

# Transition Planning as a Family

With more baby boomers reaching the age of retirement every day, the greatest mass wealth transfer in history has begun. According to research from a Cerulli Associates report "[The Great Wealth Transfer](#)", \$68 trillion in wealth will be transferred over the next 25 years. How will you leave a legacy for your family? What kind of planning is involved? Should baby boomers and their children work together to create a plan? Answers to those questions are what we will discuss today. One of our resources is a recent Investopedia.com article entitled, "[Transition Planning: Include the Whole Family](#)." According to the article, more than \$30 trillion in assets will change hands in the next 30 to 40 years. A good portion of that will involve the help of financial services professionals and organized financial legacy strategies.

Every family is unique and has its own challenges and financial situations. However, the first step for any legacy strategy or discussion may be determining what it is that the parents want. Where do they want their money to go? It may seem like an obvious question, but it rarely has a clear answer. In fact, according to Caring.com's 2019 [Will and Living Trust Survey](#), 57% of U.S. adults do not currently have a will or living trust. And there is a stark difference when the responses are broken down by education level. Only 28% of those whose highest completed education level is high school or less have a will or living trust. That number increases to 39% for those with a college education. The highest percentage, 58%, belongs to those with a post-graduate degree. No matter the group, that leaves a large chunk of adults without a will.

Without a will or something in writing, it can be hard for families to determine what to do with a legacy and how to honor an individual's wishes. That's one of the reasons we provide the *From the Heart Journal*, a tool for our clients to compile all their important financial information in one place. Once complete, this journal will provide critical information about dependent children, insurance policies, important document locations, and funeral and burial wishes. While this tool doesn't take the place of an official will, it can be a useful step. The *From the Heart Journal* can serve as something of an inventory of assets. This inventory should include things beyond simple bank and investment accounts, like real estate, safety deposit boxes, family heirlooms and even art or collectibles should be accounted for as well.

This journal can serve as a bridge between the generations. It can allow them to fully communicate their holdings and what they ultimately want to do with them. A large percentage of assets can possibly be lost because of lack of communication between generations. This includes establishing a relationship between the individual's financial services professional and their future heirs.

Incorporating the entire family into legacy planning can be difficult but the potential rewards can be worth any uncomfortable moments that may occur. You have worked long and hard to create your financial life and legacy. Working with a financial services professional and utilizing

tools like the *From the Heart Journal* can help you ensure that your legacy will be enacted as you desire.

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Sources:

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