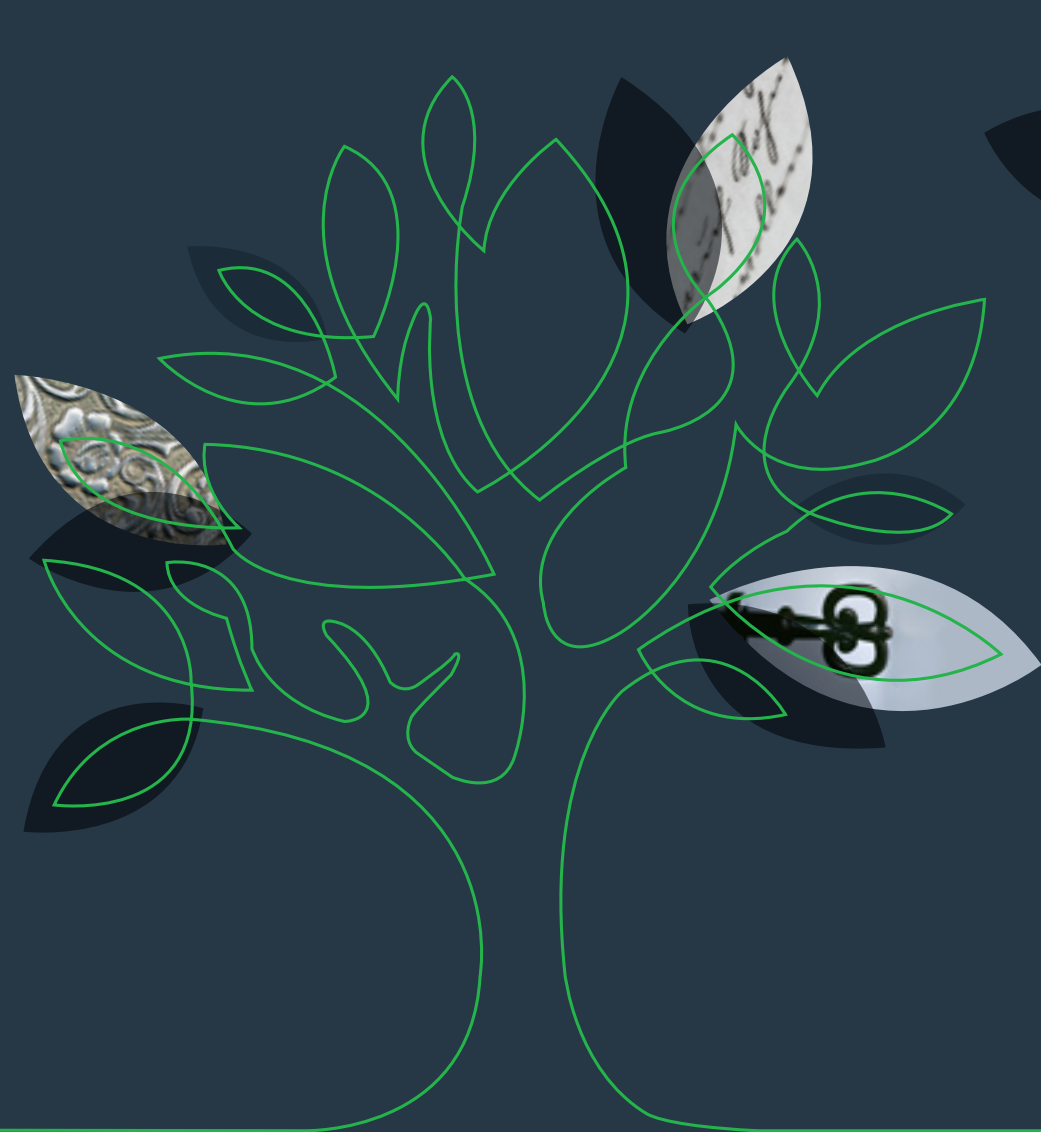


**nuveen**

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Generation n

# What advisors need to know about working with wealth inheritors

2022 Nuveen Wealth Inheritor Research Study

scroll



Despite what you might have heard, wealth inheritors are eager to work with a family advisor.



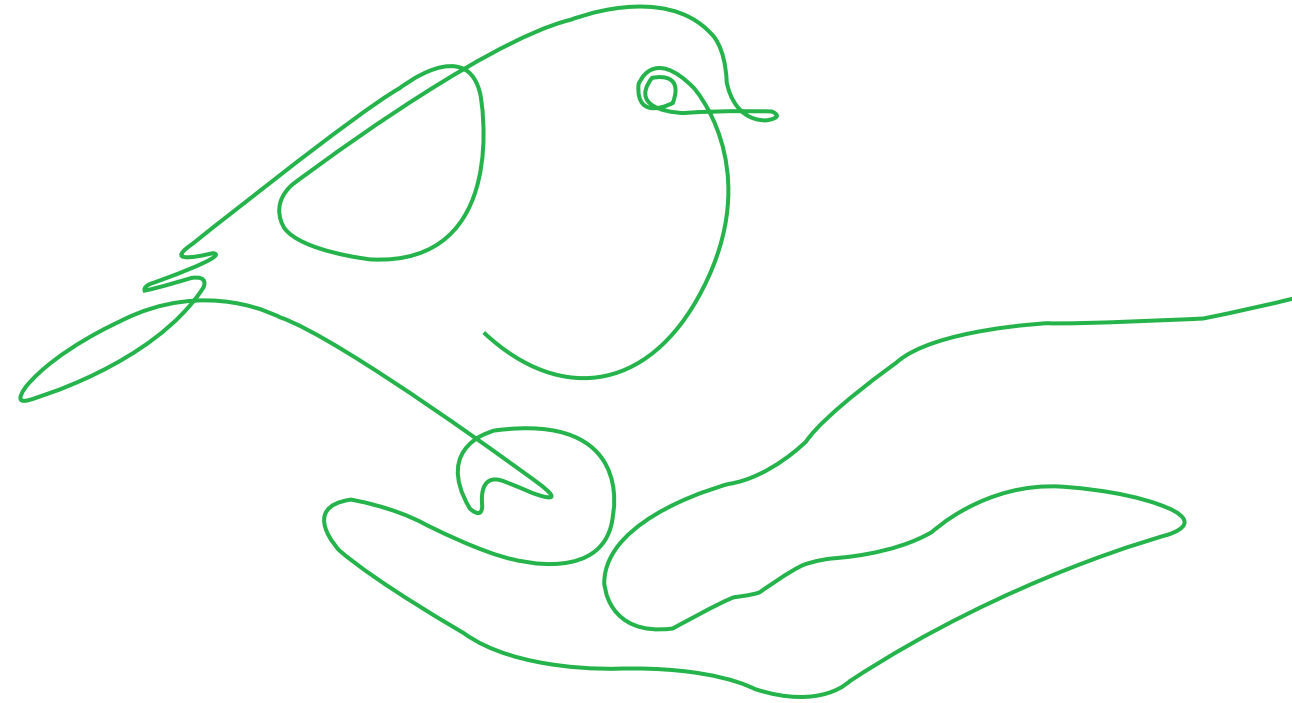
Explore these empowering findings from our study and learn what this vital client segment wants from their advisors.

