan or gift funds to Christina to help her purchase a new home.

The loan also preserves fairness among Joan's three children: If Joan loans $1 million to Christina and then passes away, that $1 million is a debt owed by Christina and Brad to Joan's estate. Christina and Brad would repay the loan, and then Joan's estate would be divided equally among her three children. The same result is achieved if Joan updates her will to include a hotchpot clause providing that any loans made to children are to come out of that child's share of the estate. This enables Joan to provide different amounts to her children over time depending on their individual needs, with the comfort of knowing that everything will be equalized at the end (assuming that Joan has sufficient assets in her estate to do so).

The loan needs to be a *bona fide* loan. A no-interest loan upon which no payment is ever made is vulnerable to attack. For example, if Christina and Brad separate, Brad could argue, "We were never meant to repay the $1 million. There was no document, no interest, and no payments—clearly no intention to treat this as debt." His argument may succeed in having the loan set aside. We recommend the loan be documented and signed by the parties, and that it include a certain rate of interest, however minimal (which Joan may waive from time to time). Also, importantly, Christina and Brad should make payments on the loan—even small ones—from time to time. A couple of hundred dollars a few times a year serves a critical purpose of reinforcing the loan because it constitutes an acknowledgment of an expectation of repayment by the debtors and creditor at various points in time.

Like the gift, the loan also has a downside. If Joan opts for the loan, she becomes Christina's and Brad's creditor, and that might change the dynamic at Sunday dinner. Also, what if Christina and Brad cannot make payments? If the loan amount constitutes a large portion of Joan's wealth, then Christina's and Brad's inability to repay now affects her own financial security. Is Joan going to foreclose on the property where her grandchildren live? Highly unlikely.

There are also factors out of everyone's control, such as the ebb and flow of the real estate market. Suppose Christina and Brad need to sell the house and relocate to another city for a job opportunity, and due to a decrease in property values, they receive only $1.5 million from the sale. The financial institution gets the first $1 million, and Joan is only able to recover half of the $1 million loan, losing half of her money due to simple market dynamics.

C. Co-Ownership

The third option is a co-ownership arrangement. Joan could own the property jointly with Christina and Brad. In my experience, only in the rarest of cases does this actually work. It is complicated, expensive, and can create more problems than it solves.

First, let's consider the tax implications. Notwithstanding how the title to the property is registered, if Joan owns half of the property and Christina and Brad own the other half and live in it, then upon disposition of the property, Christina and Brad will enjoy the principal residence exemption on their share, Joan will be required to pay tax on any gain on her share. We have seen situations where the parties register the property in the name of Christina and Brad so that they can claim the principal residence exemption on the entire value of the home upon disposition. We do not recommend this. Joan cannot legally claim that she had an interest in the property for ownership purposes but not for tax purposes.

Also, if Joan is not registered on title and there is no loan documentation, then there is no evidence that Joan has a financial interest in the property. Unless Christina

"The loan needs to be a bona fide loan. A no-interest loan upon which no payment is ever made is vulnerable to attack."

and Brad agree otherwise, Joan's estate may be deprived of her share in the property, and, assuming the estate is divided equally among Joan's children, this would result in an inequity among her three children.

Co-ownership arrangements may also involve disagreements about finances. What happens if one party is unable to pay their share of the property taxes? What if the parties cannot agree on how much insurance to carry, or whether to renovate, or when to sell? What happens if all parties live in the property and the relationship breaks down?

While some issues may be addressed in a co-ownership agreement, we find that parties are reluctant to enforce them. For example, is Joan going to insist that Christina and Brad pay half of the property taxes if one of them has lost their job? How does Joan exercise her right to be bought out if Christina cannot afford to do so?

Making the Decision

Each family and situation is different, and solutions are therefore bespoke. In my experience, most parents either proceed by way of loan with proper documentation, or they make a gift and then equalize among other children.

However the family wishes to proceed, we recommend they consider holding a family meeting. In some cases, the best thing you can do is to bring everyone to the table, be transparent about the help being provided, and manage expectations. In other cases, a family meeting might be the worst thing you can do. It depends entirely on the family dynamic. Do the children get along? Do they have the same perspective about money? Do they see the world the same way? Is there competition or resentment between or among siblings? Consider these dynamics carefully before deciding whether and how to have that conversation.

Special Considerations

Protecting Vulnerable Family Members

Let's assume that Joan decides to help with the home purchase by making an outright gift to Christina. She also wants to give $1 million to each of Charles and Chelsea now so as to equalize among her three children. However, Joan is concerned because Chelsea has an intellectual disability and could become vulnerable if others knew she had that much money. In situation like this, we recommend establishing a formal trust, with a friend, family member, or trust company serving as trustee.

One of the biggest concerns we hear from parents of a child with a disability is about who will care for the child if he or she outlives everyone else. A well-structured trust with multiple layers of protection may offer some comfort. In Joan's case, if she passes and if Charles and/or Christina are alive, one or both may be willing to act as a trustee of Chelsea's trust, and we can include a power to appoint successor trustees if they are or become unable to act. If neither Charles nor Christina is able to act, and if there is no other relative or family member who would be suitable, a trust company may be appointed. In this case, if Charles or Christina is alive, we can include a duty to account and report, ensuring that they receive quarterly or annual statements so they can monitor how the trust is being managed. We might also include a duty to consult with them on certain matters, keeping in mind that the decision is always that of the trustee. The goal is to protect Chelsea's inheritance while ensuring she is cared for throughout her life, regardless of what happens to the rest of the family.

Cross-Border Gifting

A Canadian parent may gift any amount of cash to an adult child who is a U.S. tax resident or U.S. citizen (a "U.S. person") without tax in Canada or the U.S. (unless, of course, the parent disposes of capital assets in Canada to fund the gift, then the parent would pay capital gains tax on the disposition in Canada). If the cash

gift exceeds $100,000 in a given year, the child must report it in the U.S. on a Form 3520, but no tax is payable by the parent or by the child.

