



What Will We Leave the Next Generation?

Australia is entering a significant period of intergenerational wealth transfer. Research cited by Artesian estimates that approximately A\$5.4 trillion could be transferred to younger Australians over the next two decades, primarily through inheritance of residential property, superannuation and other investments.

For many families, the challenge extends beyond building wealth. It also involves deciding how to pass that wealth on thoughtfully to future generations. An inheritance can transfer more than assets. It may also carry forward a family's ethical values, investment philosophy and aspirations for positive impact.

Passing on more than assets

The coming shift is often called the 'great wealth transfer'. For families, it is an opportunity to pass on more than money and other financial assets. It is also a chance to equip future generations with:

- Financial security
- Knowledge and confidence to make informed financial decisions
- A clear plan for managing family wealth
- A sense of responsibility and purpose
- Confidence that their investments reflect their values and create positive impact
- A plan and portfolio designed to navigate future risks and opportunities

A legacy is more than an inheritance

An inheritance can provide security, opportunity and choice. However, it will be received in a world facing climate risk, pressure on nature, social inequality and a rapidly changing economy.

This makes the question bigger than 'who gets what?' Families should also ask:

What does our capital support while it remains invested?

Are those choices consistent with the future we hope to help create for the next generations?

Ethical investing is an integral part of sound financial planning, helping families align their investments with their values and financial goals. Retirement income, risk, diversification, tax, liquidity, time horizon and costs remain fundamental considerations. However, a family's ethical criteria should always be considered when discussing the transfer of wealth.



The generation gap

Natixis Investment Managers' 2026 global survey of financial advisers found that 75% of millennials and 68% of Generation X investors were either already invested in sustainable funds or interested in investing in them, compared with 54% of baby boomers.

For families, the message is simple: do not assume that parents and children define inheritance and wealth in the same way. Parents may prioritise capital preservation, dependable income and treating beneficiaries fairly. The next generation may also want to know where the money is invested and whether it has a positive effect on the climate, society, corporate behaviour and other real-world outcomes.

Questions for families to consider

- ✓ What do we want our wealth to make possible - for our family and beyond it?
- ✓ Are there industries or activities we want to avoid?
- ✓ Are there businesses, technologies or solutions we would like our capital to support?
- ✓ How will these preferences be balanced with retirement income, investment risk, tax, access to money and estate-planning needs?
- ✓ Can the financial planner explain how investments are screened, selected, monitored and reviewed?
- ✓ How is positive impact assessed, and what evidence supports the investment claims?
- ✓ Will the next generation understand the strategy and be able to continue it if they inherit the assets?



The best time to discuss a family's financial legacy is before the wealth transfer begins. Good advice should make choices visible and help families explore options and develop a plan that can allow for different priorities and values across generations. A financial planner with genuine expertise in ethical and impact investing can help a family:

- Define the issues and outcomes that matter to the family
- Identify activities the family may wish to avoid and solutions it may wish to support
- Evaluate competing investment claims and the recognise greenwashing and ethicswashing - claims that overstate an investment's environmental or ethical credentials

- Assess the risks and opportunities associated with environmental and social change
- Translate personal preferences into a practical, diversified portfolio

These priorities do not have to conflict. A skilled financial planner can help families discuss them together before making estate or investment decisions. Once those decisions are made, differing priorities may be easier to resolve.

The most enduring legacy is measured not only by the wealth passed on or the size of the portfolio, but by the positive impact that it creates.



Speak with an Ethical Advisers' Co-op adviser about building a portfolio that reflects your financial goals and ethical priorities.
<https://www.ethicaladviserscoop.org/>

Important information

This article provides general information only and does not constitute personal financial advice. Any investment strategy should be considered in light of an investor's personal objectives, financial situation and needs. Professional advice should be obtained before making investment decisions.

References

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- The statistics attributed to Natixis represent the views of survey respondents and should not be interpreted as forecasts or personal investment recommendations