



7 KEY STEPS TO WIN THE NEXT GENERATION OF INVESTORS

Written in partnership with RIA Channel

Engaging the next generation of investors may not be the ideal strategy for every advisor, but for those who successfully develop a focused offering and client experience there is a significant growth opportunity.

As advisory firms look to find qualified leads and strengthen their long-term strategic relevance, they are increasingly turning their attention to younger investors and the generational transfer of wealth. While there is significant awareness of this opportunity, the challenge for advisors is preparing for it optimally. Firms need to pursue NextGen investors with a clear understanding of their needs, how they evaluate advisors and whether traditional advisory services and business models meet their expectations.

In a [recent webcast](#) (“The NextGen Playbook: Positioning Your Business to Convert This Segment”), Julie Littlechild, Founder and CEO of Absolute Engagement; Meg Carpenter, CEO of Ficomm Partners; Ray Sclafani, Founder and CEO of ClientWise; and Pablo Cerrilla, Director, Advisor Growth at BNY, discussed key considerations to ensure that advisory firms are well positioned to attract younger investors.

The overarching conclusion is that younger investors choose advisors based on different criteria than prior generations. They rely less on referrals and instead verify advisors’ credibility through online research, while placing greater emphasis on access to credit, emotional intelligence and a clearer upfront case for the value of financial advisory. Firms that approach this segment without intentional segmentation, aligned service models and modern engagement strategies risk missing an opportunity — or worse, putting retention at risk.

Following are the key steps advisory firms can take to convert and retain the next generation in a way that is both strategic and sustainable.

1. DEFINE THE TARGET GENERATION PRECISELY

- Millennials are now anywhere from 30 to 46 years old, while the children of many current clients are already in their 50s or 60s – and these two segments require very different service models.
- If you lump all clients into a single group, you run the risk of misunderstanding their needs and using the wrong marketing strategies and offerings.
- “NextGen” is a bit of a misnomer, as younger clients are not a monolithic group. While all investors have their own needs, characteristics and advisory styles, service demands and offerings tend to be similar (see below).

2. DESIGN A HOLISTIC CLIENT EXPERIENCE — NOT JUST A MARKETING STRATEGY

- Fewer than 25% of advisors’ clients with adult children (aged 25 or older) report that these children work with the same advisor, putting 75% of future assets at risk.
- The biggest risk is not the lack of an introduction, but rather an experience that fails to connect with younger investors.
- More than 60% of clients ages 44 and under are likely to refer their advisor, compared with 30 to 40% of clients ages 45 to 74. But for referrals to be effective, the overall experience needs to appeal to the next generation.

3. FOCUS ON THE SERVICES THAT NEXTGEN INVESTORS ACTUALLY NEED

- Your service offering and client discovery process must meet young investors where they are in life.
- This means leaning into planning, facilitating access to credit and having the patience and empathy to understand their personal needs and aspirations. Invest the time now — reap the benefits later.
- One critical opportunity is evaluating talent and development practices to secure a pipeline of younger advisors who can build a new book of business.

4. BUILD A DIGITAL FOOTPRINT THAT VALIDATES REFERRALS

- Only 17% of consumers under age 44 require a referral when choosing an advisor, versus around 60% of those over age 60.
- Digital marketing now influences advisor selection in 45% of cases, with younger investors expecting multiple (often five or more) touchpoints before engaging.
- While it's not necessary to be a financial influencer on TikTok, advisors need to be aware of the digital trends that are likely to be discussed during their conversations with younger clients.

5. WITH THE INCREASED USE OF AI, ADVISORS NEED TO DEMONSTRATE VALUE IN TERMS OF DECISION LEADERSHIP RATHER THAN INFORMATION DELIVERY

- Be aware of AI, what Ray Sclafani calls the “other client” in the room. Clients are already using AI to analyze their investment portfolios, tax strategies and estate plans before and during advisor meetings.
- As information becomes accessible, advisors can set themselves apart by providing judgment, setting priorities and helping clients determine what matters most to them.

6. LEAD WITH EMPATHY AND LIFE CONTEXT, NOT MARKET UPDATES

- Younger investors face a broader set of concerns — career, debt, education costs and caregiving responsibilities — creating higher overall anxiety than for older cohorts.
- Empathy and personalization are stronger predictors of loyalty than technical expertise alone.

