

FINANCIAL AND MONETARY SYSTEMS

The 'Great Wealth Transfer': What is it and how can women make the most of it?

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Only one in 10 women have discussed generational wealth transfer with a financial adviser.

Image: Pexels/Michael Morse

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- Women bequeathing inheritances are both helping future generations and expressing their core values.
- The wealth gap between the genders means women face greater obstacles in terms of giving and receiving wealth.
- Consulting a financial adviser can help facilitate this wealth transfer, especially with regard to women's unique considerations.

The so-called Great Wealth Transfer is underway. Over the next two decades, an estimated \$84.4 trillion in assets will be passed down from the Silent Generation and baby boomers to their loved ones, according to market researchers [Cerulli Associates](#).

Communication and preparation are key for those giving and receiving inheritance. However, only a quarter have actually discussed generational wealth transfer with their families, and more than a third (38%) of US women do not plan to have these important conversations, [according to recent research](#) from Edward Jones, Morning Consult and NEXT360 Partners.

Intergenerational wealth is more than just the transfer of money. For women, it can be an expression of core values such as security, freedom and well-being for themselves and their families. According to the study, 87% of women define the purpose of wealth as a means to gain financial security and the freedom to live the life they want, and 85% view it as a way to achieve a better quality of life.

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- [Why Piketty is wrong about inheritance](#)
- [Tunisia wants to change inheritance rules to boost gender equality](#)

Inheritance, therefore, could not be more important for women – whether they are leaving something for loved ones or receiving a windfall. The prospect of giving an inheritance can be immensely rewarding for women, with many feeling primarily fulfilled, proud and excited, while those receiving inheritance reported feeling mainly gratitude and excitement.

When asked about topics related to wealth transfer across generations, women

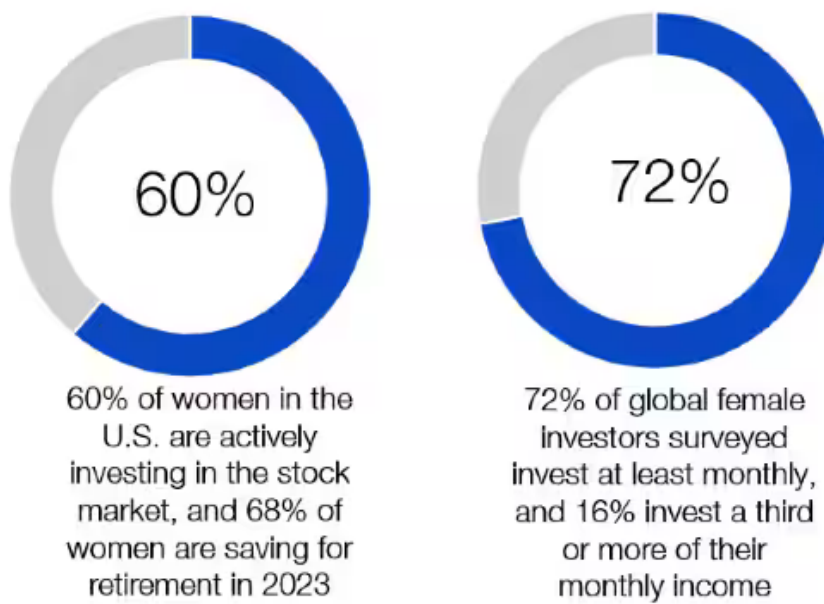
view savings and management of personal finances as only slightly more important than issues of inclusion, fairness, and family core values and long-term goals. For women who are planning to give their inheritance to their grandchildren, 64% view it as a tangible expression of love and care, 62% say it will create new opportunities, and about the same number (52-53%) regard it as a way to establish financial security or cover the costs of education

The gender wealth gap

Despite nearly half of American women anticipating receiving an inheritance in the next 10 years, women face significant obstacles to determining how wealth is transferred across generations.

One reason is the wealth gap between men and women. While 54% of men plan to leave an inheritance, only 42% of women plan to do so. Moreover, women are in a more uncertain financial position, with a third of women (compared to a quarter of men) unsure if they will be able to pass wealth to future generations. According to the Edward Jones study, a driver of this uncertainty is economic pressure, with 63% of women citing economic factors as a reason they will have less money to transfer to their heirs, and 49% of women citing a need to spend finances during retirement or later in life.

Fewer women also have received or anticipate receiving inheritance. The study shows 32% of men have received or expect to receive inheritance, compared to only 28% of women. One bright spot is that more women than men expect to receive inheritance in over 10 years' time – meaning there is still time to plan and have the “transfer talk” with loved ones.



Women are increasingly in a position to pass wealth between generations. Image: The Future of Financial Advice report, World Economic Forum

The power of planning ahead

Talking with loved ones and planning ahead are the most important parts of the wealth transfer process. Having a transparent conversation with family members and developing a clear plan can make all the difference between the legacy of love and care, and one of potential hurt and confusion.

Conversations around wealth and inheritance can be extremely uncomfortable, particularly as givers navigate family priorities beyond finances. A financial professional can help take the emotion out of the process, create a safe and open environment for families to discuss their values and goals, educate and guide them in creation of the wealth transfer plan.

The role of a financial adviser is as important as ever for women navigating the Great Wealth Transfer. While only one in 10 women (12%) have discussed generational wealth transfer with a financial adviser, 54% agree that working with financial professionals would make it easier to plan for and reach family consensus around issues of wealth transfer and inheritance.

Women have a unique set of financial considerations, including retirement, caregiving and balancing goals, that require direct and personalized advice and direction. Financial advisers can help women navigate economic concerns, as well as develop a thoughtful approach for retirement savings and meeting long-term financial goals. As individuals heavily involved in managing their families' money, it is important that women have professional guidance to protect their futures and help plan for the transfer of wealth, especially given their [longer lifespans](#) and thus the likelihood of them living longer than a spouse or partner.

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As women prepare to play a significant role in the Great Wealth Transfer, they can ensure their wealth provides for the future and what matters most to them through open dialogue and thoughtful planning.