Essential tax and wealth planning guide

2027 EDITION

The great wealth transfer



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02 The great wealth transfer





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The great wealth transfer

A shift measured in decades, not moments

The Federal Reserve reports that the silent and baby boomer generations held $117 trillion in combined wealth as of early 2026, representing 63% of all US household wealth.[1] As these generations age, a substantial share of that wealth will move to their heirs and to charitable organizations in the coming years.

The shift is often described as a single future event. It is not. Federal Reserve data going back to 1989 shows that wealth is already moving between generations. The silent generation's share of household wealth has fallen from 80% to 11% today, while baby boomers, Generation X, and millennials have each built wealth as it has moved through the generations.[2]

Figure 1. How wealth moves between generations

$185T total US household net worth held across generations (Federal Reserve, Q2 2026)

63% held by the silent and baby boomer generations combined (Federal Reserve, Q2 2026)

37% of family businesses are highly confident their next gen is ready

Source: Federal Reserve Board, Financial Accounts of the United States, Q2 2026

[1] Board of Governors of the Federal Reserve System (FRB), "DFA: Distributional Financial Accounts: Distribution of household wealth in the U.S. since 1989," last updated September 18, 2026.

[2] Ibid.

02 The great wealth transfer

That change is also visible among the generations now receiving and building wealth. Gen X's net worth has more than tripled over the past decade, from $13 trillion in 2016 to $45 trillion in 2026, according to Federal Reserve data. Millennials' net worth has increased nearly tenfold over the same period, from $2 trillion to $19 trillion.[3] For planning purposes, the important point is that this shift is affecting family decisions before wealth moves more broadly over the next two decades.

This pattern also hides a detour that matters for planning: Wealth often passes horizontally first, from one spouse to a surviving spouse, before reaching children or grandchildren. Women's life expectancy at age 65 exceeds men's by roughly two-and-a-half years, according to the National Center for Health Statistics,[4] so that first transfer more often passes to a surviving spouse who is a woman.



[3] Ibid.

[4] Sherry L. Murphy et al., "Mortality in the United States, 2023," *NCHS Data Brief* 521 (Hyattsville, MD: National Center for Health Statistics, 2024).

Why transfers stumble

The instinct is to treat this as a technical problem involving estate documents, trust structures, and tax elections. But the evidence, including adviser surveys and specific case histories, points elsewhere first: Many unsuccessful transfers fail on communication, not paperwork.



How plans can go wrong in practice

SCENARIO 1

Consider an entrepreneur who structures an estate plan to preserve a business for the next generation and defer estate taxes. Contrary to the plan, the surviving spouse elects to take assets outright rather than in trust. The election disrupts the planned tax deferral and forces the sale of family assets to cover the resulting tax bill.

SCENARIO 2

In another example, a founder establishes trusts for grandchildren and appoints family members as trustees without explaining how much discretion they would have over distributions. That unresolved question becomes the basis for years of litigation between the grandchildren and the relatives entrusted with administering the trusts.

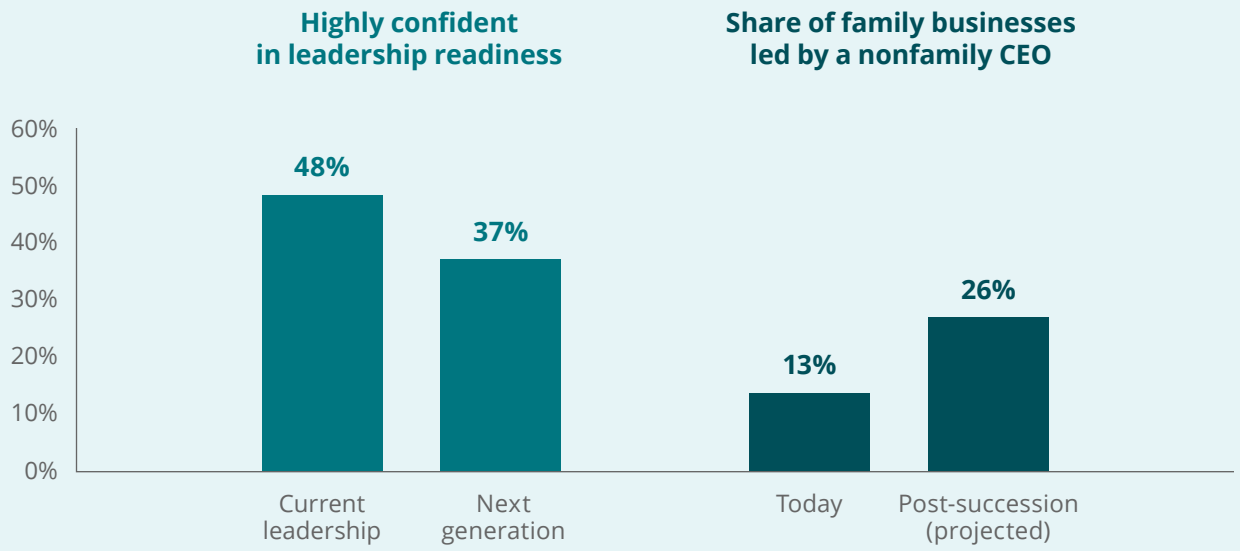
These outcomes do not necessarily stem from drafting errors. Instead, they may reflect a lack of communication and trust. Testing plans against the competing interests and responsibilities of those involved, and discussing those issues in advance, may reduce friction during the transfer of wealth.

