

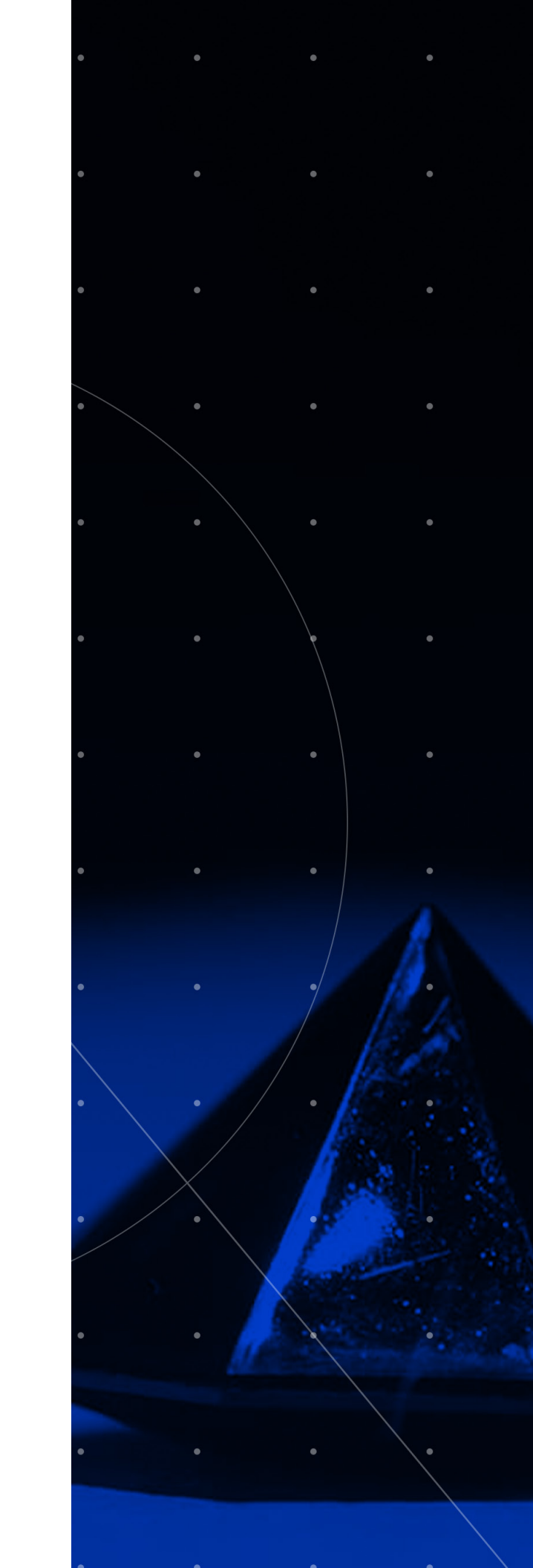


#Millennials:

THE STARTUP GENERATION

OCTOBER 2025

NEWEDGEWEALTH.COM



Decoding Millennials

Born between 1981 and 1996, Millennials are the largest generation in the U.S. workforce today, numbering over 72 million¹. As the first true digital natives, they grew up alongside the internet, mobile technology, and social media. Their formative years were shaped by seismic events such as 9/11, the Great Financial Crisis of 2008, and more recently, the COVID-19 pandemic. These experiences have fostered resilience, adaptability, and a different outlook on wealth creation and career paths than prior generations. Millennials' financial psychology is shaped by economic volatility and digital access to information. They are typically more comfortable with alternative investments, including private equity, venture capital, and digital assets. They also prioritize environmental, social, and governance (ESG) factors more than prior generations.

Despite facing headwinds like rising student debt, delayed homeownership, and a higher cost of living, Millennials have become a force in entrepreneurship. Today, they represent a growing share of business owners and startup founders. While Baby Boomers and Gen X have traditionally dominated business ownership, Millennials are beginning to chart their own course - often building companies with a focus on technology, social impact, and flexibility.

The Millennial Entrepreneurial Surge

Millennials are launching businesses at a rapid pace, particularly in areas that align with their values. Social enterprises, tech-enabled platforms, and mission-driven startups are common hallmarks of Millennial entrepreneurship. Millennials are also uniquely adaptive to emerging technologies; many of the companies they launch today are tech-enabled or AI-driven, giving them a structural advantage in building scalable, efficient businesses.

