EQUITABLE

PEAK 35™

Guiding a new generation of wealth

A white paper by
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Executive summary

The U.S. financial landscape is undergoing a profound shift as two major demographic groups reach pivotal financial milestones. While much attention has been given to the **Peak 65®** generation — of which approximately 4 million Americans are on the cusp of turning 65 annually[1] — the same number of individuals are turning 35 each year,[2] positioning them as the next key group in wealth accumulation and financial planning.

For those Millennials turning 35, financial security is shaped by income growth, home ownership, debt management and investments. Previously, data forewarned that Millennials were at risk of becoming a financially "lost generation," with significantly less wealth than previous generations.

But recent data from the Federal Reserve Bank of St. Louis marks a considerable shift in Millennial finances. In 2022, their accumulated wealth exceeded expectations by 37% and outpaced the savings rate of older generations at the same age — including Baby Boomers.[3]

While their overall financial picture looks different thanks to student loans and a high-cost housing market, Millennials have become a driving force of the economy. This role is only slated to grow thanks to expected inheritances via the looming Great Wealth Transfer, an unprecedented shift of $30–$140 trillion from Baby Boomers to younger generations.

$30t ▸ $140t

Some will be direct inheritances, but most of it will likely be through their mothers as surviving spouses. It's anticipated that the transfer will happen in multiple phases, including the strategic passing of assets, proactive gifting and the need for effective estate and tax planning.

The PEAK 35™: The Millennials and Managing Wealth study, recently conducted by Equitable, revealed novel findings surrounding Millennial expectations and confidence regarding inherited wealth and the growing complexity of their finances. As Millennials transition from early-career earnings to wealth-building and inheritance, financial advisors play a crucial role in guiding them through strategic planning, investing and disciplined financial stewardship.

This white paper explores the financial behaviors, opportunities and challenges facing Millennials today, including analyzing key demographic trends, generation-specific investment patterns and their expectations of financial advisors in securing long-term wealth.

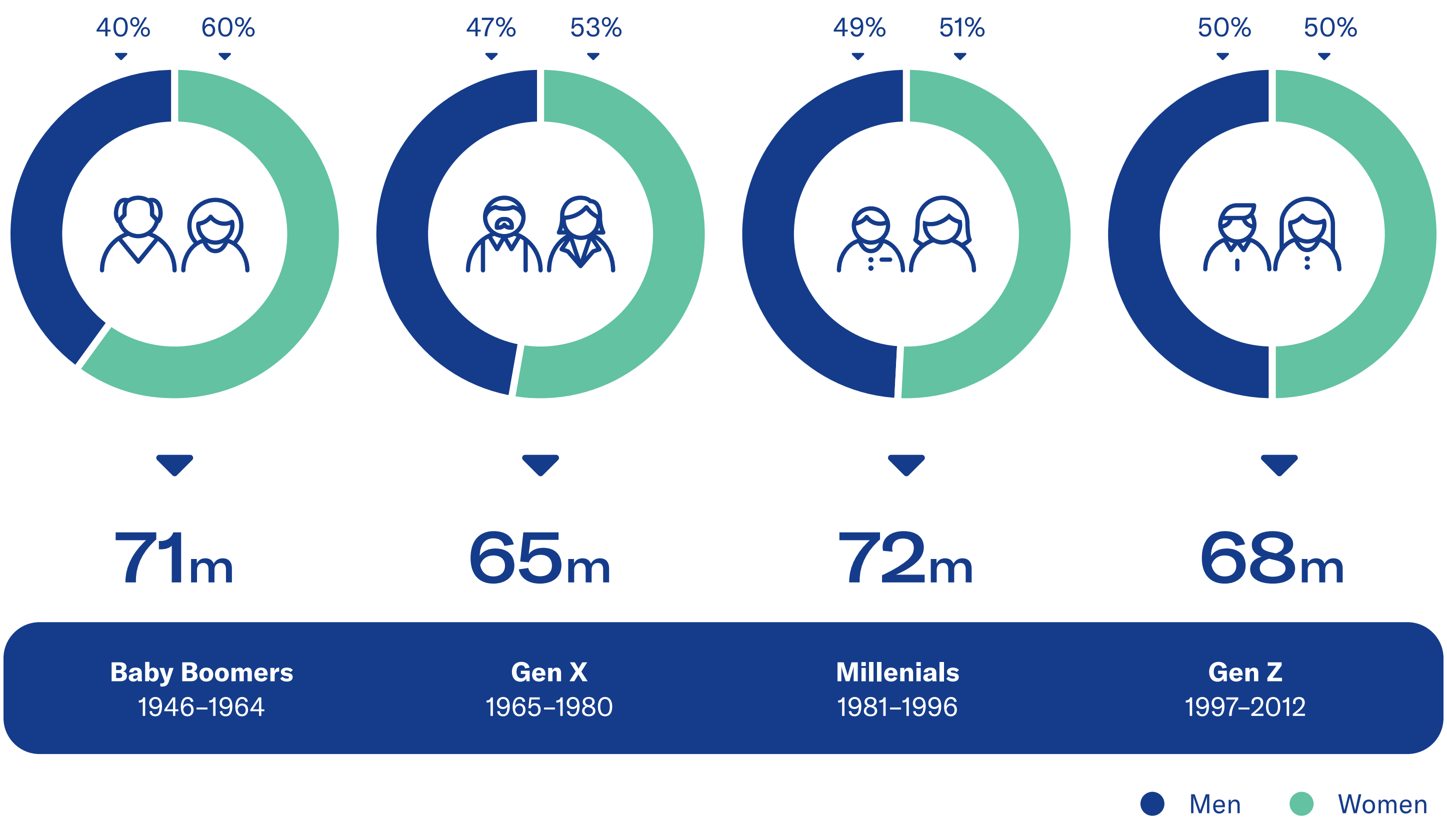
Demographic trends and their financial implications:

