



# Class Origin, Intergenerational Transfers, and the Gender Wealth Gap

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III/LIS Comparative Economic Inequality Conference

London, 25<sup>th</sup> February 2023

# Motivation

- Gender differences in wealth are well-documented (e.g. Sierminska et al. 2010; Schneebaum et al. 2017; Lee 2022)
- Still, current literature has two shortcomings:
  - a. Descriptions* tend to focus on the aggregate
  - b. Explanations* primarily refer to differences in labour market characteristics, financial behaviour, income, and family dynamics (e.g. Sierminska et al. 2019; Waitkus and Minkus 2021)
- Little evidence on
  - potential variation among **sub-groups** and **interactions** between different dimensions of inequality
  - the role of **intergenerational transfers** in causing gender wealth inequality

# Twofold objective

1. To describe how the gender wealth gap varies by **class origin**
2. To study the impact of **parental gifts and inheritances** on the gender wealth gap and how it varies by class origin

## ➤ *Comparative perspective*

- Germany
- Britain

# Variation across class origin

- Individuals derive wealth from **two main sources**, i.e. income and transfers
- Class origin affects both sources and the degree to which they are unequally distributed between men and women

## ➤ *Focus on transfers*

- most direct channel through which class origin affects wealth and gender differences therein
- class-based **attitudes** translate into gendered allocation of transfers (vertical differentiation)
- class-based **reproduction strategies** yield gendered outcomes (horizontal differentiation)

# Economic vs. cultural capital

- Families with different types of capital pursue reproductions strategies that benefit daughters or sons differently (Albertini and Radl 2012; Hansen and Toft 2021)

## Economic capital

- More likely to reproduce social standing via *financial or entrepreneurial success*
  - greater gender inequality

## Cultural capital

- More likely to reproduce social standing via *socio-cultural achievements*
  - lower gender inequality

# Analytical strategy

‘Gap-closing estimand’ approach (Lundberg 2022)

- Estimates a causal effect of a counterfactual treatment T on an observed disparity in Y
- Assumption: causal effect of treatment T on outcome Y correctly identified
- Here:
  - Gap-defining category = gender
  - T = intergenerational transfers
  - Y = wealth

Gap-closing estimand:

Expectation over  
hypothetical samples  $\mathcal{S}$   
from the population  $\mathcal{P}$

↓

$$\tau_{x',x}(t) \equiv \mathbf{E}_{\mathcal{S}} \left( \bar{y}_{\mathcal{S},x'}(t) - \bar{y}_{\mathcal{S},x}(t) \right)$$

↑                      ↑

Mean outcome      Mean outcome  
in category  $x'$       in category  $x$   
if treatment were set to the value  $t$   
for units in sample  $\mathcal{S}$

# Data and variables

## Data

- German Socio-Economic Panel (2002, 2007, 2012, 2017)
- British Household Panel Study (1995, 2000, 2005)

## Sample

- Men and women age 18-75

## Measures

- Net personal wealth (price-adjusted, 0.1% top- and bottom coded)
- Parental class at age 14 (Oesch, economic dominance)

## Gap-closing treatments

- Whether received inheritance or gift in the past
- Equal average cumulated transfer value

## Pre-treatment controls

- Age, migrant background, marital status, number of children, health, unemployment experience, region, survey year



How does the gender wealth gap  
vary by class origin?

# Germany

	Men	Women	Woman – Men	Women/Men	%
Net wealth	111,806 €	75,709 €	-36,098 €	0.68	100
By class origin					
(1) Self-emp. profess. + large employers	194,260 €	165,890 €	-28,371 €	0.85	1.25
(2) Small business owners	239,200 €	130,074 €	-109,126 €	0.54	3.66
(3) Technical (semi-)professionals	108,568 €	84,677 €	-23,891 €	0.78	10.10
(4) (Associate) managers	143,060 €	95,559 €	-47,502 €	0.67	18.54
(5) Socio-cultural professionals	152,246 €	84,754 €	-67,492 €	0.56	4.18
(6) Socio-cultural semi-professionals	57,107 €	44,148 €	-12,959 €	0.77	4.26
(7) Workers	92,053 €	64,830 €	-27,223 €	0.70	58.01
N	28,858	33,075			61,933

*Notes:* Net personal wealth for respondents age 18 to 75 in 2007 Euro. First wealth imputations used. Proportions indicate distribution of class origin for all respondents. Unweighted. SOEP v37eu.