Also, unlike previous generations, wealth creation is often tied not only to financial returns, but also to making an impact in broader ways².

¹https://www.dol.gov/sites/dolgov/files/ETA/opder/DASP/Trendlines/posts/2024_08/Trendlines_August_2024.html

²<https://www.justworks.com/blog/why-are-millennials-and-gen-z-more-likely-to-start-a-business>



While they currently hold a smaller portion of U.S. wealth compared to Boomers and Gen X, Millennials are expected to inherit significant assets in the coming decades - estimates place this intergenerational transfer at over \$68 trillion³. For Millennials, the convergence of entrepreneurship and inheritance is shaping how wealth is built, managed, and transitioned.

The Exit Planning Institute's 2025 Generational Report reveals that 75% of business owners surveyed indicated their intent to exit their businesses within the next 10 years. There has indeed been a significant shift in the ownership of privately held businesses with Gen X owning 47% and Boomers at 40% and Millennials with 13%. It's clear that the newer generations are gaining market share and will define trends in the future. For purposes of this whitepaper, it is interesting to note that 74% of Millennials plan to sell within the next 10 years while 48% of Millennials plan to sell their business within the next 5 years.

Exit Mode: Activated

Exit strategies for Millennials often focus on diversification, liquidity, and impact. Unlike Baby Boomers, who may prioritize stability and income, or Gen X, who may use proceeds to "catch up," Millennials are inclined to view an eventual liquidity event as a tool for wealth creation, freedom of choice, or positive change. Therefore, as Millennials continue to scale their businesses, exit planning will become increasingly important. Many Millennials aspire toward financial independence earlier than prior generations. This mindset reshapes how they view business exits: not only as financial transactions, but as milestones that open doors to new ventures, causes, and lifestyles.

For younger owners, this coming exit may not be their last. In fact, this coming exit may not be their first. While Baby Boomers have typically poured their entire careers into one business, Millennials, and, to a degree, Generation X owners, are more likely to purchase and exit from multiple businesses over the course of their careers. That means the exit must be right to fuel the next purchase, and awareness of options is key.

Millennials have a build-to-sell mentality and are likely to invest in or purchase another business post-exit. They are serial entrepreneurs and will start and sell several businesses during their lifetimes.

Prioritizing a Cash Payout: For those who want to maximize liquidity, an all-cash deal can offer the freedom to reinvest, pursue philanthropy, or simply step back from the demands of entrepreneurship. This approach is common with millennials, who, as research shows, have become disenfranchised with traditional "career paths". To position for such a deal, preparation on the business side is critical: clean, audited financials, strong systems and succession plans, and a growth trajectory will help to attract the right buyer. Typically, strategic buyers (large corporations, competitors) are more likely to pay cash up front, whereas private equity buyers tend to look for partial rollover and continual management involvement. While higher cash payouts sometimes mean a haircut in terms of valuation, there is no need for negotiations on earnouts or continual equity involvement.

