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Wealth: The Next Generation

Bridging the Gap: Transferring Assets and Knowledge

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"Knowledge is the wing wherewith we fly to heaven" - Henry VI, Part II

A Note to Our Clients and Friends

This quarter, instead of drafting something for our clients' edification and benefit, we have written this newsletter specifically for your children and grandchildren, your heirs. We encourage you to read it first because the financial landscape they are navigating right now is fundamentally more hostile than the one in which you built your wealth. Our goal is to ensure the next generation has the tools at hand to assist in making good choices, prevent the erosion of wealth, and ensure they are empowered to manage the assets they will someday inherit with confidence rather than anxiety.

We ask this boon: once you are done reading, pass it along to others in your lives, to spark in-depth conversations about finance. The when is immaterial; rather, it is the *what* that takes precedence. We are not advocating turning Thanksgiving dinner or holiday gatherings into a financial seminar; rather, we hope sharing this document will act as a low-pressure icebreaker to start normalizing discussions about wealth, values, and the future.

A Note to the Next Generation

Hi! Thank you for reading. You are reading this because someone who cares deeply (presumably your parents or grandparents) about you and your financial future forwarded it to you. We are going to cover some big numbers, heady concepts, and real risks, but none of it requires you to have it all figured out today. This is a starting point, and we are here simply to help you along the way. Let the wise words of Douglas Adams set the tone: Don't Panic!

The Great Wealth Transfer and You

Here is the big number: over the next two decades, an estimated $84 to $124 trillion in assets will transfer from the Baby Boomer and Silent Generations to Gen X, Millennials, and Gen Z. To put this in perspective, a stack of $124 trillion in single dollar bills would reach about 8.4 million miles into the sky, far enough to travel from the Earth to the Moon and back almost 18 times. This staggering transfer of wealth is the most significant macroeconomic shift in modern financial history, and, depending on your family, some of it may eventually be headed your way.

Most of the wealth management industry focuses on the generation currently holding the assets, operating on the theory that the next generation will "figure it out" when the time comes. We do not subscribe to that approach; rather, we believe that there is an urgent opportunity to engage the next generation, namely **you**, in a conversation about your finances, as well as the wealth you may inherit, the nature of the assets that compose said wealth, and the economic system in which that wealth exists.

The truth is that our clients (maybe your parents or grandparents) have come to us, worried about what they are reading and hearing about how your generation is doing. They see the financial pressure, the uncertainty, and the sense that the ground keeps shifting beneath your feet at a time when you should (ideally) be finding solid footing. Some have asked WEIL how they can help now, whether it is a down payment on a home, help with cash flow, contributions to a college savings account, or simply making sure you have real information instead of guesswork (or, even worse, potentially AI-hallucinated "advice"). This newsletter is part of that effort.

Knowing is Half the Battle*: Why Finance Has Gotten Harder*

Here is an incongruity worth considering: your generations are the most digitally fluent and, in many ways, the most formally educated in history, and also among the most financially fragile.

Fragility, in this context, is a combination of risk aversion and lack of financial education. To understand where this comes from, it helps to look at the financial world you experienced during your most formative years: the Savings & Loan scandals, the stock market crash of 1987, the early 1990s recession, the dot-com bust of the early 2000s, the 2008 Great Financial Crisis, and the severe market instability brought on by the COVID pandemic. The compounding effect of these crises, combined with elevated inflation, higher housing costs (especially in California), and persistent student debt burdens, has left deep marks that have yet to heal, and the data bears it out:

What Young Adults Say	Share Who Agree
Their generation was set up for financial failure	57%
Their financial habits amount to "survival mode"	70%
Happiness is harder for their generation than prior ones	74%
Retirement is harder now than it was for their parents	>80%
They'll never be able to retire at all (ages 18–24)	~25%

If you recognize yourself in any of those numbers, you are in good company, and it helps explain a trend researchers call "financial nihilism." When the traditional path to wealth (steady saving, diversified investing, patience) feels rigged or mathematically out of reach, it is tempting to try to leapfrog it instead, treating the financial markets as a potential winning lottery ticket. Among Gen Z respondents who feel financially behind, 80% say they are investing in or considering high-risk, speculative assets, and about 32% gamble (through online sports betting) or wager through prediction markets (e.g., Kalshi and Polymarket) as a means to "catch up".

