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Managing the Great WEALTH TRANSFER

By 2030, trillions in wealth are expected to change hands.¹

Two groups in particular are expected to take control of the bulk of these assets: Millennials (both men and women) and surviving spouses—predominantly pre-retiree women.

For financial advisors (FAs), these people and their families can serve as a considerable driver of growth for their practices—if they take the right steps to truly understand them.



This article was previously published on partnerswsj.com on October 8, 2024.
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“The Great Wealth Transfer,” as it has been called, represents a seismic shift in who controls generational wealth. The beneficiaries of this transfer encompass Gen Xers and Millennials, as well as pre-retirees, predominantly women, who will become the primary beneficiaries of their family’s wealth when a spouse dies. This unique generational event presents a tremendous opportunity for financial advisors to build a deep rapport and trust with the entire family, cultivating long-lasting client relationships that can drive their practices’ success for years to come.

But FAs can’t simply expect these clients to come knocking. Building a successful practice now requires a thorough understanding of how this transfer of wealth will impact financial planning and knowing what clients value most in an advisor relationship. A recent survey by Equitable and WSJ Intelligence aimed to better understand the challenges and priorities of those who stand to benefit from this new wealth.

Here are key takeaways for FAs to consider based on the results of this compelling report.

1

Listen Closely TO WOMEN

By the end of this decade, women are expected to control much of this historic wealth transfer. In some cases, that wealth may come via inheritance. Much of it, however, will come in the form of a benefit for a surviving spouse—and may eventually pass to younger generations. As stewards of this family wealth, women usually lean on the support and guidance of financial advisors. Our survey revealed they are more likely than men to rely on advice from financial advisors and to work with advisors to build their financial plans. That's especially true among Gen X and pre-retirees, while Millennial women are more likely to take a do-it-yourself approach to building their plan.

What's more, women overwhelmingly want to be heard: They want their advisors to understand their individual needs and goals—even those outside of finances and investments. FAs who take the time to truly understand women's needs and meet them where they are will be well positioned to build durable relationships with this important demographic.



54%

of surveyed women use financial advisors to help them manage their investments.



2

Engage With MILLENNIALS

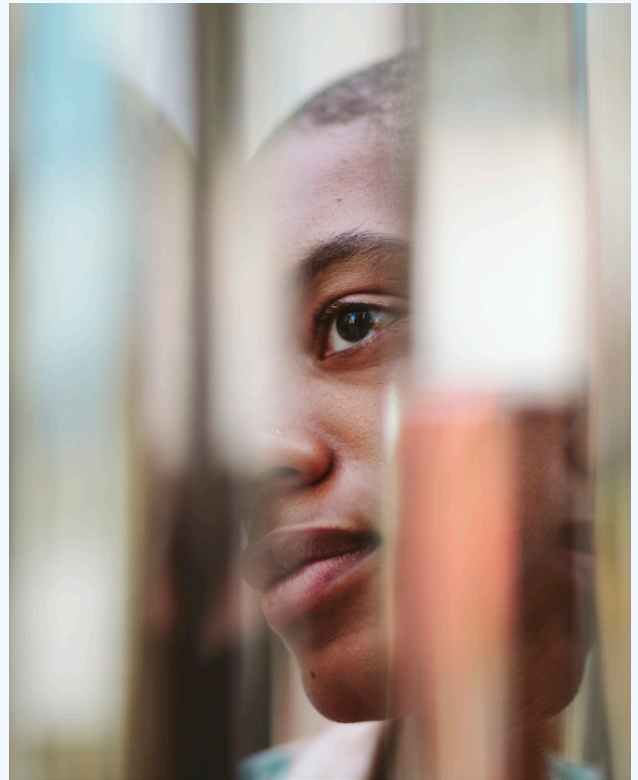
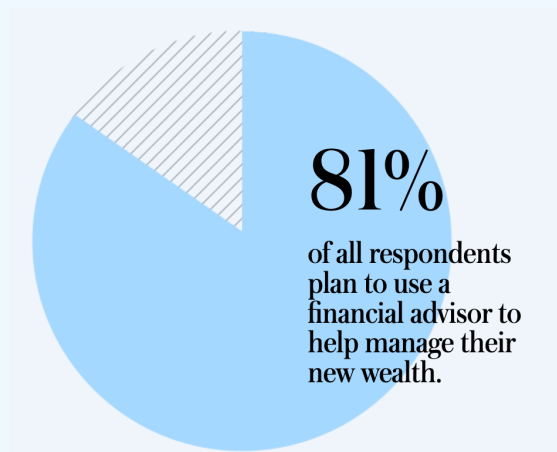
Among the most likely beneficiaries of the Great Wealth Transfer are Millennials: 57% of those surveyed expect to inherit \$1 million or more, and 26% expect to inherit \$3 million or more. Older respondents—including Gen Xers and pre-retirees—aren't expecting to be beneficiaries of such large sums. While FAs shouldn't ignore those older generations, it's clear that Millennials are an important group to focus client recruitment and retention efforts on.