However, if a child is a U.S. person living anywhere in the world, the child is subject to the U.S. gift and estate tax regime. According to the *One Big Beautiful Bill Act*, which came into force on July 4, 2025 in the U.S., on the child's passing, any amount in the child's worldwide taxable estate (including certain gifts made by the child during their lifetime) over $15 million (USD), indexed for inflation, is taxed at approximately 40 percent.

Any gift of cash by a Canadian parent to a U.S. person child increases the amount of the child's worldwide taxable estate value. Let's assume Joan decides to make a gift of US$12 million to Charles, who is a U.S. person. Once the funds are in his hands, Charles has limited planning options. He cannot gift the money without it counting towards his own gift and estate tax exemption. His own assets will also continue to accumulate—a home, investment accounts, other property. Each additional dollar contributed to this accumulation moves him closer to that $15 million threshold

and the tax that will apply to amounts in excess of it. Therefore, any planning intended to avoid the U.S. gift and estate tax net needs to be undertaken at level—for example, using a trust for Charles' benefit, rather than an outright gift to him.

Therefore, while a Canadian parent may make a gift of cash to a U.S. person child free of tax on the gift itself, it is important to consider the impact of the gift on the child's worldwide taxable estate and any application of the U.S. gift and estate tax regime upon the child's passing. If the gift is significant enough that it could push the child's worldwide estate beyond the exemption, the parent may wish to consider using a trust structure, which may avoid the U.S. gift and estate tax net altogether. We would highly recommend retaining a qualified tax adviser before making a significant gift to a child who is a U.S. person.

Planning With Purpose

Assisting the next generation to build financial security is one of the most meaningful things a parent can do. But as Joan's situation illustrates, how the assistance is structured matters just as much as the help itself. Whether the parent provides the assistance by way of gift, loan, or other structure, it is important to account for family dynamics, tax implications, matrimonial risks, and one's own long-term financial security. Be intentional and document your decisions clearly. Have any difficult conversations early. And recognize that there's no one-size-fits-all answer. The right approach depends on your own family's unique situation. **M**

Left: Nicole Woodward
Top to bottom: Jacoline Loewen; Karen Mintz; Lauren Davis Landau and Nicole Woodward

BRIDGING GENERATIONS

The power of governance and communication in building lasting wealth.

By: Judi Cunningham

Original artwork by Rachel Joanis

What does it really take to prepare the next generation for the opportunities, and responsibilities, of family wealth? Judi Cunningham is the founder of the Trella Advisory Group, a consulting firm that helps families manage wealth and enterprise, and understands this question—and all of the nuance that goes into it—keenly. As a member of the Advisory Board for the Family Business Institute at Toronto Metropolitan University and a second-generation member of an enterprising family herself, she has spent over two decades working with families, guiding them while they navigate the complexities of wealth, succession, and legacy. During a workshop at the Minerva Summit, hosted by Burgundy Vice President and Investment Counsellor Jessie Bobinski, Cunningham laid out seven key principles of wealth that will ensure that families are helping the next generation become stewards and are building their wealth to last.

I'M seventh in a family of eight. I grew up in an enterprising family where we had seven different operating businesses. I worked with aunts and uncles, siblings, nieces, nephews, and many members of our extended family. It is in my blood to think about and be concerned about families and to think about what makes them tick.

I hear from enterprising families every day who are concerned about the impact a transfer of significant wealth will have on their children. When we think about inheritance and the transfer of wealth across generations, there are seven important principles that we'll want to teach across generations to ensure we are forming stewards of wealth.

But first, we need to define wealth. Wealth is more than just money. There are tangible and intangible assets that form part of wealth. Tangible assets or financial instruments include family businesses, private company investments, financial assets (investment portfolios), real estate, heirloom assets, deferred assets, and philanthropy. In enterprising families, family businesses are often part of the wealth landscape, accumulating financial assets through the operations of their businesses or the sale of an enterprise. Enterprising families are also prolific investors in other families' businesses. Families invest in a lot of entrepreneurial activity, resulting in private company investments often forming a large part of family wealth. Real estate, heirloom assets—which could mean anything from jewelry to cottages—and deferred assets (something like an insurance policy that will realize its value later on) are additional aspects of wealth.

> "Wealth is more than just money. There are tangible and intangible assets that form part of wealth."

In addition to financial assets, there's also non-financial wealth: the human and intellectual capital that are more about your family. Families are the most connected engines globally. I always say that in the family space, it's two degrees of separation—if you want to connect to somebody, there is a family member who knows them. There's just incredible social connection or social capital. Spiritual capital also comes into play here, whether that's in the form of religion or the very deep values that a family wants passed down across generations.

This leads to a deeper dive into developing stewards of wealth. A steward is not an owner of wealth. They may own it or hold it for a period of time; they nurture it, but they are literally stewarding it from one place to the next. If your family has generational wealth and you are trying to create a stewardship mentality, the approach isn't about "How do I get the wealth and spend as much as I can?" and then saying good luck with whatever happens to be left of it for the next generation. It's not just about utilizing that wealth, but nurturing it and, perhaps, making it grow.

BRIDGING GENERATIONS: CRITICAL PRINCIPLES

1) Start with purpose and share your family story

A family needs to understand why they're building wealth. I ask many entrepreneurs about the reasons they work so hard, and many say things like, "It is fun and exciting." But they haven't really thought about why they have sacrificed so much—including, in many cases, time with their families—in order to build wealth. It's also important that we understand what we hope will happen to our wealth in the future—this will help

Right: Judi Cunningham presenting at the Minerva Summit

Top to bottom: Judi Cunningham; Charles Walker; Jessie Bobinski at the Minerva Summit

future generations have more in their lives.

Too often, the younger generations that benefit from wealth don't understand how it was created. They don't know what the struggles were. They don't know what it was like when there was no wealth. They have lived a life where wealth was just there, and so life was easier than it had been for previous generations. That's why we must share our stories—to help our families understand that things weren't always like this. And don't just share the difficulties and challenges; share the fun stuff too, because that also helps people understand the purpose of wealth.

