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The Great Wealth Transfer

How advisors can capture and retain multi-generational assets.



EXECUTIVE SUMMARY

Is Your Firm Prepared for the Largest Intergenerational Wealth Transfer in History?

Recent reports suggest more than \$124 trillion is set to change hands by 2048. While \$18 trillion of that total sum is expected to find its way onto the balance sheets of charitable organizations, the remaining \$105 trillion will pass to heirs.¹ This shift represents both an unprecedented opportunity and a significant challenge for financial advisors focused on protecting wealth transfers.

While the potential for business growth is tantalizing, the current reality is that many advisors

struggle to maintain relationships across generations. In fact, statistics indicate that 70% of heirs and surviving spouses—often women—switch advisors after inheriting wealth.²

For most advisors, none of this is surprising. The Great Wealth Transfer—an unprecedented generational shift of assets—has been covered extensively across media publications, panel discussions, and office conversations. But awareness alone isn't enough.

The real challenge is having a strategy to navigate and capitalize on this shift.

What You'll Find In This Report

We'll explore the expected impact of the Great Wealth Transfer on both advisors and their clients alike, providing advisors with key insights into who holds this wealth, how it will be transferred, and what steps can be taken to retain those assets across generations.

In particular, we'll cover how estate planning unlocks a crucial opportunity in building long-term relationships with clients and their heirs, how you can integrate it into your offerings, and why it's beneficial beyond the Great Wealth Transfer.

We'll also cover how leveraging modern technology—and AI—can help with scalable, repeatable processes that lead to a more dynamic and efficient way to work with clients on their estate plans. All of this ultimately results in stronger, more engaged client relationships by providing them with a tangible plan that secures their legacy.

\$124 Trillion

The amount of wealth set to change hands by 2048.

SOURCE: CERULLI ASSOCIATES

1.
Learn who holds the wealth

2.
Find out who's getting it

3.
Get actionable steps for what you can do

The Numbers Behind the Great Wealth Transfer

While the headline figures of the Great Wealth Transfer are impressive—nearly \$100 trillion, or 81% of all transfers, from Boomers and older generations³—the reality presents a more nuanced picture for financial advisors. Wealth in the United States is not evenly distributed, particularly among the mass affluent clients that many RIA firms serve.

In the current U.S. economy, the wealthiest 10% of households control more wealth than the bottom 90% combined.⁴ This concentration means advisors cannot assume their existing client base will automatically transfer substantial wealth or that they will have access to the largest recipients of this transfer.

The true opportunity for most advisors lies not in capturing new assets during this transfer but in protecting existing relationships to retain the assets already under management as they change hands.

81%

of all wealth transfers through 2048 will come from Boomers and older generations, nearly \$100 trillion.

SOURCE: CERULLI ASSOCIATES

Who Will Inherit This Wealth?

While the numbers aren't static—and can shift depending on when it's being reported—the transfer follows a predictable pattern from a generational standpoint: Millennials are expected to inherit the most over the next 25 years at \$46 trillion, with Gen X inheriting the largest share in the next decade at \$14 trillion.

Beyond financial assets, Baby Boomers represent a significant economic force through business ownership. More than 40% of small businesses in the United States are owned by this generation, representing not just financial wealth but also entrepreneurial capital.⁵ For financial advisors, this means wealth transfer extends beyond traditional investment portfolios to include complex business succession planning.

The business ownership dimension adds another layer of complexity to the Great Wealth Transfer. With over 60% of these business-owning Boomers lacking a formal transition plan, advisors have a unique opportunity to provide strategic guidance that goes beyond standard investment management.

Perhaps even more significant than the generational shift is the gender dimension of this transfer. Women are projected to inherit \$40 trillion, positioning them to become primary financial decision-makers for many families.⁶ This presents a critical challenge for the financial services industry, which has historically struggled to effectively engage female clients—underscored by the fact that only 23% of Certified Financial Planner professionals are women.⁷

For advisors, this gender shift represents possibly the single greatest risk to firm growth during the Great Wealth Transfer.

Developing meaningful relationships with female clients and incorporating inclusive approaches in client engagement strategies must become a priority for firms seeking long-term sustainability.

 **SIMPLE TIP**

Rethink your relationships. Don't wait for wealth to arrive—build bridges with the children and spouses of clients now.

If there is any one risk that poses the greatest threat to firm growth during this transitional phase, this area should be the main focus.

