



ADVISOR
RESEARCH
COLLABORATIVE



CERULLI
ASSOCIATES

Unpacking the Great Wealth Transfer



Overview

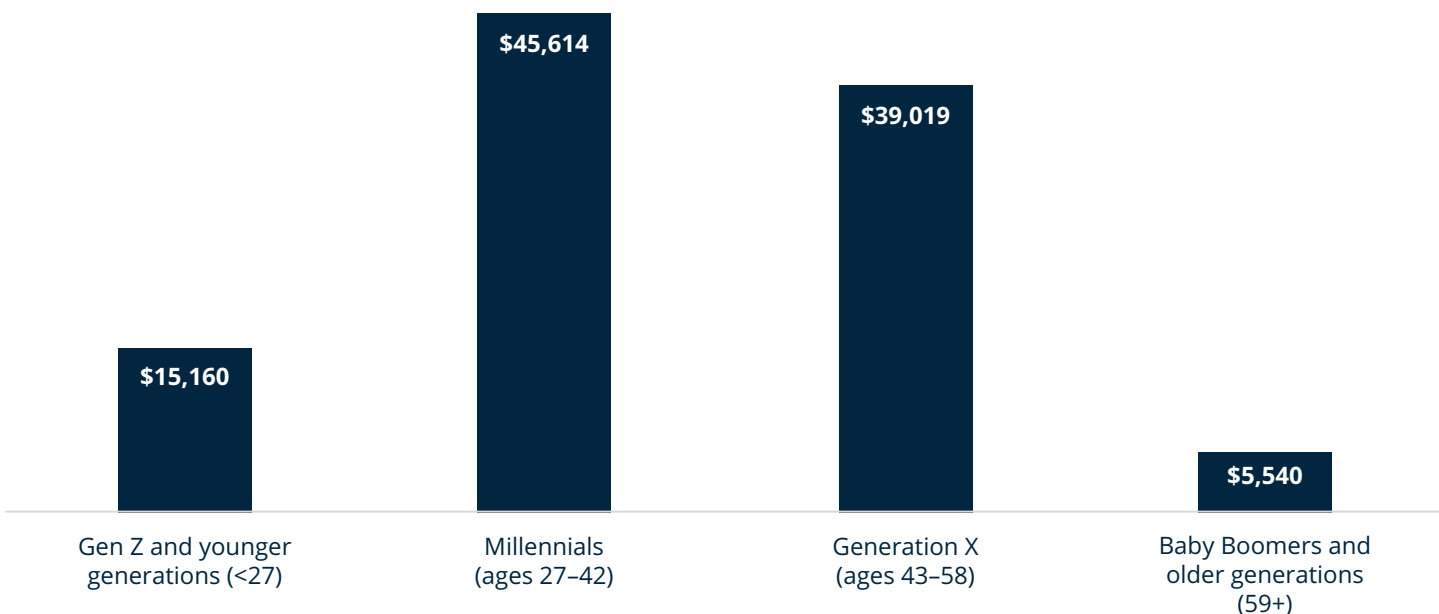
\$124 Trillion to Transfer Via Inheritance Through 2048

- Wealth has been created and concentrated at a rapid pace in recent years and now is more likely to be held by older households, driving wealth transfer projections significantly higher—Cerulli projects households will transfer \$123.7 trillion to heirs (\$105 trillion) and charities (\$18 trillion) between now and 2048.
- The next generation is poised to inherit substantial sums of money—Generation Xers (\$39 trillion) and Millennials (\$46 trillion).
- Through 2048, Baby Boomers (ages 59-77 as of 2023) are expected to transfer \$79 trillion, the most of any generation.
- Additionally, women stand to inherit substantial sums—Baby Boomer and older generation women are expected to receive \$40 trillion in 'horizontal' transfers as they outlive their husbands, and younger women are anticipated to receive \$47 trillion of the wealth to be transferred intergenerationally.
- 89% of HNW-focused advisors cite family meetings as one of the most effective wealth transfer planning actions.
- While older investors tend to be more advisor-reliant, younger investors prefer to retain a greater degree of control of at least part of their investing lives.

KEY MARKET TREND

Estimated Wealth Inheritances, 2024-2048 (\$ billions)

Millennials will be inheriting more over the course of the next 25 years (\$46 trillion) than Generation X households. However, Gen X stands to inherit the greatest portion of assets in the next 10 years, totaling \$14 trillion to Millennials' \$8 trillion.