2) Normalize conversations about wealth

One of the things that I find often in families is that they're very uncomfortable talking about money and wealth. Why? Our relationship with money starts in childhood and comes from our family experiences—the things that we learned at a very young age about money. And inside of one family, people have different values and experiences with money, which shapes our life circumstances and can be a big source of stress. The most common question that I get in my practice is: "What do we tell the children and when?" The answer is that it depends. We tell them at an age-appropriate time, waiting until they have context around money. We need to be thoughtful with what we are revealing around money. Sometimes, I'll ask a family that I'm working with: "What do they know?" And the senior generation will reply, "They don't know anything." But I can tell you that they know a lot. They may not know the numbers, but they know there is wealth because of the family lifestyle and because they're comparing themselves to their peers.

One of the things I always laugh about is when we are talking to families and they'll say, "the kids," but they are actually referring to people who are 50 or 60 years old. We must re-orient our thinking. I'm a big believer in appropriate transparency. Helping the next generation under-

stand what is happening is really important.

3) Develop financial literacy
The biggest area of growth in our industry is the development of financial literacy skills in the rising generation. Yes, you've got to learn how to understand a balance sheet, what compounding interest is, and how to manage investment advisers, especially if you're going to start managing wealth. This is how we create stewards. And whatever you do, make these "lessons" fun. This is the most boring stuff, so try sharing this information in short, bite-size pieces. Use examples that come from their lives, from social media—anything that's relevant and meaningful to them.

4) Develop softer character and communication skills
This is about helping someone have the ability to follow through, be trustworthy, understand values, and discern whether somebody else has their best interests at heart. It is really hard to understand how to use discernment. It is really hard to learn how to use wealth responsibly, and it is really hard to know how to pass those skills on to the next generation. We are training our kids every single day on what money means, how we relate to it, how we connect to it, everything.

5) Support finding individual purpose
Family purpose surrounding wealth was touched upon earlier, but we also must find purpose in ourselves. If we don't spend time understanding our own purpose, we can never be good stewards. Work is often a place where we learn and build self-esteem. We all need to find meaning in our lives. If we don't have purpose, we struggle. Understanding that and supporting the next generation in finding their purpose is really important.

6) Build governance and responsibility
Governance is the bridge between generations—the structures we put in place to help with communication and collective decision-making. Families will say, "Oh, this family member makes all the decisions." Then I ask them if that will continue to work well in the future. A governance system of one can work tremendously, but it will not help you get to where you're trying to go, which is, potentially, collective wealth. If your goal as a family is to take the wealth, divide it all up, and go your individual ways that's fine. But if you want any kind of collective decision-making, then what you've been doing won't get you to the next stage. Governance is what helps us start to make these collective decisions.

There are three key components of a family enterprise: the family, the wealth/business, and the ownership. Family is a very private, emotional entity. It's very inclusive. It's about love and care, and it's got this soft, underbelly. It's not like this for everyone—family is not always great. Wealth and business, on the other hand, is much more objective. It's about the nuts and bolts of things. It's competitive. It's very measurable and quantifiable. Then there's the ownership piece, which considers questions like: "Is this investment a good one?" and "Is there a return on assets?" and "What kind of information am I getting?" And all three of each of these components need governance.

Regularly scheduled family meetings are important. Very large families may have a family council, which is like a board of a family. That governance structure is about managing relationships and inclusivity in the family. It helps the family function well. Governance structures around wealth are all the things related to how wealth is being held and how decisions are being made. This may include trust structures or direct ownership. It is also key to understand the different roles. For instance, are you a beneficiary or a trustee? Are you a director? Who is making the decisions inside this wealth portfolio?

Then there's ownership, which is split into two things: value and control. I often ask the senior generation: "What are you interested in transitioning? Do you want to transition value and not control? Do you want to transition control and not value? Or do you want to transition both?" Because those are very different things. What often happens is that value and control are transitioned at different times and may be split. Good governance can help with the transition of both value and control.

7) Mentorship
Mentorship is very important when creating stewards. When searching for mentors, it is best to think outside of your family and explore who else in your world could help the rising generation and give them opportunities to practice. Sometimes families give the rising generation small portfolios to invest for practice. Sometimes they allocate a certain amount of money for philanthropy, so the rising generation has agency over deciding where and how to give.

These seven principles will serve any family with wealth as they guide stewards and bridge generations. Work through them slowly and methodically, and, most importantly, engage the rising generation in the process—do not do it for them. And make sure you engage support and help along the way. This is not an easy process, and there are excellent practitioners who can assist you. **M**

The WISEST INVESTMENT

Expert strategies and tips to help prepare the next generation for the inheritance economy.

By: Robin Taub

What's one of the best, most forward-thinking investments you can make right now? Preparing for the inheritance economy by raising the next generation to be financially literate and confident with money. During a workshop at the Minerva Summit hosted by Burgundy Investment Counsellor Mirjana Vladusic, Robin Taub, CPA, CA—keynote speaker and author of *The Wisest Investment: Teaching Your Kids to Be Responsible, Independent and Money-Smart for Life*—shared her thoughtful, practical tips and strategies to do just that.

Original artwork by Rachel Joanis

When I was 33 years old, with two young kids and a demanding job on the trading floor at Citibank, my dad died suddenly. The decisions I faced and the responsibilities I inherited were overwhelming. I took a leave of absence from a job I loved—and never returned. Even as a Chartered Professional Accountant with experience in tax and finance, I wasn't prepared. My family didn't have a plan, and we never talked about money.

This experience changed everything for me. I realized how important it is to have the knowledge, skills, and confidence to make sound financial decisions not just in the everyday moments, but in the big, life-altering ones, too. I learned the hard way that it's crucial to have a plan, and to communicate that plan.

Over the next 20 years, more than $2 trillion of wealth will change hands in Canada. In this new financial landscape, access to inherited wealth will increasingly shape opportunities and life outcomes. The inheritance economy is coming—and it's time to prepare.

