

Heirs, Assets and Accountability: How Forensic Accountants Are Helping Navigate the Great Wealth Transfer

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- US\$124 trillion is expected to change hands through 2048
- 85% will go to heirs
- US \$18 trillion will go to charitable causes
- Baby Boomers and older generations represent 81% of all transfer sources

Over the next two decades, the U.S. and Canada in particular will witness one of the most significant financial shifts in modern history: an unprecedented intergenerational transfer of wealth.

It is projected that in the United States, approximately US\$124 trillion¹ will be transferred through 2048, with US\$105 trillion expected to flow to heirs and US\$18 trillion to charitable causes. Nearly US\$100 trillion of this transfer will originate from Baby Boomers and older generations, representing 81% of all transfers. In Canada, a similar transition is underway, with approximately CAD\$1 trillion² expected to change hands in the coming years.

For estate lawyers and litigators, this wealth transfer represents more than just a demographic trend — it's a landscape increasingly marked by complex disputes, financial confusion and growing demand for expert analysis. In this environment, forensic accountants have become

essential partners in resolving estate-related conflicts and preserving the integrity of the process.

As wealth changes hands, the likelihood of friction increases. While inheritance has always carried 'emotional weight,' the complexity and size of modern estates are adding new layers of risk.

Blended families, late-in-life remarriages, aging business owners, and rising real estate and investment values have all contributed to a spike in estate litigation. Common disputes include:

- Claims of undue influence or questions around the testator's mental capacity
- Claims relating to the legitimacy of wills, regardless of the testator's mental capacity
- Suspicion of missing or misappropriated assets under a power of attorney prior to death
- Disagreements over business valuations and/or the handling of family-owned enterprises
- Conflicts between beneficiaries over lifestyle expenses, gifts, or distributions prior to death

¹ Cerulli Associates. (December 5, 2024). "Cerulli Anticipates \$124 Trillion in Wealth Will Transfer Through 2048."

² Agrba, L. (September 27, 2023). "The next wave of trickle-down wealth is upon us. CPA Canada."

Consider, for example, a dispute that unfolds when adult children, tasked with settling their father's estate, uncover a pattern of sizeable withdrawals and the quiet sale of a family property in the final years of his life. The transactions, carried out under a power of attorney held by his second spouse, raise uncomfortable questions about whether these decisions reflected their father's true intentions or someone else's influence.

Even when a will appears well-drafted, financial concerns can fuel mistrust — especially when transparency and/or communication amongst family members and other beneficiaries is lacking.

Forensic accountants specialize in untangling financial complexities and identifying facts amid allegations, assumptions and emotion. In estate matters, their work often starts with a simple question: where did the money go?

Here are some of the key ways forensic accountants assist in estate disputes:

- **Asset Tracing and Financial Reconstruction** – Forensic accountants follow the trail of funds across accounts and entities, identifying missing assets or uncovering undisclosed transfers. This is particularly important when significant gifting or transactions occurred late in life. They can also help reconcile the distribution instructions set out in wills.
- **Analysis of Lawyer or Executor Conduct** – Whether reviewing years of activity under a power of attorney or evaluating how an executor has administered the estate, forensic accountants can spot red flags, such as unexplained withdrawals, inappropriate reimbursements or conflicts of interest.
- **Support for Undue Influence Allegations** – While legal and medical experts weigh in on capacity, forensic professionals contribute by analyzing patterns of spending and control. A sudden shift in financial behavior, particularly if it coincides with changes to the will, can provide valuable insight.
- **Valuation of Complex Assets** – Family businesses, family trusts, private equity stakes, and unique investments often require accounting and valuation experts to resolve disputes over fair division. Forensic accountants bring the expertise needed to provide defensible, independent valuations.
- **Expert Reports and Courtroom Testimony** – In contentious litigation, expert reports from forensic accountants can clarify complex financial narratives. Their testimony is often central to resolving cases involving breach of fiduciary duty, asset division, or fraud.

For lawyers representing beneficiaries, executors, or trustees, early consultation with a forensic accounting expert can help prevent disputes from escalating, or provide the factual foundation needed when they do.

In an era where wealth and conflict are increasingly intertwined, the forensic accountant has become more than just an investigator—they are a steward of transparency. Their ability to reconstruct financial timelines, uncover missteps, and present findings with precision and clarity adds immense value in navigating inheritance conflicts. As the great wealth transfer continues, their skillset will remain indispensable in holding estates—and those entrusted with them—to account.



About the Author: *Edward Nagel is a seasoned forensic accountant serving the needs of corporations, individuals, public sector and not-for-profit organizations and their legal advisors/boards, primarily in the area of corporate fraud. His experience encompasses leading and conducting financial investigations, investigating allegations of fraud and financial misconduct, providing anti-fraud consulting/training, conducting financial motive reviews and analyzing and quantifying economic damages.*