7. REMOVE STRUCTURAL BARRIERS (OR INNOVATE YOUR BUSINESS MODEL) IF YOU TRULY WANT NEXTGEN CLIENTS

- Among households with assets of \$5 million or less, only 22% work with a financial advisor, largely due to minimums and AUM-centric models.
- Few younger investors are willing to pay the median annual advisory fee of around \$10,000, opening the door for lower-cost or planning led models.¹

UNDERSTANDING AND REACHING NEXTGEN INVESTORS

Younger investors face a broader and more complex set of financial concerns than prior generations. Research shared in the discussion shows that while pre-retirees and retirees tend to focus on a narrow set of issues — primarily family well being, health and market volatility — younger respondents report anxiety across a much wider range of concerns, including career, managing debt, growing investments, education planning and caring for both children and aging parents simultaneously. This expanded list of worries contributes to a heightened level of stress and reinforces the need for advisors to engage beyond markets, incorporating life context, priorities and tradeoffs into client conversations.

One of the most significant opportunities lies in supporting families across generations. While 90% of clients indicate that they plan to pass at least some of their wealth on to their children, only 25% of clients with adult children (ages 25 and older) say that these children work with the same advisor, highlighting a meaningful engagement gap.² Even when assets do not immediately transfer, advisors who help clients support their children deepen engagement with the entire household, an approach linked to higher engagement levels, stronger loyalty and increased referrals among parents. If your skillset and practice aren't aligned with the needs of a client's heirs, consider collaborating with another advisor at your business focused on this segment.

HOW YOUNGER CONSUMERS CHOOSE ADVISORS

Younger investors do not rely on referrals the same way older generations do. While approximately 60% of clients over age 60 may require a referral to choose a financial advisor, only 17% of consumers under age 44 do. Instead, digital discovery plays a central role, with 45% of respondents saying that their choice of advisor is influenced by digital marketing. Younger consumers frequently research advisors online, review websites and engage across multiple digital touchpoints before initiating a conversation.

Even when a referral occurs, it is often just the starting point. Younger investors typically validate advisors across multiple interactions — often five or more touchpoints³ — before making a decision. This places pressure on firms to clearly articulate who they serve and how they deliver value. Messaging with a broad appeal risks being filtered out. This is particularly likely as generative AI tools increasingly surface advisors based on clarity, relevance and specialization. Firms without a defined ideal client profile or appropriate digital presence risk being eliminated from consideration before the first meeting even takes place.

HOW AI IS CHANGING THE ADVISOR'S ROLE

As AI becomes an integral part of how clients gather and analyze financial information, the advisor's role is shifting from information provider to decision leader. Clients are already using AI tools to analyze investment portfolios, tax strategies and estate planning scenarios before meeting with advisors. While these tools offer speed and access, they frequently produce partial or imperfect answers, requiring interpretation and judgment.

In this environment, the advisor's value lies in behavioral coaching, future-focused guidance and helping clients determine which information is accurate, relevant and actionable for their specific situation. Advisors who lead with questions — starting with discussing what has changed in a client's life before offering solutions — are better positioned to build trust. As information becomes abundant, trust and loyalty are increasingly driven by judgment, empathy and the ability to guide decisions through uncertainty.

COMPARING FINANCIAL ADVISORS TO THERAPISTS AND PERSONAL TRAINERS

Among younger and emerging-wealth individuals, personal trainers and therapists are often perceived as more valuable than financial advisors. A 2025 Long Angle survey shows that while only 13% of millionaires over age 50 use a therapist, this figure rises to 43% among those under age 40, reflecting a greater willingness among younger generations to seek help and share personal details.¹ By contrast, among households with \$5 million or less in wealth, only 22% work with a financial advisor.

This comparison highlights a perception gap. Improving physical or mental wellbeing often delivers immediate emotional value, whereas financial advice is frequently associated with high minimums and a median annual cost of approximately \$10,000, which many younger investors are unwilling or unable to pay.⁴ As a result, lower-cost, planning focused models and differentiated service offerings can meet younger investors where they are. Firms that clearly articulate value beyond portfolio management and deliver it in a way that feels accessible, personal and relevant are better positioned to build trust earlier in the client lifecycle. After all, if advances in medicine and AI will help younger generations live longer, they might as well plan financially for it.

RESOURCES

- Watch the [webcast replay](#) “The NextGen Playbook: Positioning your Business to Convert this Segment”
- Download related presentations from:
 - [ClientWise](#)
 - [Ficomm Partners](#)
 - [Absolute Engagement](#)

If you’d like to speak with us or learn more about the BNY Advisor Growth Network, please [click here](#) to schedule a meeting.

¹“High-Net-Worth Professional Services Study,” Long Angle, October 23, 2025.

²Julia Littlechild, “Curating Well-Being Across Generations,” Absolute Engagement, June 24, 2025.

³“New Research Uncovers a Misalignment Between Financial Advisors’ Marketing Tactics and Consumer Preferences,” Ficomm Partners, PR Newswire, January 15, 2025.

⁴Ibid.

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