Many of our kids and grandkids are struggling to achieve milestones that once felt within reach: buying a home, saving for the future, or just feeling financially secure. As a result, they're on a different timeline. Maybe they're even on a completely different path than the one we followed.

They're also facing financial challenges we never imagined. First, they're getting priced out of homeownership. Twenty years ago, the average home price was three to four times annual median income. Today, it's eight times. And in cities like Toronto and Vancouver, it's 11 and 13.5 times, respectively. The average first-time homebuyer in Ontario is now almost 40 years old. Second, the cost of living is outrageous. Even as inflation cools, the cost of food is up 30 percent and rent is up 32 percent since the pandemic. And third, our students are graduating with debt—$28,000 on average—and struggling to find jobs. The youth unemployment rate in Canada recently was 14.7 percent, double the national rate. And AI is already reshaping entry-level work, making early career paths less predictable than ever.

It's become normal for parents to support their adult kids financially—and to continue that support when grandchildren are born. The cost of raising a child from birth to age 17, excluding post-secondary education, is now almost $300,000. In response, families are rethinking how and when to transfer wealth. Many parents and grandparents are choosing to help at key life stages rather than waiting until after death. According to a poll by RBC, grandparents aged 55 and older are helping with everything from everyday expenses to education.

But how do we transfer significant wealth without encouraging dependency? How do we balance support with autonomy? Some of you may have been asking these questions in your families for years, while others are just beginning to ask them. I don't have all the answers, but I do know this: We can prepare for the inheritance economy without ruining our children or our grandchildren.

What about our own financial futures? Families are juggling the desire to "give with a warm hand" and the reality of needing these assets later in life for prolonged retirement needs, rising costs of living, and unanticipated health-care expenses. I met a grandmother who told me that she always dreamed of spending winters in Florida, but her granddaughter needed help with a down payment, so she put that dream on hold. "I want her to have stability," she told me, "But I do wonder if I'm ever going to get that Florida winter."

My father-in-law lived a good long life, to age 93. But in his last few years, his care cost roughly $250,000 annually. Fortunately, he had the resources to cover it. But that also meant what he ultimately passed on was reduced. Longer lives—and longer periods of care—are changing what's available to transfer.

That's why it's so important to work with your financial adviser to determine if you can afford to make a living gift. They can model different scenarios to illustrate the impact of giving while living on your cash flow and net worth.

If the numbers work, the next question becomes: How do we help without harming? How do we provide support without undermining motivation, ambition, or purpose, especially during the career-building years?

My son graduated in 2017 with a bach-

> "Now, more than ever, it's important to teach our kids and grandkids about money. Whether they inherit a little or a lot on the great wealth transfer, they need to know how to manage it. It's a basic life skill."

elor of arts in philosophy and political science. Like many young people, he didn't know what he wanted to do. He started working in hospitality, bartending and serving to support himself while he tried to figure things out. One night, he began helping the sound crew at an event, drawing on his musical and tech abilities, and, eventually, he became a live audio engineer. The role blends what he enjoys with what he's good at. The path wasn't linear, but it was his. And he needed some financial support while he figured it out.

Affluence can be a double-edged sword. It can provide security and freedom or undermine motivation and purpose. I have five tips that can help prevent "affluenza."

First, talk to your kids and grandkids about the difference between needs and wants. Needs are the essentials for survival: a roof over your head, basic clothes to wear, and nutritious food to eat. Wants are the nice-to-haves: designer clothes, private club memberships, a vacation home.

Second, if they don't already have a job, encourage them to get one to help pay for some of the things that they want. Kids will always find it easier to spend your money than their own, especially if it's money that they've worked hard for. Even young kids can do odd jobs like babysitting, working as a camp counsellor, or refereeing sports.

Third, focus on philanthropy. Older kids might join the board of a family foundation, if there is one. Or maybe you can volunteer together as a family. Giving back opens up the next generation's eyes to the fact that not everyone lives the way they do. It teaches compassion and perspective.

Fourth, encourage and model gratitude. Gratitude doesn't come naturally, it takes practice. Start with something simple. Go around the dinner table and have everyone share one highlight or small win from their week, or suggest using a gratitude journal.

And lastly, have your kids and grandkids create a budget and a financial plan. This includes money they earn as well as money they receive through gifts. Working with a financial adviser helps reinforce responsibility and accountability.

Now, more than ever, it's important to teach our kids and grandkids about money. Whether they inherit a little or a lot in the great wealth transfer, they need to know how to manage it. If we don't teach our kids about money, they're missing a basic life skill—and that can lead to serious challenges later on.

> "Affluence can be a double-edged sword. It can provide security and freedom or undermine motivation and purpose."

Making money does not guarantee financial success. Without education, kids can develop poor habits, like excessive spending, that become harder to break over time. Habits are like well-travelled pathways. They create grooves in the mind that rarely disappear completely. It's far easier to build good habits early than to rewire bad habits later.

If we invest in the next generation early, it will pay off in countless ways. First, they will become financially literate and will possess the knowledge, skills, and confidence to make responsible financial decisions at every life stage. Second, they will become responsible. Imagine not worrying about your kids or grandkids mismanaging an inheritance because they have sound judgment and know when to ask for help. Third, kids with a sense of purpose are motivated to achieve something on their own, even if they grow up with wealth. Everybody needs a "why," but kids of wealth may struggle to find theirs, especially when parents or grandparents cast a long shadow.

You can prepare for the inheritance economy without ruining your children, your grandchildren, or your own financial future, using the following three strategies: educate, plan, and communicate.

When I wrote *The Wisest Investment*, I created a framework for teaching kids of all ages about money that is built around five pillars: earn, save, spend, share, and invest. These five pillars never change, but the lessons evolve as kids get older. These five pillars also form the foundation of wealth stewardship.

A steward sees wealth as something to care for, not just something to own, and they manage it wisely for future generations. Whereas an owner focuses on rights, a steward focuses on responsibilities. A steward aligns financial decisions with family values and long-term goals and thinks about the legacy that they want to leave.