57%

of the survey's respondents expect to inherit at least \$1 million.

Become the FA OF CHOICE

Just 33% of respondents plan to keep working with the same financial advisor after receiving a benefit or inheritance. That leaves a sizable group who are likely to actively look to build relationships with trusted financial advisors who can help them as they manage their money. This relational dynamic is particularly valuable for FAs who can position themselves as a provider of choice for the younger generations.



“Good advisors talk about assets. Great advisors talk about family dynamics, aspirations, hopes, dreams and concerns. What is the individual’s purpose? What are they saving for? What are they aspiring to achieve in the next chapter of their lives?”

- NICK LANE, PRESIDENT, EQUITABLE



4

Make the Case for **PROFESSIONAL** **GUIDANCE**

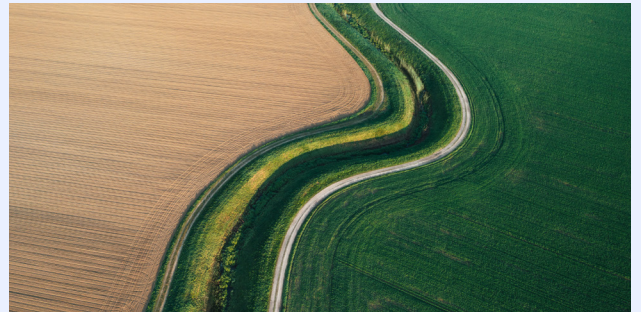
Only one-third of those with a financial plan worked with a financial advisor to prepare that plan, while others took a do-it-yourself approach or relied on software or tech tools to build their plans. Millennial respondents are the most likely to be self-directed—just 25% worked with an advisor to prepare their plans. But that doesn't mean Millennials don't want help: More than 1 in 3 plan to start working with an advisor to manage their new wealth. For FAs, proactively explaining their value to prospective Millennial clients can help this group feel more comfortable working with a trusted FA as they manage their assets.

67% of those surveyed have a written financial plan.

5

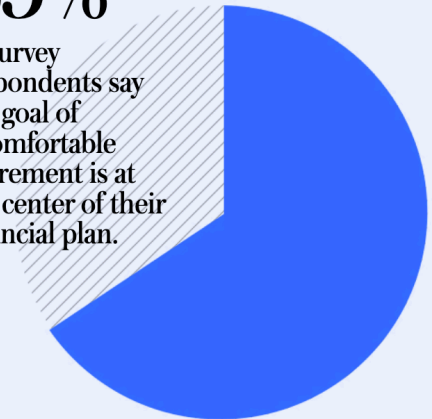
Focus on What Matters Most: **A SECURE** **FUTURE**

