

## **Capital Group Survey Reveals Implications of the Great Wealth Transfer** *Australian inheritors are open communicators on inheritance and invest less*

**Sydney, 12 June 2025:** As the “Great Wealth Transfer” gets underway, inheritance patterns are shifting, with significant implications for wealth distribution and financial markets. Research from Capital Group, one of the world’s largest and most experienced active investment managers, with approximately US\$2.8 trillion<sup>1</sup> in assets under management, indicates that high-net-worth (HNW) families globally are accelerating the transfer of wealth to their heirs.

The study<sup>2</sup> surveyed 600 HNW individuals across Europe, Asia Pacific and the US to explore their approach to inheritance use and their own succession-planning.

“Trillions of dollars are estimated to be transferred from Baby Boomers across the US, Europe, and developed Asia to younger generations in coming decades. Millennials and Generation Z are receiving larger inheritances at a younger age and could benefit from a financial adviser’s market insights and long-term investment perspective,” says **Guy Henriques, President, Europe and Asia Client Group at Capital Group**. “At Capital Group, we have built enduring partnerships with wealth managers, grounded in the belief that expert financial advice and strong long term investment returns drive better outcomes for wealth holders and their beneficiaries.”

### **Engaging the next generation of wealth**

- Almost half (47%) of wealth holders in the study inherited directly from their grandparents, a majority (55%) having received between \$1mn and \$25mn. In Australia, a smaller proportion (40%) are inheriting directly from their grandparents.
- Millennials globally are more likely to turn to social media and “influencers” for investment advice when they inherit (27%) than to financial advisors (18%). In Australia, AI tools for wealth management generate less enthusiasm (48% vs 62% globally).
- 65% of Gen X and Millennial inheritors in the research say they have regrets about how they used their inheritance money, with nearly two in five wishing they had invested more.

### **Maximising inheritance potential**

- Three quarters of global wealth holders report challenges in communicating succession planning. While in Australia, a higher proportion (37%) report no problems communicating about wealth.
- 61% said they rely on lawyers and 49% on accountants to handle succession matters, while only about 20% use financial advisers.
- 79% globally will leave no specific wish on how inheritance must be used. APAC inheritors are even more hands-off (82%) in their succession planning; in Australia this rises to 92%.
- The research points to inheritance money often sitting dormant or underutilised. On average, only 22% of inherited capital is invested in mutual funds and 11% in a pension fund. Australian wealth holders tend to invest less (29% vs 33%) of their inheritances.
- 60% of wealth holders are unhappy about the way they used their inheritance, with one third regretting having underinvested.

“Our study reveals that most wealth holders wish they had used their inheritance differently and invested more. At Capital Group, our mission is to improve people's lives through successful investing. We believe that by considering investing some of their newly acquired capital, HNWI individuals could achieve long-term wealth generation. As a firm with 94-years of experience, we have partnered with clients to invest over multi generations, and as markets move up and down, it is important to remember the importance of staying invested for the long term,” concludes **Guy Henriques, President, Europe and Asia Client Group at Capital Group.**

- Ends-

### **Media Enquiries**

#### **Asia-Pacific:**

Kaitlyn Yang (Singapore)

[Kaitlyn.Yang@capitalgroup.com](mailto:Kaitlyn.Yang@capitalgroup.com)

Tel: +65 6437 0439

### **About Capital Group**

Capital Group is one of the oldest and largest asset management companies in the world, managing multi-asset, equity and fixed income investment strategies for different types of investors. Since 1931, Capital Group has been singularly focused on delivering superior, consistent results for long-term investors using high conviction portfolios, rigorous research and individual accountability. Today, Capital Group works with financial intermediaries and institutions to manage more than US\$2.8 trillion<sup>1</sup> in long-term assets for investors around the world.

1 Data as at 31 March 2025. Source: Capital Group

2 The Capital Group study was conducted by Financial Times Longitude in February and March 2025. The study surveyed 600 high-net-worth individuals (HNWI; net worth of at least \$1mn, investable assets between US\$250,000 and US\$10 million, and received inheritances of \$100,000–\$50mn) to explore their approach to inheritance use and their own succession-planning. All currency in US\$.