# Out with the old and in with the new findings

For years, financial advisors have been inundated with negative messages of the looming generational wealth transfer — the largest in history. Understandably, the stakes are huge. Those who can attract or retain these assets will build a strong foundation to their practices for decades to come.

Yet the message has been that heirs are going to fire their family's advisor and pursue other platforms for advice.

Our research paints a very different picture, one that is encouraging and empowering. With awareness and an intentional approach, advisors can not only capitalize on the built-in advantage of existing relationships, but also attract and grow a thriving practice with these clients in mind.



## Our survey of wealth inheritors

Nuveen set out to uncover any differences in goals, attitudes and behaviors of wealth inheritors relative to wealth builders. We surveyed more than 500 investors — focusing on those who anticipate inheriting significant wealth — to understand how their preferences may influence advisors' value propositions.

## Myth: Transferred assets will leave

### Let's flip that misconception:

Our research tells us that the majority of inheritors are likely to stay.

# 64%

of inheritors who were introduced to their family's advisor went on to work with that advisor

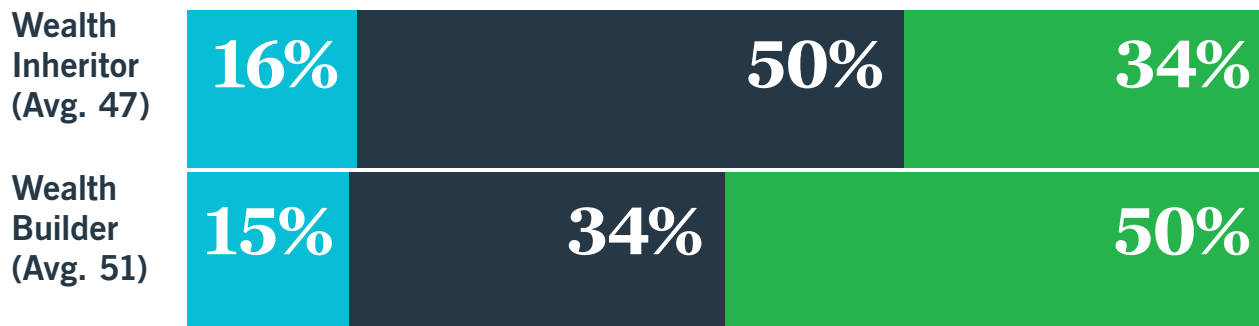
This unique time in history may actually be the opportunity of a lifetime. Advisor success is both possible and probable, though greatly dependent on understanding wealth inheritor preferences.

# About the survey

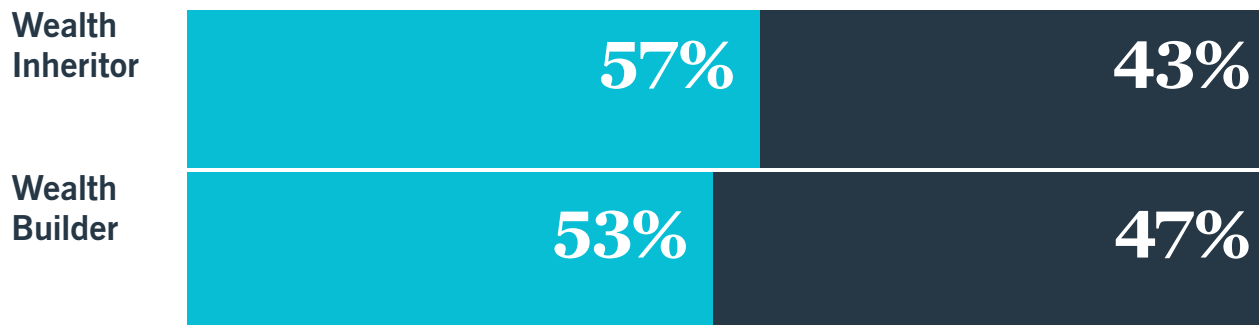
Conducted in 2022, we set out to learn about the attitudes, behaviors and goals of wealth inheritors — and how they may differ from wealth builders.

## Demographic Profile

Age ● 18–34 ● 35–54 ● 55–65



Gender ● Male ● Female



Percentages may not equal 100% due to rounding.

## Qualifications

- Age: 18–65
- Income: \$125,000 or more
- Primary/shared decision maker for financial decisions
- Financial advisor usage — has a current or previous financial advisor OR would consider using one

## Completed Interviews

Over 500 interviews

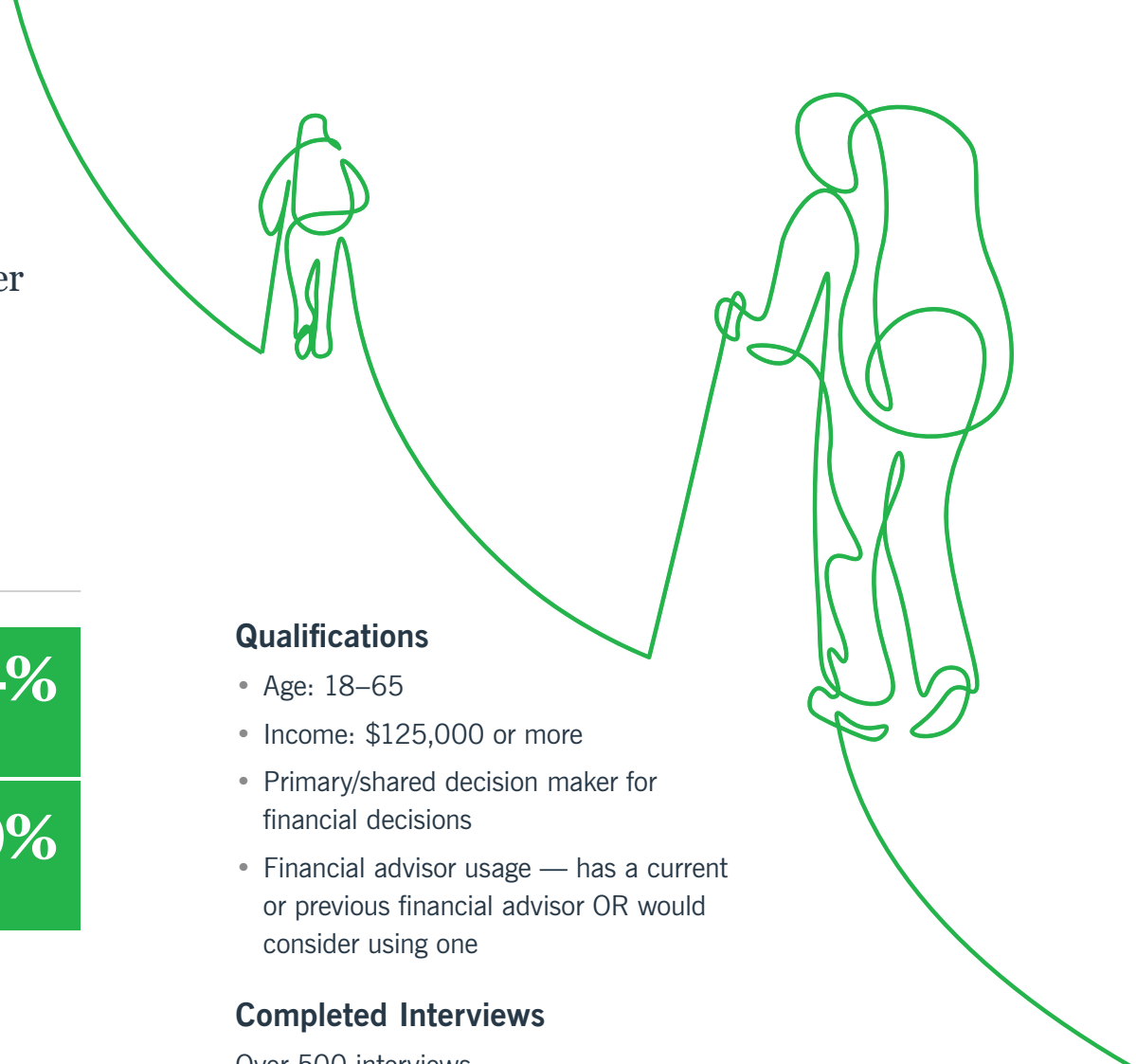
- Wealth Inheritor Total: 376
- Wealth Builder Total: 143