The PEAK 35™ phenomenon

This year, and for each of the next few years, approximately 4 million Americans will turn 35 years old. This demographic shift is happening at a crucial turning point where career growth, homeownership, family planning and investment strategies take center stage. Millennials, born between 1981 and 1996, are now between the ages of 29 and 45. By examining the financial standing of those at the midpoint of this cohort — aged 35 — we gain insights into how Millennials are receiving, managing, growing and preparing to preserve and transfer wealth.

Generation demographics of the U.S. population[2]

Even seemingly small shifts in generational demographics can have a substantial impact on the economy and how wealth is used and shared.



Millennial money:

The new face of generational wealth

Millennials have experienced a dramatic shift in their net worth over the past 5 years. According to Federal Reserve data:

The total net worth of Millennials in the United States has grown nearly fourfold, from $3.9 trillion in Q3 2019 to nearly $16 trillion in Q3 2024.

Real estate ownership among Millennials has surged, with property values increasing by $2.5 trillion between 2020 and 2024. While increased property values grow the comprehensive portfolio, it can mean limited liquidity.

Financial and non-financial assets are growing. Millennial wealth is largely driven by home value appreciation, but financial assets such as liquid cash and retirement accounts have also contributed.[3]

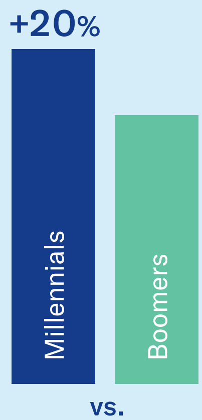
The wealth gap within the Millennial cohort is the largest of any generation. While the average Millennial has 30% less wealth at age 35 than Baby Boomers did at the same age, **the top 10% of Millennials have accumulated 20% more wealth than the top 10% of Boomers at the same point in life.[4]**

When comparing generations at the same life stage (~34), Millennials/Gen Z households had average inflation-adjusted wealth of around $347,000, surpassing Gen X ($283,000) and Boomers ($257,000).[3]

$16t

~$4t

Top 10% wealth accrual



Although Millennials' share of total wealth is still lower relative to older generations, these age-aligned comparisons underscore that Millennials are building wealth significantly faster than peers did in preceding decades.