Analyst Note: Currency is in 2023 dollars. Ages as of 2023. | Sources: Cerulli Associates, Federal Reserve, U.S. Census Bureau, Internal Revenue Service, Bureau of Labor Statistics, and the Social Security Administration

Summary

Wealth has been created and concentrated at a rapid pace in recent years and now is more likely to be held by older households. This dynamic has driven wealth transfer projections significantly higher—Cerulli projects households will transfer \$123.7 trillion to heirs (\$105 trillion) and charities (\$18 trillion) between now and 2048. Not only will the next generation inherit substantial sums of money—Generation Xers \$39 trillion and Millennials \$46 trillion—women in the Baby Boomer and older generations are expected to receive \$40 trillion in ‘horizontal’ transfers as they outlive their husbands. Meanwhile, women in younger generations are expected to receive \$47 trillion of the wealth to be transferred intergenerationally.

Key Points



Through 2048, Baby Boomers (ages 59–77 as of 2023) are expected to transfer \$79 trillion, the most of any generation.



Cerulli anticipates that widows in the Baby Boomer generation will receive nearly \$40 trillion in inter-spousal transfers, as women tend to outlive their husbands.



89% of HNW-focused advisors cite family meetings as one of the most effective wealth transfer planning actions.



While older investors tend to be more advisor-reliant, younger investors prefer to retain a greater degree of control of at least part of their investing lives.

Factors Impacting Cerulli’s Latest Wealth Transfer Estimate

Cerulli last projected wealth transfer, in 2021, projected a total of \$84 trillion in the 25 years from 2021–2045. Cerulli’s latest projection of \$124 trillion from 2024–2048 is significantly higher due to three main factors:

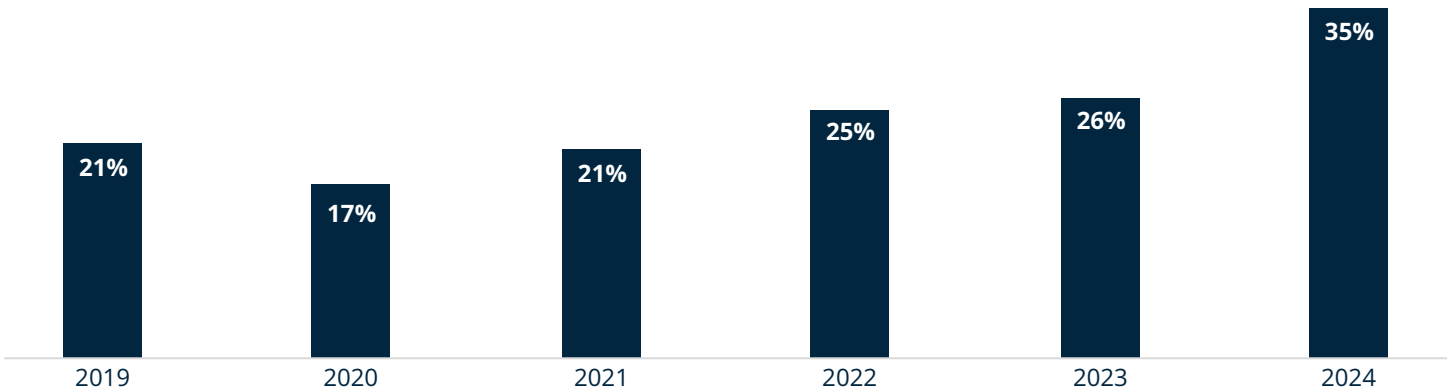
- **Inflation** of the U.S. dollar—if the 2021 figure (reported in 2020 USD) were adjusted to the 2023 USD used in our most recent projections, that \$84 trillion figure would be \$100 trillion.
- **Outsized growth** in the value of assets—in particular, equity (+27%) and real estate (+39%) prices have grown far faster than previously assumed, and resultingly net wealth in the U.S. has increased from \$108 trillion in 2020 to \$154 trillion in 2023. This is compounded by inflation.
- **Demographic change**—more wealth is held by those age 60 and older (61% in 2023 vs. 54% in 2020) and those with more than \$10 million in net worth (44% in 2023 vs. 40% in 2020) than previously reported, which boosts the amount of wealth likely to be transferred in the coming 25 years.