## Wealth Inheritors

- Current net worth or projected net worth of \$1 million or more
- 10% or more of net worth is from or projected to be from an inheritance

## Wealth Builders

- Current net worth or projected net worth of \$1 million or more and did not/not projected to inherit



# Persona of the wealth inheritor



Eager to accomplish multiple goals



Hungry for financial knowledge



Keen to be involved in the planning process



Seeking fulfilling relationships with trusted partners



Open to working with multiple advisors



Inclined to work with the family's advisor



Willing to evangelize on behalf of their advisor

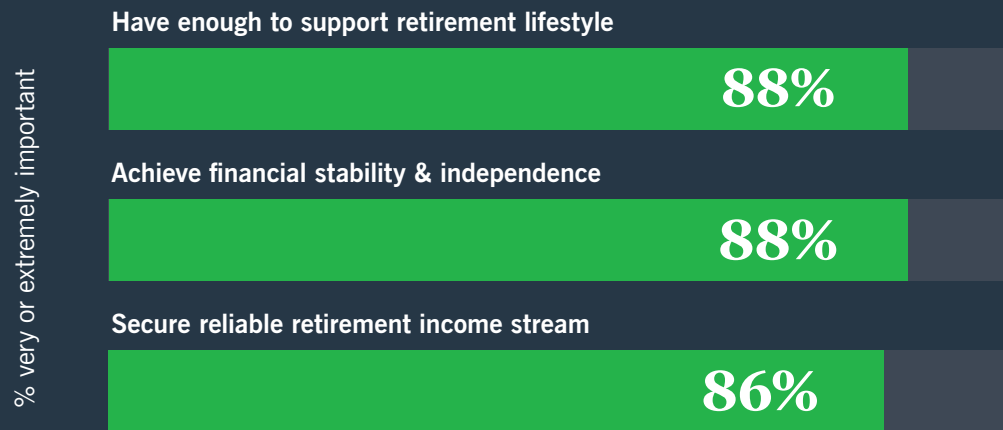


## Compelling insights revealed:

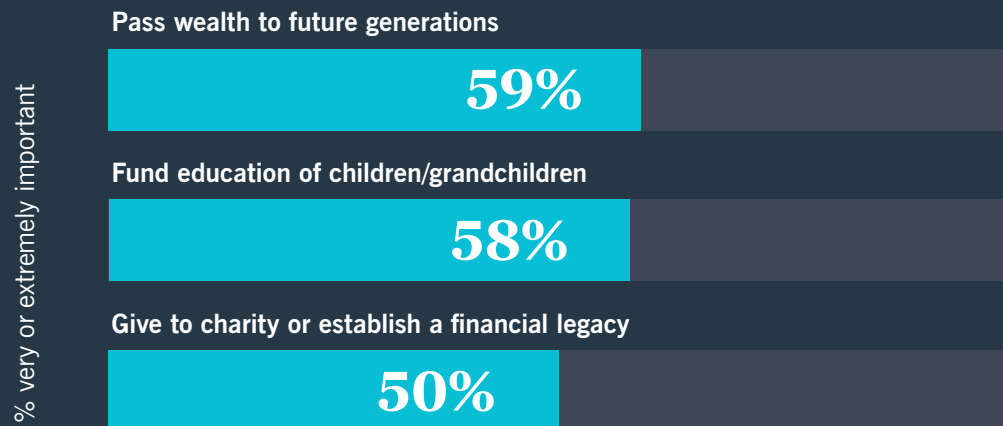
The nuances of what inheritors are looking to accomplish with their wealth and what they value in their relationship with their advisors can spur relatively small — but meaningful — adjustments in how advisors engage with these clients.

# Eager to accomplish multiple goals

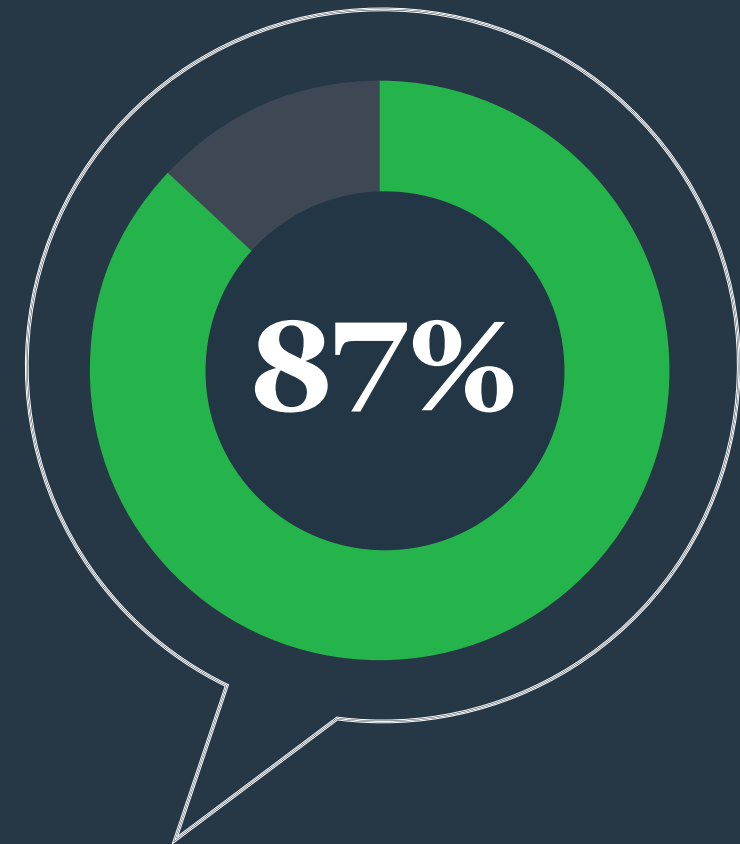
## Inheritors' top goals focus on independence and security