Millennial wealth accumulation means balancing debt, saving, investing and inheritance

As digital natives, Millennials are the first generation to widely use digital financial tools, yet their reliance on AI-driven and DIY investment platforms is shifting as they build wealth and seek personalized financial guidance. However, nearly 7 in 10 (68%) of Millennials would prioritize working with a human advisor over a solely digital experience. Specifically, 27% prefer a financial advisor over digital tools and platforms, while 41% prefer a hybrid approach with a balance of both.[5]

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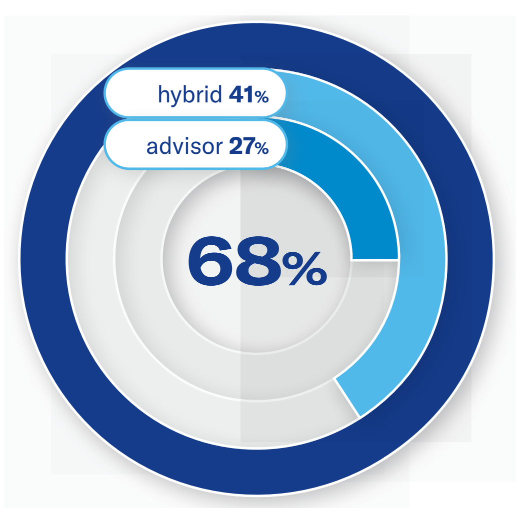


27% prefer a financial advisor over digital tools and platforms

41% prefer hybrid approach with a balance of both

Their financial planning choices are shaped by:

Debt management

Many Millennials entered the workforce during the 2008 financial crisis and still face the burden of student loans and credit card debt. Managing these obligations while investing remains a key priority.

Case study 1

Debt and dreams

Building wealth while paying down debt

Balancing debt repayment, investing and financial goals

Meet Andre

- **Age 35**
- **Software engineer**
- Six-figure salary
- $105,000 in student loans

Background

Despite aggressively paying down his debt, he's also investing in a 401(k), contributing to a Roth IRA and working with an advisor to build a diversified investment portfolio. His advisor recognizes the generational challenges of his student debt levels and how that impacts his other financial goals.

Andre is aware he may inherit a sizable sum from his maternal grandparents in the next decade but doesn't want to delay his financial independence waiting for it. He also knows better than to assume their current plans will remain unchanged. He watched his father's parents each succumb to health issues that drained their savings and he's not willing to bet his financial future on an inheritance that might (or might not) materialize. Andre's advisor communicates how his financial future could look in multiple scenarios, giving Andre confidence he'll meet his goals, regardless of whether he receives an inheritance or not.

Insight

Many Millennials are actively **building wealth while still digging out of debt.** The combination of high income and high student loan burden is a defining trait of this demographic. Andre's discipline shows how advisors can support clients in finding balance between short-term freedom and long-term growth, without relying on a future inheritance as a default safety net. If Andre does receive a sizable inheritance, he feels confident in his ability to manage that extra injection of wealth alongside the expertise of his trusted advisor.

Homeownership trends

Despite initial struggles with affordability, Millennials now own more real estate than ever, emphasizing the need for mortgage planning, home equity strategies and investment diversification. An additional challenge is the impending transfer of real estate assets. Forty-six percent of Millennials expect to inherit some type of property, but only 38% feel prepared to manage the transaction,[5] often due to sentimental attachments, tax implications, shared ownership and other complexities that often require guidance.

Case study 2

Help from home

Rethinking the first home purchase

Intergenerational support and wealth-building through real estate

Meet Maya

- **Age 34**
- **Public relations consultant**
- First-time home buyer
- $30,000 down payment gift from parents

Background

While her income and credit were enough to purchase the house, rising home prices and her student loan debt made saving for a full down payment on her own impossible. Maya's parents recognized the opportunity to utilize gifting as part of their wealth transfer strategy. By helping with a 10% down payment, they get to watch their beloved daughter enjoy her first home while benefiting from the tax mitigation the gift provides them.

Before transferring the funds, however, Maya's parents scheduled a family meeting with their financial advisor to discuss the tax implications of the down payment gift. The annual gift tax exclusion is $19,000 per parent in 2025.[6] Together, Maya's parents could gift her the full down payment amount without having to pay income taxes on the funds. The family financial advisor and team of professionals walked everyone through their roles and responsibilities, including tax expectations for Maya's parents as the donors, and a gift letter for Maya to submit with her mortgage application.