Values matter. Values are the things you're willing to take a stand for. They form an invisible framework that guides financial decisions. In my family, education has always been a core value. Only two of my grandparents finished high school and

Top to bottom: Robin Taub; Julie Cordeiro and Julie Tanna; Mirjana Vladusic

none of them had higher education. They worked hard so their children could have the education and opportunities that they didn't. Both of my parents went to university. My mom became a teacher, my dad a lawyer. My brother and I followed, and now our kids have continued this tradition of seeking out higher education. Between my kids, my niece, and my nephew, they're pursuing careers in engineering, finance, and medicine. Education may look different for their kids, but it will always mean learning, growth, and investing in yourself.

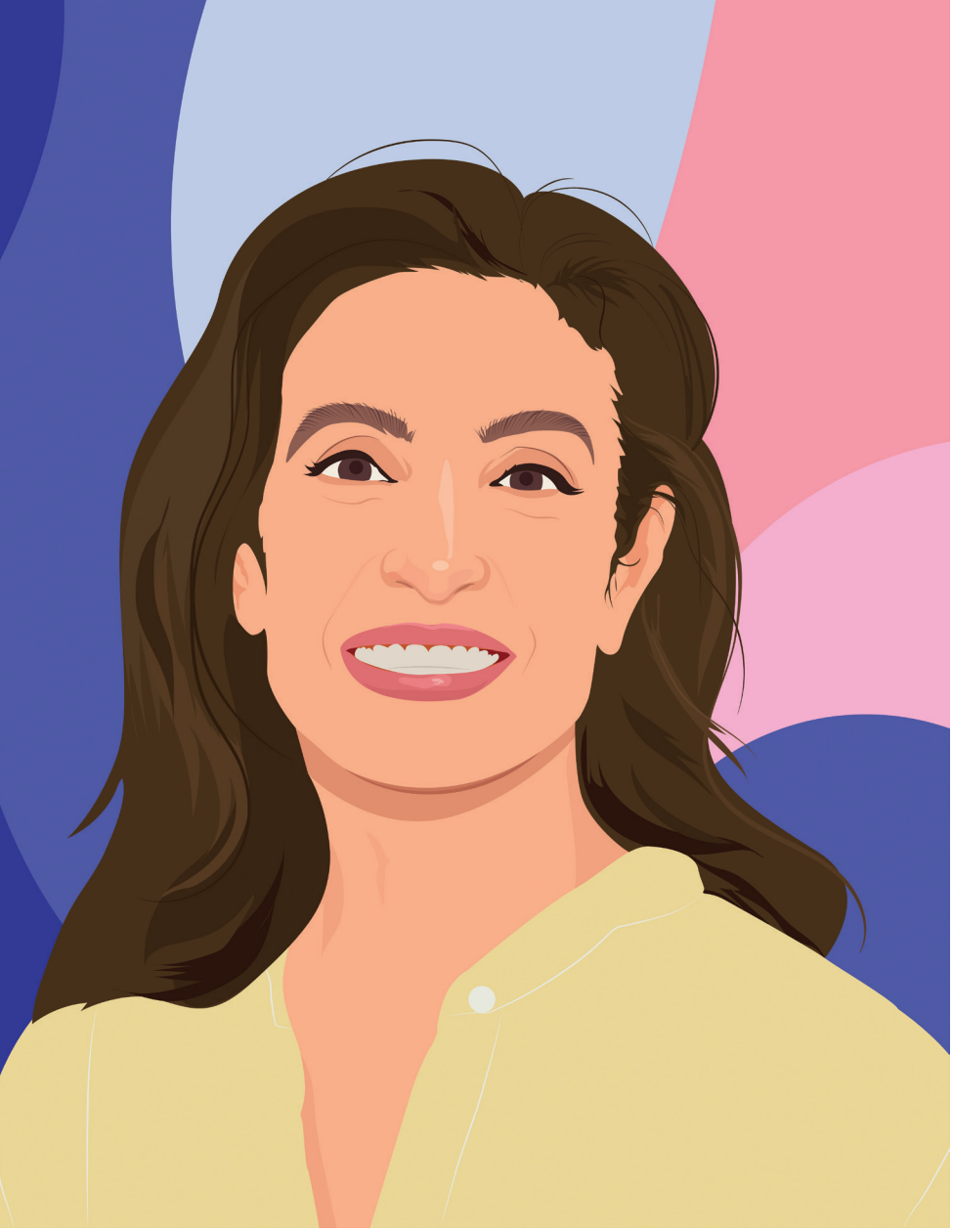
To prepare for the inheritance economy, we must plan early and often. Work with your advisers to create financial and estate plans, including wills and powers of attorney for every member of the family. Planning ensures financial decisions are made with the full picture in mind. If you're planning to pay for your grandkids' post-secondary education, don't have it be a surprise. Tell your kids so they can plan accordingly.

Plans will change, but even the best plan won't work if nobody knows about it. That's why communication is another key strategy. Money is still taboo, especially in families with wealth. But avoiding the money conversation doesn't protect kids—it leaves them unprepared. Talking about money doesn't mean giving full access. It means sharing age-appropriate information and explaining the values behind decisions. Advisers can help facilitate these conversations as neutral third parties, creating respectful spaces and acting as a bridge between generations.

The money conversation is ongoing. Even a modest inheritance, given at the right time, can be life-changing. It helps someone buy a home, start a family or a business, return to school, or begin investing.

So, when is the right time to give? Age matters less than readiness. What you're really assessing is financial maturity. And how much should you give? In the words of Warren Buffett: "I want to give my kids just enough so that they would feel they could do anything, but not so much that they would feel like doing nothing."

With education, planning, and communication, we can prepare for the inheritance economy without ruining our children, our grandchildren, or our own financial futures. It takes intention and effort, but it's the wisest investment we can make for ourselves and for the generations that follow. **M**



THE FOUNDATIONS *of* LEGACY

Stewardship extends beyond business and financial affairs; it originates within the family environment.