Since the great financial crisis of 2007–2008, a huge amount of wealth has been created in the United States. Between 2011 and 2023, wealth among U.S. households has grown from \$79 trillion (adjusted for inflation) to an estimated total of \$154 trillion. Multiple driving forces include greater profitability and innovation among businesses, unprecedented fiscal and monetary stimulus, lower taxes, and real estate value appreciation. Much of this wealth increasingly has flowed into a more concentrated collection of households. Cerulli data finds that households with \$10 million or more in net worth—or those that correlate closely to Cerulli’s definition of high net worth (HNW)—now control 44% of the net wealth in the U.S., up 11 percentage points since 2011. There are approximately three million of these households, currently accounting for slightly more than the top 2% of wealth holders. Similarly, wealth has been concentrated among older households—those age 60 and older controlled less than half of U.S. net wealth in 2011 but are estimated to control 61% as of 2023.

In light of this continuation of wealth concentration, creation, and aging, Cerulli now estimates that \$123.7 trillion in wealth will be transferred intergenerationally to heirs (\$105.3 trillion) or to philanthropic causes (\$18.4 trillion) between now and 2048. Additionally, Cerulli finds that a significant amount of the money eventually bound for Generation X and Millennials first will be passed intra-generationally—or ‘horizontally’—to spouses, siblings, friends, and various other stakeholders during this timeframe.

Exhibit 1

HNW Practices: Intergenerational Wealth Transfer as Greatest Business Challenge, 2019–2024



*Analyst Note: Data represents percent of respondents who indicated 'Intergenerational Wealth Transfer' is among their firm's greatest business challenges.
Source: Cerulli Associates 2024 Private Wealth Management Executive Survey*

Of the wealth that eventually will be passed to next-generation households or charities, \$54 trillion first will be passed along to widowed spouses, with more than 95% of that to women. This, plus the fact that 45% of intergenerational transfers also will be controlled by women, means the impending inter- and intra-generational wealth transfer will be a momentous intergender wealth transfer as well.

Approaching Existing Relationships

Substantial wealth transfer arguably is most well understood by ultra-high-net-worth (UHNW) households (those with at least \$20 million in investable assets) and their advisors in the financial and estate planning spaces. The vast majority of these clients and their advisors have been focused on intergenerational strategies for years. However, expanded expectations for wealth transfer in the coming decades require substantial action from all participants in the HNW wealth advisory market. According to Cerulli, in 2019 only one in five of these executive leaders reported intergenerational wealth transfer as their greatest business challenge, but as of 2024 this ratio is higher than one in three.

Using a 'Full-Family' Approach

Planning with current clients for these eventual wealth transfers remains the most important strategic consideration and actionable area for wealth management firms. Over the last five to 10 years, firms and advisors catering to HNW investors have made great progress ensuring some of the most important services related to wealth transfer preparation have become ubiquitous, including estate planning and family counseling services. As more providers see growth opportunities in the HNW space, not only are major firms creating groups of internal experts, but firms less native to the space also are adding this expertise. This expertise is not easily outsourced, considering the personalized and private nature

of the guidance. For firms looking to allocate a greater portion of advisor time to providing family guidance, other activities such as investing or operational activities must be made more efficient.