# Britain

	Men	Women	Woman – Men	Women/Men	%
Net wealth	£42,925	£38,692	-£4,234	0.90	100
By class origin					
(1) Self-emp. profess. + large employers	£60,960	£75,672	£14,711	1.24	1.31
(2) Small business owners	£54,920	£46,199	-£8,722	0.84	15.96
(3) Technical (semi-)professionals	£46,763	£51,199	£4,436	1.09	4.55
(4) (Associate) managers	£57,402	£48,618	-£8,784	0.85	12.62
(5) Socio-cultural professionals	£40,736	£54,972	£14,236	1.35	2.59
(6) Socio-cultural semi-professionals	£37,877	£32,125	-£5,752	0.85	2.93
(7) Workers	£36,077	£32,601	-£3,476	0.90	60.03
N	7,904	9,067			16,971

*Notes:* Net personal wealth for respondents age 18 to 75 in 2007 GBP. Proportions indicate distribution of class origin for all respondents. Unweighted. BHPS.

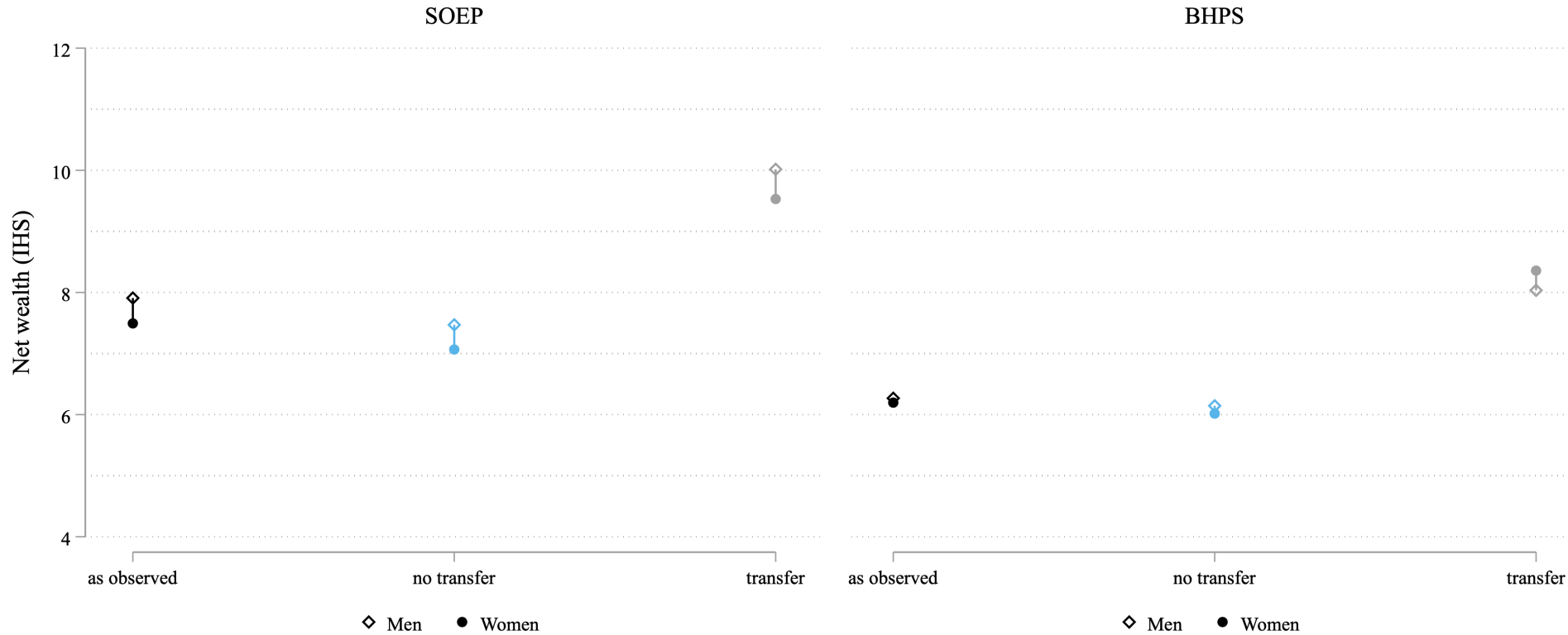
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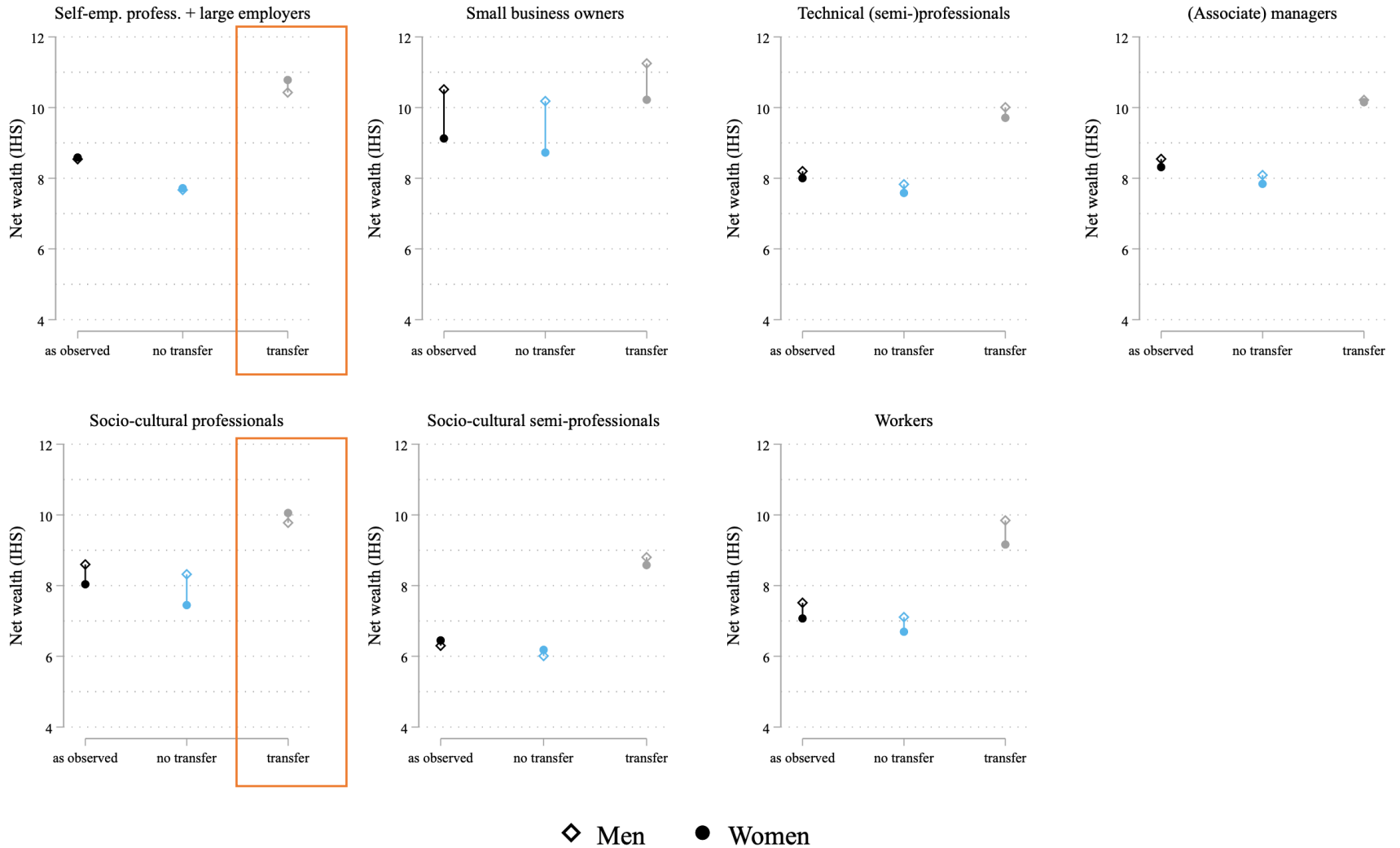
What is the impact of intergenerational transfers on the gender wealth gap?