³<https://www.bankrate.com/investing/the-great-wealth-transfer/>

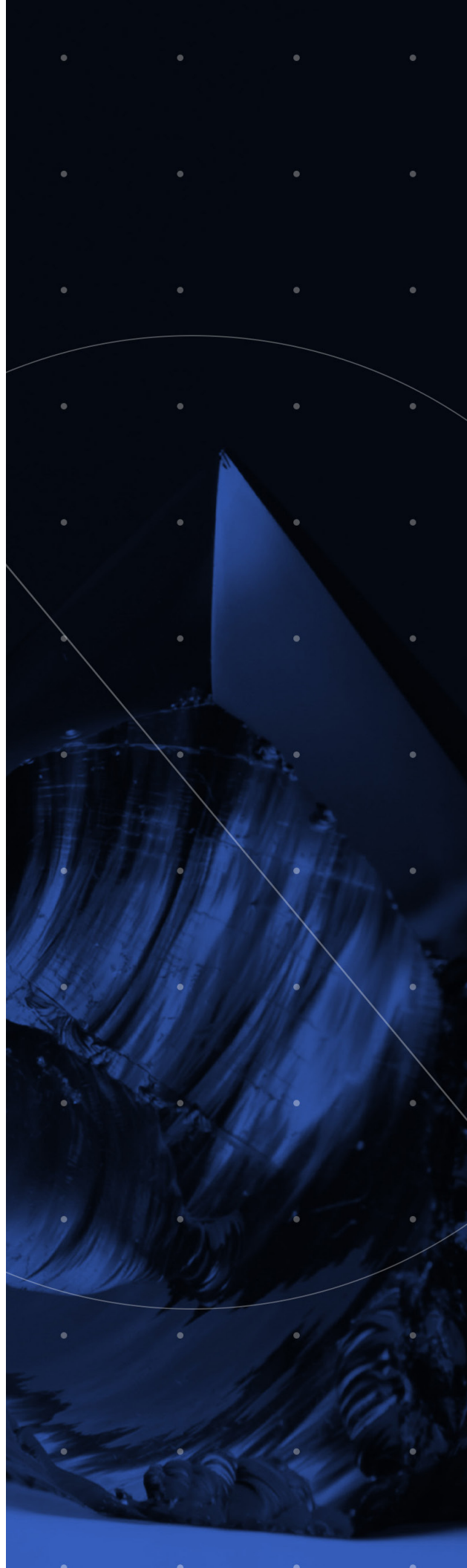
Maintaining Equity or Serial Entrepreneurship: Others may prefer to roll over equity, leveraging their long-time horizon to compound wealth. Therefore, for those interested in growing the business, the exit may be a way to create a platform for future growth. The exit is seen as a bridge to create a roll-up and take the business to the next level. For this type of seller, retaining equity in the transaction will be an important feature of the transaction. Moreover, the role to be played going forward will be an important negotiating point. Early personal wealth planning can help to mitigate tax liabilities. For example, transferring equity into a vehicle outside of one's taxable estate (such as an irrevocable trust) allows all appreciation on that equity occurs on an estate-tax free basis.

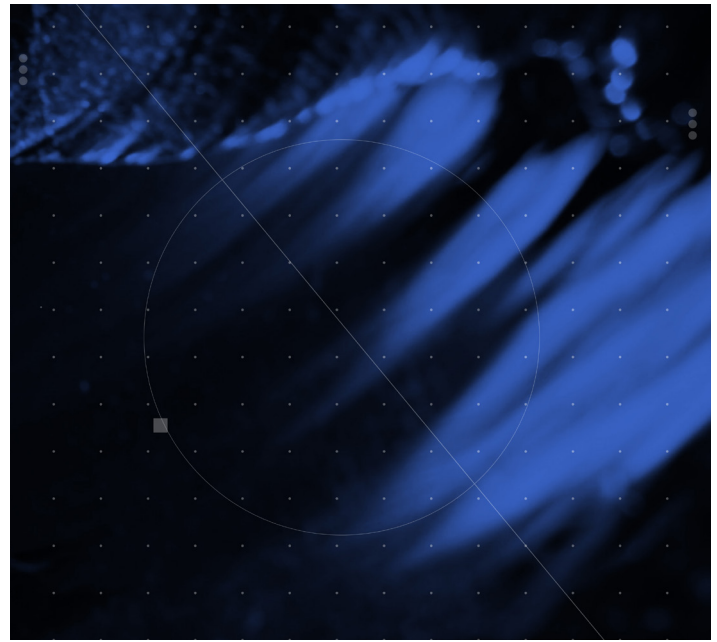
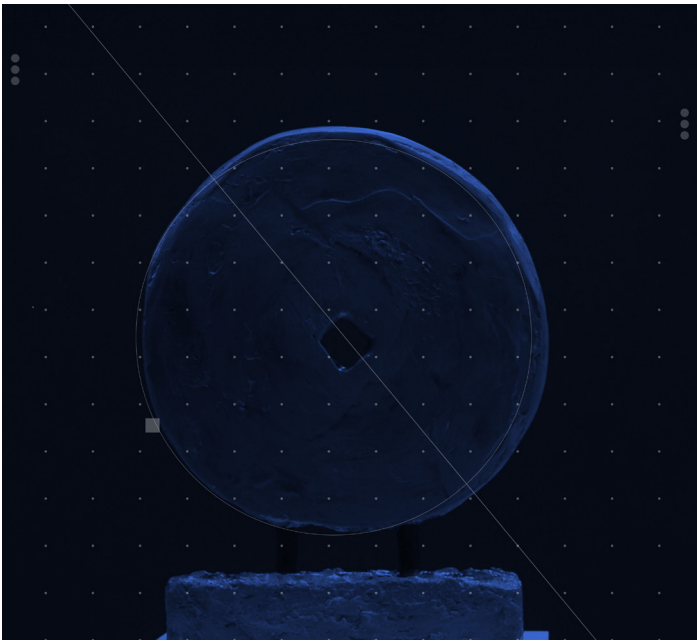
For serial entrepreneurs, liquidity events often serve as seed capital for the next venture. Millennials in numbers greater than prior generations are likely to become serial entrepreneurs or investors in other businesses. Given that profile, the most beneficial exit would be one that allows them flexibility to start another business. As such, the terms and conditions relating to the exit will matter quite a bit. A Millennial seller may have little interest in sticking around after sale. They may already have the next business start-up in mind and will use the sales proceeds to fund the next business.