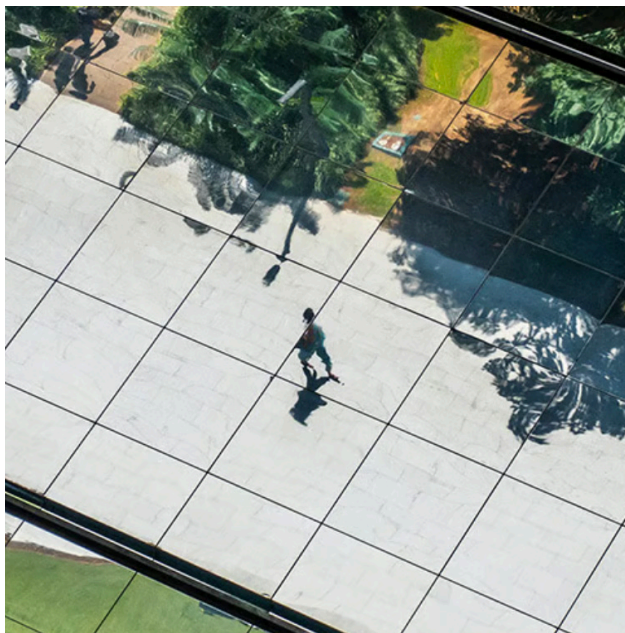
No matter the client, building for the future is a top concern—and one that FAs should be prepared to support. But younger generations and surviving spouses, typically women, put more of a priority on planning for things like retirement. For women, securing a comfortable retirement is the most important pillar of their plan. Meanwhile, Millennials say that taking control of their financial future is the key reason for building their plan.



65%

of survey respondents say the goal of a comfortable retirement is at the center of their financial plan.





6

Be Attuned to Clients' Other Key Investing **PRIORITIES**

From pre-retirees to Millennials, investment decisions are driven by factors beyond long-term goals such as retirement. For each of these groups, healthcare considerations and purchasing a home are the top two factors that influence investment decisions. These are tangible goals compared to the big-picture goal of securing a comfortable retirement. As a result, FAs need to be prepared to help clients strategically pursue multiple financial priorities, each with their own unique time horizons.

Our survey revealed

74%

say healthcare considerations impact their investment decisions.

65%

say purchasing a home impacts their investment decisions.

7

Foster Trust **ABOVE ALL**

While some respondents focused on factors such as fees and the range of products and services offered by financial advisors, trust was the top factor guiding their search for an FA.



55%

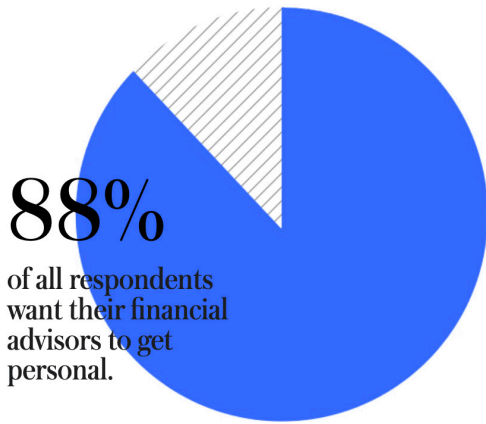
say trust is the most important factor in selecting a financial advisor.



8

Look Beyond FINANCES

FAs seeking to build meaningful and long-lasting relationships with families that will primarily benefit from the Great Wealth Transfer need to understand the value they deliver to clients goes well beyond numbers on a page. It's critical to take a holistic approach and put the client's needs and wants at the center of the planning process. Nearly 9 in 10 respondents agree financial advisors should take the time to understand their overall goals, objectives and risk tolerances. What's more, 85% also agree that FAs should understand their lives beyond their finances.

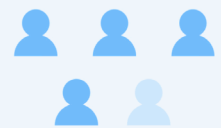
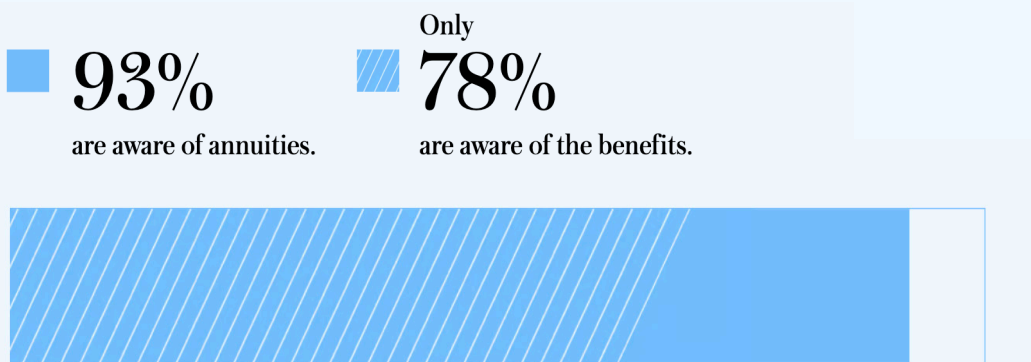


