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Unready and Unadvised: The Silent Crisis in Family Wealth Transfer

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A study of 13,500 family firms shows that nearly half of heirs don't know where the assets are -- and 3 in 5 wouldn't know what to do if the founder died suddenly.

We all know plenty of millionaires with net worths between $3 million and $99 million who've made a name for themselves. But have you ever noticed how few of them come from families with lasting, generational wealth?

The truth is, keeping wealth across generations is anything but simple. In fact, it's often harder to preserve and pass down what the founder built than it was to build it in the first place.

According to Penguin Analytics (https://owner.one/analytics/) , a global family wealth transit survey with insights from 13,500 families across 29 countries, 47% of families lack even basic succession planning. The further findings confirm what many of us in the field have sensed for years: the next generation isn't ready. And worse — they don't trust the systems meant to support them. Below are more details from that study and some tips for making sure families are better prepared for transferring their wealth, based on our work with clients from 18 countries.

Three in Five Heirs Feel Unprepared

That's not a soft number — that's a breakdown. According to the study, 3 in 5 heirs reported feeling unprepared to take over their family's wealth. This isn't about financial literacy or lack of technical knowledge. It's a deeper discomfort: not being included, not being informed, not being trusted with the truth.

It often starts with good intentions. Founders want to protect their children from stress, from pressure, from the complexities of capital. But what begins as shielding becomes sidelining. And when the time comes, the handover happens not with clarity — but confusion.

This unpreparedness isn't just emotional. It has consequences. The report found that 48% of families believe they wouldn't be able to successfully claim the assets accumulated by the founder if something were to happen today. Nearly a quarter of capital holders said they'd be willing to sacrifice up to 25% of their wealth just to guarantee the rest stays in the family. That's not confidence — that's fear disguised as pragmatism.

So Why Does the Problem Persist?

There's a psychological undercurrent we've seen across every region, and every tier of wealth — what I call the Scarlett O'Hara Effect. In Gone with the Wind, when confronted with something she couldn't face, Scarlett said, "I'll think about that tomorrow." That's how many capital holders treat the unpleasant realities of succession.

They hire professionals, draft wills, store documents — but when it comes to real conversations, role transitions, or writing down key instructions, they put it off.

This effect compounds when assets are global, records are fragmented, and memory is the main vault. And when the founder becomes unavailable — whether by death or retirement — the family is left to scramble.

In that moment, most fall into one of four reactive paths:

- Plan A: Hire professionals to locate and claim assets
- Plan B: Use old lists, but find them too incomplete to act on

- Plan C: Go to court — lose some of the estate, gain legal clarity
- Plan D: Wait it out, supported by a pre-set "rainy day fund"

None of these are plans. They're improvisations.

When the Founder Goes Silent, Advisors Lose Their Voice

Another critical finding: Trust in advisors collapses after the founder's exit. It turns out, the loyalty was personal — not institutional. And once the anchor is gone, successors often begin from scratch.

More than half of successor heirs surveyed said they viewed their family's legal and financial advisors as extensions of the founder, not as neutral allies. In fact, most heirs replace or re-evaluate advisors within 18 months of succession. Some of it is strategic. Some of it is emotional. And some of it is pure survival.

But this breakdown leaves a dangerous vacuum — especially when institutional memory is thin, and records are incomplete. And that leads us to the next layer of the problem: the information itself.

No Roadmap, No Trust

Here's the quiet truth: most heirs don't distrust advisors because they dislike them — they distrust them because they don't understand them. And that's because they weren't given the story.

Without context, even good advice feels suspicious.

This is why one of the most overlooked tools in wealth transfer may also be the most powerful: the Source of Wealth Essay — or SoWE.

The SoWE: The Document That Rebuilds Context and Confidence

At its core, the SoWE is a narrative. It tells the story of how the wealth was built — not just the numbers, but the meaning: the risks taken, the principles followed, the decisions made. It also outlines the logic behind the structure: why certain assets are held where, why some advisors were chosen, what each account or entity was meant to do.

When multiple heirs are involved — especially across continents or family branches — this document becomes essential. It's not legally binding. But it is foundational. It helps successors walk into stewardship with clarity, not caution.

And yet — 92% of capital founders consider the SoWE unimportant, according to the report. That's not negligence. That's unfamiliarity: Most haven't seen one. Most weren't taught that legacy is more than balance sheets.

But families that do prepare one often describe it as transformational. SoWEs bridge gaps, de-escalate conflicts, and even restore confidence in advisors — because now everyone's on the same page. Literally.

If you're starting from scratch, there are templates like this one(https://owner.one/toolkit/sowe-template/) , that can help — including structured outlines developed specifically for family capital transitions. The most effective ones prompt founders to articulate origin stories, asset intentions, red lines, succession logic, and advisory notes. And perhaps most importantly, they include a timeline for heirs: when to know what.

The Solution Isn't Just Technical. It's Relational.

There's growing talk about digital tools — repositories that centralize family capital data, automate triggers, reduce reliance on people, and make legacy "self-executing." A repository of asset data and wealth transit is a secure, client-owned digital infrastructure that tracks assets and instructions in one place. It removes the need for intermediaries; avoids the ambiguity of legal documents; and ensures that when a triggering life event occurs, the process runs as planned, without external interference.

Repositories can act as the invisible backbone for asset continuity, making sure that everything a family builds reaches the right hands, in the right form, at the right time. For example, our own platform, Owner.One (https://owner.one/) , was developed to serve families in the $3 million –$99 million range by offering them tools to visualize, manage, and transfer assets with clarity and control.

These technologies are developing fast. But technology can't replace trust. It can only support it.

The truth is, families need both. They need a technical structure that outlives the founder — and a relational

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structure that empowers the next generation before they're in charge.

The work starts now — not at the reading of the will.

Visit here(https://owner.one/analytics/) to review the full data in Penguin Analytics, including regional differences, behavioral trends, and generational patterns.

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