



Conversation with the next gen: preparing for the great wealth transfer

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Over the next decade, considerable wealth will be passed from one generation to the next, in what's being called the great wealth transfer. This big change is making families and their advisors think hard about the best ways to handle it.

Each family's dynamics, values, and assets are unique, and the strategies for preparing the next generation must be equally bespoke. From estate planning to financial education, family offices play an important role in addressing these challenges.

This article answers key questions on the concerns, preparations, and educational strategies that are essential for a smooth and successful transfer of wealth, ensuring that the legacy of one generation can be effectively carried on by the next.

How are family offices preparing for the great wealth transfer over the next decade?

Many individual clients, families and family offices are actively preparing for the great wealth transfer by fostering a culture of education, dialogue, and engagement between generations. Dialogue must be two ways - for the next gen to understand what their parents' long-term wishes are and for their parents, advisers and family offices to understand what their goals and interests are.

Recognizing the unique perspectives and tech-savvy nature of the next gen, we are seeing the incorporation of digital tools and technologies to streamline operations and make wealth management more efficient from the next gen's perspective. There is a significant emphasis on philanthropy as well as sustainable and ethical investment strategies, aligning with the next gen's strong inclination towards social responsibility and environmental stewardship.

By involving the next gen in discussions around wealth management early on, the aim is to equip them with the knowledge needed to navigate the complexities of inheriting and managing

substantial wealth and to pass on to them lessons and values their families hope they will appreciate and benefit from.

What are common challenges in transferring wealth to the next generation?

One of the challenges families can face in the context of wealth transfer is bridging the gap in perceptions and values between generations. The next gen can hold differing views on wealth management, investment strategies (for example, digital investments and cryptocurrencies), and the role of wealth in addressing social, environmental, and economic inequalities.

There's a concern over ensuring the next gen feels comfortable and prepared to inherit and manage significant wealth, especially considering their desire to balance personal values with family expectations and societal views on wealth. Understanding the next gen's unique perspectives on wealth and its uses is crucial in overcoming these challenges.

How do you ensure the next gen is equipped to manage significant wealth responsibility?

This involves a multi-faceted and collaborative approach. Advisers and family offices should focus on educating the next gen about financial management, the intricacies of family businesses, and why appropriate structuring can be essential.

If they can understand why wealth is managed and structured in a particular way, they will more often respect the same whilst looking to explore ways to bring in their interests and aims (such as sustainable and ethical investing) without upsetting the long-term arrangements the family has planned.

Encouraging the next gen's active involvement in family discussions, business operations, and philanthropic activities helps instil a sense of ownership and responsibility. Creating a transparent and supportive environment between them, the family's advisers, and family office to who they can express their views and aspirations, allows for a collaborative approach to wealth management. Fostering an environment where the next gen feel they can ask questions, challenge where needed but without upsetting the family or any family business equilibrium.

As we face the great wealth transfer, both opportunities and challenges emerge for families and their advisors. This pivotal moment highlights the critical role of family offices in guiding the next generation through the complexities of inheriting and managing significant wealth.

How Ogier can help

Ogier's private wealth services are designed to support this journey, offering bespoke solutions for wealth structuring, succession planning, and asset protection. By focusing on the future and preparing today, we help shape lasting legacies and make a meaningful impact for generations to come.

About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

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