The rise of digital trading platforms and communities like Reddit has accelerated this behavior. Zero-fee, gamified trading apps have removed the traditional friction from investing, making it incredibly easy to execute highly complex trades, including options trades, from a smartphone. Meanwhile, social media communities normalize and, in ways, incentivize taking these massive risks, often referring to them as "YOLO" (You Only Live Once) trades.

Unfortunately, this approach is often financially disastrous. For every story on TikTok or Instagram of some massive winner, there are thousands you never hear about who lost. A recent analysis of Polymarket by the Wall Street Journal, for example, found that 67% of the profits went to just 0.1% of the accounts, meaning the vast majority of users are actively losing their money.

The same economic anxiety shows up in how you spend, not just how you invest. "Doom spending", buying unneeded things to cope with the stress of a world you cannot control, has become common enough to have a name. Viral trends like "Girl Math" lean on real psychological quirks (sunk-cost thinking, mental accounting) to make spending feel free when it truly is not: a return, a gift card, a tap on a phone that never quite feels like real money leaving your account. Buy Now, Pay Later features, which split purchases into small installments spread over time, along with the increase in consumer credit card usage, make it deceptively easy to lose track of how much you owe until several installments hit at the same time.

A key contributor to this chaotic environment is a massive, systemic education gap. Recently, the TIAA Institute ran the numbers and found that financial literacy is at a decade low, with a stark 16-percentage-point gap between Baby Boomers and Gen Z. The modern financial system has essentially handed young investors frictionless access to complex, volatile tools while skipping the training manual. For instance, half of active young investors hold cryptocurrency, and 43% hold trade options. Yet, fewer than 1 in 10 of those high-risk traders can answer basic investing questions correctly. Those investment strategies can have a place in a well-managed portfolio but should only be used if conditions and experience warrant. To put it another way, just because you can do a thing does not mean you should do a thing.

Across the board, only about 14% of adults under 35 understand the fundamental "Big Three" of finance: compound interest, inflation, and risk diversification.

If any of this sounds like it's describing you, there's no shame in it. It's genuinely common for successful, high-earning professionals to be fuzzy on the basics, not because they are not smart, but because nobody sat them down and explained it. Prudence tends to follow education, not the other way around. To that end, we hope you will take the time to establish your individual baseline and familiarize yourself with the "lingua franca" of some specific financial terms. In the spirit of a Choose Your Own Adventure novel from our shared youth, visit https://www.finra.org/financial_knowledge_quiz to take a 7-question quiz from FINRA, and see the Appendix to review the Plain-English Glossary of terms. Understanding those concepts is your first line of defense. The second is recognizing the mechanical traps working against you, starting with consumer debt.

Prudence and Preparation are Key

Financial nihilism, doom spending, and a lack of financial literacy do not stay abstract for long; they will eventually show up directly on your balance sheet and, most concerning of all, have the potential to collide head-on with the unprecedented generational transfer of wealth.

There's a well-known pattern in wealth management called the "70% Rule": roughly 70% of wealthy families lose control of their wealth by the second generation, and 90% by the third (this is sometimes summarized as "Shirtsleeves to shirtsleeves in three generations"). The research is consistent on why: it is seldom bad investments or poor tax planning; rather, it is a failure to communicate and a failure to prepare the next generation, namely you, to manage what is coming. Our goal is to ensure that the next generations of WEIL clients are the exception to the 70% Rule.

Your Credit Card Is a Chainsaw: Use with Caution

In the same way a power tool is useful in skilled hands but dangerous in the hands of a novice, credit cards have the same potential outcomes. Properly used, a credit card is a useful tool, providing cash flow flexibility, fraud protection, and rewards. Used without caution or sufficient training, it easily becomes one of the most expensive ways to borrow money in the entire economy, capable of real, lasting damage to your finances. As of the second quarter of 2026, total U.S. credit card balances reached $1.263 trillion, with average interest rates on balances above 22%. If you are carrying a balance month to month, you are most likely paying more in interest than almost any investment would return. This strain is not distributed evenly across generations. Gen X currently carries the heaviest credit card burden, while younger generations are seeing their balances grow at the fastest rates.

