(UBS)

Next Gen wealth: Five ways to start the conversation

02 May 2025, 6:17 pm CEST, written by UBS Editorial Team US Editorial Team

One of the greatest wealth transfers ever is underway, with Gen Z anticipated to become the largest and richest economic force by 2035. According to the FPA[1], the next generation of heirs will amass over USD 72 trillion in assets by 2045. With this upcoming shift, questions arise for those inheriting the wealth and those assisting them in managing these assets.

This historical wealth transfer presents a unique opportunity for financial advisors to retain managed assets with younger generations of existing client households and even expand their portfolios by establishing new client relationships. A wealth management study suggested approximately 90% of heirs who inherit substantial wealth from their parents ultimately switch financial advisors once the wealth is in their hands. A primary reason for this shift is the lack of an established relationship between younger heirs and advisors.

For financial advisors, proactively building strong relationships early on is important. Ainsley Carbone, Retirement Strategist, CIO Americas, UBS GWM believes advisors have a chance to act as a partner to the next generation by helping them articulate their values and navigate complex financial decisions.

“Engaging with the next generation isn't just about sustaining client numbers or assets under management; it's about unlocking new opportunities with a cohort known for its innovative, forward-thinking mindset,” she states.

“By taking a proactive approach to wealth transfer, advisors can empower Gen Z to plan for the financial and social impact they want to achieve,” Carbone concludes.

Failing to build meaningful relationships with the next generation of heirs poses a significant risk of losing assets to firms that are already engaging these future inheritors. Financial advisors often find it challenging to engage with Gen Z on managing their wealth, especially when there is no prior connection with this demographic. A significant barrier in initiating these conversations is the varying levels of financial literacy. Fundamental financial skills, such as budgeting, managing emergency funds, or debt repayment, may not be as familiar to these younger individuals because financial education is not widely mandated in US school curriculums, leaving many Gen-Zers feeling ill-equipped for strategic financial discussions.

To address this challenge, we've outlined **five strategies advisors can leverage** to initiate meaningful conversations with Gen-Z ahead of the generational wealth transfer:

- **Utilize technology**

Gen Z is a digitally native, fast-paced generation raised amid social media and online trends. Financial advisors should prioritize offering accessible online resources tailored to managing expenses, debt, and newfound wealth. According to data from Credit Karma, 77% of Gen Z individuals surveyed actively seek financial advice and information online through social media platforms. Leveraging social media, digital tools, and clear, user-friendly information will foster greater engagement and lay a strong foundation for lasting relationships with Gen Z clients.

- **Promote financial education**

Advisors can share accessible, engaging educational resources, specifically designed to help younger clients grasp fundamental financial concepts. According to the World Economic Forum's Global Retail Investor Survey, approximately 70% of retail investors are under the age of 45, yet overall financial literacy rates are hovering just below 50%, underscoring the importance of financial education. A digitized, engaging approach—such as short, informative emails, or concise guides—can significantly enhance the absorption of crucial financial knowledge among young clients. Utilizing content tailored to this next generation of clients at UBS will allow advisors to connect with these individuals, regardless of financial literacy level.

- **Leverage bite-sized, engaging content**

Younger clients are unlikely to dedicate 20 minutes to reading an article on investment strategies. The content provided must be bite-sized and digitally optimized. Short-form content, such as a UBS Trending video or a reel from UBS Studio's Instagram discussing financial planning, will resonate more effectively with this tech-savvy, digital-first generation. This format makes financial content engaging, interactive, and enjoyable rather than burdensome. Whether on the go or in the office, advisors can tap into platforms on social media to quickly share high-impact content—like a quick video on funding a retirement account or actionable steps for tackling student debt.

- **Focus on personalization**

Providing clients with a personalized digital financial planning tool makes engagement more seamless and intuitive. It empowers Gen Z with a sense of control, transparency, and a clear understanding of the steps being taken to reach their financial goals. UBS offers The Code, a personalized "playlist" that allows clients to learn how they can improve their financial health based on their needs. Guiding younger clients toward personalized tools can significantly enhance engagement, as they tend to perceive integrated digital experiences as more trustworthy.

- **Understand their values**

Gen Z is not like other generations in priorities and value chain. This generation tends to be very interested in value-based investing. Specifically, this may entail investments in social or governmental sectors that align more closely with the personal values of these individuals. Sustainable investing is a prime example of a unique opportunity to position portfolios for the shift toward sustainability. UBS offers an abundance of resources to better connect with younger clients on topics that they value, especially within sustainability, inclusive investing, and philanthropy. Understanding these preferences is crucial for building trust and tailoring financial strategies that resonate with their ideals.