## ... though supporting communities and loved ones matter, too



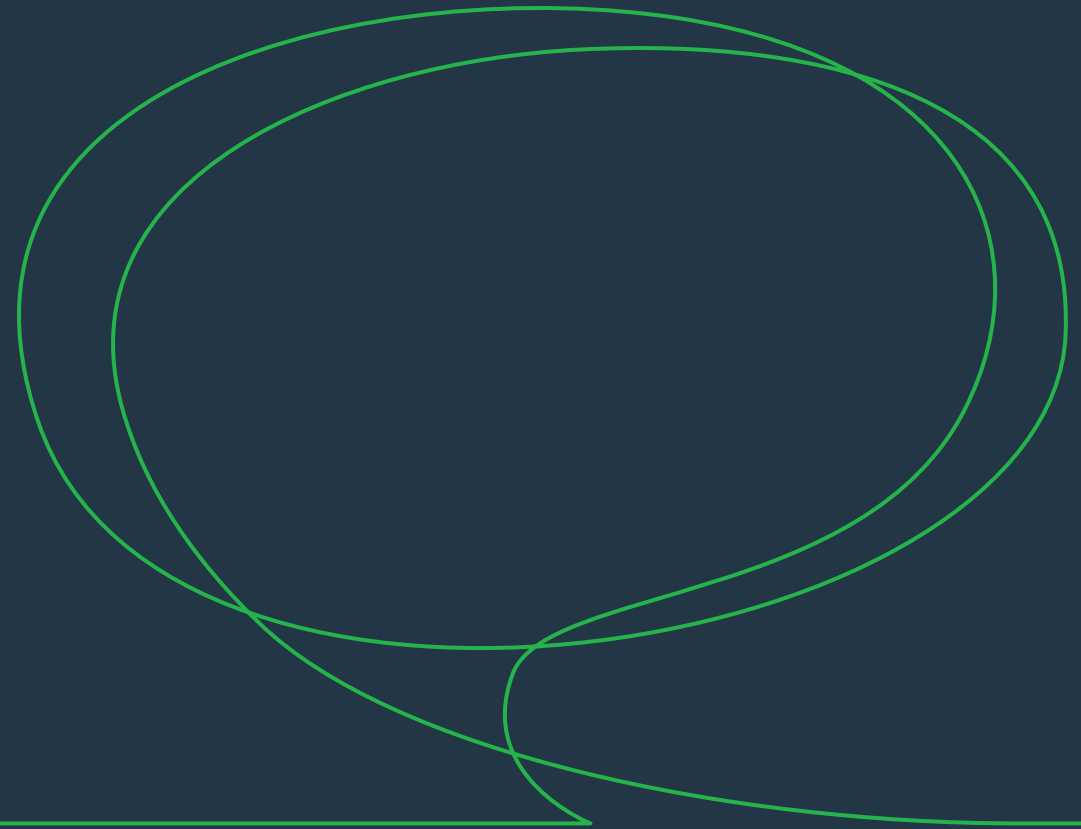
## With much to accomplish, inheritors plan to actively seek advice



**% of future wealth inheritors who plan to have a financial advisor at the time of wealth transfer**

# Bring clarity and focus

Given inheritors' broad set of goals, they may often feel overwhelmed. Inheritors are receptive to advice and want help on multiple fronts. Job #1 is helping them prioritize their goals and focus their plans on the things that matter most.

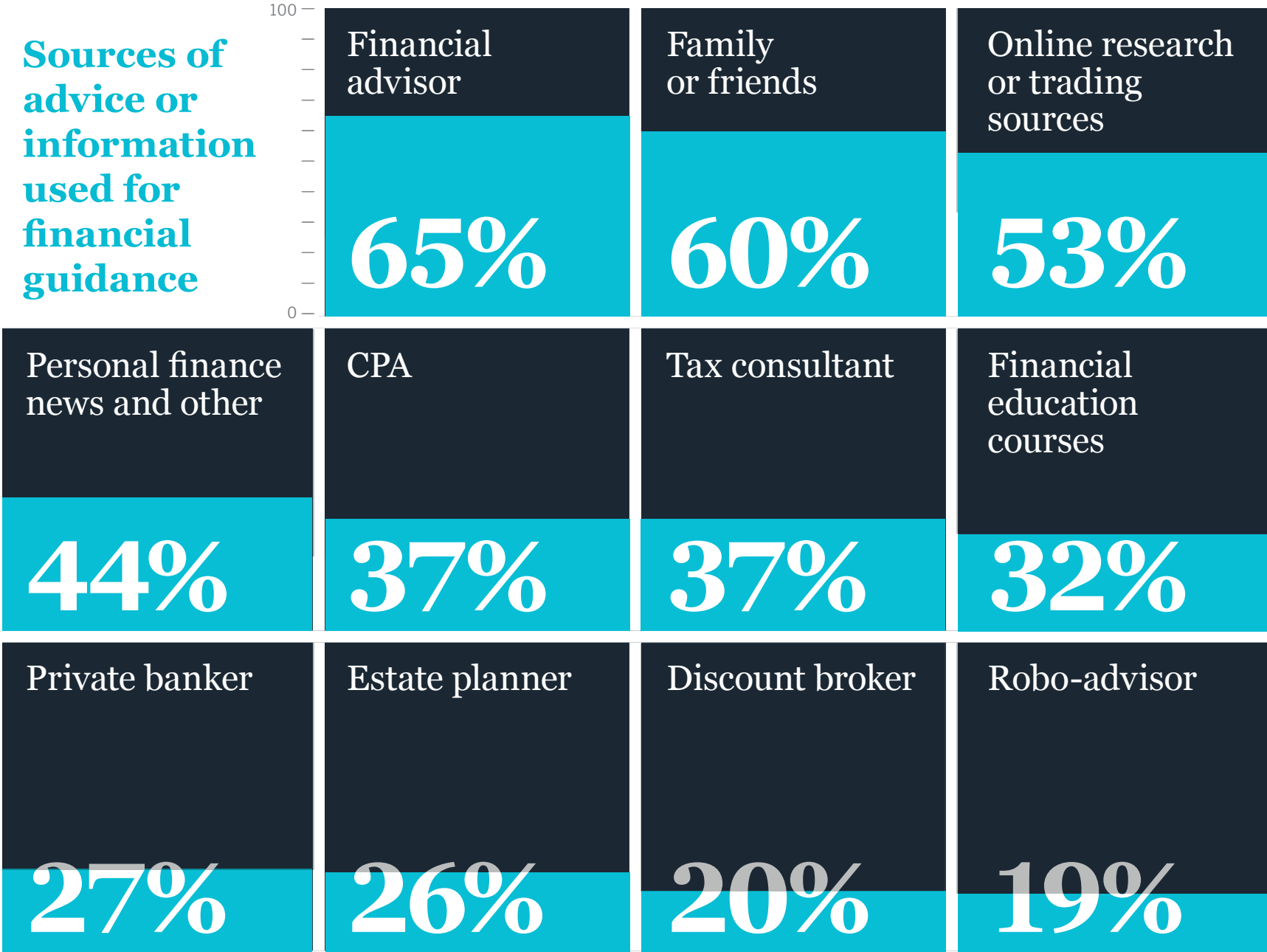


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**Consider this:** Does the client discovery process effectively capture their diverse priorities?