The broader lesson is simple: Test a plan against real-world decisions rather than assuming the documents will determine the outcome. Recent research on family businesses quantifies a gap that advisers have described for years.[5]

[5] Deloitte, "Deloitte Private global report reveals succession preparedness gaps as family businesses navigate generational transition," press release, July 8, 2026.

Figure 2. Survey data on succession confidence

CONFIDENCE GAPS IN FAMILY BUSINESS SUCCESSION READINESS



Source: Deloitte Private, *Family business succession planning and the next generation, 2026* (survey of 1,587 family businesses across 35 countries).

Deloitte's 2026 survey of 1,587 family businesses across 35 countries found that fewer than half were highly confident in their current leadership's readiness for succession. Confidence fell to about one-third when respondents assessed the next generation. The share of family businesses expecting a nonfamily executive to hold the CEO role was projected to increase from 13% today to 26% after the next transition.[6]

Families aren't necessarily choosing to bring in outside leadership because they prefer it. In many cases, it becomes the default when internal succession hasn't been actively developed and the next generation wants to follow a different career path.

[6] Deloitte Private, *Family business succession planning and the next generation, 2026*.

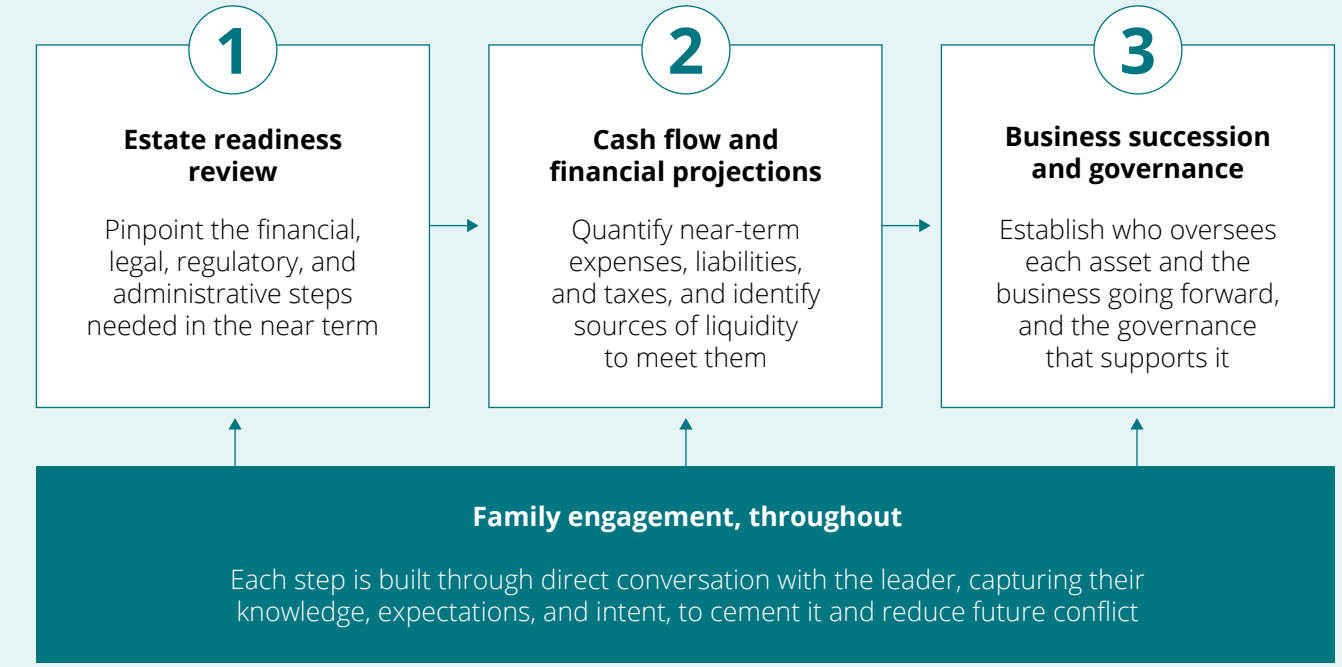
What a legacy assessment addresses

A common assumption is that an estate plan already covers the full scope of wealth transfer planning. However, this is not always the case.