How Wealth Will Be Transferred

Traditional Estate Planning Strategies

Wills and trusts have been cornerstone methods for wealth transfer almost as long as human civilization has existed. The first recorded will in history was discovered in Egypt and dated to 2500 B.C.⁸ Wills are still the leading way that most of the American population passes on their assets.

Research indicates that only 24% of people

surveyed said they have a will, while 13% have a trust. And that's down from 33% who reported having a will in 2022.⁹ However, more than half of Americans don't have any sort of estate plan in place.

56%

of Americans don't have a will. Guide clients to create one as a tangible accomplishment to securing their legacy.

SOURCE: CARING.COM

Transferring Wealth While Living

Increasingly, Baby Boomers are shifting toward a “giving while living” approach, choosing to give money to their heirs while they are still alive. This strategy offers multiple advantages: greater control over asset distribution, providing financial support when beneficiaries need it most, and potential tax optimization.

The current lifetime gift and estate tax exemption stands at \$13.99 million for individuals—a historically high threshold that opens significant wealth transfer opportunities for high-net-worth clients. While the annual gift tax exclusion is \$19,000 per individual,¹⁰ some wealthy families have developed sophisticated strategies to maximize wealth transfer.

Critically, this generous exemption is currently set to sunset in 2025. However, as of this writing, Congress is currently debating whether to extend or make permanent parts of the Tax Cuts and Jobs Act (TCJA).¹¹ Given the uncertainty, advisors may want to use this time-sensitive window as a strategic opportunity for wealth transfer planning. Advisors can help clients explore multiple gifting strategies, including:

- **Charitable Giving (Bunching):** Consolidating multiple years of charitable contributions into a single tax year to maximize tax deductions.
- **Educational Funding Strategies:** Utilizing 529 plan contributions to transfer wealth to children and grandchildren while potentially receiving state tax benefits.
- **Lifetime Gifting:** Leveraging the current high exemption to transfer substantial assets with minimal tax consequences.

However, it should be noted that many of these strategies may be tough to undo, should the law be extended. So advisors should work with their clients to identify the strategies, and flexibilities, they want to explore for them and their families. But understanding their options and the impacts they have should be discussed while the TCJA window is still open.

Beyond the financial benefits, these strategies offer psychological advantages. Heirs can express gratitude and appreciate financial support during their parents' lifetime, creating deeper family connections and more meaningful wealth transfer experiences.

For advisors, this represents a poignant opportunity to demonstrate value by helping clients navigate complex gifting strategies, especially as the tax landscape potentially changes in the near future.

 **SIMPLE TIP**

Act now. With uncertainty about tax exemption extensions, use the ticking clock as a way to naturally start fresh conversations about giving strategies and open new opportunities to talk with heirs.

3 Benefits of Gifting During Lifetime



Appreciate Outside of the Estate & Lower Taxable Estate

Gifts made during lifetime reduce your estate size and allow beneficiaries to benefit from any asset appreciation.



Immediate Benefit During Lifetime

Beneficiaries receive immediate support for education, a home, or any other needs.



Control Over Beneficiaries' Use

Specify how gifts are used, allowing for alignment with an intended purpose like funding education or other goals.

"Heirs can express gratitude, creating deeper family connection and more meaningful wealth transfer experiences."

Annual Gifting vs. Inheritance

Scenario Assumption

If an heir receives a gift of \$10,000 per year over a 10-year period and invests that money (assuming an average return of 6%, they could end with about \$131,800 after 10 years—a bonus of \$31,800 over the lump sum inheritance.

Factor	Annual Gifting (\$100k/yr)	Inheritance (\$1M at death)
Gift Tax	None (under \$19k/recipient)	N/A
Estate Tax Exposure	Reduces Estate Annually	Entire \$1M counts toward estate
IRS Filing Requirement	None	Required if Estate > Exemption
Access to Funds	Immediate	Delayed
Compounding Opportunity	High (Starts Earlier)	Lower (Delayed Start)
Risk From Future Tax Law Changes	Low	Higher

The Takeaway

In this scenario, spreading out the gifts and investing early can help heirs grow the total value of their inheritance by over 30% compared to receiving a lump sum later.

Tax Benefits of Gifting

For those doing the gifting, you can also reduce taxes that heirs may pay, depending on the size of your estate.