# Hungry for advice and education

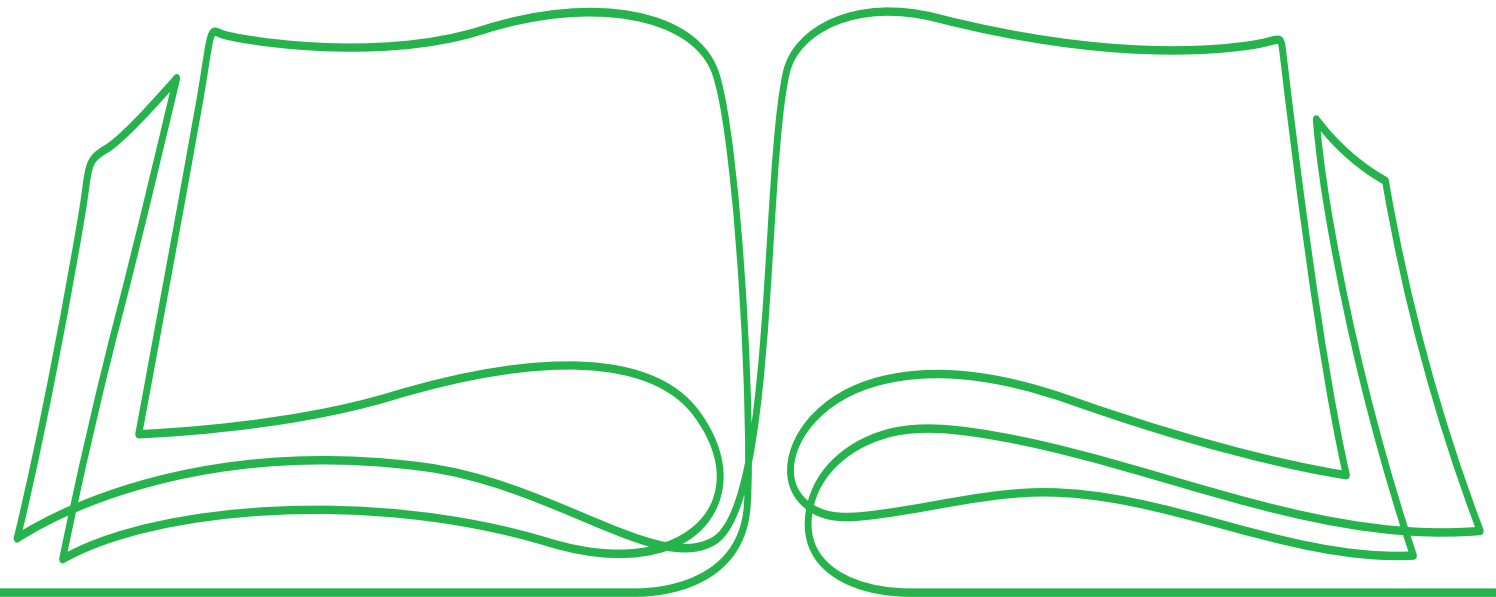
Inheritors are actively seeking financial advice across a variety of sources. They want to understand the decisions that they need to make and be involved in the process along the way.





# Showcase your expertise

The extent to which inheritors actively seek education underscores their desire to be informed decision-makers. When advisors serve as their teachers, it not only helps build trust but also sets up the client with a solid foundation for years to come. This thirst for knowledge should shape how advisors engage and build relationships with these clients.



**Consider this:** What effective and scalable client education methods could help?

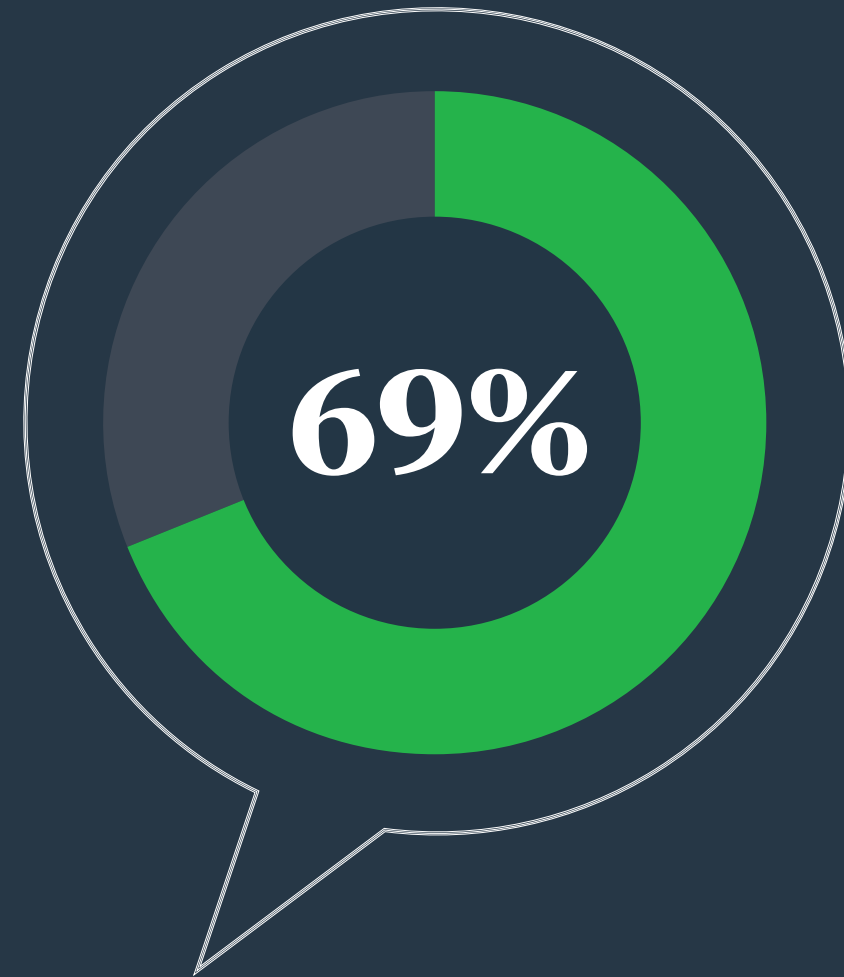
# Hands-on experience

**Inheritors won't fully outsource management of their wealth to their advisor.**

**Nearly  
7 of 10**

inheritors who are working with an advisor prefer to personally oversee some aspects of their financial plan. This underscores the importance of a teaching relationship to support them in making informed decisions.

