Northwestern Mutual Study Finds Gen Z Wants to Talk About Family Finances Far Earlier than Previous Generations

Gen Z trusts family members and advisors – and not "FinTok" influencers – for financial advice

Millennials want to talk to parents about wills, life insurance, inheritance and long-term care plans a full decade earlier than Boomers+

MILWAUKEE, Nov. 7, 2023 /PRNewswire/ -- Younger Americans say they are ready to have conversations about more sensitive family financial topics earlier on in life. From family budgets to inheritances to estate planning, the time to talk is trending sooner. As the 2023 holiday season approaches, Northwestern Mutual's Planning & Progress Study is exploring this topic for the very first time.

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The average American says the right time to talk with kids about their family's financial situation is at age 17. However, the research discovered some significant differences across generations: Boomers+ say they had that first family conversation when they were 22, while Generation Z had it seven years earlier at age 15.

When did you & when should you have the first money conversation	All	Gen Z	Millennials	Gen X	Boomers+
Average age people think kids should be when they have their first conversations about family finances with parents/guardians	17	15	16	16	18
Average age people were when they had their first conversation about family finances with parents/guardians	19	15	18	20	22

"Talking about money with your family used to be taboo in society, but today, young people are changing the conversation," said Aditi Javeri Gokhale, chief strategy officer, president of retail investments and head of institutional investments at Northwestern Mutual. "Meaningful wealth discussions between generations are now happening earlier in life and more frequently. Beyond financial planning, these conversations are also moments to reconnect with children on values, hopes, expectations and the financial acumen they need to thrive today and long into the future."

Northwestern Mutual's study also found that Gen Z is the most likely to consider "family members" as the most trusted source for financial advice, followed by financial advisors. These sources score 15-to-20 percentage points higher than the often-popularized "FinTok" influencers on social media.

Most trusted source for financial advice	All	Gen Z	Millennials	Gen X	Boomers+
Family member	14 %	28 %	19 %	12 %	8 %
Financial advisor	31 %	22 %	25 %	35 %	35 %
Spouse/partner	17 %	12 %	20 %	15 %	16 %
Business news	8 %	11 %	6 %	8 %	9 %
Financial influencers / social media (Reddit, TikTok, etc.)	3 %	6 %	4 %	2 %	0 %

Friend	4 %	4 %	7 %	4 %	2 %

"I believe one of the emerging trends in financial services will be intergenerational wealth conversations," said Javeri Gokhale. "In the coming decades, we will see the greatest wealth transfer in American history when Boomers shift $30 trillion in wealth, mostly to loved ones. But inherited wealth is not indefinite wealth, and many affluent families lose their accumulated wealth by the second generation. Gen Z continues to rely on parents for sound counsel as they emerge as young adults, but they also see advisors as financial experts that they can trust for advice. As Americans with teenage and young adult children reconnect with their financial advisors in the year ahead, I expect more Americans to add seats at the table for the next generation so the entire family can prepare for their financial future together."

Talking to Aging Parents About Their Wishes

According to the study, nearly three in 10 (29%) U.S. adults have talked to their parents or guardians about an inheritance, will provisions and other matters related to their estates. But here again, there are signals in the data showing younger generations are placing a greater priority on having those conversations sooner.

When asked when people should initiate that talk with their parents/guardians, there was a full 10-year gap between what Boomers+ and Millennials suggested.

	Gen Z	**Millennials**	**Gen X**	**Boomers+**
What age should you be when you start talking to your parents and guardians about their wishes regarding inheritance, wills, and estate plans?	47	45	51	55

Another topic that is likely to come up sooner with aging parents and guardians is their preferences and options regarding long-term care. Just over four in 10 (43%) U.S. adults have had that conversation already. But younger generations are, once again, placing a greater priority on having that conversation sooner.

	Gen Z	**Millennials**	**Gen X**	**Boomers+**
What age should you be when you start talking to your parents and guardians about their long-term care preferences?	42	40	49	53

"At the end of the day, determining when to have these discussions is a personal decision that each of us needs to make for ourselves. But, families should have these challenging conversations at some point, because if they don't, loved ones may need to make difficult decisions on their own. Younger generations are wisely choosing to talk sooner," said Javeri Gokhale. "This is an opportunity for families to get on the same page about life insurance or an inheritance, and also ensure that a loved one's wishes are understood, honored and planned for. The good news is that people are increasingly prioritizing open and honest conversations about finances among family members, and it's an area where a trusted financial advisor can be a great resource."

About The 2023 Northwestern Mutual Planning & Progress Study

The 2023 Planning & Progress Study was conducted by The Harris Poll on behalf of Northwestern Mutual among 2,740 U.S. adults aged 18 or older. The survey was conducted online between February 13 and March 2, 2023. Data are weighted where necessary by age, gender, race/ethnicity, region, education, marital status, household size, household income, and propensity to be online to bring them in line with their actual proportions in the population. A complete survey methodology is available.

About Northwestern Mutual

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