

Multi-Generational Wealth Management: Preserving Wealth, Values, and Legacy Across Generations

By: HB Wealth

Building significant wealth is an achievement. Sustaining it across generations is a far greater challenge.

For families who see themselves not just as wealth owners, but as stewards of a legacy, multi-generational wealth management is about far more than investments. It integrates long-term investment strategy, estate and tax planning, governance structures, education, and shared purpose to create a coordinated framework that supports continuity across generations.

Studies have long suggested that nearly 70% of families lose their wealth by the second generation and 90% by the third.¹ Often summarized by the phrase “shirtsleeves to shirtsleeves in three generations,” this outcome is rarely caused by poor market performance. Instead, it stems from a lack of planning, communication, education, and coordinated advice.

Multi-generational wealth management exists to change that story.

What Is Multi-Generational Wealth Management?

Multi-generational wealth management is a comprehensive, long-term approach to managing a family’s financial life across multiple generations. Unlike traditional wealth management, which often focuses primarily on portfolio performance, this approach integrates:

- Investment strategy aligned with long-term horizons
- Estate and trust planning
- Tax planning across generations
- Family governance and decision-making frameworks

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

- Education for heirs and future leaders
- Philanthropy and legacy planning

Together, these elements create a coordinated framework designed to support continuity, clarity, and long-term stewardship.

The goal is not simply to transfer assets, but to transfer responsibility, values, and clarity along with wealth.

Why Traditional Wealth Management Often Falls Short

Many affluent families outgrow traditional advisory models as their complexity increases. Challenges often include:

- Multiple entities, trusts, and ownership structures
- Illiquid and private investments
- Generational differences in goals and risk tolerance
- Unclear succession or leadership planning
- Fragmented advice across attorneys, CPAs, and investment managers

Without a coordinated strategy, families may find themselves reacting to issues rather than proactively shaping outcomes. This is where coordinated wealth management services for multi-generational families, often delivered through a family office or multi-family office model, become essential.

Core Pillars of Effective Multi-Generational Wealth Management

1. Long-Term Investment Stewardship

Multi-generational portfolios are designed with extended time horizons, balancing growth, preservation, liquidity, and risk across family members and entities. This often includes:

- Diversified asset allocation
- Private market investments
- Risk management and stress testing
- Consolidated reporting across all assets

2. Estate, Trust, and Wealth Transfer Planning

Successful wealth transfer requires more than legal documents. It demands alignment between:

- Estate structures and family values
- Distribution timing and beneficiary readiness
- Tax efficiency and legislative risk
- Asset protection for future generations

Trusted wealth management services for multi-generational planning help families continually revisit and refine these strategies as laws, assets, and family dynamics evolve over time.

3. Family Governance and Decision-Making

Governance is an important component of multi-generational wealth management and is often one of the most overlooked areas in sustaining continuity. Clear frameworks can help families address:

- Who makes decisions and how
- How disputes are resolved
- How information is shared
- How next-generation voices are introduced

Tools such as family constitutions, advisory boards, and structured family meetings create transparency and continuity while reducing conflict.

4. Education and Preparation of the Next Generation

Wealth alone does not create capable heirs. Education does.

Effective multi-generational planning includes age-appropriate financial education, mentorship, and exposure to real-world responsibility. Families that prioritize education help ensure that future generations view wealth as a responsibility, not an entitlement, —grounded in knowledge, accountability, and engagement.

5. Philanthropy and Shared Purpose

Philanthropy often serves as a bridge between generations, allowing families to collaborate around shared values before broader financial responsibilities are introduced.

Donor-advised funds, family foundations, and strategic charitable planning can reinforce purpose, unity, and stewardship while enhancing tax efficiency.

Family Office Models in Multi-Generational Planning

Many families exploring the best wealth management for multi-generational family governance consider a family office structure:

- Single-Family Office (SFO): Fully dedicated to one family, offering maximum control and customization
- Multi-Family Office (MFO): Shared resources across families, offering depth of expertise and cost efficiency
- Hybrid Approach: Combining internal staff with an external MFO advisor

The right structure depends on complexity, preferences, and desired involvement, not just net worth. Each model is designed to support coordinated planning and long-term stewardship.

Why Partnering With The Right Advisor Matters

Multi-generational wealth management is not a one-time project. It's an ongoing relationship that evolves alongside your family.

- The most effective multi-generational advisors provide:
- Integrated planning across investments, tax, estate, governance, next generation education, and family communication
- Fiduciary advice free from product conflicts
- Experience navigating complex, multi-generational family dynamics
- A long-term mindset aligned with legacy, not transactions

The Bottom Line: Legacy Is Built Intentionally

Families who successfully preserve wealth across generations do so because they plan beyond themselves.

They align financial structures with values.

They prepare heirs, not just beneficiaries.

They embrace integrated planning, governance, education, and open dialogue.

Multi-generational wealth management provides the framework to turn wealth into a lasting legacy, one generation at a time.

Take the Next Step

Your legacy deserves thoughtful, coordinated planning.

Connect with one of HB Wealth's advisors who specializes in working with multi-generational families to explore strategies designed to preserve wealth, strengthen family governance, and support long-term stewardship.

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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