An estate plan is a set of legal documents governing how assets are titled and distributed. It doesn't always provide guidance on whether there will be enough liquid cash to pay the taxes due on an illiquid estate, who will actually end up running a family business day to day, how the business will be governed in the future, how a charitable bequest might unintentionally reduce the capital available to the business, or where beneficiaries are likely to disagree.

A broader assessment of a family's readiness tends to work through three connected questions, each of which surfaces different risks.

Figure 3. Three connected questions a legacy assessment works through



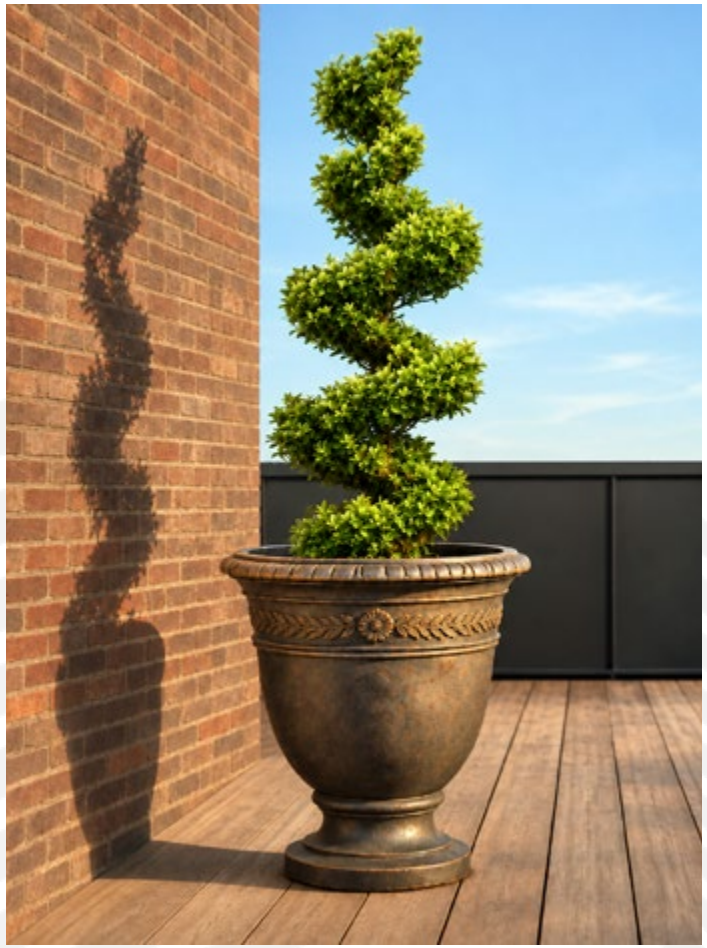
02 The great wealth transfer

One valuable practice a family can establish is a regular estate readiness review conducted before it's needed. The idea is straightforward: Walk through the financial, legal, regulatory, and administrative steps that would need to happen shortly after a principal's passing while that person can still answer questions and fill in gaps directly.

Completing this review while the principal is alive allows advisers and family members to address the principal's goals and intent for their wealth, and to ask what trade-offs they are willing to make when priorities compete.

The value of this review lies mostly in timing. Locating account numbers, beneficiary designations, and business agreements is straightforward when the person who signed them is available to provide guidance. It is considerably harder, and often more expensive, when those steps must happen under time pressure and with a grieving family.

The same consideration applies to liquidity. Federal law provides financing tools and deferral mechanisms for an estate that is asset-rich but cash-poor. Liquidity could be a real risk for an unprepared estate, but it is a planning failure rather than an inevitable feature of the tax code.

