FinancialPlanning

Keeping the kids: An advisor's guide to retaining next-gen clients

Rob Burgess | February 25, 2025

We all know the so-called Great Wealth Transfer is on the horizon, but how many advisors are actually taking steps to capitalize on it?

Generation X will soon replace the baby boomers as the wealthiest generation as they are expected to inherit around $39 trillion by 2048, according to data from Cerulli Associates.

However, Cerulli's data showed that many advisors have a long way to go if their firms hope to maintain their relationships as money passes down to younger clients and potential clients. While nearly half (46%) of high net worth practices report having actively involved spouses and significant others in the planning process, most (57%) say they have only limited interactions with the children of clients. That figure falls to 44% when it comes to grandchildren.

Megan Kopka, managing partner at Apprise Wealth Management in Phoenix, Maryland, said in many cases, the wealth transfer often occurs twice or more: in retirement, widowhood and then to children.

"Oftentimes, the newly fatherless sons come to me for planning with their mothers," she said. "Their dad's advisor doesn't cut it for either of them."

David W. Demming, founder and president of Demming Financial Services in Aurora, Ohio, said after 46 years in business, his firm now has up to four generations of clients in some families. He said in the past year alone, they formalized over 70 relationships with next-generation children and grandchildren.

"Our line to younger clients and planners is, 'Why wait until you inherit the money to start planning?'" he said.

Lauren Williams, co-founder and financial advisor at ProsperPlan Wealth in Gold River, California, said she started her career 20 years ago with a strong focus on generational wealth in the Jewish community — "truly old money."

"In their culture, they believe that building wealth for the next generation isn't just about financial security; it's a moral responsibility," she said. "Wealth is seen as a means to provide opportunities, preserve family values and ensure that future generations can thrive. It's not just about leaving money behind — it's about leaving a legacy of wisdom, philanthropy and financial stewardship."

Show concern for all members of the family

Raul Gastesi, partner and co-founder of law firm Gastesi, Lopez & Mestre in Lakes, Florida, said the best approach is to have the parents facilitate the introduction.

"This ensures a smooth transition and reassures the children that the relationship is built on trust," he said. "When engaging with heirs, it's essential to make them feel involved in the process and ensure discussions are comfortable for both parents and children. Transparency and open communication about family and financial matters help build a strong foundation for a long-term relationship."

Blake Harris, founder of asset protection law firm Blake Harris Law, said it's important to show genuine concern for the parents and the children.

"It is also important to show that you are relatable to the children by showing an interest in their passions and hobbies," he said. "You do not need to try to emulate the client or children, but it is important that you show a genuine interest in the positive activities they do."

Ben Loughery, founder and CEO of Lock Wealth Management in Atlanta, said the best way to forge trust is through building familiarity and being in attendance at key life events.

"This could be attending a milestone graduation, a wedding or even a funeral during a family loss," he said. "When heirs see that their family's advisor genuinely cares beyond just wealth management, that stays with most, and they remember that."

Jeremy Finger, founder of Riverbend Wealth Management in Myrtle Beach, South Carolina, said when his firm receives beneficiary information, it starts sending birthday cards to them.

"When a healthcare issue happens or a death, we bring in the kids during the meetings. However, the challenge is the age difference and sometimes the sophistication. We deal with retirees. Many of the children are in a much different [part of their] lifecycle than the parents."

Engaging the next generation in financial planning can be challenging in the absence of a triggering event, but when her firm aligns financial strategies with their real-life goals, young adults become eager to learn, said Williams.

"The key to engaging heirs isn't waiting for a financial crisis — it's meeting them where they are and showing them how planning today creates freedom for tomorrow," she said.

Williams said one of the most important lessons her firm teaches the next generation is the difference between risk tolerance and risk capacity — because understanding how much risk you feel comfortable taking is very different from how much risk you can afford to take.

"For young investors just starting out, navigating investment strategies can feel overwhelming, but the right foundation early on can set them up for a lifetime of financial confidence and smart decision-making," she said. "I recently sat with a client's daughter, mapping out her own family's future, when she paused to share how much her mother trusts me. It's moments like these that make this work so meaningful."

Overcoming obstacles to connecting to the next generation

Despite advisors' best intentions, Harris said it can be challenging to show a genuine interest in the next generation. But relating to their interests is possible. For example, as an offshore asset protection attorney, he said he travels frequently and finds that many of the children of his clients are also well-traveled.

"You may be met with a heavy level of skepticism as to your true intention," he said. "However, by showing that you are genuinely acting in the best interest of your client and that you are professional yet real, you can overcome many obstacles in forming a relationship with the next generation."

Chad Holmes, founder and financial planner of Formula Wealth in Montgomery, Alabama, is the author of the book, "The Inheritance Playbook: Helping Your Parents Pass the Torch, Not the Tax." He said one challenge in establishing this relationship is that our culture in America makes talking about money a taboo subject.

"Either from shame, pride, fear or something else, the older generation struggles with opening up about their finances to their children," he said. "And ultimately, that means a lot of their assets could be unnecessarily locked in probate, their legal and accounting fees will be higher and they won't have lowered the overall taxes for the bloodline."

Gastesi said one of the biggest challenges is overcoming initial resistance from heirs, particularly if they feel the estate plan does not align with their expectations.

"It's important to be self-confident but not overbearing — advisors should avoid speaking down to heirs or making them feel like the plan is being forced upon them," he said. "Instead, a collaborative approach that acknowledges their opinions and concerns fosters trust and engagement."

How to maintain the relationships once the transfer occurs

The core of maintaining a solid relationship is simply to build trust with the client, said Harris.

"If your client speaks very well of you for years or decades, it is more likely the children will already trust you," he said. "By showing that your time is valuable, the next generation may see working together as more of an opportunity for them rather than an obligation. It is also wise to offer to include the children in meetings and conversations so that when the wealth transfer occurs, the next generation is already accustomed to working together."

Williams said retaining heirs as clients is no different from retaining any client: Take care of them.

"Engage them consistently and adapt to how they prefer to communicate," she said. "Here's a helpful hint: send a text message instead of an email. Sending your client a holiday gift? Make sure you send one to their children, too. Putting together a client event? Make it a family-friendly event."

Wealth isn't the only thing passed down to the next generation; relationships are too, and the advisors who evolve with their clients will be the ones who build lasting, multigenerational trust, said Williams.

"Be a part of their family," she said. "This is your community to build. Take care of your community. We are a group of families taking care of other families."

Gastesi said maintaining long-term relationships with heirs requires fair and transparent fee structures, a seamless transition and ongoing engagement.

"By positioning yourself as a trusted confidant who respects their input and simplifies the transition, you increase the likelihood that they will continue working with you after the wealth transfer," he said.