# (i) Received transfer in the past



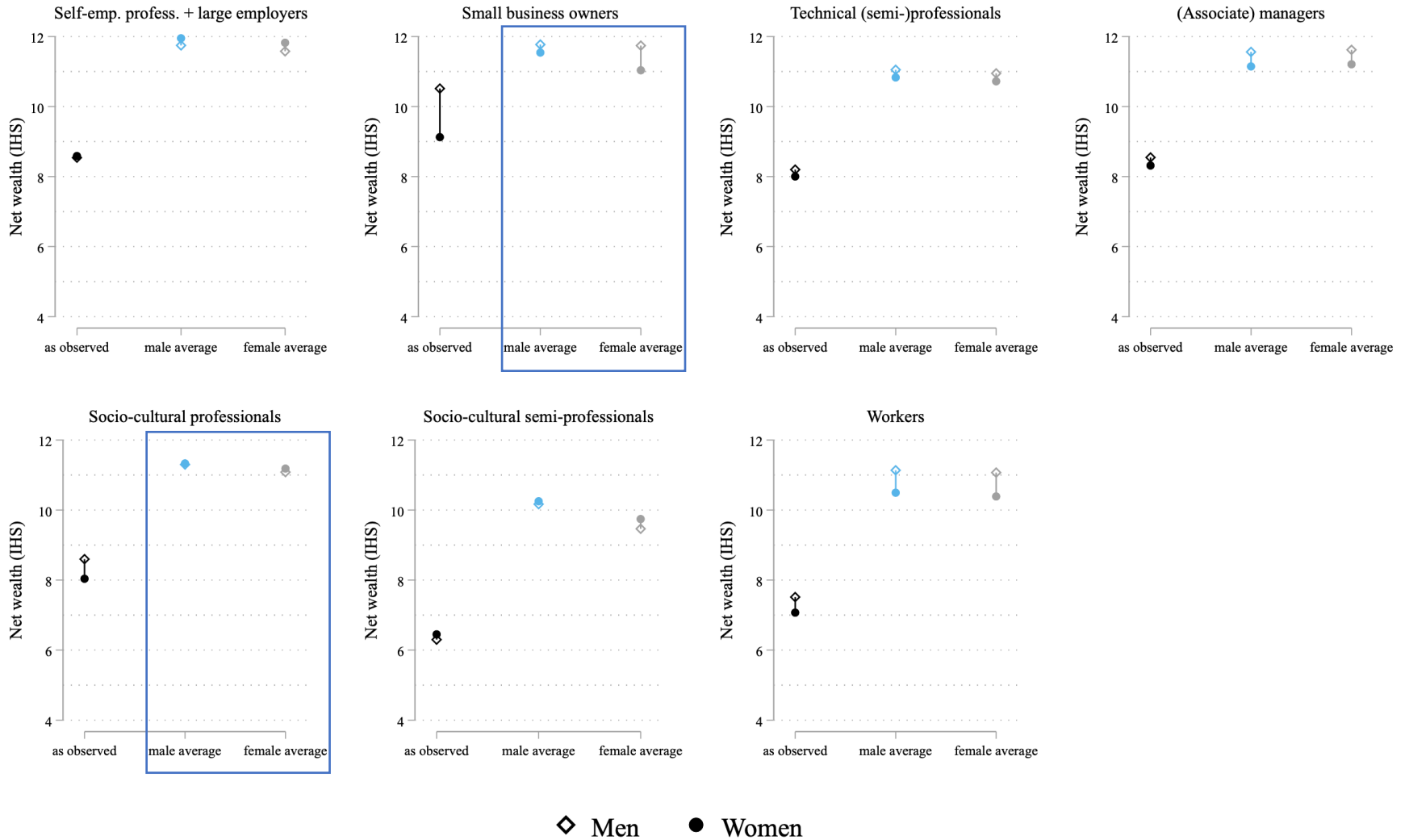
# (i) Received transfer