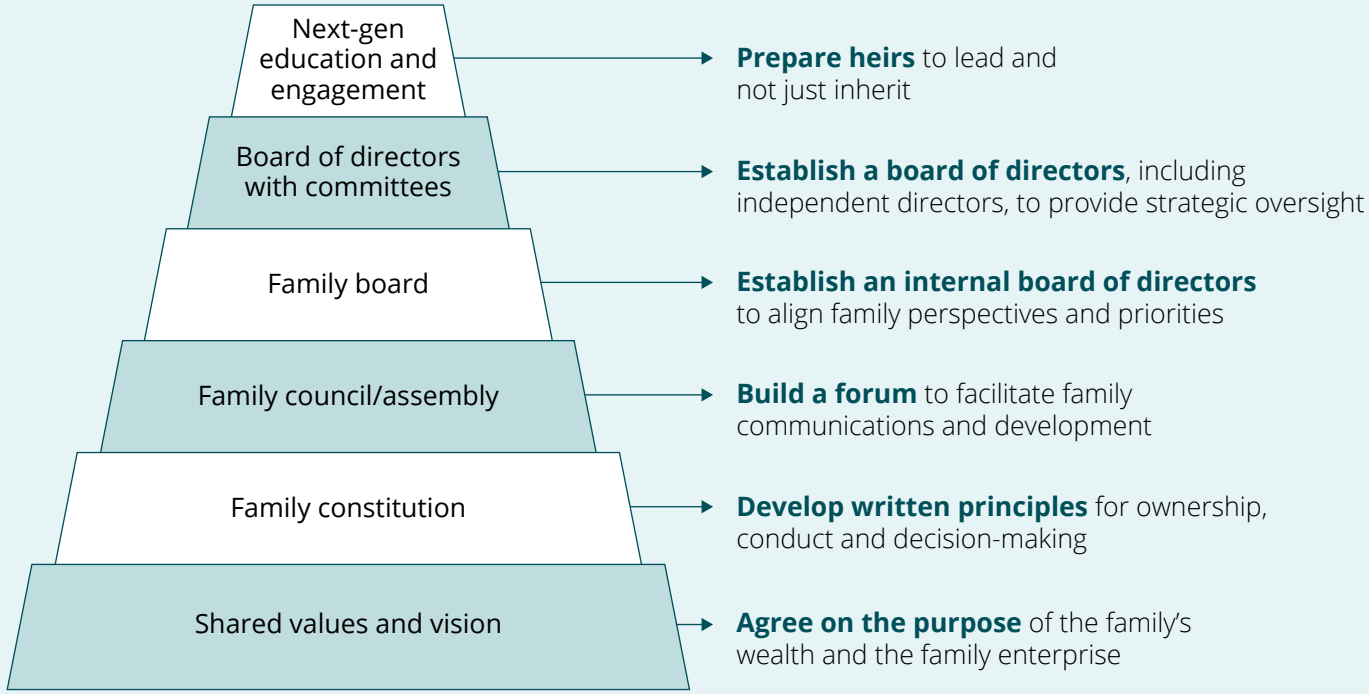


Governance built in layers

A legacy assessment addresses the estate. Family governance addresses everything around it: how decisions are made while family members are living, how disagreements are resolved before they become disputes, and how the next generation learns to steward wealth rather than simply receive it.

Many advisers note a recurring tension between first-generation wealth creators and the next generation. When a fortune is closely tied to a single founder, the founder may be reluctant to formalize decisions that have traditionally rested entirely on one person's judgment. Heirs, meanwhile, increasingly may want documented expectations, a forum for discussion, and greater visibility into decisions that may eventually become theirs to make.

Figure 4. A family governance structure built from the bottom up



02 The great wealth transfer

Families that effectively manage this tend to build governance progressively and methodically over time rather than all at once. The process develops in layers, starting with informal conversations about shared values and later evolving into more formal structures as the family grows and the stakes rise.

None of this eliminates conflict entirely. A family council or a written constitution can give families a defined way to address disagreements before they evolve into a courtroom dispute or a fractured family.

Families with technically sound succession plans can still experience intrafamily conflict. Clear corporate and family governance can provide support when conflicts arise.



Considerations for the years ahead

The next decade may bring a significant concentration of wealth transfers. Families that wait for a triggering event, such as a diagnosis, a death, or a forced sale, to begin these conversations may face greater time pressure and fewer practical options.

Moreover, family enterprises that do not intend to have a family member lead the business may need to identify external talent with the skills and personality to run the business and engage with the family.

A few practical implications follow:

Distinguish between an estate plan and a broader readiness assessment. Be honest about which one currently exists for your family.

Treat the estate readiness review as a rehearsal for the financial, legal, and administrative steps required after a principal's death, and as an ongoing exercise rather than a one-time document.

Begin succession conversations while they can remain unhurried. Shared values are easier to discuss in the normal course of events than in the aftermath of a loss.

Revisit the estate plan on a fixed cycle, roughly every three to five years, and again after major life events, business transactions, or changes in tax law.

The underlying transfer of wealth will be inevitable. What changes is whether the family experiences it as an unexpected event that happened to them or something they were ready for.



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