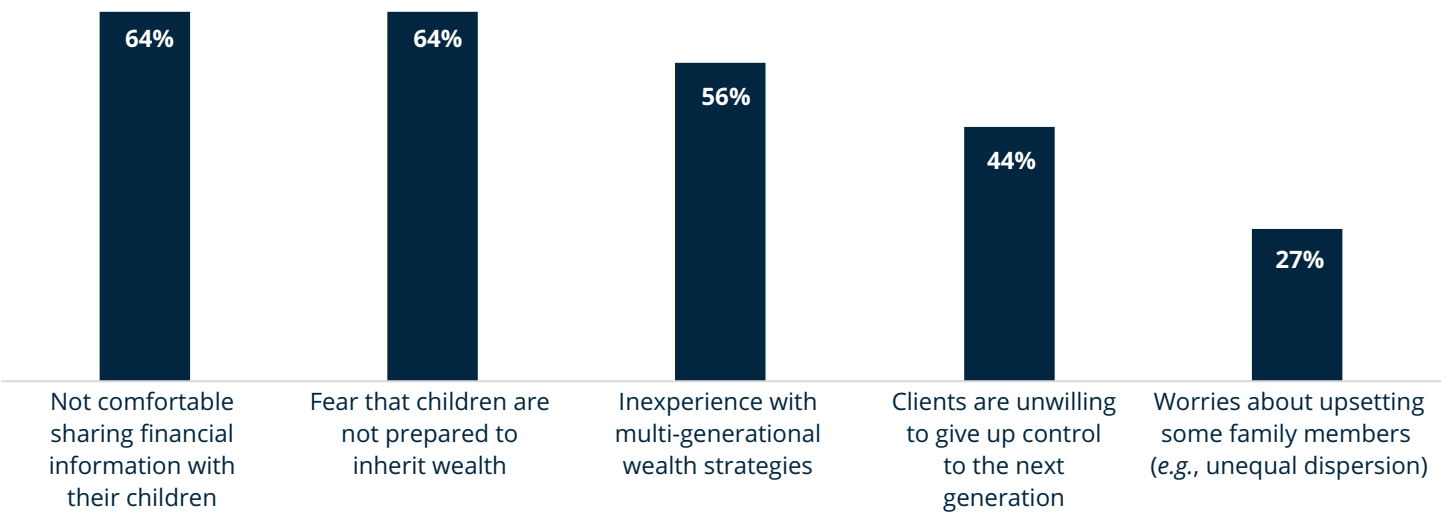
As firms and their advisors gain more expertise on estate planning and family governance, they can better tackle the issues presented by a significant wealth transfer for their wealthy clients and provide a “full-family advisory” approach. Cerulli finds that conducting family meetings and maintaining a regular cadence of communication with family members is a key best practice used by 89% of HNW practices surveyed in 2024.

However, despite the efforts of firms and advisors to urge clients to prepare themselves and their families for wealth transfer events, it can be difficult for HNW households to adopt the tactics and strategies for preparedness. Often, the most significant struggles are internal and psychological, which can make locating, addressing, and overcoming these hurdles difficult. Cerulli finds the most significant challenges preventing wealth transfer planning are clients not being comfortable sharing financial information with their children and the fear their children are not prepared to inherit wealth, both cited by 64% of older clients.

Opportunities With Key Inheritors

Significant value exists for advisors who can fully integrate themselves into their clients' estate planning. However, it is critical to understand the future profile of the HNW wealth demographic. As women statistically are more likely to outlive their husbands, Cerulli projects control of nearly \$40 trillion in wealth first will be transferred 'horizontally' to widowed female spouses in the Baby Boomer and older generations through 2048 (with \$21 trillion of that moving between spouses currently considered HNW).

Exhibit 2 | HNW Practices: Top-Five Factors Preventing Wealth Transfer Planning, 2024



Analyst Note: Respondents were asked, “What are the greatest challenges your clients face with regard to wealth transfer planning?”
Sources: Cerulli Associates 2024 Private Wealth Management Executive Survey

This creates a massive need, and opportunity, for providers across the wealth and asset management spaces. Eventually, most of the wealth owned by older generations will be either donated or passed down to Gen X or Millennial heirs—an estimated total of \$85 trillion. Providers who can establish relationships with, and adequately address the needs of, these younger investors will be well-positioned for success.

Engaging Baby Boomer Women

For many years, women were either explicitly or implicitly denied access to the financial services industry. Women in the Baby Boomer and older generations have lived through a time when it was illegal for them to open their own bank accounts. Although progress has been made, women still are severely underrepresented across the industry and their needs less considered by wealth managers. As of 2022, only 18.5% of U.S. advisors were women. With less representation in advisor and leadership positions, understanding of women’s unique challenges, service needs, and preferences is low.

In addition to living longer, women generally earn less income throughout their lives, have less access to retirement accounts and Social Security benefits, and tend to have less control over household finances than men—trends much more pronounced among older generations. As a result, women often face higher levels of uncertainty and have lower confidence in their financial lives than men. As a result, the incoming flow of wealth transfer is leaving a massive advice gap. Cerulli estimates that over the next 25 years, up to 28 million Baby Boomer and older widowed women will receive nearly \$40 trillion in assets from their spouses—with the average transfer totaling nearly \$1.4 million.

