

Empowering Generational Wealth Transfer Through Values-Driven Investment Strategies

As the Silent Generation and Baby Boomers approach the stage of life where wealth transfer becomes imperative, it is essential to focus on wealth preservation while bearing in mind your heirs' interest in values-aligned investing. By 2029, Millennials are expected to propel the impact investing market to an extraordinary \$1.3 trillion, more than doubling its projected value in 2025 (Equities Editors Desk (2025)). This significant shift underscores the increasing relevance of values-aligned investment strategies.

Additionally, women are set to inherit trillions of dollars over the coming decades, playing pivotal roles as primary decision-makers for household wealth (Adamczyk, Alicia and Ajemian, Nina (2025)). A 2021 BNY Mellon study revealed that over half of women (55%) would invest, or increase their investments, if these align with their personal values. This shift is particularly notable among younger women investors, who favor companies mirroring their personal beliefs (BYN Mellon Investment Management 3 (2021)).

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“Naturally, women want to see returns on their investments, but they also want to see the impact of their money. Investing for the future-whether it is their own financial security or for the future of the planet-goes hand in hand with female empowerment”

— Holly Mackay, UK finance expert, founder and managing director of Boring Money

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Millennials and Values-Aligned Direct Index Investing

Younger generations, particularly Millennials, are increasingly prioritizing investments that align with their values. They seek opportunities that not only promise financial returns but also contribute positively to society and the environment. This trend is largely driven by a desire to tackle global challenges such as climate change, social inequality, and resource scarcity. Millennials are known for their commitment to making a difference and using their financial power as a force for change.

- **60%** of millennial investors have already engaged in impact investing (Equities Editors Desk (2025)).
- **40%** say they expect to make impact investments in the future (Equities Editors Desk (2025)).

- Despite political pushback against ESG (Environmental, Social, and Governance) and DEI (Diversity, Equity, and Inclusion), the Impact Investing Global Market Report says the global impact investing market is on a growth path and is not slowing down (Equities Editors Desk (2025)).

Adapting to Clients' Needs

Expanding relationships within a family is a huge opportunity. The initial inheritors of about \$50 trillion over the next two decades will be women, as surviving spouses before passing to their children. Advisors must consider a more diverse set of needs when working with the next generation, as well as women (Green, Paula (2025)).

Many financial advisors and wealth managers are acknowledging this trend and adjusting their services accordingly. They are providing clients with more opportunities to invest in values-aligned companies and projects, ensuring that wealth is preserved for future generations while also being used as a tool for good. Transparency and accountability are key in this new era of investing, with investors demanding detailed information about the impact of their investments and measurable outcomes.

As we look to the future, the momentum behind values-aligned investing is expected to accelerate as more people recognize the benefits of sustainable practices for the planet, society, and long-term financial performance. By adopting this approach, wealth transferred across generations can continue to thrive and support a more equitable and sustainable world.

Values-Aligned Direct Index Solution (VADIS): A Flexible Tool for Generational Growth

In a collaborative effort, First Affirmative Financial Network and YourStake have developed our Values-Aligned Direct Index Solution (VADIS). This innovative tool allows Registered Investment Advisors (RIAs) to offer low-cost, custom, tax-efficient investment strategies. VADIS is designed with flexibility and personalization at its core, enabling financial advisors and their clients to create investment portfolios that align with clients' unique values and evolving financial goals.

Features of VADIS

- **Flexibility and Personalization:** VADIS allows advisors to tailor investments that are both profitable and principled, reflecting the demand for ethical and sustainable financial practices.
- **Advanced Technology and Investment Expertise:** By leveraging YourStake's technology and First Affirmative's investment expertise and data analytics, VADIS facilitates precise asset allocation and optimization, maximizing returns while adhering to personal values.
- **Adaptability:** Whether clients prioritize environmental sustainability, social responsibility, or governance factors, VADIS investments contribute positively to the world.

VADIS Can Help Build Relationships with Heirs

Advisors want to cultivate strong relationships with heirs across generations. Engaging with younger family members and understanding their financial goals and values is essential for smooth wealth transition. Building trust with heirs helps secure the future of their wealth and aligns financial management with the family's evolving needs.

Strategies for Wealth Transition

- **Tax Management:** Understanding tax implications for different assets, like real estate and stocks, and working closely with clients to navigate complexities.
- **Emotional and Relational Dynamics:** Open family communication and a clear governance structure can help manage expectations and reduce conflicts.
- **Legacy and Values:** Successful wealth transition is about preserving assets and carrying forward the family's legacy and values.

Implementing VADIS in Your Practice

Here are three ways to integrate VADIS into your practice:

Persona Portfolios

- **Offer tailored solutions:** Utilize 7 pre-built personas for clients new to values-based investing for rapid, personalized implementation.

Applying Firm Values

- **Align portfolios with your firm's ethos:** Streamline implementation and reinforce brand identity, ideal for firms with a strong values proposition. This option is best for firms whose clients have already bought in to the firm's values proposition.

Bespoke Customization

- **Create custom portfolios:** Use over 150 metrics across 5 key issue areas for high-net-worth or deeply engaged clients, accommodating specific security preferences.

VADIS Workflow

1. **Discover Client Preferences:** Use the Behavioral Values Questionnaire or Risk Tolerance Questionnaire to build a comprehensive client profile.
2. **Optimize:** Refine portfolios based on client preferences and values.
3. **Analyze:** Use Advisor Core for analytics and adjust as needed.
4. **Implement:** Implement seamlessly across selected custodians including Apex Clearing, Goldman Sachs, and Schwab.
5. **Monitor and Report:** Continuously monitor, strategically rebalance, and report across approved platforms.

By embracing tools like VADIS and focusing on values-aligned investing, advisors can support a meaningful wealth transfer that aligns with modern values and contributes to a sustainable future.

Sources:

1. Equities Editors Desk (2025), Millennials will power the impact investing market to \$1.3 trillion by 2029, [⌕ Millennials will power the impact investing market to \\$1.3 trillion by 2029 - Equities.com](#)
2. Adamczyk, Alicia and Ajemian, Nina (2025), Women are set to inherit trillions in the great wealth transfer. Are they ready for it?
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3. BYN Mellon Investment Management (2021), The Pathway to Inclusive Investment. How Increasing Women's Participation Can Change the World, [The Pathway to Inclusive Investment](#)
4. Green, Paula (2025), Wealth-Transfer Planning Tips for Advisors: Cerulli,
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