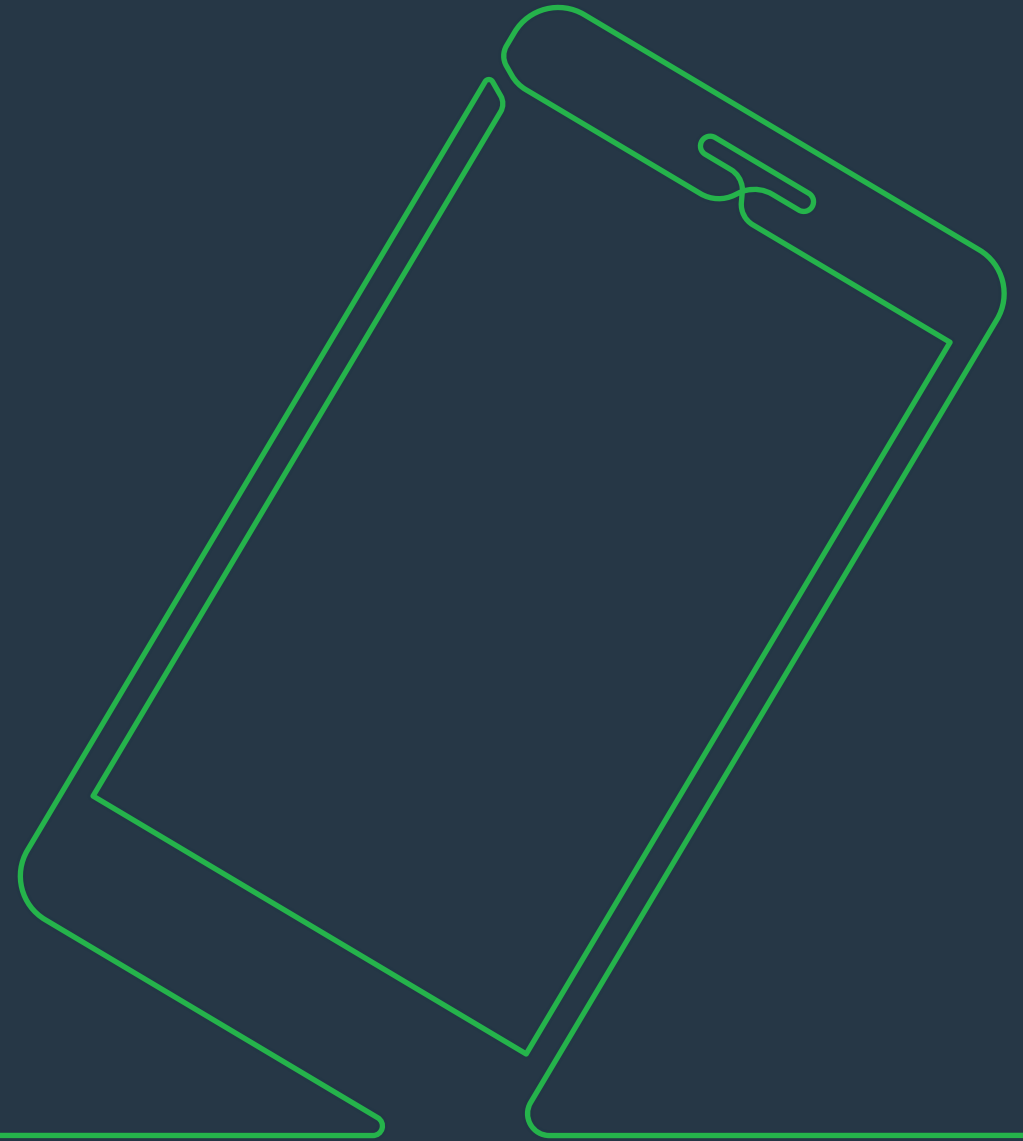
In addition to citing that they want to have some degree of involvement in the planning process, many inheritors also just simply enjoy investing and learning about markets.



**% of inheritors** prefer to personally oversee some of their financial planning

# Get ready to flex

Inheritors' preference to be hands-on, informed decision makers will shape the trajectory of client engagement models. Advisors will need to develop models that allow inheritors to be involved in the process at a level that suits their interests and time constraints. Technology plays a huge role in creating these flexible, multichannel forms of engagement.



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**Consider this:** How can technology be deployed to efficiently adapt engagement models?

# Wanted: trust and alignment

Inheritors identified five key characteristics that have a meaningful impact on their satisfaction.

## Advisor characteristics that drive wealth inheritor satisfaction

25%	Trustworthy expert	Acts with integrity and has relevant expertise or credentials
25%	Working for me	Understands my financial needs and goals, and puts my best interests first
24%	Personal touch	Gets to know me personally and proactively offers good ideas that align with my preferences
14%	Thoughtful custodian	Manages investments well and monitors progress toward my goals
12%	Great technology	Gives access to great technology to communicate and follow investments

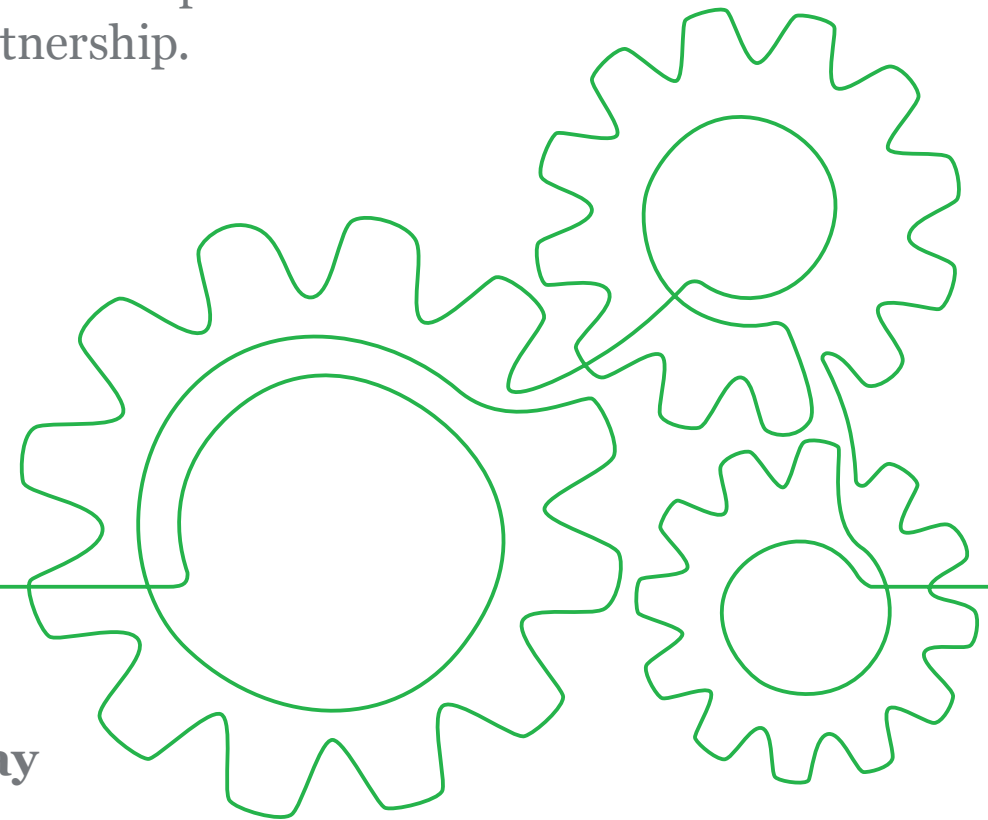
# Build trust and depth in your relationships

Inheritors want a fuller relationship with their advisors. These results suggest a relationship-driven approach compared with wealth builders, who tend to take a more transactional view. Inheritors are looking for holistic, well-rounded relationships with advisors with whom they can build a true partnership.