A great wealth transfer is already underway, and with it comes a pivotal opportunity for financial advisors to secure long-term relationships across generations. By proactively engaging the next generation now, advisors can position themselves as trusted partners for the future. Implementing thoughtful, tailored strategies to connect with younger clients ensures that when wealth does change hands, the relationship doesn't end—it evolves. Start the conversation today to preserve those connections for years to come.

Main contributor: Cate Conway, Global Wealth Management GTP Analyst

[1] Adapt or Die: Serving the Next Generation of Clients

Disclaimer

This document is prepared and published by the Global Wealth Management business of UBS Switzerland AG (regulated by FINMA in Switzerland), its subsidiaries or its affiliates ("UBS"), part of UBS Group AG ("UBS Group"). UBS Group includes former Credit Suisse AG, its subsidiaries, branches and affiliates. In the USA, UBS Financial Services Inc. is a subsidiary of UBS AG and a member of FINRA/SIPC. Additional Disclaimer relevant to Credit Suisse Wealth Management follows at the end of this section.

This document and the information contained herein are provided solely for your information and UBS marketing purposes. Nothing in this document constitutes investment research, investment advice, a sales prospectus, or an offer or solicitation to engage in any investment activities. This document is not a recommendation to buy or sell any security, investment instrument, or product, and does not recommend any specific investment program or service.

Information contained in this document has not been tailored to the specific investment objectives, personal and financial circumstances, or particular needs of any individual client. Certain investments referred to in this document may not be suitable or appropriate for all investors. In addition, certain services and products referred to in the document may be subject to legal restrictions and/or license or permission requirements and cannot therefore be offered worldwide on an unrestricted basis. No offer of any product will be made in any jurisdiction in which the offer, solicitation, or sale is not permitted, or to any person to whom it is unlawful to make such offer, solicitation, or sale.

Although all information and opinions expressed in this document were obtained in good faith from sources believed to be reliable, no representation or warranty, express or implied, is made as to the document's accuracy, sufficiency, completeness or reliability. All information and opinions expressed in this document are subject to change without notice and may differ from opinions expressed by other business areas or divisions of UBS Group. UBS is under no obligation to update or keep current the information contained herein. **The views and opinions expressed in this material by third parties are not those of UBS**. Accordingly, UBS does not accept any liability over the content shared by third parties or any claims, losses or damages arising from the use or reliance of all or any part thereof.

All pictures or images ("images") herein are for illustrative, informative or documentary purposes only and may depict objects or elements which are protected by third party copyright, trademarks and other intellectual property rights. Unless expressly stated, no relationship, association, sponsorship or endorsement is suggested or implied between UBS and these third parties.

Any charts and scenarios contained in the document are for illustrative purposes only. Some charts and/or performance figures may not be based on complete 12-month periods which may reduce their comparability and significance. Historical performance is no guarantee for, and is not an indication of future performance.

Nothing in this document constitutes legal or tax advice. UBS and its employees do not provide legal or tax advice. This document may not be redistributed or reproduced in whole or in part without the prior written permission of UBS. To the extent permitted by the law, neither UBS, nor any of it its directors, officers, employees or agents accepts or assumes any liability, responsibility or duty of care for any consequences, including any loss or damage, of you or anyone else acting, or refraining to act, in reliance on the information contained in this document or for any decision based on it.

Additional Disclaimer relevant to Credit Suisse Wealth Management: Except as otherwise specified herein and/or depending on the local entity from which you are receiving this document, this document is distributed by UBS Switzerland AG, authorised and regulated by the Swiss Financial Market Supervisory Authority (FINMA). Your personal data will be processed in accordance with the Credit Suisse privacy statement accessible at your domicile through the official Credit Suisse website https://www.credit-suisse.com. In order to provide you with marketing materials concerning our products and services, UBS Group AG and its subsidiaries may process your basic personal data (i.e. contact details such as name, e-mail address) until you notify us that you no longer wish to receive them. You can optout from receiving these materials at any time by informing your Relationship Manager.

Please visit https://www.ubs.com/global/en/wealth-management/insights/chief-investment-office/marketing-material-disclaimer.html to read the full legal disclaimer applicable to this document.