The Takeaway

In this scenario, spreading out the gifts and investing early can help heirs grow the total value of their inheritance by over 30% compared to receiving a lump sum later.

Scenario

For example, if an estate is worth over \$7.5 million at the time of death, it's possible to save heirs a substantial amount of taxes. Here's the breakdown showing how the \$100K/year gifting strategy saves \$400,000 in estate taxes. This assumes a \$10 million estate, a post-2025 estate tax exemption of \$6.5 million, and a 40% federal estate tax rate.

Scenario	Estate Value at Death	Taxable Estate	Estate Tax Owed	Tax Savings vs. No Gifting
No Gifting	\$10 million	\$350,000	\$1.4 million	\$0
Annual Gifting Strategy	\$9 million	\$250,000	\$1.0 million	\$400,000

3 Major Risks That Can Disrupt Wealth Transfer

The Great Wealth Transfer presents both unprecedented opportunities and significant challenges for clients and advisors alike. Without strategic planning and proactive guidance, wealth can be substantially eroded through multiple complex risk factors.

Tax Exposure & Liabilities

The tax landscape for wealth transfer is rapidly evolving. The current federal estate tax exemption of \$13.99 million per person is currently set to dramatically drop to approximately \$7 million in 2026 with the potential sunset of the Tax Cuts and Jobs Act (TCJA).¹² This potential legislative change creates a critical window for proactive tax planning.

Poorly structured estate plans can lead to unnecessary tax liabilities that significantly reduce the wealth transferred to beneficiaries. High-net-worth families must develop sophisticated strategies that extend far beyond simple annual gifting, carefully positioning assets, creating strategic trust structures, optimizing lifetime gifts, and developing tax-efficient business succession plans.

Legal Disputes and Probate Complications

Estate planning isn't just about asset distribution—it's about preventing family conflict. Studies reveal that 58% of families without a comprehensive estate plan experience legal disputes or require court intervention to settle inheritance matters. The probate process can make this even more challenging by creating public records of private family financial matters, causing significant delays in asset distribution, generating substantial legal expenses, and potentially forcing business sales or disrupting ongoing operations.

For business owners, inadequate planning can be especially devastating, potentially leading to forced liquidations or contentious succession battles that destroy years of carefully built value.

Advisors who proactively assist clients in avoiding these pitfalls can add immense value.

 **SIMPLE TIP**

Go from documents to dialogue. Estate planning begins with paperwork, but needs to end with conversations that protect family wealth and family unity. Advisors can be the link between the two.

Financial Mismanagement & Family Unpreparedness

Possibly the most insidious risk to generational wealth is the lack of financial education and preparedness. Research consistently shows that 70% of wealthy families lose their wealth by the second generation, with 90% losing it by the third. The adage that accompanies this trend is “shirtsleeves to shortsleeves in three generations.”

Estate planning must transcend mere asset transfer and focus on comprehensive financial education for heirs, developing financial literacy across generations, creating structures that encourage responsible wealth management, and establishing clear governance and expectations for inherited assets.

The most sophisticated estate plans recognize that wealth transfer isn't just about who receives assets, but how those assets can be protected from external risks and internal family dynamics.

Additional Wealth Preservation Risks

Litigation & Long-Term Healthcare Risks

Comprehensive protection requires addressing multiple potential threats. For business owners and professionals, this means creating legal mechanisms that shield family assets from potential litigation risks. A carefully structured trust can provide critical protection, allowing one spouse to safeguard joint assets against professional or personal financial challenges. Similarly, healthcare considerations

represent another significant risk. Unexpected medical conditions can rapidly deplete accumulated wealth, making strategies that qualify for Medicaid while preserving family assets increasingly important.

Protecting Against the Unknown

Most critically, effective estate planning protects beneficiaries from their own potential vulnerabilities. Thoughtful inheritance structures can mitigate risks associated with substance abuse, financial inexperience, or poor decision-making. By designing distribution to release wealth at specific ages (upon achieving educational milestones or with carefully defined conditions), families can ensure that their legacy supports rather than undermines their heirs' potential. The ultimate goal transcends simple wealth transfer—it is about creating a sustainable framework that nurtures responsible wealth management across generations.

SIMPLE TIP

Focus people on people. True estate planning isn't about who gets what, it's about how to protect an entire family's best interests. Talk with your clients to frame estate planning in the right mindset.