in the past

SOEP



# (ii) (Log) Transfer Value

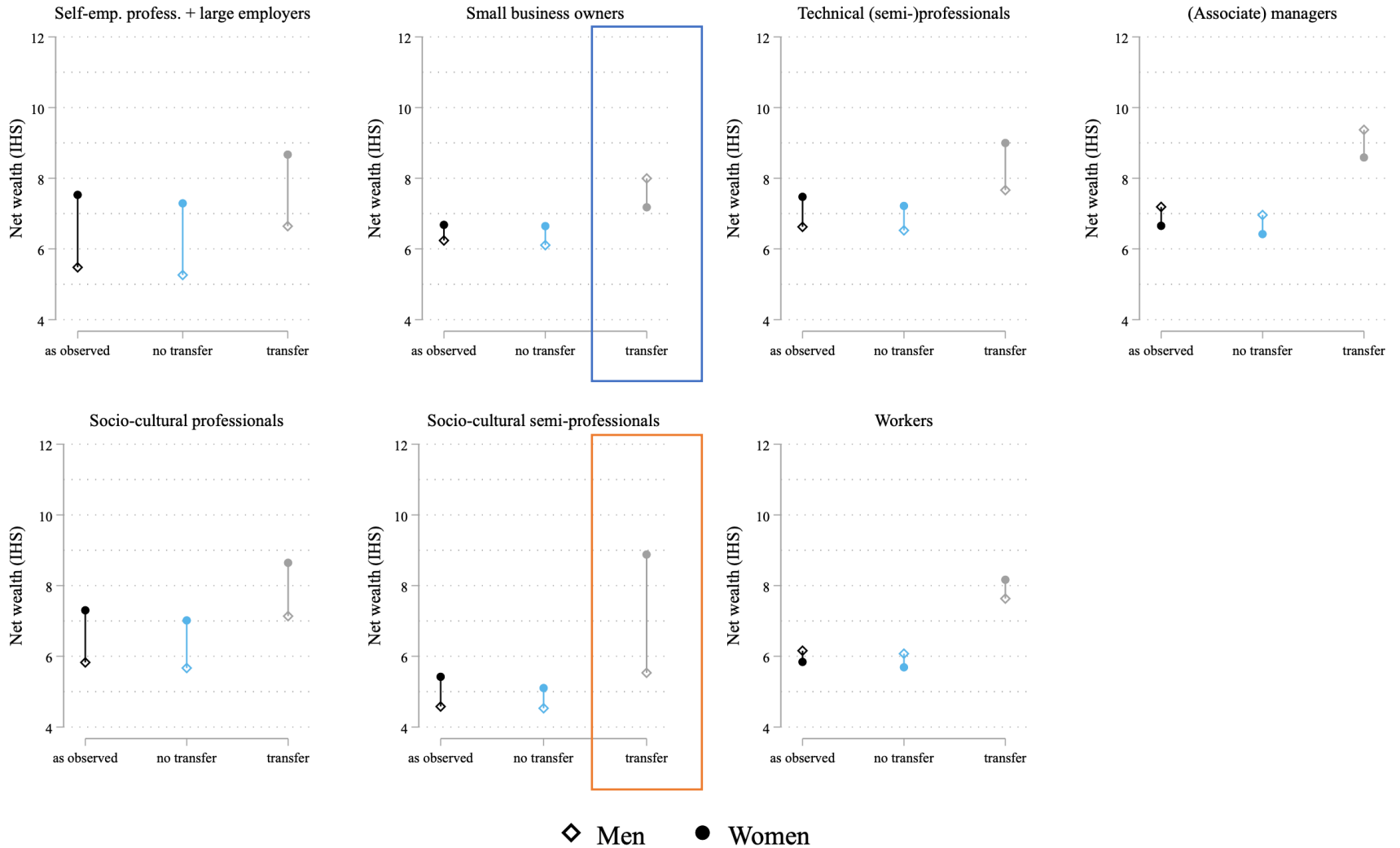
SOEP





