

As \$90 Trillion "Great Wealth Transfer" Approaches, Just 1 in 4 Americans Expect to Leave an Inheritance

Estate Expectations: A considerable gap exists between what Gen Z and Millennials expect in the way of an inheritance and what their parents are actually planning to do

Banking on a Benefactor: Half of Americans expecting an inheritance consider it "critical" or "highly critical" to their financial security

Transfer Troubles: 6 in 10 American parents say their children do not value financial responsibility the same as they do

Probate Problems: 40% of Boomers+ and 65% of Gen X'ers do not have a will

Inheriting Insights: 3 in 4 Americans feel comfortable including their teen or young adult child in annual advisor meeting

MILWAUKEE, Aug. 6, 2024 /PRNewswire/ -- As younger generations anticipate the \$90 trillion "Great Wealth Transfer" predicted by financial experts, a minority of Americans may actually receive a financial gift from their family members. Just 26% of Americans expect to leave behind an inheritance, according to the latest findings from [Northwestern Mutual's 2024 Planning & Progress Study](#).

Do you expect to leave an inheritance (or give a gift / donation to a charitable organization)?					
	All	Gen Z	Millennials	Gen X	Boomers+
Yes	26 %	36 %	28 %	22 %	22 %
No	50 %	36 %	47 %	56 %	55 %
Not sure	24 %	27 %	25 %	22 %	23 %

The study finds a considerable gap exists between what Gen Z and Millennials expect in the way of an inheritance and what their parents are actually planning to do.

One-third (32%) of Millennials expect to receive an inheritance (not counting the 3% who say they already have). But only 22% each of Gen X and Boomers+ say they plan to leave a financial gift behind.

For Gen Z, the gap is even wider – nearly four in ten (38%) expect to receive an inheritance (not counting the 6% who say they already have). But only 22% of Gen X and 28% of Millennials say they plan to leave a financial gift behind.

Based on plans alone, the generation that may see a larger wealth inheritance is Generation Alpha, given that more than a third (36%) of Gen Z say they plan to leave a financial gift behind.

Do you expect to receive money / assets as part of an inheritance(s)?					
	All	Gen Z	Millennials	Gen X	Boomers+
Yes	25 %	38 %	32 %	28 %	11 %
I already have and don't expect any more	10 %	6 %	3 %	8 %	22 %
No	53 %	38 %	49 %	54 %	62 %
Not sure	12 %	18 %	17 %	10 %	5 %

Among those expecting to receive an inheritance, half (50%) consider it "highly critical" or "critical" to their long-term financial security. For Millennials it's even more – 59%.

How critical to your long-term financial security or retirement is the inheritance that you're expecting?					
	All	Gen Z	Millennials	Gen X	Boomers+
CRITICAL (NET)	50 %	54 %	59 %	46 %	30 %
Highly critical. Without receiving an inheritance, I won't achieve long-term financial security or be able to retire comfortably.	17 %	13 %	26 %	14 %	9 %
Critical. Without receiving an inheritance, I may not achieve long-term financial security or be able to retire comfortably.	33 %	41 %	33 %	33 %	21 %
NOT CRITICAL (NET)	50 %	46 %	41 %	54 %	70 %
Not critical. I'll achieve long-term financial security and retire comfortably with or without receiving an inheritance.	43 %	41 %	35 %	48 %	54 %
Not critical. I'll never achieve long-term financial security or retire comfortably with or without receiving an inheritance.	7 %	5 %	5 %	5 %	16 %

However, Gen Z has the greatest expectations for the impact of an inheritance on their retirement strategy. This generation expects the gift would cover 10% of their retirement funds.

Among the following, what percentage of your overall retirement funding do you expect each to deliver?					
	All	Gen Z	Millennials	Gen X	Boomers+
401K or other retirement account	29 %	26 %	31 %	33 %	24 %
Social Security	26 %	13 %	18 %	27 %	40 %
Personal savings or investments	23 %	27 %	24 %	20 %	22 %
Support from spouse / partner	8 %	11 %	10 %	7 %	6 %
Other	6 %	7 %	6 %	5 %	5 %
Inheritance	6 %	10 %	6 %	6 %	2 %
Support from children	3 %	6 %	4 %	3 %	1 %

"In the coming years, we will see a staggering \$90 trillion generational transfer of wealth, but who will see it depends a great deal on people's financial planning," said Kamilah Williams-Kemp, chief product officer at Northwestern Mutual. "Long-term financial planning includes many goals and milestones, but the one that could have the most meaningful and lasting impact on families over generations is leaving a legacy through estate planning. Our research shows that people who expect an inheritance say it can be the deciding factor in whether or not they can achieve financial security. That's very powerful."