By: Helen Antoniou & Caroline Montminy

Helen Antoniou is a leadership coach, the Chair of Concordia University's Board of Governors, and the author of *Back to Beer and Hockey: The Story of Eric Molson*, which traces how her father-in-law revived his family's storied brewing company. Through both her work and personal life, she has developed a deep understanding of how legacies are built, maintained, and passed down over generations. In conversation with Caroline Montminy, Vice President, Investment Counsellor at Burgundy, at the Montreal Minerva Summit, Antoniou explored how values and wealth are shared within families, the connection between stewardship and parenting, and the role partners and in-laws play in continuing a legacy.

Caroline Montminy: When we talk about legacy, we often focus on business and financial matters. Thinking in these terms overlooks the fact that thoughtful stewardship begins at home. How do families ensure that the values behind their wealth are shared and lived within each generation?

Helen Antoniou: One of the reasons I wrote *Back to Beer and Hockey* was because I was curious about Eric Molson, my father-in-law. He was an introvert who never sought the spotlight, yet he ran

Original artwork by Rachel Joanis

a major business and turned it around because he felt it was his responsibility. He represented, to me, the definition of a steward.

Stewardship affects how you speak about wealth in a family, whether you describe it as something to be inherited—which can sound like entitlement—or as something that carries responsibility. Spouses play a huge role in shaping that culture. You might not sit on the family board or be involved in governance, but you help transmit the values that hold a family together.

Each spouse brings individual values into a relationship, while families have established values of their own. These values may not always align. The role of the in-law is very strong, even if it is behind the scenes in the form of soft power or influence. It is important for partners to understand the belief systems under which they want to raise their children. Values are abstract. You cannot simply make a list and expect everyone to understand the same thing. It is about knowing the person: what they believe in, what they stand for, and the integrity they bring as a partner.

CM: You explore the idea that stewardship directly connects to parenting. What do children from legacy families need most as they grow up?

HA: Research shows that kids from families of wealth have higher rates of anxiety, depression, and substance abuse. It is not because of the money itself. It is about pressure and fear of failure. Parents with means often have many opportunities, which can take them away from the home and make them less present or consistent.

As a coach, my work draws on different evidence-based concepts, but one that is particularly relevant to families is John Bowlby's attachment theory. The basic thing a parent can give a child is a secure base, one grounded in love and respect. You must be present and attentive. That does not mean all the time, as we are all busy, but at key moments. Presence is not just physical; it is emotional.

When a parent is consistent and responsive to their child's needs, the child develops what is known as "secure attachment," and this confidence enables them to go out, take risks, and come back if they fail. And as parents, we need to let them fail! When they fail, they learn. Failure helps children figure out who they are beyond the dollars in their parents' bank accounts or their last name. They need to know that they are loved and valued for who they are, not for what they achieve. As a society, we have lost track of this. We prize achievement over security, when what children really need is to feel seen.

> "Values are abstract. You cannot simply make a list and expect everyone to understand the same thing."

CM: You have witnessed that balance between guidance and freedom in your own family.

HA: Letting go is hard, especially for founders or entrepreneurs who took risks and built the vision. This is understandable, but it can make it difficult to let the next generation step up.

In my own family, this was something I saw firsthand with my father-in-law, the former chairman of Molson Coors. Eric saw himself differently. Something was handed to him, and his job was to hand it off in a stronger and more sustainable position so that it could provide not only for his family but also for society.

When his sons, my husband Andrew and his brother Geoff, approached him about buying back the Montreal Canadiens after 2008, he thought they were crazy. He said, "You are paying a bunch of millionaires to chase a puck on the ice. If you make the playoffs, you are up. If you do not, you are down. It's too volatile!" That was not his style. He preferred steady dividends. Ultimately, though, he respected their conviction and let them go ahead.

When I was writing about the Molson family, I learned that the same yeast has been preserved in the brewery for generations. The recipes have changed, the equipment has changed, the people have changed, but the yeast is the same. I thought that was such a beautiful metaphor for families. You can evolve, modernize, and reinvent yourself, but something essential has to stay alive at the core.

That is stewardship too: trusting the next generation to make their own choices. It is a shift from control to confidence, and it is not easy. But it is what allows a family to evolve rather than repeat itself.

CM: How do you bring those lessons into your own parenting?

HA: My biggest ambition is to give my children a secure base. If they feel solid in who they are, that is worth everything.

I could do more around financial literacy, but, for now, it is about values. We spend time as a family, visiting their grandparents, sharing meals, travelling together, watching hockey games. Those family moments are important because they reveal what

Top to bottom: Caroline Montminy and Helen Antoniou; Vida Guido; Caroline Montminy and Helen Antoniou at the Montreal Minerva Summit

matters to each generation. People tell my children what their last name is. What I want is for them to figure out what their first names stand for.

CM: Fairness can be complicated in any family, but especially when wealth or a business is involved. How do you define what is fair?

HA: We tend to think equal means fair, but that is not always the case. In a family business, or even in a family that shares assets, there are many possible roles. You can be in management, sit on the board, be an owner, or contribute in other ways.

One of the hardest things for the next generation to understand is that the equation between what is fair and what is equal is not the same. Depending on the role someone takes, it might end up being more for one and less for another. That can easily become, "He loved her more," or "She got more." The goal is to make sure everyone understands that there are different paths within a family, and that each one has value.

CM: In Quebec, women traditionally keep their own names after marriage. Did that have special meaning for you?

HA: Yes. My parents are Greek immigrants, and, in that culture, women take their husband's name. I chose to follow the Quebec norm because I am from here and it mattered to me to keep my own identity.

My father was an orthopedic surgeon and my mother an anesthesiologist. I am proud of what they contributed to Canada, and I wanted my children to know that they come from that story as well. The Molson name carries enormous history—there are streets, stadiums, and schools named after it. But my kids also come from Greek immigrants who worked hard to build a life here.