Insight

According to the National Association of Realtors, **33% of Millennials nationwide rely on family assistance** to afford a down payment.[7] Maya's story underscores the growing trend of family-enabled homeownership — a form of informal wealth transfer that's become essential in competitive markets. It also highlights the need for early financial planning and transparency around gifting, tax implications and estate planning.

Retirement planning amid career transitions

Millennials change jobs frequently, with an estimated 12 to 15 job changes during their working years. This impacts retirement savings and necessitates strategies for rolling over 401(k) assets and optimizing Social Security benefits.

The role of rollovers and retirement planning

In a recent survey, Millennials share how they manage retirement plan choices when changing jobs:[8]

25% of Millennials rolled their retirement savings into a new employer's plan when changing jobs

27% rolled their funds into an IRA

31% left their retirement account untouched with their former employer

16% withdrew their balance and spent it instead of preserving it for retirement purposes

Millennials risk losing gains by mishandling retirement accounts when changing jobs.

Financial advisors must help Millennials prevent long-term retirement shortfalls. Cashing out 401(k) and employer-based retirement accounts with every job change can cause lasting damage to their wealth-building strategy, not to mention costly short-term tax implications.

Key statistics and insights on the Great Wealth Transfer

Peak 65®

The percentage of Americans aged 65 and older will continue to grow as Boomers age, and by 2030, nearly **20%** of the U.S. population will be 65 or older. This signals a greater need for long-term healthcare planning, elder care and sound wealth transfer strategies. While many Millennials expect some type of inheritance, the amount could change based on the healthcare needs of Boomers and Gen X, signaling the value of advice to grow and protect wealth regardless of inheritance, until the inheritance itself is real.

The aging of Gen X

Gen X (born 1965–1980) will be pivotal in this wealth transfer, as they will not only receive wealth but also manage and steward it for their own children and grandchildren.

Redefining wealth access

Millennials are driving the adoption of alternative investments, digital advisory services and early retirement strategies. This shift in financial behavior will influence the types of assets that are transferred and how they are managed.

Money in motion

This shift is happening through direct inheritance, gifting and strategic estate planning. Millennials will be the primary next-gen beneficiaries of this transition, but without proper financial education and planning, much of this wealth risks depletion.

Complexity rocks confidence

Seventy-eight percent of Millennials feel confident in making smart financial decisions today, but that figure drops significantly to just **27%,** if their financial situation were to become more complex than what they are managing now.[5] Even those who don't currently work with a financial advisor recognize the value of human expertise and personalized guidance.