A Very Meaningful Money Move for Some – and They're Aiming to Help Their Kids

Among those expecting to leave an inheritance, two-thirds (68%) say it is either their "single most important financial goal" or is "very important." Interestingly, it is more of a priority for younger adults than older with 75% and 81% of Gen Z and Millennials respectively saying it is either their single most important financial goal or very important, versus 65% of Gen X and 46% of Boomers+ who say the same.

How important of a financial goal is it for you to leave something for your kids / the next generation?					
	All	Gen Z	Millennials	Gen X	Boomers+
It is my single most important financial goal	17 %	14 %	22 %	18 %	11 %
Very important	51 %	61 %	59 %	47 %	35 %
Somewhat important	20 %	21 %	13 %	22 %	25 %
Not that important	6 %	1 %	2 %	7 %	14 %
Not at all important	7 %	2 %	3 %	6 %	14 %

Far and away, most people who expect to leave an inheritance plan to give it to their children and grandchildren.

To whom do you, or would you, expect to leave your inheritance and / or charitable gift/donation?					
	All	Gen Z	Millennials	Gen X	Boomers+
Children/Grandchildren	71 %	69 %	71 %	74 %	70 %
Spouse	42 %	53 %	44 %	37 %	36 %
Charitable organizations / causes / religious institutions	35 %	38 %	29 %	30 %	43 %
Extended family members	27 %	34 %	28 %	23 %	21 %
Friends	13 %	24 %	16 %	4 %	7 %
Not sure	2 %	2 %	1 %	3 %	1 %

"Leaving an inheritance is an important goal that extends far beyond dollars and cents," said Williams-Kemp. "It's about providing stability, opportunities, and a foundation for future generations to build upon. That's why it's essential to plan and communicate with family and loved ones to ensure your legacy is protected."

However, the research finds nearly half (47%) of Boomers+ who expect to leave an inheritance or gift have not talked to family about their financial plans. More than a third of Gen X (38%) say the same.

Transfer Troubles and Solutions

Six in 10 American parents say their children do not value financial responsibility at the same levels that they do. And among them, more than half (52%) are concerned that their variance in values could negatively impact the family's assets from one generation to the next.

Additionally, the research finds that four in ten Boomers+ (40%) and two-thirds of Gen X (65%) do not have a will. Among the primary reasons: people think they don't have enough assets, they're too young, it's complicated and awkward to think about, and they're uncertain about where to leave their assets.

Do you have a will?					
	All	Gen Z	Millennials	Gen X	Boomers+
Yes	38 %	20 %	27 %	35 %	60 %

No	62 %	80 %	73 %	65 %	40 %
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Why don't you have a will? Please select all that apply.					
	All	Gen Z	Millennials	Gen X	Boomers+
Don't have enough assets.	34 %	25 %	36 %	37 %	37 %
Too young.	31 %	74 %	38 %	10 %	2 %
It's complicated and awkward to think about.	17 %	12 %	17 %	18 %	22 %
It's depressing to plan for the end of life.	17 %	17 %	19 %	19 %	13 %
Unsure of who / what to leave assets to.	17 %	19 %	18 %	16 %	17 %
Other	7 %	2 %	6 %	11 %	12 %
Not sure	14 %	6 %	12 %	18 %	20 %

One thing most Americans do feel comfortable passing along: financial insights. Three in four parents (76%) say they would feel comfortable formally including their teenage or young adult children in their annual meeting with their financial advisor. When asked to select the primary reasons why, most saw the value in "teaching / instilling in children good financial habits" (71%) and "introducing them to financial planning concepts" (58%).

"The primary way wealth is passed from one generation to the next is through a will, life insurance and an estate plan," said Williams-Kemp. "It's critical for many to develop these financial documents as a good step towards creating generational wealth. However, it's clear that inherited wealth is not indefinite wealth. Financial knowledge can be even more important to pass along to the next generation. Beyond a financial gift, more parents want to pass on proven financial tips to their kids to be successful in the future. These conversations about money are also excellent opportunities for parents to learn about their kids' goals and values, and vice versa."

About The 2024 Northwestern Mutual Planning & Progress Study

The 2024 Planning & Progress Study was conducted by The [Harris Poll](#) on behalf of Northwestern Mutual among 4,588 U.S. adults aged 18 or older. The survey was conducted online between January 3 and January 17, 2024. 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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<https://news.northwesternmutual.com/2024-08-06-As-90-Trillion-Great-Wealth-Transfer-Approaches.-Just-1-in-4-Americans-Expect-to-Leave-an-Inheritance>