Beware of "Finfluencers" and AI-Powered Scams

With no central place to learn the ins and outs of finance and investing, many of your generation have turned to the internet as a source of information, giving rise to the "finfluencer." While some creators on TikTok, YouTube, and Instagram offer genuinely sound guidance, far more push clickbait "money hacks" that range from impractical to outright scams. Before taking any financial advice from a "finfluencer", look beneath the mask:

- **Know their background:** Verify if they hold actual financial credentials (https://brokercheck.finra.org/) or if they are simply charismatic amateurs, creating content for the sake of creating content, without any expertise or experience.
- **Follow the money:** Do they have a financial stake, hidden benefit, or sponsorship tied to the product they are hyping?
- **Identify the motive:** Why are they creating this specific content in the first place? Does it come from a place of genuine interest, a goal to educate, and to elevate the level of financial discourse, or is it self-serving, unfounded, and/or sketchy?

In an era driven by short-form video algorithms, financial literacy and media literacy must go hand-in-hand. Threats to your financial well-being are not just coming from social media and untamed debt, but from the weaponization of cutting-edge technology as well. Fraudsters increasingly use AI to clone trusted voices, create deepfake videos, and generate convincing documents to run scams, building trust over weeks or months before a fake opportunity gets introduced. In 2025, consumers reported more than $8 billion in investment-scam losses to the FTC, most often tied to a bogus cryptocurrency opportunity. The best defense is simple: real advisors will never rush you into a decision; if you are ever in doubt about the efficacy of an investment, run it by an expert you can trust.

Where to Go from Here

None of what we have said is meant to be alarming; it is meant to be cautionary, actionable, and useful. Addressing the potential pitfalls of unprepared inheritor generations colliding with a monumental amount of money that will eventually flow to them requires robust communication, patience, and family-wide education. To help avoid the potential negative outcomes, here are a few concrete places to start:

- **Be the one who breaks the taboo:** Money is one of the last real taboo topics in American families. You do not have to wait for your parents or grandparents to bring it up. A simple, curious question like "How do you all think about money?" or "What should I know before I inherit anything?" can open the door to genuine education without turning it into a lecture or looking like you are overly eager to inherit funds.
    - *For the client generation still reading, you should feel empowered to kick off the conversation with your heirs; you do not need to discuss specific assets or dollar amounts; instead, focus on the conceptual, values-based fundamentals you want your heirs to know.*
- **Vet the experts ("Kick the tires before you buy."):** When you are ready to seek out professional advice, you must know how to evaluate your options. Whether you want to work with WEIL or any other advisor, a digital platform, or a paid subscription, ask how they are compensated and whether they operate under a fiduciary standard (meaning they are legally required to act in your best interest, not just recommend something "suitable"). Ask these questions before you engage, not after something goes wrong.
- **Practice with real, small stakes:** Abstract financial concepts rarely resonate with inexperienced investors. Consider opening a modest "beginner portfolio" outside of your retirement account. Fund it with enough money to feel real, but small enough that a mistake is a lesson, not a setback. This builds muscle memory, allowing you to practice the mechanics of investing, observe daily market volatility, and understand the tangible benefits of diversification in a safe, controlled manner.
    - *A thought for the client generation: funding such an account is an ideal way to build an experiential bridge for your heirs, to allow them to practice driving before taking over the wheel full time.*
- **Ask to be at the table:** Wealth transition should not be a surprise. If your parents/grandparents are comfortable with the notion, ask to sit in on a financial planning discussion, even just to ask the basic questions you have been hesitant to ask elsewhere. We have found that intentional family meetings, facilitated by the WEIL team, create a highly effective forum for open, multidirectional communication. If you would rather talk to someone directly and confidentially, we are happy to have that conversation with you. No pressure, no obligation, no judgment.

The wealth your family has built has taken a lifetime of discipline to bring to this point. Ensuring that wealth lasts past the current generation requires a willingness to pass down the knowledge to manage it with prudence and confidence, not just the assets themselves. We are here to help you bridge that gap. You do not need a massive portfolio already in place, or everything figured out to start the conversation. If you want to move away from financial guesswork and undertake an effort to plan strategically, both for now and for the future, we are here to talk. Reach out via email or phone to set up that first conversation; we can promise you zero pressure, zero judgment, and zero motivation other than to help you thrive.