

BUILDING A LASTING LEGACY: Preparing the Next Generation for Inheritance

The so-called “Great Wealth Transfer” is currently underway. An estimated \$124 trillion in assets will be passed down from the Silent Generation and Baby Boomers to their loved ones and charities through 2048, according to market researchers Cerulli Associates (**Figure 1**). What steps should those doing the transferring take to ensure their financial legacy will align with their values and goals and support their family’s long-term financial well-being?



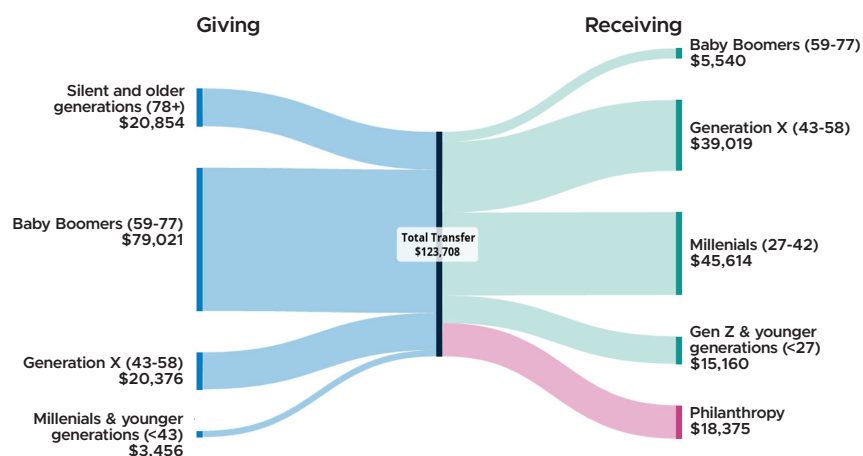
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FIGURE 1

The Great Wealth Transfer Is Underway

Intergenerational Wealth Transfer Flowchart (2024 – 2048; US\$ Billions)



Sources: Cerulli Associates, Federal Reserve, US Census Bureau, Internal Revenue Service, Bureau of Labor Statistics, and the Social Security Administration. Currency is in 2023 US dollars. Ages are as of 2023. From Cerulli Associates, “The Cerulli Report: US High Net Worth and Ultra High Net Worth Markets 2024.”

Preparing & Planning

Successfully transferring wealth to your family requires planning, communication, and ideally the assistance of professional advisors. Passing on wealth isn’t just about legal documents and asset allocations — it’s about preparing the people who will inherit it. Without open conversations, financial education, and a clear understanding of family values and intentions, wealth transfers can go off course. When heirs aren’t ready, even the best-laid plans can lead to conflict, lost opportunities, wealth destruction, and broken family ties. True preparation goes beyond money, and builds connection, trust, and a shared sense of purpose.

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It's never too soon to begin thinking about how to prepare your children for a potential inheritance. Most parents are reluctant to discuss financial matters with their children either because they fear their own mortality or are uncomfortable with the idea of giving up control of their wealth. While this is understandable, being unprepared for when that moment eventually comes will make it even more difficult for families to deal with it. Parents who actively communicate with their children will likely reduce complications when it's time to transfer wealth, and as a result, may avoid unnecessary taxes, costly estate settlement expenses, and potential family conflict.

Communication & Education

Communication and education are essential when developing a comprehensive plan that promotes a shared understanding of how assets will be passed to the next generation. Parents should set expectations with their children and discuss what plans are in place for the transfer of assets and why things have been set up that way. Talking to your children about your estate plan can help them manage their inheritance: A sudden windfall of financial assets could be gone quickly if your heirs have not developed money management skills before the transfer of funds. The assistance of a trusted financial advisor can help establish and implement a sound financial plan based on the needs and goals of your beneficiaries.

Passing your wealth to future generations is a big responsibility. Holding regular family meetings and maintaining consistent communication among family members was seen as an important best practice by 89% of firms surveyed by Cerulli in 2024.¹ These conversations can take many forms and span years. Each family can take their own approach; however, preparing your heirs well ahead of time should be a key part of your plan. An early start to family financial education can lay the foundation for developing a productive dialogue over time. Sharing how you acquired your assets can make your children more appreciative and reduce the chances they'll take their inheritance for granted. Parents can help their children build confidence and knowledge by gradually involving them in all areas of the family's wealth management.

You Don't Have to Go It Alone

GW&K advisors can assist with education on financial literacy, investment strategies, and estate planning. We encourage clients to involve us with these matters, so we can help evaluate your options and the impacts of inheritance while discussing strategies for achieving your family financial and legacy goals. Please [get in touch](#) if you'd like to start a conversation.

¹ Source: "Cerulli Anticipates \$124 Trillion in Wealth Will Transfer Through 2048," December 5, 2024, <https://www.cerulli.com/press-releases/cerulli-anticipates-124-trillion-in-wealth-will-transfer-through-2048>.

TIMELINE OF GENERATIONS

●	1883 – 1900 Lost Generation
●	1901 – 1927 The Greatest Generation (aka the G.I. Generation)
●	1928 – 1945 The Silent Generation (aka Traditionalists)
●	1946 – 1964 Baby Boomers
●	1965 – 1980 Generation X
●	1981 – 1996 Millennials (aka Generation Y)
●	1997 – 2012 Zoomers (aka Generation Z)
●	2013 – mid-2020s Generation Alpha

Source: Social generations of the Western World, [Wikipedia](#).

DISCLOSURES:

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Our team of private wealth advisors can help you manage your assets and plan for the future. Our Private Wealth services include guidance on wealth transfer planning, lifestyle, and overall asset allocation. We encourage you to get in touch with us for more information about how we can help. Please visit our [website](#).