



RICHMOND
BROTHERS

Creating Multigenerational Wealth: Strategies For Each Generation



How often do you discuss family wealth and inheritance?

If you're like most, it's probably not a topic of conversation.¹

This could be due to its sensitive nature, or because you and your loved ones haven't considered how to build wealth together – or how to transfer it across generations.²

However, avoiding these conversations can lead to problems, especially with the "Great Wealth Transfer" (GWT) now underway.

The Great Wealth Transfer refers to the transition of ~\$84 trillion in assets from the Silent Generation and Baby Boomers to younger generations. It's expected to occur over the next two decades and be the largest wealth transfer in U.S. history.³

With such a monumental shift, families could face new challenges and unexpected consequences that may impact wealth retention. If family members aren't aligned, it could lead to lost opportunities and diminished generational wealth.

But it doesn't have to be this way.

Each generation can play an active role in breaking the cycle of loss and preserving wealth.

And that can all start with knowing some key strategies for nurturing intergenerational wealth.



12 Wealth-Building Strategies for Each Generation of a Family



Foundation Builders

Gen Z (born 1997 - 2012)

Starting strong financially can set the stage for future success. Gen Z may benefit from the following strategies:

1. **Build Credit Wisely:** Open a credit card, use it responsibly, and pay it off monthly to build a strong credit score. Avoid unnecessary debt, ideally borrowing only for "investments" in your future, like your education or starting a business.
2. **Start Investing Early:** Even small contributions to a Roth IRA or a retirement savings account can grow substantially over time. Learn about compound interest to see how early efforts may pay off.
3. **Learn and Share:** Boost knowledge on personal finance through books, podcasts, and courses. Talk finance with peers and family to normalize money conversations and create more opportunities for building financial literacy.

Pro Tip: Track spending to identify where money is going, and start budgeting to maximize savings contributions.

Wealth Accumulators

Millennials (born 1981 - 1996)

Millennials may be in their prime earning years, an ideal time to build wealth and focus on financial stability.

With an eye toward growth and asset protection, this generation can use these strategies to advance their financial goals:

1. **Invest Consistently:** Maximize retirement contributions and participate in employer matching programs.
2. **Build a Safety Net:** Maintain 3 to 6 months of living expenses in an emergency fund. Research insurance, and get sufficient coverage for health, disability, and life insurance.
3. **Cultivate Financial Transparency:** Talk openly with your family about debt, income, investments, and other financial matters. Greater transparency can promote healthier money mindsets and better financial habits.

Pro Tip: Automate savings and investments to stay on track effortlessly.





Legacy Planners

Gen X (born 1965 - 1980)

Gen X can start legacy planning while working to grow wealth as they support children and aging parents.

Looking to help minimize risk and create brighter financial futures, Gen X can:

1. **Debt Management:** Pay down high-interest debt while maintaining emergency funds. Explore refinancing options if interest rates are favorable.
2. **Prioritize Retirement Savings:** Optimize contributions to accounts like 401(k)s and IRAs. Avoid tapping into retirement savings unless absolutely necessary.
3. **Continue Multigenerational Conversations:** Discuss financial and inheritance plans with your parents and children to help minimize any misunderstandings. Instill financial literacy in the next generation.

Pro Tip: Consider long-term care insurance for yourself and your parents to help reduce future caregiving challenges.

Legacy Protectors

Baby Boomers (born 1946 - 1964)

This generation may prioritize wealth preservation and transfer while sharing financial wisdom with the next generation.

Whether retired or approaching retirement, Boomers can put these strategies in play to both safeguard family wealth and set up a clear plan for wealth distribution:

1. **Estate Planning:** Regularly update your will and trusts to help ensure assets align with your wishes. Strategic gifting to family members may also help reduce future estate tax exposure.
2. **Preserve Retirement Assets:** Review retirement accounts and required minimum distributions (RMDs) to optimize tax efficiency. Diversify investments to preserve against market volatility.
3. **Share Financial Knowledge:** Host family meetings to discuss financial values and plans, fostering savvy money habits across generations.

Pro Tip: Meet with a financial planner annually to review your plans and adjust for any life changes.



Each generation can contribute to multigenerational wealth in meaningful ways, working together to create a shared vision of their legacy.

FINANCIAL LESSON:

The Real Value of Generational Wealth & Legacy Planning

Did any strategies for your generation surprise you?

What about those for your children's or parents' generations?

Building and preserving wealth takes ongoing effort, and it's a shared responsibility across generations. Each generation can contribute meaningfully to the family's financial vision, creating a stronger, more aligned legacy.

This collaboration not only supports multigenerational wealth.

It can foster shared values, financial knowledge, and savvy money habits.

Assets are just as precious as any inheritance when it comes to lasting financial stability.

It also fosters communication – which is key. Beyond family, regularly consulting trusted financial professionals can help navigate changes in life, assets, and markets.



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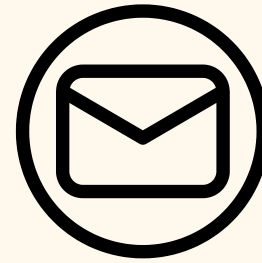


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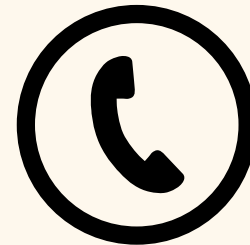




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Content prepared by Snappy Kraken.

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