Taking the time to understand inheritors' unique situations and goals present advisors with an opportunity to further build trust and solidify their relationships.



**Consider this:** Are clients aware of the breadth of capabilities and services that may be available to them?



# May engage with multiple advisors

## Why are inheritors working with multiple advisors?

Finding one advisor to accomplish all of inheritors' competing priorities for their wealth may not be realistic. So, they are open to building a team of advisors or graduating toward different advisors as their personal situation evolves.

Of inheritors who are currently working with an advisor, **more than half (54%)** are working with more than one advisor or have had multiple advisors in the last 12 months.

**The top reasons inheritors cited for spreading their assets across multiple advisors involved wanting to avoid concentration risk and needing to access additional expertise as their wealth grew and their needs became more complex.**

## % working with multiple advisors

Wealth inheritor

54%

Wealth builder

35%

## % who have used 2+ advisors over their lifetime

Wealth inheritor

76%



Wealth builder

46%



Inheritors aged 18–54 are more likely than those over age 55 to use more than one advisor at a time.

# Be their go-to

Advisors need to position themselves as the orchestrator over the advisor team. Overseeing the client's overall wealth planning and coordinating the efforts of other specialists puts the advisor in position to manage the lion's share of the assets and become indispensable.

Just because an investor has an existing advisor, that doesn't mean the door is shut. There are ample opportunities to initiate relationships with inheritors who already have advisors and then grow those relationships over time by showcasing value in the areas that matter most to inheritors.



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**Consider this:** Are there opportunities to initiate relationships with inheritors who currently have an advisor?

# When money is in motion, existing relationships matter

There's a misperception that it's hard to retain assets when wealth is transferred from one generation to the next.

**When it comes to retaining the family's wealth, familiarity breeds success.**

Inheritors are open to working with their family's advisor, if the advisor has done the work to establish a relationship before the money is passed down.

# 64%

**of inheritors who were introduced to their family's advisor went on to work with that advisor**

Trust and existing relationships top the list of reasons inheritors continue to use — or stop using — the family's advisor.



## Trust

“They did a good job for my family, and I thought they would do the same for me.”

“It was easy/ convenient.”



## Relationship

“I did not know them very well.”

“I could not relate to them.”



# Build the bond

While these findings about inheritors' willingness to work with their family's advisor may challenge conventional wisdom, they validate how much inheritors value forming partnerships with advisors they trust. Establishing a presence early in the lives of clients' children and grandchildren can be tremendously valuable for an advisor's practice.



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**Consider this:** How is a successful practice structured to ensure engagement across multigenerational clients and prospects?

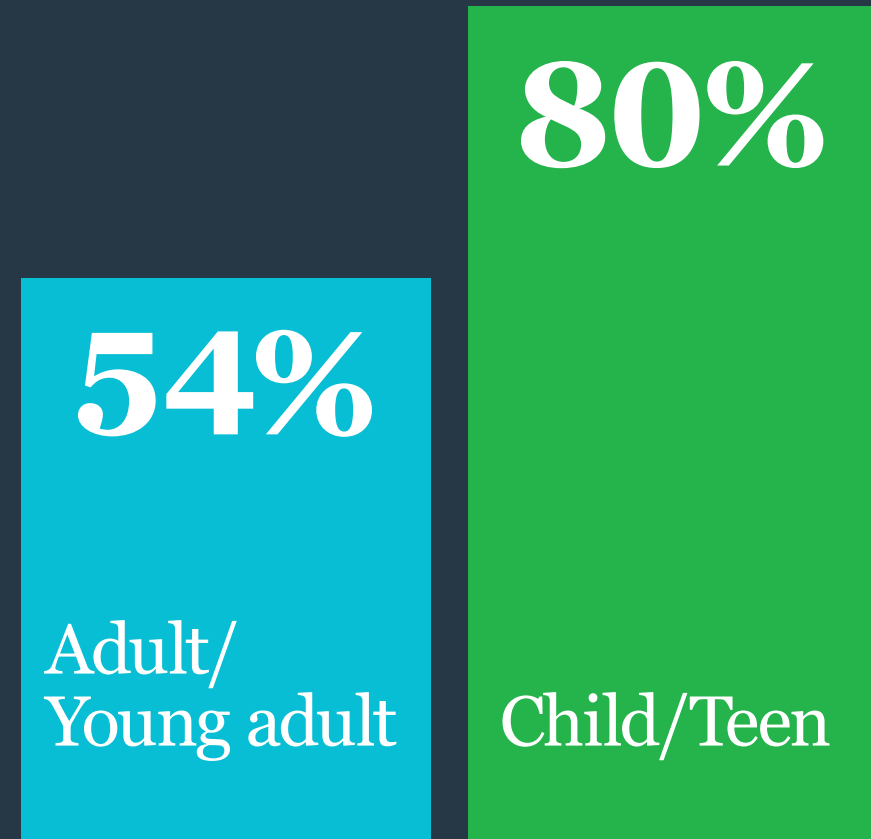
# Early investments pay enduring dividends

Building connections with inheritors plays a huge role in retaining wealth that is passed to younger generations — and the earlier those connections happen, the better.



Despite the importance of making early connections, most advisors don't capitalize on this golden opportunity. This may be because advisors struggle to think of ways to connect with children and teens. Advisors should look for opportunities to include younger generations in social events, and take time to understand their interests to better form a genuine connection.

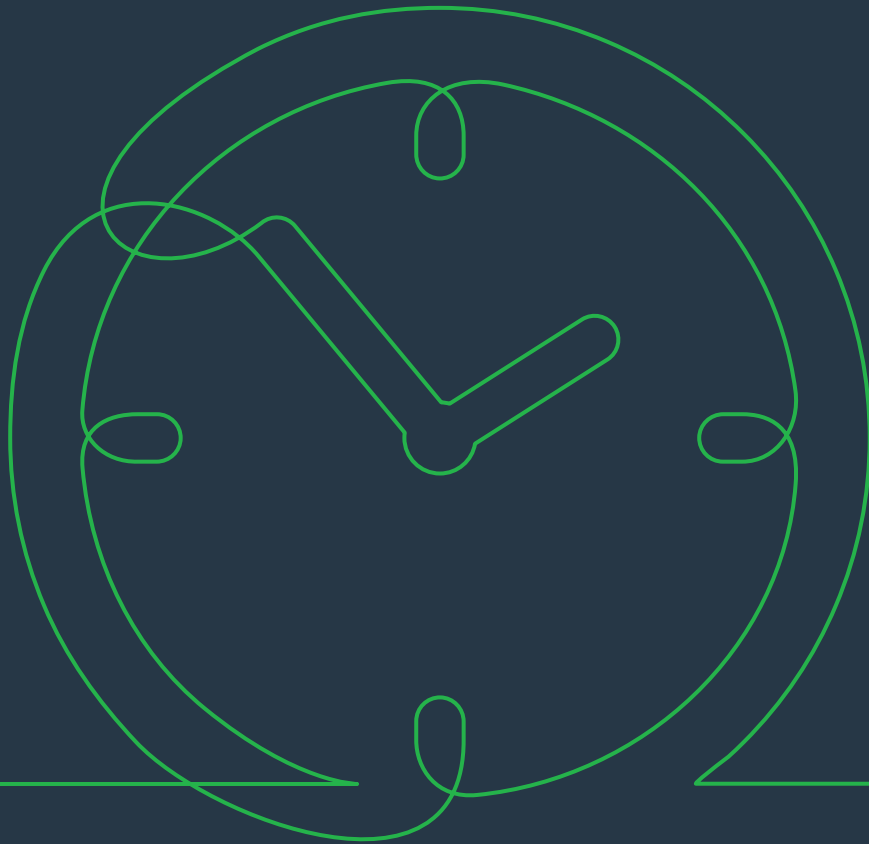
% that decided to work with the family financial advisor