Key Recipients: Widowed Women in Baby Boomer and Older Generations (Age 59+)

Widowed Women in Baby Boomer and Older Generations	
Individuals	28,536,845
Expected Transfers, 2024-2048 (\$ billions)	\$39,590
Estimated Average Transfer	\$1,387,325
Estimated Median Transfer	\$250,676
Expected Transfers, 2024-2033 (\$ billions)	\$12,355

Analyst Note: Figures include only interspousal transfers. Currency is in 2023 dollars. Ages as of 2023. | Sources: Cerulli Associates, Federal Reserve, U.S. Census Bureau, Internal Revenue Service, Bureau of Labor Statistics, and the Social Security Administration

Often, finances are the last thing a surviving spouse wants to think about. For years, Cerulli has recommended advisors establish relationships with both members of client households as early as possible in the client lifecycle. Cerulli finds 90% of HNW practices surveyed say clients’ partners are at least involved in the financial planning process, which can make approaching widowed spouses about financial issues less difficult for both parties—and has increased asset retention when spouses inherit substantial wealth. For advisors, ensuring the strength and trust of that relationship in advance is key, as relationships are significantly more important for advisor choice among women investors than among men.

Women investors also have different advisory preferences and product needs. HNW women tend to be more inclined than men to prioritize philanthropic and sustainability goals over investing goals. It is important for firms to take women's unique life paths into account. Ultimately, women remain in great need of comprehensive advice relationships.

Some firms have established recruiting and mentoring for women advisors, as well as programs specifically aimed toward women investors. Cerulli finds it is important for advisors to address women's needs in preparation for interspousal transfers. Often, these spouses also hold the keys to the next generation—many advisors have told Cerulli similar stories of a client passing away and the spouse then switching advisors, taking the children with her to the new advisor. Ultimately, with tens of trillions of dollars poised to transition to women across all generations, Cerulli recommends advisory firms take substantial action toward addressing the representation and service gap between men and women.



It's much more likely for women's values to be more broad than just making money. Whether through planning, or ESG, or philanthropy, we make sure we are able to serve the goals of our clients, whether they are in an investing context or not."

– A family office group leader in a large B/D

Engaging Generation X

Gen X is another key demographic set to benefit immensely—over the next 10 years, Gen X households are expected to receive nearly \$1.4 trillion on an annual basis. These households, ages 43–58 (as of 2023), have faced much more financial and career upheaval early in their financial journeys than had been expected, based on the more stable financial and economic environment in which they were broadly raised. Growing up, this generation saw their parents typically work at a single, stable job in an economy with solid gains in employment and invested in one of the greatest bull markets on record over the last two decades of the 20th century. However, early in their investing lives Gen X experienced a lost decade of market returns from the dot-com bubble burst through the great financial crisis. In fact, no generation lost a greater percentage of its net worth between 2007 and 2010 than Gen X households—their median net worth falling 38%, from \$63,000 to \$39,000. In addition, this demographic also

Key Recipients: Generation X (Ages 43–58)

Generation X Inheritors	
Households	35,434,033
Expected Transfers, 2024–2048 (\$ billions)	\$39,019
Estimated Average Transfer	\$1,101,166
Estimated Median Transfer	\$198,970
Expected Transfers, 2024–2033 (\$ billions)	\$13,893

Analyst Note: Currency is in 2023 dollars. Ages as of 2023. | Sources: Cerulli Associates, Federal Reserve, U.S. Census Bureau, Internal Revenue Service, Bureau of Labor Statistics, and the Social Security Administration

experienced a lost decade in their careers due to extremely poor labor market conditions following the 2007–2008 recession. These factors have complicated this generation's financial situations and their general perspectives and psychology of money.

Many believe Gen X represents the greatest opportunity for the advisory, investment, and retirement industries, as strategists and stakeholders look beyond Baby Boomers. Unlike their parents, Gen X households entered the workforce as pension plans were being phased out, but defined contribution (DC) savings plans such as 401(k)s still were far from widespread. With stunted market growth from 2000–2010, many Gen X households lack a sense of comfort with their future retirement, especially those not expecting an inheritance or unaware of their parents' plans.

Those who expect to receive substantial wealth will be receiving it at a pivotal time. These households are in their 'Sandwich Generation' years—financially tied to their children while also worried about responsibility for parental care. To navigate this situation effectively and stay aligned with their financial goals, Gen X investors must openly discuss money with their parents. For Gen X future inheritors from ultrawealthy parents, the importance to advisors of establishing a connection early is critical, as these households rapidly are approaching the time to seek out formal advisory relationships.