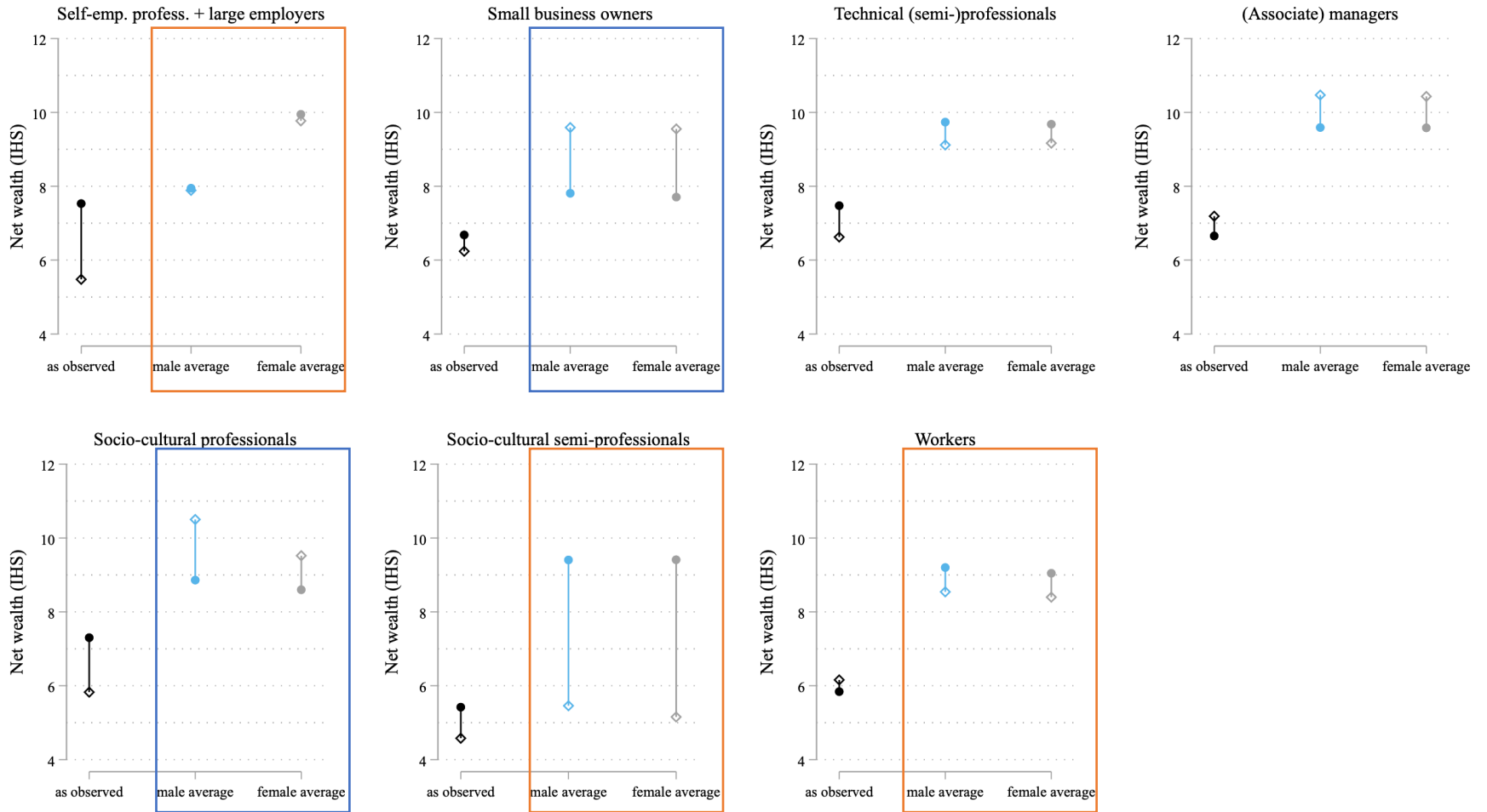
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## BHPS