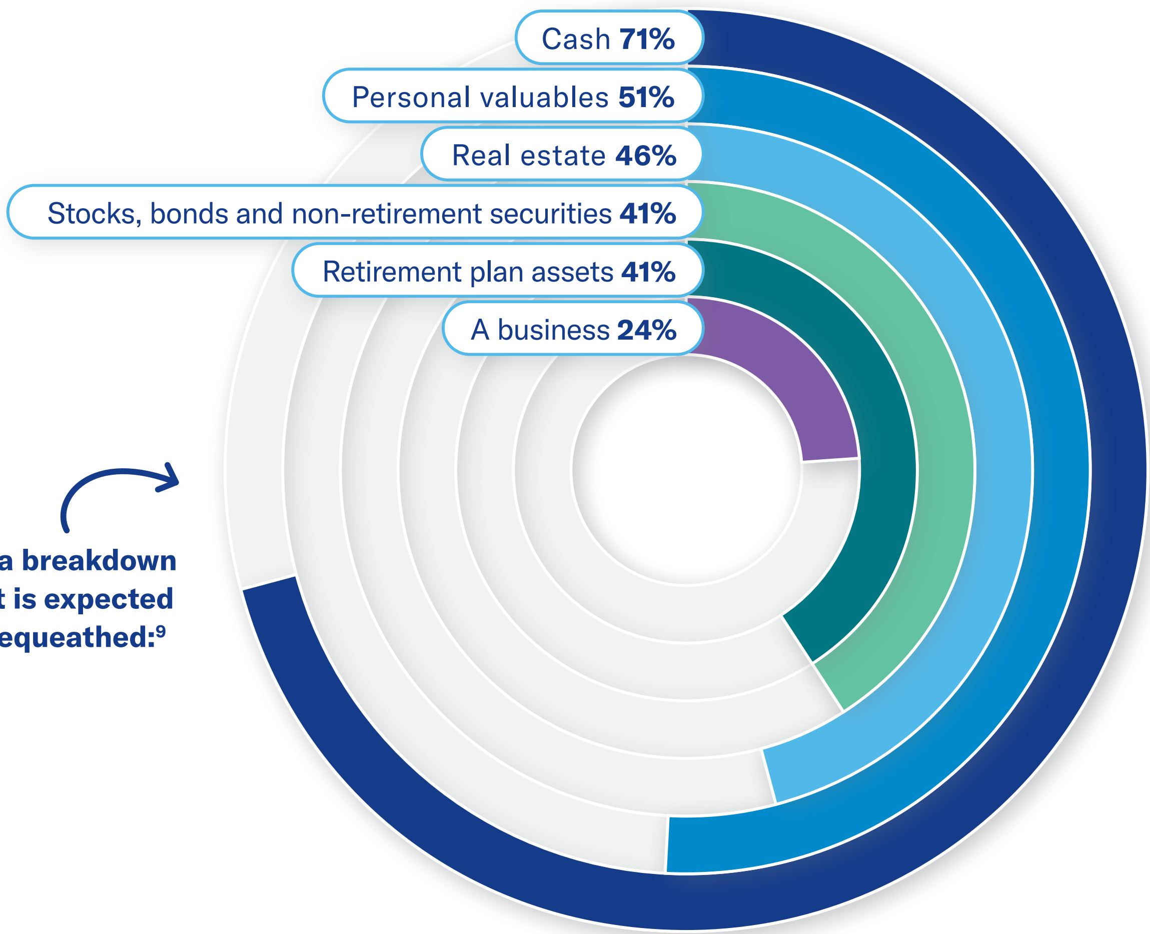
The Great Wealth Transfer:

A defining moment for Millennials

The Baby Boomer generation has accumulated vast amounts of wealth over their lifetimes, and as they retire, age and pass away, their surviving spouses, predominantly women, will steward their wealth and then redistribute it to younger generations. The magnitude is so immense that the Great Wealth Transfer — estimated at $30–$140 trillion — represents a once-in-a-lifetime transformation that will redefine intergenerational wealth.

Forty-one percent of Millennials expect to receive an inheritance or have already received one, and an additional 26% say they are fairly certain they'll receive one.[5] In other words, nearly **70%** of the country's largest generation may experience a major wealth event in the years ahead.

Here's a breakdown of what is expected to be bequeathed:[9]



Growing and sustaining wealth

- As the primary next-gen beneficiaries of the Great Wealth Transfer, it's anticipated they will be the **wealthiest generation** in U.S. history.
- **38%** of Millennials expect to receive assets through direct inheritance, gifting and strategic estate planning.[5]

Case study 3

Unpacking the inheritance

Managing assets and emotions

Emotional and financial complexity of wealth transfer

Meet Jasmine

- **Age 35**
- **Inheritor**
- Hadn't updated estate plan after mother's death
- Inherited $800,000 in mixed assets after father's unexpected passing

Background

She received his portfolio of individual stocks, a rental property in disrepair and a small life insurance payout. Without a trusted advisor or financial road map, Jasmine initially spent months sorting out paperwork and legal issues before addressing the broader question: How do I make this mix of assets work for me?

Insight

This case demonstrates the **real-life chaos and confusion** that can accompany even a moderate inheritance. Six in 10 Millennials have either had no conversations about their family's wealth transfer or limited discussions without truly understanding their roles.[5] There's a stark contrast in confidence based on inheritance expectations.

Millennials with an advisor are more likely to feel confident in making smart financial decisions today (88%) versus those without (69%).[5] That means there is an opportunity for advisors to help existing Millennial clients plan for a sudden wealth event and to encourage those who haven't had estate planning conversations with their parents to do so sooner rather than later.