9

Explain the Benefits of GUARANTEED INCOME

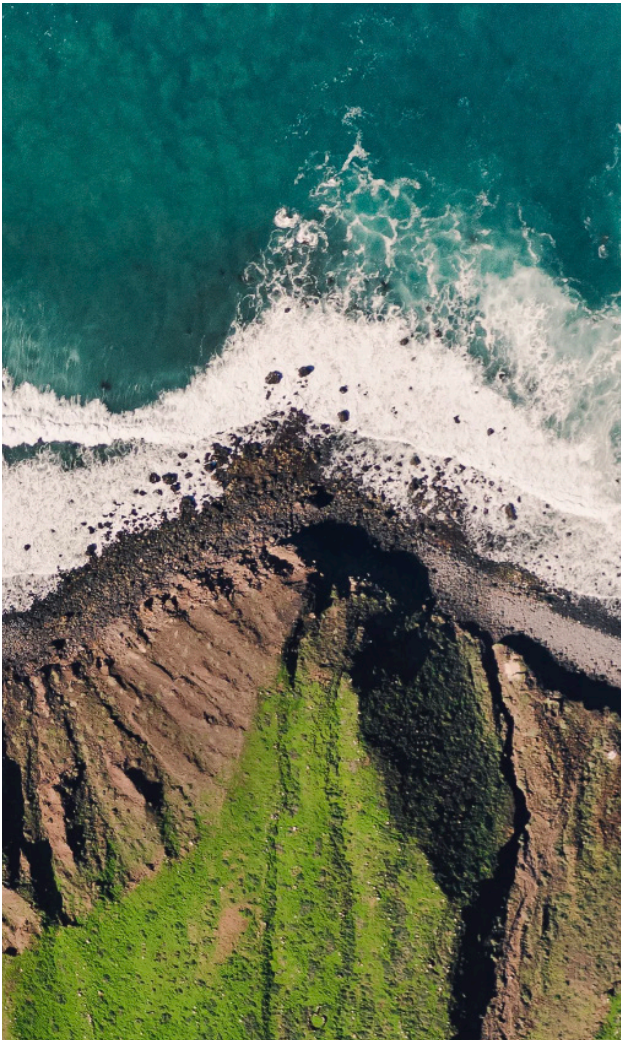


Financial advisors can play a critical role in helping their clients gain a better understanding of a broad range of financial tools, including annuities. In fact, more than half of clients surveyed regularly discuss guaranteed income investments such as annuities with their FAs.



4 in 5

Millennials would invest in annuities if recommended by their FA or offered in work plans.



10

Create Opportunities by Building **ON TRUST**

If they were recommended or offered, 7 in 10 women would consider annuities. The upshot: Clients' trust in their advisors creates powerful opportunities for financial advisors to build stronger, more enduring relationships with these emerging groups of wealthy investors.

70%

of women surveyed would consider investing in annuities if recommended by a financial advisor.

[Read the full Equitable and WSJ Intelligence report.](#)

1. Eisen, Ben and Anne Tergesen, "Older Americans Stockpiled a Record \$35 Trillion. The Time Has Come to Give It Away," The Wall Street Journal, July 2, 2021.

Source: WSJ Intelligence 2024 Equitable Thought Leadership Study

Survey methodology: A U.S. quantitative study of n=500 retail investors. Respondents are household finance decision-makers age 35-64, household income \$100K+, \$100K+ net worth, who anticipate receiving an inheritance or primary benefit of \$100K+. Field dates: June 18-July 10.

NOTE: The use of the terms "financial advisor" or "advisor" for purposes of the survey questions, responses by the consumers queried, and this resulting article does not necessarily indicate investment advisor representatives (IAR) of registered investment advisors (RIAs) exclusively. These terms are used here in a general sense to describe working with an investment advisor representative and/or a licensed insurance agent and/or a registered representative who may offer fee-based financial planning and/or annuities, insurance, and investments, respectively.

Variable annuities are long-term financial products designed for retirement purposes. In essence, an annuity is a contractual agreement in which payments are made to an insurance company, which agrees to pay out an income or a lump-sum amount at a later date. Variable annuity contracts are subject to market risk, including loss of principal. All guarantees provided by annuities are based on and subject to the claims-paying ability of the issuing life insurance company.

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