

Best Strategies for Managing Multi-Generational Wealth

By: HB Wealth

For families who see themselves as stewards rather than spenders, wealth is not measured only by numbers. It is measured by continuity and values across generations. Yet history shows that sustaining wealth is difficult. Studies frequently cited by family governance experts suggest that nearly 70% of families lose their wealth by the second generation and up to 90% by the third.¹ The challenge is rarely investment performance alone; it is planning, communication, and governance.

Understanding the best strategies for managing multi-generational wealth can help families move from reactive decision-making to intentional legacy stewardship.

What Does Managing Multi-Generational Wealth Really Mean?

Managing wealth across generations requires a broader lens than traditional portfolio management. Effective multi-generational wealth management strategies integrate financial planning with family dynamics, education, and governance, with governance serving as one important component of a broader wealth strategy designed to support continuity over time.

At its core, multi-generation wealth management seeks to:

- Preserve and grow wealth over long time horizons
- Transfer assets efficiently and intentionally
- Prepare future generations for responsibility
- Align wealth decisions with family values and purpose

¹ <https://www.cfainstitute.org/insights/articles/third-generation-wealth-curse-advisor-solutions>

Strategy 1: Adopt a Long-Term Investment Mindset

One of the most important wealth management strategies for multi-generational families is aligning investments with extended time horizons. Unlike individual retirement planning, multi-generational portfolios must balance:

- Growth for future generations
- Income needs of current family members
- Liquidity for taxes, philanthropy, and opportunities
- Risk management across market cycles

Diversification, disciplined asset allocation, and selective use of private-market investments can support resilience and sustainability over decades, particularly during periods of market volatility or generational transition.

Strategy 2: Integrate Estate, Tax, and Wealth Transfer Planning

Wealth transfer is rarely a single event, it is a process. The best strategies for managing multi-generational wealth involve proactive coordination of:

- Trust and estate structures
- Income and transfer tax planning
- Asset protection strategies
- Distribution timing and controls

Plans should be revisited regularly as laws, family circumstances, and asset values evolve in order to remain aligned with long-term objectives.

Strategy 3: Establish Clear Family Governance

Governance is a key component of successful multi-generational wealth strategies and is often the difference between families who preserve wealth and those who struggle with complexity and misalignment over time. Strong multi-generational wealth management strategies emphasize structure and communication.

Effective governance may include:

- A family mission or values statement
- Defined decision-making processes
- Family councils or advisory boards
- Regular, structured family meetings

Governance helps manage expectations, reduce conflict, and ensure continuity beyond the founding generation.

Strategy 4: Educate and Prepare the Next Generation

Financial capital (your family's assets) without human capital (your family members) rarely lasts. Education is central to multi-generational wealth management approaches.

Preparation may include:

- Age-appropriate financial education
- Exposure to philanthropy and shared decision-making
- Mentorship and gradual responsibility
- Clear expectations around roles and involvement

The goal is to develop capable stewards, not entitled beneficiaries.

Strategy 5: Use Philanthropy as a Unifying Tool

Philanthropy can serve as a powerful bridge between generations. Many families find that charitable planning provides a comfortable entry point for collaboration and values-based discussions.

Tools such as donor-advised funds or family foundations allow families to:

- Clarify shared values
- Practice collective decision-making
- Create lasting community impact

These experiences often translate into stronger alignment when addressing broader wealth decisions.

Strategy 6: Consider a Family Office or Multi-Family Office Model

As complexity grows, families may benefit from a coordinated advisory structure. Family offices, whether single-family, multi-family, or hybrid, centralize decision-making and integrate planning disciplines.

These models support:

- Consolidated reporting across assets
- Coordination among investment, tax, and estate advisors
- Ongoing governance and education efforts

For many families, working with a multi-family office provides depth of expertise without the cost or administrative burden of building an internal team. This structure enables families to coordinate their complex financial lives through a single, strategic framework.

Strategy 7: Work With Advisors Who Think Generationally

Perhaps the most overlooked strategy is choosing advisors who understand that success is measured across decades, not quarters. Knowledgeable, trusted advisors help families anticipate challenges, facilitate difficult conversations, and adapt strategies as circumstances change.

The best strategies for managing multi-generational wealth are not static; they evolve alongside the family.

Managing Multi-Generational Wealth with HB Wealth

HB Wealth works with families who seek thoughtful, coordinated solutions for managing wealth across generations. Our approach integrates investment stewardship, estate and tax planning, family governance, next-generation education, and the communication of shared values and family mission to help families preserve both wealth and purpose across generations.

Take the Next Step

Managing multi-generational wealth is a responsibility that benefits from foresight, integrated planning, structure, and experienced guidance. With the right strategies in place, families can transform wealth into a lasting legacy.

Connect with a wealth advisor who specializes in working with multi-generational families to explore strategies aligned with your long-term goals.

To request a consultation with a wealth advisor who specializes in working with multi-generational families, please visit <https://hbwealth.com/meet-the-team/wealth-advisors/?specialization=multi-generational-families>.

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