How Advisors Can Position Themselves for Success

While the numbers for advisors' ability to retain a client once wealth transfers to surviving family members may not look rosy, the good news is that *many advisors are already discussing wealth transfer with their clients*. That's the first step in changing the narrative that advisors can't retain assets after they pass to a spouse or children.

Surveys indicate that 85% of advisors include wealth transfer as part of their client conversations, and 87% actively involve family members.¹⁵ That said, these efforts still have not translated into strong retention rates, with about 58% of advisors successfully keeping assets post-inheritance. To close this gap, advisors must do more than just communicate—they must build *meaningful relationships* with heirs before wealth transfers occur, just as they did with their current clients.

Meeting Next-Gen Expectations for a Wealth Experience

Gen X, Millennials, and Gen Z have different expectations for their financial advisors compared to previous generations. Younger generations of wealth inheritors are demanding a dramatically different approach to financial services that goes far beyond traditional investment management. New approaches to position for success include:

Holistic Services

Today's clients expect their financial advisors to function more like a comprehensive family office, regardless of their current wealth status. This means providing a full-spectrum approach to financial

planning that integrates investment management, tax strategy, estate planning, career guidance, and even personal financial coaching. Advisory firms that continue to offer narrow, transactional services risk becoming obsolete as younger clients seek more comprehensive financial support that addresses their entire financial ecosystem.

Digital Experience

Technology has become a non-negotiable aspect of financial services for next-generation clients. They want seamless digital interactions, real-time access to financial information, and the ability to engage with advisors through multiple digital channels. Clients are increasingly comfortable working with advisors across different regions through robust technological platforms. Advisors who fail to invest in sophisticated digital engagement tools will find themselves unable to attract and retain younger clients.

Personal Involvement

Beyond technology and comprehensive services, younger clients desire a more personal, proactive relationship with their financial advisor. They're not satisfied with annual check-ins or impersonal communications. Instead, they want advisors who anticipate their needs, provide ongoing strategic guidance, and demonstrate a genuine commitment to their long-term financial success. This means regular communication, personalized insights, and a willingness to engage with clients' broader life goals and challenges.

By understanding and adapting to these evolving expectations, financial advisors can position themselves as indispensable partners in their clients' financial journeys, establishing trust and value long before significant wealth transfer occurs.

The Critical Roles of Estate Planning and Technology in Client Retention

The Estate Planning Expectation Gap

Estate planning is consistently ranked among the most requested financial services, particularly among high-net-worth clients. A 2023 study by CEG discovered that 85% of advisory clients expect their advisor to offer estate planning services.¹⁶ Another study from Spectrum Group found that 93% of clients expect to get estate planning, but only 22% of advisors actually deliver it.¹⁷ The gap between expectation and reality is immense, and the opportunity for advisors who value and prioritize estate planning cannot be understated.

What's more, research from McKinsey highlights that advisors who deepen their relationships through estate planning see significantly higher retention rates than those who don't prioritize it within their firm.¹⁸ That might seem like an obvious statement—if you prioritize it, you'll benefit from it—but it still bears repeating for the firms not currently leveraging this important focus within client relationships. Providing estate planning services allows advisors to engage multiple generations within a family, creating continuity between family members, and cultivating long-term client loyalty.

Closing the Gap with Estate Planning Technology

It's one thing to recognize the value that estate planning creates, and it's another to actually do the work and implement the service as a cohesive offering. Digital platforms are revolutionizing this landscape, empowering financial advisors to play a more meaningful role in their clients' comprehensive financial planning.

Traditionally, estate planning has been a fragmented experience—clients might work with an attorney, create documents through online services, or attempt DIY solutions that often leave major gaps in their financial strategy. Digital platforms now enable financial advisors to become central navigators of this critical planning process, bridging the gap between legal documentation and holistic financial management.

By providing interactive tools that allow the client to see their estate scenarios, modeling of tax implications, and integration with broader financial planning software, advisors can offer unprecedented insights. Clients can now visualize how their estate plans interact with their overall financial landscape, understanding potential implications in real-time.

The most sophisticated digital estate planning tools now offer scenario modeling capabilities, allowing advisors and clients to explore multiple inheritance strategies, tax optimization approaches, and long-term financial implications. This transforms estate planning from a static document into a living, adaptable financial planning tool that evolves with a client's changing life circumstances.

How Estate Planning Technology Creates Quick Wins for Advisors

Keeps the advisor intimately involved even if an attorney is still present in the process.

