

UBS survey shows wealthy women, and the next generation, feel unprepared for the Great Wealth Transfer



UBS's latest Own Your Worth report reveals most women who've experienced a wealth transfer faced challenges along the way.

With an estimated \$105 trillion set to change hands by 2045, [1] women are poised to control a substantial share of this money in motion. Many will often experience two wealth transfer events – once from their parents, and then given women's longer life expectancies, again from their spouses. Yet most are unprepared to inherit these unprecedented levels of wealth.

According to UBS's latest Own Your Worth report, Heir dynamics: Money in motion, many women who've already experienced a wealth transfer event faced significant challenges, and most women who expect to inherit from parents in the future are not prepared either. The report, capturing perspectives from women at various stages of the wealth transfer process, highlights the urgency for better preparation and communication to ensure a smoother transition.

The report reveals that nearly one-third of women who inherited assets from parents had no prior conversations with them about the wealth transfer, and four in 10 inherited from parents without

any wealth transfer or estate plans in place. This lack of communication resulted in 80% of women inheritors facing challenges in navigating the process. More than half uncovered a financial ‘surprise’ during the transfer, with many being shocked by the amount of taxes owed or how long it took to receive the inheritance.

“As women control more wealth than ever before, many are navigating the pivotal transition of inheriting significant amounts of money with limited information and minimal communication,” said Carey Shuffman, Head of US Women’s Wealth at UBS. “This ambiguity can make an already emotional moment even more challenging.

The experiences and advice of women who’ve gone through this can help other women navigate wealth transfer smoothly, enabling them to make the most of their inheritance for themselves, their families and communities.”

“A lack of communication around inheritance planning creates confusion, stress and uncertainty at a time when clarity is most needed,” said Mike Camacho, Head of US Wealth Management at UBS. “By encouraging families to have proactive, transparent conversations, enabling them to navigate this process with greater confidence and support, we can help ensure that women are equipped not only to manage the wealth they receive, but to build and preserve it.”

Widows find the wealth transfer process equally rocky

Widows faced similar issues, with 83% encountering difficulties when taking sole control of their household’s wealth. Like those who inherited after a parent’s death, many widowed women did not have an established wealth transfer plan with their partner, and one in four said they did not know where all their partner’s wealth was before his passing.

The next generation of heirs may be just as unprepared

The vast majority of women who expect a future inheritance from parents do not feel prepared for the transition, with nearly three-quarters saying they anticipate facing a wealth transfer challenge. Forty-three percent have not seen their parents’ will, and about one-third have no idea where their parents’ assets are located, how they will be divided or if there is a plan in place to do so.

With 41% of high net worth women expecting to inherit between \$1 million and \$5 million and one in four (25%) expecting \$5 million or more, the financial stakes are high. Despite expecting sizable inheritances, many cited the same lack of critical information and communication—echoing the issues that women who’ve already inherited encountered.

Women who've inherited want the next generation to be better prepared

While this year's report reveals clear challenges in the wealth transfer process, it also offers a hopeful path forward. Women who have already navigated inheritance overwhelmingly agree on what would have helped them with the experience and what advice they'd offer to women who may one day walk in their shoes.

Among those who have inherited from parents, 90% said it's important to understand the size and structure of an inheritance ahead of time. Eighty-seven percent emphasized the need to plan for taxes, and 78% urged women to openly discuss expectations for the money with the person passing on the wealth.

To learn about previous reports in the series, visit: <https://www.ubs.com/women>.

[1] McKinsey Insights (2020), Women as the next wave of growth in US wealth management, McKinsey & Company