The PEAK 35™ requires a more meaningful approach to financial advising

Millennials are reshaping financial advisory expectations, demanding a seamless blend of technology-driven resources and human expertise. While digital finance tools provide convenience, this demographic seeks personalized guidance to navigate complex financial decisions. Financial advisors can enhance engagement by:

Customizing investment strategies

Aligning financial plans with Millennial values, such as sustainable investing, alternative assets and portfolios that support their personal interests while fostering deeper engagement.

Addressing generation-specific challenges

Tackling student loan debt, homeownership barriers and career mobility considerations while preparing clients for potential inheritance through tailored solutions strengthens trust and long-term client relationships.

Instilling confidence surrounding inherited assets

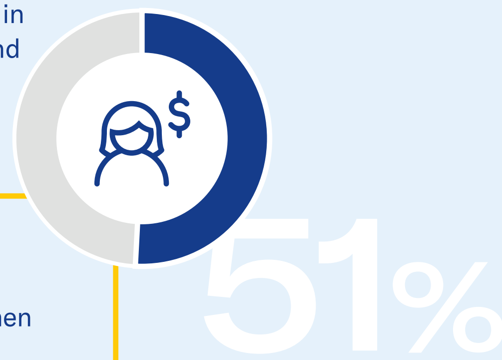
Managing increasingly complex assets to relieve stress for Millennials. While they feel prepared to steward personal valuables, businesses and cash, confidence drops significantly when it comes to handling real estate — giving advisors the opportunity to guide them through emotional and financial complexities.

Women's growing financial influence

Millennial women are a critical demographic in today's financial landscape, with growing influence over personal and family wealth. Their financial circumstances are increasingly complex as they balance career advancement, caregiving responsibilities and potential wealth transfer considerations. Key reasons why this cohort is so important include:

Increased earnings and higher education

More Millennial women are advancing in their careers, with higher education and larger incomes positioning them to take control of their financial futures.



Primary breadwinners

Fifty-one percent of Millennial women report that they are the primary breadwinners in their families — surpassing both Gen X (39%) and Baby Boomer women (37%) in this role.[10]

Homeownership

Single women are outpacing men in home ownership, highlighting their financial independence and long-term planning.

Financial transparency

Millennial women are more open and comfortable talking about money, prioritizing debt management and balancing immediate needs with long-term financial goals.

Trust in advisors

They seek guidance from financial advisors — digital and personal — who understand their unique goals, listen actively and offer a holistic approach to wealth management.

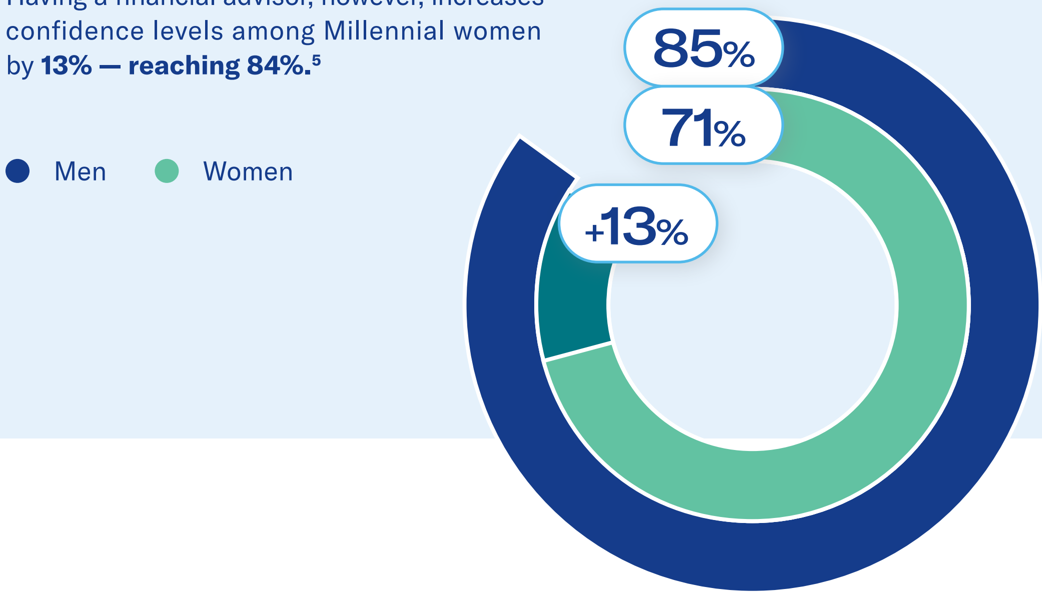
Millennial women have increasingly become the top income earners in their households, highlighting shifting financial dynamics and decision-making power.

