



## The Great Wealth Transfer: Planning Beyond a Lifetime

Over the next several decades, an unprecedented amount of wealth will move from one generation to the next. Research from Cerulli Associates estimates more than \$80 trillion in assets will be transferred in the United States alone—making this period known as the Great Wealth Transfer. Much of this transition will occur as wealth held by older generations is gradually passed to younger family members.<sup>1</sup> Data from the Federal Reserve Board shows that households age 55 and older hold a significant majority of U.S. household wealth.<sup>2</sup>

For high-net-worth families, this moment may represent far more than an estate planning milestone. It is a transition that touches retirement security, tax efficiency, family harmony, and long-term legacy.

### A Shift Happening in Real Time

Unlike prior generations, many retirees today are choosing to transfer wealth intentionally and gradually, rather than all at once. Gifting strategies, trust planning, and philanthropic vehicles are increasingly being used to support children and grandchildren during meaningful life stages—while still preserving financial independence.<sup>3</sup>

Many families consider this approach, but it also adds complexity. Decisions made today may have tax, investment, and governance implications that extend decades into the future.

### Investment Planning Across Generations

As wealth becomes multi-generational, investment portfolios often need to serve several purposes simultaneously. For retirees, the focus may be on generating reliable income, preserving capital, and maintaining flexibility for healthcare or lifestyle needs. At the same time, a portion of those assets may ultimately support children, grandchildren, or charitable goals decades into the future.

Balancing these competing priorities requires thoughtful design. A portfolio that is overly conservative may preserve capital but fail to grow enough to support future generations. On the other hand, a portfolio positioned entirely for long-term growth may expose retirees to unnecessary volatility at a stage when income stability is essential.

Rather than thinking of a portfolio as a single pool of assets, many families benefit from structuring investments around different time horizons and objectives. For example, assets intended to support near-term spending may be positioned more conservatively, while assets expected to remain invested for the next generation can be allocated with a longer-term growth perspective.

Liquidity planning also becomes increasingly important. Major life events—such as helping a child purchase a

home, supporting education costs, or funding charitable initiatives—often arise unexpectedly. Maintaining an appropriate balance between invested assets and accessible capital may help families to take advantage of opportunities without disrupting long-term investment strategies.

Risk management is another key consideration. As wealth transitions from one generation to the next, families often face a mix of taxable accounts, retirement accounts, trusts, and philanthropic vehicles. Each may have different time horizons, tax implications, and investment constraints. Coordinating these moving parts thoughtfully can help reduce unnecessary taxes, improve portfolio efficiency, and support smoother transitions over time.

Your Karpus Relationship Manager can play an important role in bringing these elements together. Continuous conversations can help families clarify goals, align investment strategies with those goals, and ensure that financial plans remain adaptable as circumstances change. This may include coordinating with estate attorneys and tax professionals, reviewing beneficiary structures, or helping families evaluate gifting strategies during their lifetimes.

For many families, the most valuable role your Relationship Manager plays is helping translate complex financial decisions into a clear long-term strategy—one that supports current retirement needs while also preparing the next generation to steward wealth responsibly.

In an era defined by the Great Wealth Transfer, investment planning is no longer just about managing a portfolio. It is about thoughtfully aligning financial resources with the evolving needs of multiple generations.

### Preparing the Next Generation

One of the most important—and most often overlooked—elements of successful wealth transfer is preparation. While estate plans, trusts, and tax strategies are essential, they only address the mechanics of transferring wealth. The long-term success of that transfer often depends on whether the next generation is prepared to steward those assets thoughtfully.

Many heirs will eventually assume responsibility for significant wealth without having had meaningful exposure to investment decision-making, tax considerations, or the responsibilities that often accompany financial resources. Without context or guidance, even well-intentioned beneficiaries can feel overwhelmed by the complexity of managing assets that may have taken decades to build.

<sup>1</sup> Cerulli Associates, Cerulli Anticipates \$84 Trillion in Wealth Transfers Through 2045. Cerulli Press Release, January 2022.

<sup>2</sup> The Federal Reserve, Distribution of Household Wealth, 2025 Q3.

<sup>3</sup> Investment News, Giving While Living: Advisors Discuss the 'New Wealth Transfer', October 2025.

Preparing the next generation doesn't necessarily require formal training in finance, but it does benefit from early conversations and gradual involvement. Some families begin by sharing the broad outline of their financial plan—how assets are structured, what certain accounts are intended to support, and the long-term vision for the family's wealth. Others introduce younger family members to concepts such as saving, investing, and philanthropy long before a transfer of assets occurs.

In many cases, wealth is tied to more than just financial resources. It may represent years of discipline, sacrifice, and intentional decision-making. When families take time to communicate the values behind those decisions—whether that includes entrepreneurship, charitable giving, education, or long-term investing—it helps future generations understand not just what they are inheriting, but why it was built in the first place.

Clear roles and expectations can also help reduce uncertainty. For example, some families establish structures for how major financial decisions will be made or how trusts are intended to support beneficiaries over time. Others hold occasional family meetings where long-term goals and responsibilities can be discussed openly. These conversations can strengthen trust, reduce misunderstandings, and create a shared sense of purpose around the family's financial legacy.

Your Relationship Manager can play a valuable role in this process by helping facilitate education and communication across generations. In some cases, this may involve introducing younger family members to the fundamentals of investing or explaining how the family's financial plan is structured. In others, it may simply mean creating a comfortable environment where questions can be asked and complex topics can be explained in clear, practical terms.

Families who invest time in preparing the next generation often find that wealth becomes not just a financial resource, but a tool that supports opportunity, responsibility, and shared values. When heirs feel informed and confident, the transition of wealth tends to be smoother—and the legacy behind it more enduring.

### **Our Role**

Navigating the Great Wealth Transfer requires more than documents and projections. It requires perspective, coordination, and a long-term view that adapts as families and markets evolve.

Our role is to help clients think holistically—protecting retirement security, planning for efficient wealth transfer, and creating clarity for the generations that follow.

The Great Wealth Transfer is not a future event—it is already underway. Thoughtful planning today may help position what you've built to continue to support your family for generations to come.



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