After I married Andrew, people would sometimes refer to me as "Mrs. Molson." There is a part of you that wants to say, "I have done a few things too." But I am proud to be Andrew's wife, and I am proud of my own name. Both can coexist. Identity does not have to be singular.

CM: Finally, what message would you share with each generation—the one giving and the one receiving?

HA: To the younger generation: If you feel pressure or expectations, try to quiet the noise and focus on what you truly want to build. Be intentional about where you want to go and how you want to contribute.

To the older generation: Focus on giving the younger generation the freedom to fail. Let them explore. You are not only transferring wealth. You are transferring values and ways of being. **M**

THE BOYS *are not* ALL RIGHT

By: Janice Gross Stein

Why angry young men are the most alarming geopolitical concern we're facing today—and why that is a women's issue.

Janice Gross Stein is the founding director of the Munk School of Global Affairs & Public Policy at the University of Toronto and a renowned expert on national and international politics. At last fall's Minerva Summit, she spoke to attendees about what she believes is the most pressing geopolitical concern of our current moment: angry young men. How did we get here? As she explains, the problem starts in the education system. And what does this have to do with women? More than you might think. Below, find an edited version of her address.

Boys are a geopolitical issue of the highest order. They're a national issue in our own country and south of the border in the United States, and they're a community issue right here at home. We have a boy problem—one that begins at the earliest stages of our educational system and goes right through to our graduate schools.

Let's look at public schools. I have a five-and-a-half-year-old grandson, and he has a limited capacity to sit; he likes to run around. He's in Grade 1 and he has to sit at a desk for an hour, but that's an eternity for him. The reason boys have more trouble in public school than girls—leaving aside that women are smarter much earlier in life and that men have had trouble, historically, catching up because our brains evolve at different paces—is because executive function comes much later for boys, biologically, than it does for girls. So, sitting for a girl is easier. For most boys, at six, it's very challenging. We don't design our school system to accommodate these differences. One could teach math by saying to a boy: "How many minutes does it take you to run around the school yard? And how many minutes if you have to do it once, twice, or three times?" so they could learn multiplication and division. Boys learn by doing when they're little, but we don't design classrooms for boys. That's partly why boys are identified as early as Grade 3, Grade 4, and Grade 5 as behavioural problems—because of the environment that they're forced into.

What happens in high school? It gets worse. Many more boys are suspended than girls. In the province of Quebec, the dropout rate for boys approaches what we would see in the Global South, and it's not low in Ontario either. Think about what happens to a boy who doesn't get a high school degree. If you were a boy 40 years ago and didn't get a high school degree, you could work in the transportation sector—you could drive a truck and you'd make a good living. What's going to happen to truck drivers in our society within the next five years? Trucks will be driverless. There will be fewer jobs.

It is not much better in universities. I teach graduate students and undergraduate students at the University of Toronto's Munk School of Global Affairs & Public Policy, where 70 percent of students are women. There is no evidence that we are systemically discriminating against boys—it's the pool of applicants, and our applicants come from around the world. It's the same at U of T's medical school, where 70 percent of the incoming class are women and 30 percent are men. Now, someone might say, "What the hell is she talking about? It's taken us forever to get women into medical school. Why is this an issue?" It's not an issue that we have the number of women in medical school that we have, but it is an issue that the gap between men and women who are admitted to medical school is growing every year and that the trends are moving in the wrong direction. It's true in law school, it's true in medical school, and it's true in graduate school.

In the province of Ontario, more than 35 percent of the men who are enrolled in any degree program do not complete their degree in 10 years. It's 20 percent for women. That's a 15 percent gap, and it's getting bigger and bigger every year. If I compare the data from 2025 to 2015, the gap has grown by 8 percent. We are seeing men with increasingly less promising careers. Now, it is true that there are still more men in engineering and computer science, so there are sectors of our economy in which women still have not broken through. But the bigger story is that when women break through, they very quickly, within a matter of years, become the dominant group in the higher educational system.

What do women do when they're unemployed and they have trouble getting a job? We volunteer. We network. We get together. We form an organization. There's a series of strategies that are intuitive to women. What do men do when they're unemployed? They feel humiliated. They go to a bar. They meet with their buddies—if they have buddies, because men have many fewer friends than women in their 20s. And if unemployment goes on for a year or two, what happens? They can get angry.

> "When women break through, they very quickly, within a matter of years, become the dominant group in the higher educational system."

At the very tip of the spectrum, way out at the end, we are seeing over and over and over, angry young men who feel that the political and economic systems are rigged against them. That's one of the reasons why this matters. It explains a big chunk of the vote for populist parties and politicians, like Donald Trump. In Kathmandu, Nepal, a group called Gen Z—that was the name of the protest movement of 35-year-olds and younger—overthrew the government and burned the city to the ground.

There is increasing support for the politics of anger. We're seeing it in the United

Dr. Janice Stein at the Minerva Summit

States. It's here too. It's in France, where Marine Le Pen had 40 percent of the vote. It's in the United Kingdom, where there is growing support for Nigel Farage. It's in Germany, where the Alternative für Deutschland party has about 25 percent support. It's in Japan, where a right-wing populist party headed by a 35-year-old who sounds a lot like the angry 35-year-olds I listen to, won 20 percent of the seats in the upper house. Angry young men tie all of these stories together. In some societies, including Canada, this group goes from 35 up to almost 50. They feel angered by the fact that the system is failing them and is, in many cases, failing their sons as well.

And that should matter to every woman. Why is this a women's issue? Well, first of all, I'm the mother of two boys; it matters to mothers who have sons. It matters to sisters who have brothers. It matters to women who are partnered with men, or who have daughters who hope to be partnered with men someday. Angry, disenchanted, disillusioned men can touch your life in any one of those many ways, but they also touch our communities.

We do not—contrary to what you may hear—have this problem now because women have taken men's jobs or their seats in medical school. Women have not displaced men. There's no evidence to support that. It may feel like that to some, but that's not what's happening. Rather, a stronger explanation is that the pool of applicants who are male is shrinking.