Advisors can play a critical role in ensuring transparent and equitable communications, particularly with couples who may not fall into the typical gender roles of previous generations.

Despite Millennial women's growing economic power, there is a gender divide in confidence managing their finances today, as well as if they were to become more complex in the future.

Eighty-five percent of men feel confident in their ability to make smart financial decisions today versus just **71%** of women.

Having a financial advisor, however, increases confidence levels among Millennial women by **13% — reaching 84%.**[5]



Rethinking wealth accumulation:

Beyond inheritance

Contrary to traditional assumptions, Millennials are not solely relying on inherited wealth, but are actively building and protecting their financial futures. This calls for:

Comprehensive and meaningful financial planning

Integrating financial education, estate planning and tax strategies to create a comprehensive road map for wealth accumulation and preservation.

Emphasizing diversification

Spreading investments across various asset classes that address financial growth and protection strategies, including considerations that offer guaranteed lifetime income, and help mitigate risk while enhancing portfolio performance.

Risk mitigation strategies

Implementing insurance solutions and tax-efficient investment structures to safeguard both inherited and self-built wealth.

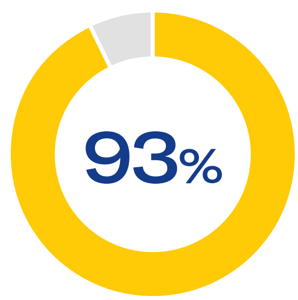
Transforming financial planning to build and protect wealth

For financial professionals to successfully engage Millennial clients, financial planning must evolve to be more personalized, accessible and supported by technology.

The timing is critical. As wealth transitions from older generations, financial advisors play a crucial role in equipping Millennials with the knowledge and tools they need to manage their inheritance effectively, so they don't risk its depletion. Key focus areas include:

Values-based financial planning

Personalized strategies cater to unique Millennial priorities and challenges while incorporating their financial values. **Ninety-three percent** of this group feels it is at least somewhat important that their advisor aligns with their values and goals.[5]



Financial wellness

Millennials prioritize overall financial well-being, viewing wealth accumulation as part of a broader life strategy.

Long-term planning

While addressing immediate financial concerns, planning should also account for major life milestones like homeownership, education, growing families, entrepreneurship and retirement. Millennial life and wealth stages can vary greatly and are not always on a shared timeline.

Accessible and clearly communicated financial education

Providing accessible financial education resources enables informed decision-making:

Clear communication

Simplifying complex financial concepts with transparent, jargon-free language fosters better decision-making and trust.

Promoting financial confidence

Encouraging disciplined financial habits leads to better long-term outcomes.

Transparency and trust

Millennials want professional help in feeling more confident with their finances. Yet, **40%** would replace their financial advisors if they are not transparent and candid, or do not inspire confidence.[5]

Balancing the dynamics of planning

Proactively addressing the necessity to simultaneously balance debt management with saving and investing. **Thirty percent** of Millennials with an advisor would consider switching if they didn't think their advisor understood generational differences in financials goals:[5]

Encouraging early investment

Taking advantage of compound interest is critical for long-term wealth building.

Emphasizing diversification

Spreading investments across various asset classes mitigates risk and enhances portfolio performance.

Retirement planning awareness

Despite being far from retirement age, Millennials need to establish strong saving habits early.

Tax implications of wealth transfers

Educating clients on estate taxes and strategic inheritance management is a priority.

Estate planning and wealth preservation[5]

By encouraging proactive wealth management, Millennials will be better able to actively manage and grow their assets.

81% Eighty-one percent of those who already have an advisor say they're likely to seek one who specializes in this area.

74% Seventy-four percent want an advisor who specializes in inheritance and wealth transfer.