Thinking strategically about entity structure, estate planning, and investment vehicles ensures these reinvestments are efficient and aligned with overall net worth sizing.

Regardless of the exit structure, many Millennials seek to embed philanthropy into their exit planning. Whether through donor-advised funds, private foundations, or impact investments, exit proceeds can be directed toward causes that reflect their values.

Even in preparation, Millennials rely on digital platforms and AI-driven tools for valuation, investment analysis, and tax planning – this underscores their comfort with technology at every stage of wealth creation. Still, the importance of a “**quarterback**” remains constant. Identifying a trusted advisor - whether a financial advisor, CPA, or attorney - is the first step toward coordinating both business and personal wealth strategies.





Conclusion

As Millennials take center stage in entrepreneurship and wealth building, their approach to planning, investing, and impact is already beginning to shape the next era of business ownership. Their exits will not only unlock personal wealth but also redirect capital into new ventures, causes, and for younger owners, this coming exit may not be their last. In fact, this coming exit may not be their first. While Baby Boomers have typically poured their entire careers into one business, Millennials, and, to a degree, Generation X owners, are more likely to purchase and exit from multiple businesses over the course of their careers. That means the exit has to be right to fuel the next purchase, and awareness of options is key. This awareness of options provides an interesting shift when we look at how each generation plans to exit industries.

Let's talk.

For more information, call [800-693-7800](tel:800-693-7800) or visit newedgewealth.com/onward.

Important Disclosures

The views and opinions included in these materials belong to their author and do not necessarily reflect the views and opinions of NewEdge Capital Group, LLC.

This information is general in nature and has been prepared solely for informational and educational purposes and does not constitute an offer or a recommendation to buy or sell any particular security or to adopt any specific investment strategy.

NewEdge and its affiliates do not render advice on legal, tax and/or tax accounting matters. You should consult your personal tax and/or legal advisor to learn about any potential tax or other implications that may result from acting on a particular recommendation.

The trademarks and service marks contained herein are the property of their respective owners. Unless otherwise specifically indicated, all information with respect to any third party not affiliated with NewEdge has been provided by, and is the sole responsibility of, such third party and has not been independently verified by NewEdge, its affiliates or any other independent third party. No representation is given with respect to its accuracy or completeness, and such information and opinions may change without notice.

Investing involves risk, including possible loss of principal. Past performance is no guarantee of future results.

Any forward-looking statements or forecasts are based on assumptions and actual results are expected to vary from any such statements or forecasts. No assurance can be given that investment objectives or target returns will be achieved. Future returns may be higher or lower than the estimates presented herein.

An investment cannot be made directly in an index. Indices are unmanaged and have no fees or expenses. You can obtain information about many indices online at a variety of sources including: <https://www.sec.gov/answers/indices.htm>.

All data is subject to change without notice.

© 2025 NewEdge Capital Group, LLC



NEWEDGEWEALTH.COM