



Bee Boileau
David Sturrock

13 Feb 2022

@TheIFS

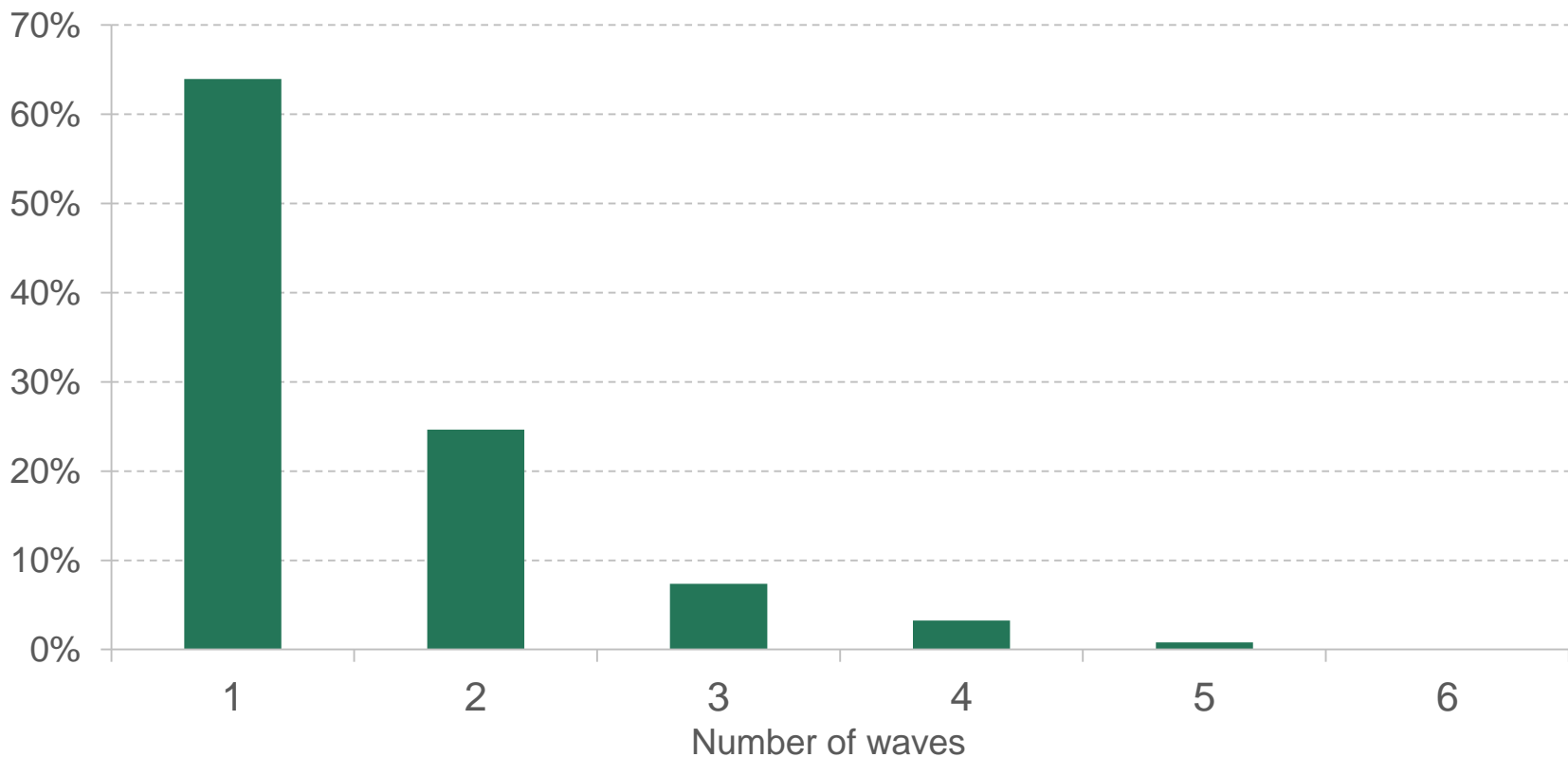
What drives the timing of gifts and loans?



Economic
and Social
Research Council

These transfers are infrequent

Number of waves in which individuals present from Wave 1 (2006-08) to Round 7 (2018-20) who received at least one gift reported receiving gifts



Notes and sources: see Figure 1, Boileau and Sturrock (2023), 'What drives the timing of inter-vivos transfers?'