# (ii) (Log) Transfer Value

## BHPS



◇ Men ● Women

# Summary

- Substantial **variation** of gender wealth inequality **by class origin**
  - Daughters of petite bourgeoisie most disadvantaged
  - Disadvantage less pronounced for daughters of socio-cultural (semi-) professionals
- However, patterns **differ** between Britain and Germany
  - Gender wealth gap to the *benefit* of daughters observed in Britain
- Intergenerational transfers have **positive impact** on personal net wealth
- Extent to which **equalising transfers** causes gender differences to close depends on class origin and context

# Discussion

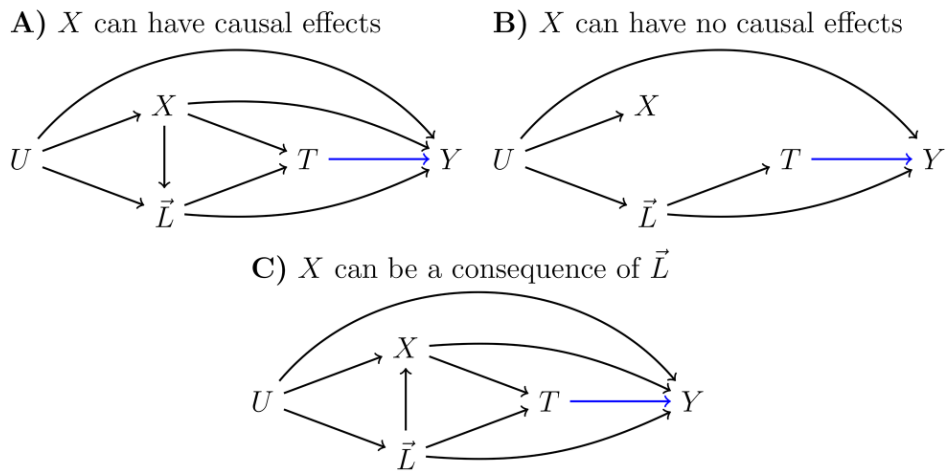
- **Intersectional** perspective useful to understand wealth inequality
- Causal study highlights **complex role** of intergenerational transfers across the gender-origin nexus
- Challenge: unbiased estimation of the effect of transfers on wealth
- Further research on how **returns to transfers** are structured by gender and class origin, and how it varies across countries, needed

Thank you!

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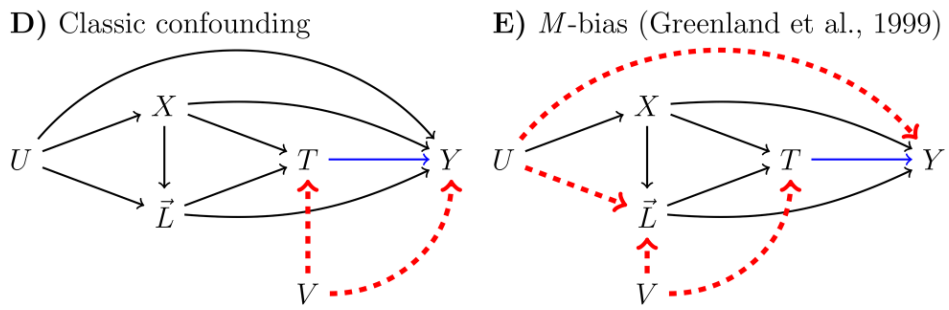
# Lundberg (2022)