There is no shortage of areas for which Gen X households could find an advisor helpful—from mortgage refinancing to retirement or estate planning—especially if there is an inheritance on the horizon. Cerulli finds a significant uptake in advice consumption and reliance on advisor assistance as investors move into their 50s. In the HNW space, practices across all intermediary channels increasingly are creating team-based structures and receiving enhanced service and product support from home offices, allowing advisors to be clients' one-stop shop for all their needs. As Gen X is set to inherit more assets than any other generation in the next decade, these households represent the most immediate

opportunity for wealth managers, and those who are not already positioned to gain traction with them will need to catch up.

Key Recipients: Millennials (Ages 27-42)

Millennial Inheritors Databank	
Households	35,216,839
Expected Transfers, 2024–2048 (\$ billions)	\$45,614
Estimated Average Transfer	\$1,295,246
Estimated Median Transfer	\$234,038
Expected Transfers, 2024–2033 (\$ billions)	\$8,226

Analyst Note: Currency is in 2023 dollars. Ages as of 2023.
Sources: Cerulli Associates, Federal Reserve, U.S. Census Bureau, Internal Revenue Service, Bureau of Labor Statistics, and the Social Security Administration

Engaging Millennials

By total inheritances projected in the next 25 years, Millennials stand to eventually inherit the most of any demographic. Cerulli projects that more than 35 million Millennial households will inherit more than \$45 trillion in wealth through 2048, with a median inheritance of \$234,000.

Likely the most defining aspect so far of the Millennial generation’s financial lives is its entry into the labor force having been marred by the great financial crisis. The average Millennial looked for their first job when the unemployment rate stood at roughly double its natural/noncyclical rate—the worst labor-market entry timing by this measure since the Great Depression. They also have contended with heightened student debt and the economic upheaval of the pandemic, during which roughly one out of three Millennials found themselves jobless. Data from the Transamerica Center for Retirement Studies shows 20% to 30% of Millennials work two or more jobs. Additionally, recent higher mortgage rates have put the goal of home ownership further out of reach for some. As a result, some Millennials have delayed traditional milestones such as getting married, buying a home, and having children.

Yet, Millennials have better access to individual retirement savings plans (especially following SECURE 2.0) and low-cost investing options (e.g., online brokerages, zero trading fees, index and target-date funds) than any other generation and simultaneously have benefited from a near-continuous bull market since entering the workforce. This generation may have the least confidence in its ability to rely on Social Security as a primary source of retirement income, but it has other options, and, as a result, these investors began saving for retirement earlier than any preceding generation. Younger

investors typically are more comfortable directing their own investing through online brokerages (e.g., E*TRADE, Fidelity), meaning financial advisors looking to connect with these prospective clients must be able to articulate benefits outside of the investing realm, such as financial planning, lending, and tax services.

Millennial children of wealthy clients represent a clear long-term opportunity and captive audience for future advisory business. HNW executives say advisors’ relationships with clients’ children have been slipping slightly since the onset of the pandemic in 2020—Cerulli finds just 41% of HNW practices say their clients’ children are either established clients or actively involved in the planning process.

Looking Ahead

With trillions of dollars already changing hands annually, the Great Wealth Transfer is in full swing. It is critical for advisors, their firms, asset managers, and other industry participants to enact best practices and shift service and product strategies to the future profile of the HNW demographic. As wealth moves, notable differences in service preferences among women and next-generation clients compared to current client demographics are likely to shift marketshare to those firms best prepared to meet these recipients’ needs.

Advisors should be fully aware of the risks future wealth transfers may pose to their practices and be thoroughly involved in their clients’ intergenerational planning. Home offices must support their advisors by providing the expertise, investment products, and technology required to win the business of future HNW clients. Every player in the wealth management industry—from asset managers, custodians, and banks to technology providers, private equity investors, and estate, tax, and planning consultants—has a role in enabling the industry to succeed amid the rapidly growing transfer of wealth—which is proving to be one of the greatest demographic shifts of the 21st century.



Advisors must see the client as the entire family... and we’re equipping them to shift to that mindset and put in the practices to serve the whole family.”
– An executive who consults with HNW-focused advisors on family governance planning



Advisor Research Collaborative

Cerulli's Advisor Research Collaborative (ARC) is the largest financial advisor research network in the U.S. For over 30 years, it has served as the foundation for Cerulli's strategic intelligence on the U.S. wealth management marketplace. More than 2,000 financial advisors regularly participate in the Collaborative to benefit from shared insights and recommendations.



CERULLI
ASSOCIATES

www.cerulli.com | 699 Boylston Street, Boston, MA 02116 | +1 617-841-1011