Facilitating family wealth discussions

Encouraging open conversations on wealth transfer expectations and responsibilities. Four in 10 (41%) Millennials report having detailed conversations with their loved ones to understand their role, and **87% consider their family's relationship with an advisor as at least somewhat important when deciding whether to retain the advisor for themselves.**[5]

Trusts, wills and structured distributions

Coordinating estate planning to ensure responsible inheritance management of what they'll receive as well as what they will leave.

Preparing for emotional aspects of wealth transfers

Addressing the psychological impact of long goodbyes, as well as sudden wealth and providing financial coaching.

Millennials and their families are openly having conversations about wealth, inheritance and the professionals who are there to help. Fostering intergenerational conversations and instilling trust with all family members can help advisors retain clients throughout multiple phases of wealth transfers.

PEAK 35™ snapshot:

Growing wealth from where they are

Balancing debt, saving and investing

- Simultaneously paying off debt and saving for the future.
- Prioritizing financial stability, including using digital tools and leveraging potential alternative investment strategies.

Investing behaviors

- Thirty-six percent of Millennial investors in the United States own crypto, versus just 8% for Baby Boomers and 24% for Gen X.[11]
- Seeking diverse and sustainable investment opportunities beyond traditional markets.
- Preferring a hybrid approach when it comes to financial guidance, which aligns with a generation that grew up with technology but still sees the value in human connection.

Attitudes toward saving

- Save for emergencies and retirement at higher rates than previous generations.
- Optimistic yet practical about their financial futures, willing to take on debt strategically.
- More open about discussing finances and seeking information, evidenced by reliance on online resources for financial guidance.

Heirs to historic wealth

- Expected to inherit a significant portion of the Great Wealth Transfer — as much as $46 trillion by 2048.[12]
- One in four (26%) of those expecting a seven-figure inheritance are anticipating an inheritance of $3 million or more.[13]
- Eighty-one percent of heirs say they will engage with a financial advisor upon inheritance.[13]

Impact on the systems

- As the first digital-native generation, Millennials embrace technology, social media and mobile finance.
- Their global mindset and tech-savvy approach shape modern financial behaviors and trends.
- Thirty-seven percent of those with a financial advisor say they would consider replacing their advisor if their digital expectations were not met.[5]

These statistics and insights reveal the financial challenges and opportunities Millennials face — some thrive, while others grapple with debt and stagnant wages. Regardless, four in 10 (41%) Millennials expect to receive an inheritance or have already received one, and an additional 26% say they are fairly certain about receiving an inheritance.[5] In other words, nearly 70% of the country's largest generation may experience a major wealth event in the years ahead. For advisors, supporting clients through these diverse needs means meeting clients where they are and guiding them toward a protected, growth-oriented plan.

Conclusion:

The future of wealth is here

Today, as many Americans are turning 35 as are turning 65, Millennials are emerging as the next financial phenomenon — already shaping the economy through entrepreneurship, professional success, strategic real estate acquisitions and willingness to consider alternative investments. Many have built wealth at a younger age than previous generations, while others face financial pressures like student debt and wage stagnation. Regardless of their starting point, one reality remains: they will also be the primary next-gen beneficiaries of the Great Wealth Transfer.

This shift presents both challenges and opportunities. As trillions move from Baby Boomers to Millennials, financial preparedness will be critical — not just to receive wealth, but to grow and sustain it. Even those who are financially established will need guidance to integrate inherited wealth into their broader financial strategies, ensuring its longevity and alignment with their own goals.

Financial advisors have a pivotal role to play — not only in managing assets but also in fostering financial literacy, facilitating multigenerational conversations and tailoring strategies to meet Millennials where they are, and then continue to guide them to where they want to be. Whether they are first-generation wealth builders or seasoned investors, this generation requires nuanced, proactive financial planning to turn inherited and earned wealth into lasting legacies.

This is more than a financial shift — it's a defining moment in wealth stewardship. Those who approach it with intention, education and strategic foresight will not only preserve wealth but also shape a more secure and prosperous financial future for generations to come.

Ultimately, Millennials are not just recipients of wealth — they are active participants in shaping the future of financial planning, investing and intergenerational wealth stewardship.

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