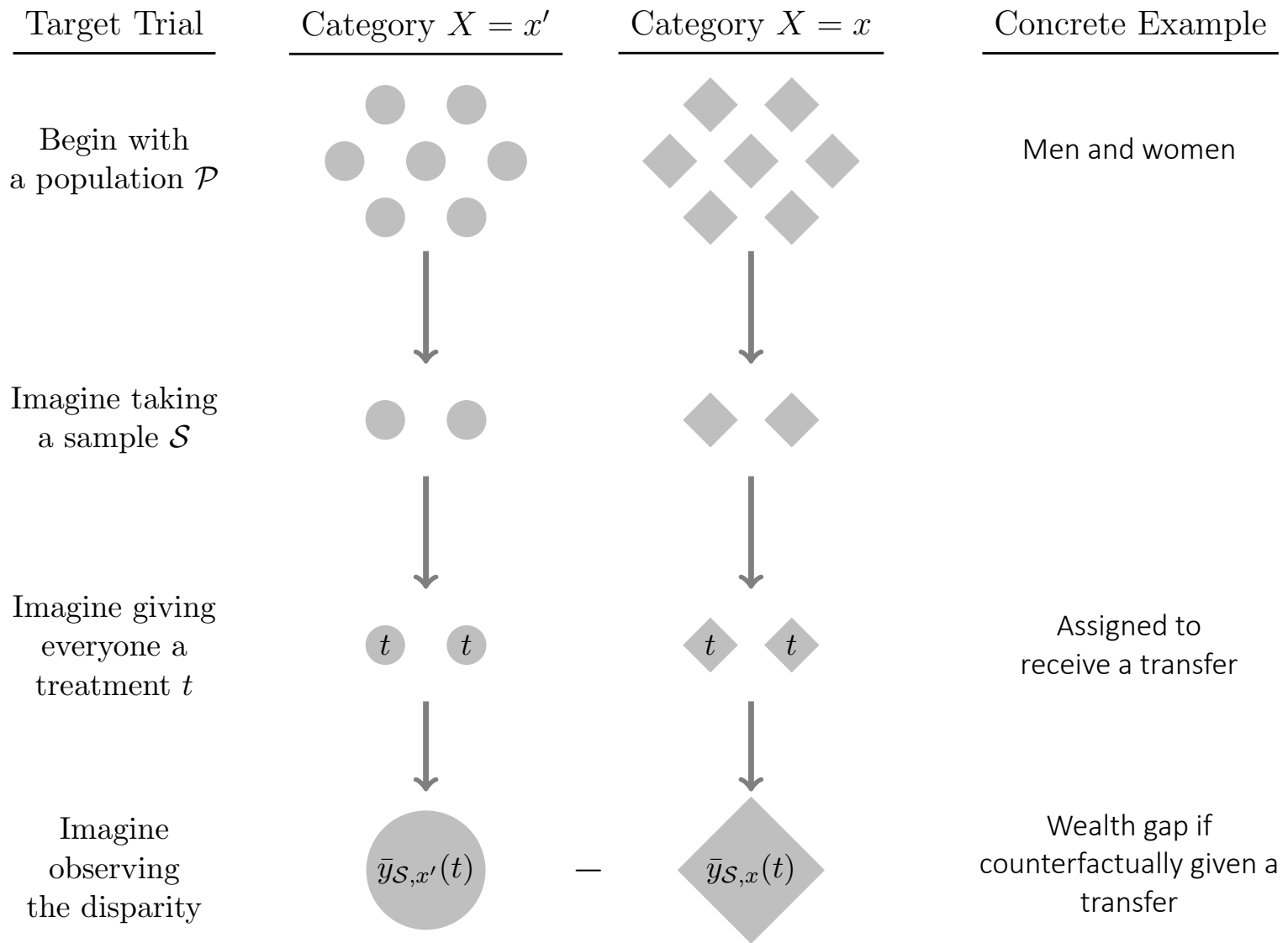
A gap-closing estimand is identified under a wide range of assumptions about the social category  $X$  (e.g. race, class, gender).



Above, there is no causal effect of  $X$  (B), or it is not identified (A,C) due to the backdoor path  $X \leftarrow U \rightarrow Y$  through unobserved  $U$ . The gap-closing estimand is nonetheless identified.

A gap-closing estimand is **not** identified when  $T \rightarrow Y$  is not identified.





The gap-closing estimand is the expected value of this disparity over hypothetical samples  $\mathcal{S}$  from the population  $\mathcal{P}$