Age when an inheritor was introduced to the family advisor

# Remember: It's never too soon

The benefit of connecting with clients' children before they reach young adulthood is clear. But that shouldn't discourage advisors from reaching out to potential heirs later in life. Even if the introduction doesn't happen until young adulthood or later, there is still a 54% likelihood that the inheritor will continue working with the family advisor.



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**Consider this:** How does client segmentation inform an effective and efficient service model?

# Good clients make for strong advocates

**Building relationships with future inheritors is an investment of time and resources. Our research shows that these investments are worth their weight in gold.**

Inheritors have many of the characteristics of ideal clients with high lifetime values — and not just because they stand to receive significant wealth. Inheritors tend to be highly satisfied with their advisors and are likely to generate referrals. Clients gained via referral tend to align with an advisor's ideal client profile and may be inclined to return the favor by introducing their advisor to new prospects.

## Inheritors are highly satisfied ...

**75%**

Satisfied

## ... and likely to refer their advisors

**55%**

of inheritors reported being active promoters of their advisors.

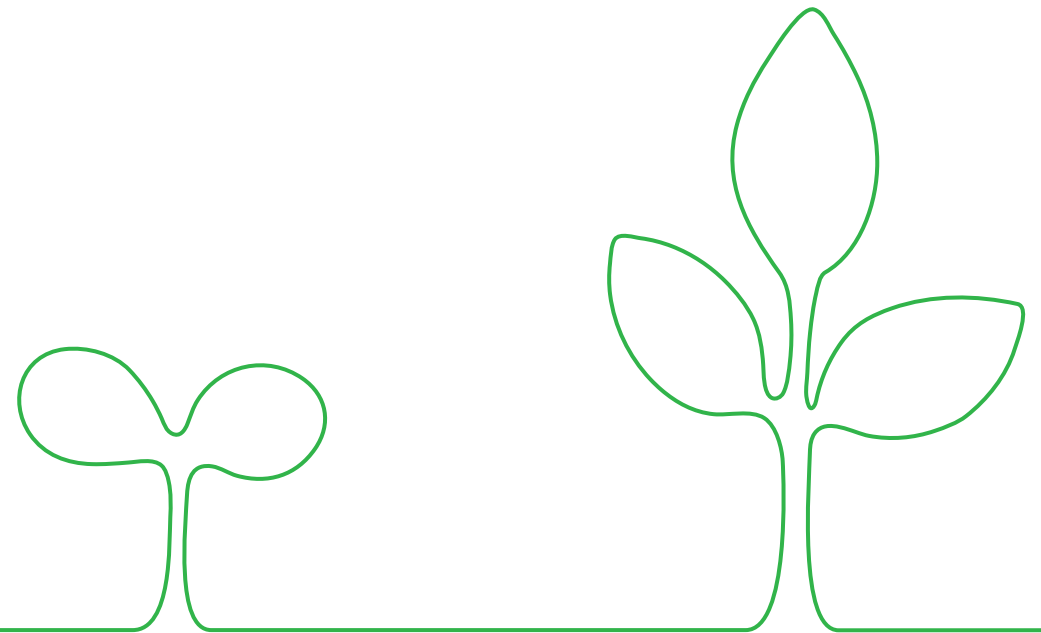
# Nurture your future evangelists

With a strong relationship, inheritors are highly likely to become evangelists for their advisors. Connecting with future inheritors can be done gradually through regular touchpoints and events designed to involve clients' children and grandchildren. This slow and steady approach builds trust and familiarity that will pay dividends.



?

**Consider this:** Is a deliberate referral strategy in place to identify and connect with prospects?



# Turning insights into actions

Understanding what wealth inheritors seek to accomplish and how they want to engage reveals specific actions advisors can take to grow their practices for years to come.

## Attribute

**Wealth inheritors are clearly:**

Eager to accomplish multiple goals	▶	Leverage client discovery and the planning process to identify, understand, and prioritize the client's goals.
Hungry for financial knowledge	▶	Showcase expertise through effective and scalable client education methods.
Keen to be involved in the planning process	▶	Create a client-engagement model that lets inheritors pick their level of involvement.
Open to working with multiple advisors	▶	Establish primacy by approaching the relationship as the orchestrator of the client's overall wealth planning.
Seeking fuller relationships with trusted partners	▶	Identify opportunities along the client experience journey to promote breadth and depth of services.
Inclined to work with the family's advisors if a relationship exists	▶	Get to know the children of current clients starting with social interactions and building toward financial education.
Willing to evangelize on behalf of their advisor	▶	Once a wealth inheritor is secured as a client, actively ask for their help in identifying and connecting with prospects.

## Action

**This creates opportunities for advisors to:**

# Generational wealth transfer creates once-in-a-lifetime opportunities. Pursue them with action and intent.

## About Generation n

Advisors are continuously challenged with building new business while they nurture their existing relationships. The great news for advisors is that they don't have to look far, nor hard, to find new clients.

By understanding what these new clients want — and intentionally incorporating a multigenerational approach into their business model — advisors can establish a powerful new client pipeline and capture their share of the \$80 trillion asset opportunity.

Nuveen's Generation n program offers insight into what new clients want from their advisor relationships, along with practical strategies for effectively attracting, cultivating and retaining clients across generations.

In addition, we help you identify and amplify key areas in your advisory model that will allow you to maximize opportunities now and position your practice for what's next.

*A new generation of clients awaits.*

**To learn more about how to capitalize on the generational wealth opportunity, contact your Nuveen Advisor Consultant today at 800.221.9271 for more information.**

For more information, please visit [nuveen.com](https://www.nuveen.com).

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Nuveen, LLC provides investment advisory services through its investment specialists.

## About Nuveen Advisor Education

Nuveen brings our financial professional partners — and their clients — an experienced group of subject matter experts ready to share ideas, insights, and educational programs. Whether it's a focus on enhancing an advisor's practice, acquiring new clients or current, actionable market and asset class insights, Nuveen offers timely and relevant content and programs.

*We look forward to partnering with you.*

