

Financial Poise

\$30 Trillion Wealth Transfer: Most Advisors Miss This Critical Step



By [Rhonda Ducote](#), President of [Apriem Advisors](#)

As the Nation's Wealth Transfers to the Next Generation, Don't Forget the Middle-Woman

IT SEEMS LIKE every time you go online, there is a new article about the greatest transfer of wealth in history – the estimated \$30 trillion in wealth passed down from Baby Boomers to their children and other heirs over the next 30 years. It is of vital importance for wealth managers, accountants, attorneys and other advisors to prepare for this massive wealth transfer by developing a relationship with clients' children and getting them more involved in the planning process.

Unfortunately, many advisors miss a critical step.

Before the next generation inherits these assets, it will be in the hands of Baby Boomer women who, after their husbands pass away, suddenly control massive amounts of wealth. (After all, women tend to live longer than men, and the majority of wives are younger than their husbands.)

Boomer women often emerge as the "middle-person" long before their children inherit the "family fortune." Amid this trend, it is important to understand that women, particularly Baby Boomer women, often have different priorities and needs than their male counterparts.

Here's what advisors should keep in mind when working with them:

Why Your Firm Needs Women in the Workplace

According to the [Bureau of Labor Statistics](#), women represent just 31 percent of U.S. financial advisors and 23 percent of CFP® professionals. [The American Bar Association](#) reports that women make up 36 percent of attorneys — 18 percent of whom are equity partners.

While many women trust their male advisor, having a strong female presence at your firm can be a tremendous asset and help you stand out from the competition, especially when attracting and retaining female clients.

This is particularly the case with Baby Boomer women. It is likely that Boomer women were largely uninvolved in their family's finances throughout their lives. Males and females tend to have different priorities when it comes to managing their finances, and a woman advisor can be invaluable in helping to cater to these needs and make women feel more comfortable throughout the process.

From entry-level to partner, retaining strong female professionals at your firm should be a top priority.

This will also help when it's time to work with Baby Boomer children. According to Boston College's Center on Wealth and Philanthropy, women will inherit up to 70 percent of inter-generational wealth over the next several decades. Once you have a strong female presence in your office, do not be afraid to let them run with any ideas they may have to better cater to your female clients.

For Boomer Women, Financial Education Is Key

Because Baby Boomer women may not be as involved in their family's finances as their younger counterparts, education is critical. Workshops and seminars can be a fun way for a group of female clients and prospects to get together and learn about the financial topics that are most relevant to them.

A woman who was not involved with the day-to-day finances may not even know where to begin when meeting one-on-one with their CPA or estate planning attorney. A group setting that covers different topics could allow her to build her knowledge in a more manageable way.

Help advisors connect with their Boomer clients on a more regular basis. Classes can build loyalty as clients start to invest more time with their advisor and possibly even develop friendships with other clients. E-newsletters, blogs, social media and handouts are also valuable educational tools.

While male advisors can become invaluable resources as well, it is nice to have one (or several) female advisors take the lead on education initiatives. It can also be beneficial to have at least some of these events exclusively available to women, as they may feel less comfortable jumping in to ask questions in front of a group of men. Having women-only events also allows the content to be more tailored to women's money management style.

Female Money Management Styles

Of course, this isn't the case for everyone. Speaking generally, Boomer women are more risk-averse when it comes to their finances. They may be more focused on short-term budgeting than long-term financial performance and planning.

According to [Blackrock's Global Investor Pulse](#), women are much less likely than men to feel hopeful, secure and confident about investing. They are also more liable to feel that investing is a risky bet, and they review the performance of their savings and investments much less often than men.

This is amplified in the Boomer age group of women, who tend to have less financial education and involvement than younger generations.

The good news: Women are also more likely than men to ask for (64 percent vs. 55 percent) and value (74 percent vs. 64 percent) all types of professional financial advice. As wealth managers, accountants, attorneys and other advisors to these Boomer women, we owe them personalized guidance that they can feel confident in trusting.

Especially during the difficult time after losing their partner, we advisors must be sensitive to the new barrage of financial information they must handle. We owe it to our female Boomer clients to involve them in the family's financial decisions long before such stressful situations.

We must continue to be a steadfast resource, before and after they entrust us with their family finances. It is the right thing to do, professionally and morally.

Author Biography

[Rhonda Ducote](#) is President of [Apriem Advisors](#), an Irvine, Calif.-based independent, registered investment advisory firm with more than \$500 million in assets under management.