

## From Heirs to Stewards: Building Financial Capability Across Generations

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### Building Financial Confidence, Capability, and Stewardship

Discussing wealth is only the beginning. Preparing the next generation for wealth requires intentional education, structured exposure to financial decision-making, and trusted advisor guidance as heirs gradually move from observation to responsibility. Without preparation, even carefully designed estate plans can falter. With it, families create continuity that extends beyond assets.

For many multi-generational families, the first step is opening the door to conversation. The next, and often more complex, step is building capability.

If your family is still navigating how to begin that dialogue, we discuss foundational communication strategies in our blog on [how to talk to your children about wealth](#).

“Wealth transfer isn’t just a legal event, it’s a leadership transition,” says Chris Walczak, Senior Wealth Advisor. “If heirs are going to assume responsibility one day, they need to think like stewards long before that transition occurs.”

Financial inheritance does not automatically create financial confidence. That confidence must be developed over time.

### Financial Education for Heirs: Beyond Basic Literacy

For affluent families, financial literacy extends far beyond budgeting or saving. It involves understanding:

- Investment allocation and portfolio oversight
- Liquidity and risk management
- Tax-efficient wealth transfer strategies

- Trust structures and fiduciary roles
- Family governance and decision-making frameworks

“Most adult children are accomplished in their own careers,” explains Kelly Nowottnick, Senior Wealth Advisor and former attorney. “But managing family wealth introduces a different level of complexity. Our goal is to build fluency, not just familiarity.”

Fluency allows heirs to ask informed questions, evaluate professional advice, and make decisions aligned with long-term family objectives.

### **A Client Example: From Observation to Ownership**

In one family engagement led by Amy Owen, Senior Wealth Advisor, Wealth Strategist, and former estate planning attorney, adult children had attended planning meetings for years but rarely participated. The parents initially interpreted silence as disengagement.

Rather than accelerating responsibility prematurely, Amy and the advisory team introduced structured participation.

First, each child was assigned a philanthropic initiative to research and present. Later, they reviewed a simplified investment allocation and shared their perspective. Eventually, they engaged in trustee succession discussions.

“The shift was gradual,” Amy recalls. “They weren’t handed control. They were given structured opportunities to think.”

By the time formal responsibilities transitioned, the heirs were not overwhelmed. They were prepared.

### **Preparing Heirs for Inheritance Requires Structure**

Preparing heirs for inheritance rarely succeeds when left informal. Families benefit from defined frameworks, including:

- Regular family meetings
- Clear trustee education

- Defined roles and decision-making processes
- Governance documentation
- Transparent communication protocols

“If decision-making authority isn’t clearly defined, interpretation fills the gap,” Chris explains. “And interpretation can create friction, even in strong families.”

Structure does not limit flexibility. It protects relationships.

## **Teaching Children to Manage Wealth Through Participation**

One of the most effective ways to teach children to manage wealth is through participation in real financial discussions.

Kelly often encourages families to assign practical responsibility within meetings.

“We might ask an heir to present the portfolio overview,” she says. “Or walk through projected cash flow needs. Engaging directly builds confidence far more effectively than theoretical instruction.”

These moments allow heirs to practice evaluating trade-offs and understanding consequences, skills essential for long-term stewardship.

## **Philanthropy as a Gateway to Stewardship**

For many families, philanthropy provides one of the most effective entry points for next-generation engagement.

“Philanthropy gives younger family members an opportunity to participate in meaningful decisions without the pressure of managing the entire balance sheet,” Kelly explains. “Evaluating causes, discussing impact, and allocating charitable resources teaches the same decision-making discipline required for long-term wealth stewardship.”

In many families, philanthropic initiatives become a training ground for collaboration, helping heirs practice evaluating trade-offs, articulating values, and making thoughtful financial decisions.

## **Financial Literacy for Wealthy Families Includes Governance**

Participation builds familiarity with financial decisions. Governance then provides the structure that guides those decisions over time.

In families of significant wealth, education extends beyond investments. It includes understanding fiduciary responsibility, trust mechanics, business succession planning, and philanthropic strategy.

“When heirs understand how the system functions, not just what they will receive, they make more thoughtful decisions,” Amy explains. “Governance provides clarity. Clarity builds confidence.”

This mindset reframes wealth as responsibility rather than entitlement.

## **Preparing the Next Generation for Wealth Is a Multi-Year Process**

There is no singular milestone that defines readiness. However, key life events often create natural opportunities for financial education and advisor engagement. Graduating from college, starting a career, purchasing a home, or getting married can introduce financial decisions that help younger family members build experience and confidence.

In early adulthood, preparation may involve observation and exposure.

Later, it may include shared decision-making.

Eventually, it may require leadership and oversight.

“Confidence grows through repetition,” Chris notes. “The more heirs engage in meaningful financial discussions with guidance, the more capable they become.”

Families who view preparation as a progression rather than an event often experience smoother transitions and stronger long-term alignment.

## **The Advisor’s Role in Developing Financial Confidence**

Advisors serving multi-generational families act not only as portfolio managers, but as educators and facilitators of continuity between generations. Over time, many heirs begin developing direct

relationships with the advisory team, creating a trusted environment where questions can be asked and financial concepts explored openly.

“Our role isn’t to replace parents in teaching financial values,” Kelly says. “It’s to reinforce those values with structure and expertise.”

When preparation is intentional, heirs inherit more than assets. They inherit understanding.

## **The Outcome: Continuity and Confidence**

Preparing the next generation for wealth protects more than capital. It strengthens family cohesion and preserves shared purpose.

Heirs who understand the philosophy and structure behind family wealth are better positioned to steward it responsibly. Parents gain confidence that their legacy will be carried forward thoughtfully.

And wealth becomes not merely something transferred, but something sustained.

Many families find that working with advisors who understand multi-generational dynamics can help ensure this preparation unfolds thoughtfully over time.

## **Final Thought**

Preparing the next generation for wealth requires structure, education, and thoughtful guidance.

If your family would like support building a long-term preparation strategy, [connect with one of our wealth advisors who specializes in working with multi-generational families.](#)

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