Visualizes estate plans for better, richer discussions.

Gives clients agency to create state-specific documents and update as needed.

AI extraction tools instantly assess current plans and visualize optimization opportunities.

Model out complex strategies and calculations in real time, factoring in trusts, inheritances, asset sales, and more.

In the end, as it always does, technology makes the entire process more accessible, more transparent, and more engaging. At the center of this, the advisor retains their place as the trusted financial guide providing client-centric advice.

4 Key Action Steps for Advisors

Ready to make an impact right now? It's time to put theory into practice and move beyond the statistics and analysis shared in this paper. To position themselves for long-term success, advisors should take the following actions:

1. Start Estate Planning Discussions Early

Estate planning should never be an afterthought. This service must occupy a central place in a firm's service model. Encouraging clients to discuss their estate plans early (long before they plan to retire) allows advisors to help structure wealth transfers strategically while introducing heirs into the financial planning process, building long-term relationships that extend beyond the original client.

ACTION STEP

Be proactive in asking about life changes—such as marriage, the birth of children, or career transitions—that might require updates to an estate plan. Schedule a check-in discussion about their estate plan at least once a year to ensure everything remains aligned with their goals.

2. Leverage Technology

Incorporating cutting-edge technology, AI, and human expertise is essential for wealth management today. Wealth.com is an example of a platform that integrates these tools to streamline estate planning, making it more accessible and transparent for both clients and their heirs. By utilizing technology, advisors can foster collaboration and ensure clarity when wealth is eventually transferred, while also appealing to tech-savvy heirs who expect digital solutions.

ACTION STEP

Implement estate planning tools and digital platforms like Wealth.com to simplify the planning process. Educate clients and heirs about these tools, emphasizing how they can provide clarity and ease when managing wealth transfers.

3. Educate Next Generation

Offering educational programs through a variety of in-person workshops, online webinars, and one-on-one conversations can equip beneficiaries with the knowledge they need to manage an inheritance effectively over time. Providing resources to heirs before they are even thinking of becoming clients can strengthen their relationship with an advisor and get them a step ahead once they receive an inheritance.

ACTION STEP

Include the next generation in conversations about their future inheritance, setting clear expectations about what they will inherit and how they can manage it. Consider creating a tailored educational plan for younger heirs, such as a financial education course or materials that can be provided as they reach milestones like turning 18 or graduating college. Host events specifically designed to bring together your current clients and their adult children.

4. Implement a Multi-Generational Client Strategy

Retaining assets across generations requires an intentional approach. Advisors should create structured engagement plans that involve heirs at key financial milestones, such as turning 18, graduating college, or starting a family of their own. By proactively communicating at these critical moments, advisors can establish their role in the family dynamic at critical junctures, increasing the possibility that heirs will continue with them after a wealth transfer.

ACTION STEP

Use your CRM to track and include heirs in your communications, such as newsletters, articles, or educational webinars. Create content that speaks to the next generation, such as podcasts or specialized resources, and invite them to participate in events or consultations designed to help them understand their financial future. Offer a simple value-add service specifically for your clients and their children, such as establishing a basic document like Powers of Attorney.

There's no way around it—if financial advisors want to remain a central figure in the lives of client families and not only maintain but grow their business as the Great Wealth Transfer takes shape, they must embrace estate planning as a main component of their service.

It's what's best for an advisory firm's business, but most importantly, it's also what's best for clients because it creates a consistent, cohesive, and established method to managing wealth. This proactive approach ensures that advisors remain indispensable to the families they serve.

About Wealth.com

Wealth.com is the industry's leading estate planning platform, empowering 700+ wealth management firms to modernize the delivery of estate planning guidance to their clients. As the only tech-led, end-to-end estate planning platform built specifically for financial institutions, Wealth.com helps drive scale and efficiency, meeting client needs across the wealth spectrum. Financial advisors ranked Wealth.com as the #1 estate planning platform in the 2024 T3/Inside Information Advisor Software Survey. In 2024, Wealth.com was honored by WealthManagement.com as the 'Best Technology Provider' in the Trust category, and CEO Rafael Loureiro received the Advisor Choice Award for Technology Providers: CEO of the Year.

Strengthen Relationships, Secure Generations.

Empower your clients with modern estate planning solutions designed to build lasting trust—and retain assets across generations.

GET A DEMO

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