So why now? The first reason is one I've already covered: Schools are not designed for boys. Under 20 percent of all elementary school teachers are men. I remember teaching a class at the University of Toronto when I was pregnant with my second son. As it became obvious that I was pregnant, I was swarmed by women students who I thought wanted to ask me a question about global politics, but they actually wanted to talk about the fact that I was pregnant and working. How was I managing to do that? How was I going to have a family and continue to work? That's why we have role models. Role models matter. You see yourself. Many boys are going through elementary school without ever having a male teacher, then get into high school and often don't have male teachers there either. It is not healthy to have no male role models.

There is also not enough physical activity. Women would also benefit from more physical activity in school. Physical activity is important for mental function and for mental health. We have to change the way we organize a school day. I don't want to be cooped up from 8:00 a.m. until 4:00 p.m. with only a 45-minute break, not being able to move around. But that's what we do. And there is not enough active learning by doing. There are different ways to teach, but we're locked into a factory model of teaching, a 19th century industrial model of education, which was really great in the early 1900s and 1920s. It was state-of-the-art then. In 2025, that fundamental model has not really changed. And boys have the toughest time with that outdated model.

The third vector feeding into this challenge is "gamer culture." Video games have become an increasingly important part of children's lives. We're seeing a generation of kids for whom screens and video games are innate in a way that they haven't been for earlier generations. For boys, there is an especially intense preoccupation with video gaming. I was not one bit surprised to find that the young man who is accused of assassinating Charlie Kirk was part of a gamer culture and was deeply, deeply into video games. That is a common pattern that we see.

Finally, the worst victims of violent, angry men are women. And that's why this is a women's issue. When I started my academic career, I was the only woman who worked in my field—the only woman in this country who worked in my field, which is the study of war. Fifty years ago, this was neither an accepted nor a conventional area of study for a woman. Who made it possible for me to have a career? Men. Men took it on in the earliest stages and opened the first doors for women, or we would not have senior women in the positions that they are in this country. Now it's our turn. It's women's turn to take this on for boys and see what we can do.

What can be done? There are two or

three really important things that we are seeing now. Gavin Newsom in California, Gretchen Whitmer in Michigan, and Spencer Cox in Utah are three governors who have all invested effort, time, and money in developing educational programs for boys, breaking with this 19th century factory model and beginning to develop much more creative, open, and active physical spaces for younger boys to go to school where they can feel good about themselves and have a positive attitude toward school.

The second thing we know is that boys and men have many fewer friends than women. Social scientist Robert Putnam wrote a wonderful book, *Bowling Alone*, in which he talked about the lack of social capital—a fancy phrase for social networks—that we have and draw on in times of adversity. He's partnered with Richard Reeves, who has been writing about boyhood and manhood for the last 10 years, and in the research that they're doing, they find that adolescent boys and men in this age group have very weak social networks and feel lonely. Now, think about that. Who is vulnerable to online recruiting? If you're spending a lot of time by yourself, in virtual reality, and you feel lonely or you maybe have one friend, you're a prime target for online recruiting. Recruiting into what? In many cases, a violent culture.

There's good research here, too, that has been done. I'm not drawing an analogy, I'm just sharing some evidence with you: We know from research that many young men in the 1930s felt the same way. They felt they had no economic prospects in Germany because there was terrible, terrible inflation and depression. Their traditional social networks were entirely disrupted by the war, and there were few supportive networks to get them through this difficult period. A militia becomes attractive because it offers friendship and companionship. That is worrying in our day and age.

So, what do we need to do? We need to help create social organizations that engage boys. We need mentors—women need mentors and so do boys and young men. Frankly, they need male mentors who are active in their society, who are contributing, and who are convinced that there's opportunity and that our societies can meet the challenge. They need it in the same way that women do.

A well-known writer, John McKnight, looked at this set of issues. He went to a largely Black neighbourhood in Chicago where there was a very high crime rate; his group included social workers and a paramedic. They met with the kids in the neighbourhood to discuss what would help. These kids said, "We need a basketball court where we can go after school so that we have another option other than hanging out on the streets." The challenge was then to build the basketball court. There was an older man with only one leg, a carpenter, from the community who had joined the group who wanted to contribute and help build the basketball court. When he put up his hand and said, "I'll help," a social worker said, "Okay, great. But you know what? We'll get you into a rehab hospital. We'll fit you with a prosthetic leg. And when you're out, you can come back and build a basketball court with these boys." That's an example of the medicalization of solutions. McKnight then turned to this man and said, "What do you need to build this basketball court?" He said, "A little bit of help with the turf, a hammer, some nails, and time with these boys." These two people saw it so differently. The social worker and the professionals saw the deficit; McKnight saw the assets. We need to see the assets and we need to support and help the people who see the strengths rather than those who focus on the deficiencies.

> "We need to see the assets and we need to support and help the people who see the strengths rather than those who focus on the deficiencies."

Finally, and I really believe this matters: Teach boys about girls. Girls are not the problem. Boys have challenges that are, to a significant degree, the result of the way our systems are structured, but when they are looking for someone to blame, women are directly in their line of sight. That is misdirected. Boys need to understand that girls are their friends—not their adversaries. The only way we can change that is if we bring boys in, we treat them with respect and dignity, we change our institutions so that boys can be as comfortable in school as girls, and we enable the conversation between boys and girls, which is essential in any healthy society.

People ask me this all the time: What's the biggest threat to global security? They expect me to say AI—not true—or autonomous nuclear weapons, which is more serious. There's the epidemic of horrific violence that we're seeing around the world that is deeply worrying. But what is the biggest threat to global security that we face today? It's angry, disillusioned, hopeless, young men who see no future for themselves. And that's on all of us to fix. **M**

WOMEN OF BURGUNDY

Since 2014, Women of Burgundy has focused on empowering women to take charge of their financial futures – fostering curiosity, connection, and confidence in investing.

Through our publication, Minerva Magazine, and events like Minerva Summit, we've connected with over 1,500 women and men, sparking important conversations around investor education, generational wealth, philanthropy, and more.

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