How To Talk To Your Children About Money

More wealth is changing hands now than at almost any time in U.S. history.

Economists estimate that roughly $84 trillion in U.S. assets will be passed down from older generations to their heirs by 2045. Often referred to as "the Great Wealth Transfer," this massive shift includes homes, portfolios, family businesses, retirement accounts, and legacies built over decades.

CNBC recently discussed what analysts are calling the "wealth communication gap" — the idea that many families lack the shared language to navigate that transfer effectively, leaving confusion and tension instead of clarity and trust.

The overall lasting legacy may be how well families communicate, understand one another, and co-manage assets.

Avoiding money conversations doesn't prevent conflict — it postpones it

For many families, silence feels like the safest, and most comfortable, route. Parents worry that talking about money will spark entitlement, disagreement, or emotional landmines. Adult children — feeling discomfort — often hold back their own questions.

When families don't discuss money early, expectations tend to form anyway — just without facts. Adult children fill in gaps with assumptions about fairness, responsibility, and intent.

This dynamic is one reason Warren Buffett has long emphasized a simple principle when it comes to family wealth: no surprises. Buffett is vocal in sharing that he includes his children every time he updates his will, inviting questions and discussion well before decisions take effect. Over time, he's also adopted some of their suggestions — a process he credits with building trust and reducing misunderstandings.

The Oracle of Omaha's (that's Buffet) perspective reflects decades of observing families fracture when estate plans are revealed for the first time. Without context, decisions can be misinterpreted through individual lens or perceived favoritism. Transparency doesn't mean giving up control — it means giving family members clarity and time to understand what's coming.

Framing the discussion as part of an ongoing planning conversation can make it feel more natural and less confrontational. Productive conversations often emerge during routine financial check-ins, estate plan reviews, or broader life transitions such as retirement, selling a business, or when children reach adulthood and family roles begin to shift.

Productive money conversations start with purpose, not numbers

Constructive conversations start with *why.* Parents might reflect on what shaped their early views on money and their financial decisions today, what matters most to them financially, and what they hope their family understands about wealth and its purpose.

These questions shift the conversation from transactions to intentions. They help adult children understand the reasoning behind decisions — even if those decisions aren't perfectly equal or intuitive. And understanding, more than agreement, is what reduces resentment later.

Over time, shared context can make discussions about specifics — like account balances or estate details — feel less daunting and more grounded. As Bill Gates has said when explaining his own approach to inheritance, "My kids got a great upbringing and education, but [they will get] less than 1% of the total wealth, because I decided it wouldn't be a favor to them." His perspective underscores that wealth planning is as much about values as it is about numbers.

Giving adult children money to manage can teach more than money to inherit

Another way families can narrow the communication gap is by shifting from inheritance-focused thinking to education-focused experiences. Some parents choose to give their children a portion of capital earlier — not as spending money, but as money to manage. Even modest amounts can introduce real-world lessons about risk, patience, market cycles, and decision-making under uncertainty. When young adults have a stake, responsibility becomes real.

Research on family financial socialization shows that guided parental involvement — through hands-on experience and open discussion — is linked to stronger financial confidence, better decision-making, and healthier long-term financial behaviors. Over time, those capabilities are closely associated with more effective wealth management and a greater likelihood of preserving wealth across generations.

Just as importantly, shared financial experiences create a shared financial language. Parents have opportunities to pass along hard-earned wisdom and provide oversight, while adult children feel more comfortable asking questions and seeking advice. That familiarity can make later conversations about wealth — including inheritance specifics — feel less intimidating and less emotional.

Effective wealth conversations are ongoing, and benefit from a neutral guide

Families that engage in ongoing conversations about wealth report greater clarity and trust across generations, while one-time or avoided discussions are more likely to lead to misunderstanding and tension later on.

Wealth advisors serve as neutral guides, experienced in leading productive money conversations. Beyond directly managing assets, advisors help structure conversations, frame decisions with context, and keep discussions focused on shared goals.

As trillions of dollars move from one generation to the next, the families who navigate the transition most successfully won't necessarily be the wealthiest. They'll be the ones who took the time to talk — early, clearly, often, and with intention.