What could influence their timing?

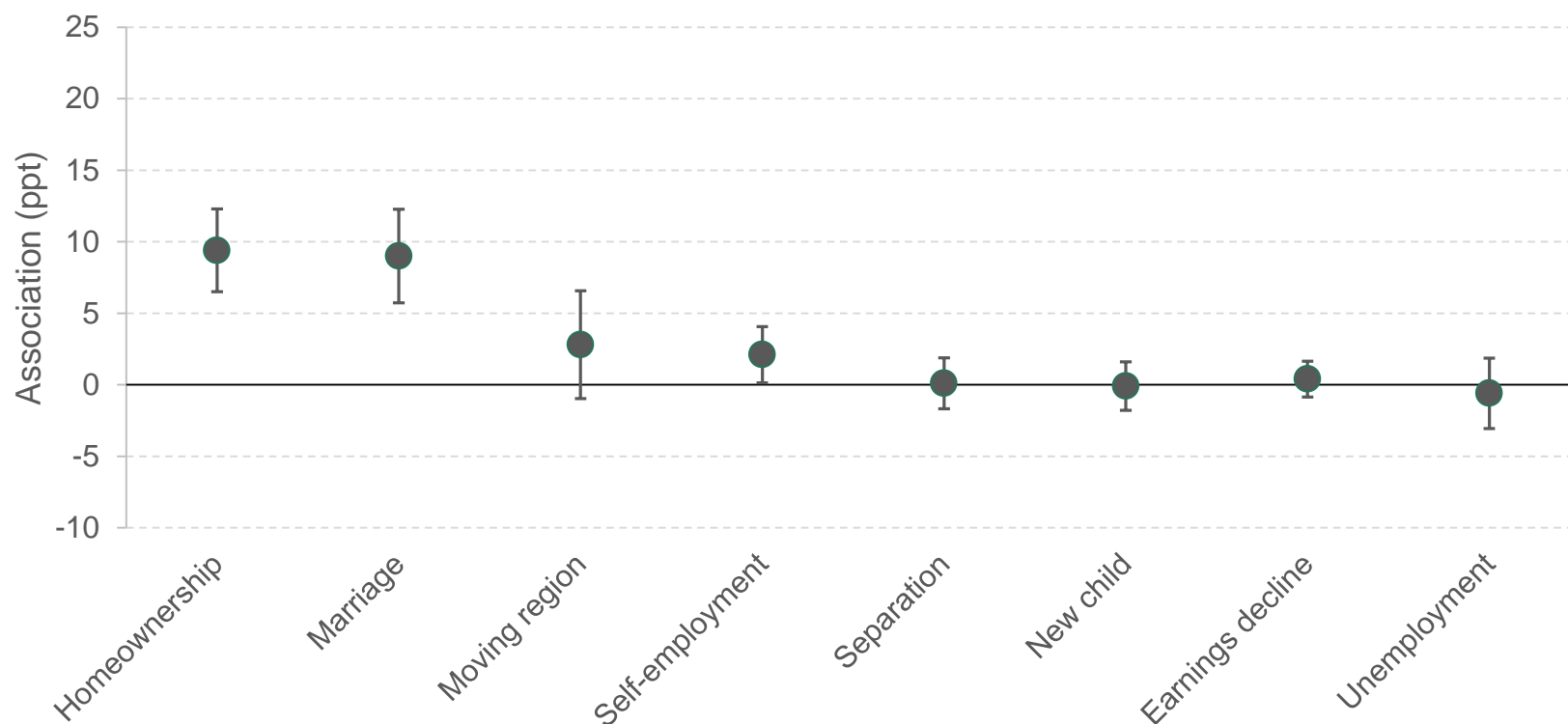
- We examine a series of life events which take place between waves which might be associated with giving or receiving a gift

Receivers	Givers
Marriage	Becoming widowed
Becoming a homeowner	Receiving an inheritance
Moving between regions	Retiring
Moving into self-employment	Beginning to draw a pension
Separation/divorce	Paying off a mortgage
Experiencing a decline in employment earnings	
Becoming unemployed	

- Control for a range of demographic characteristics

Homeownership and marriage are important drivers

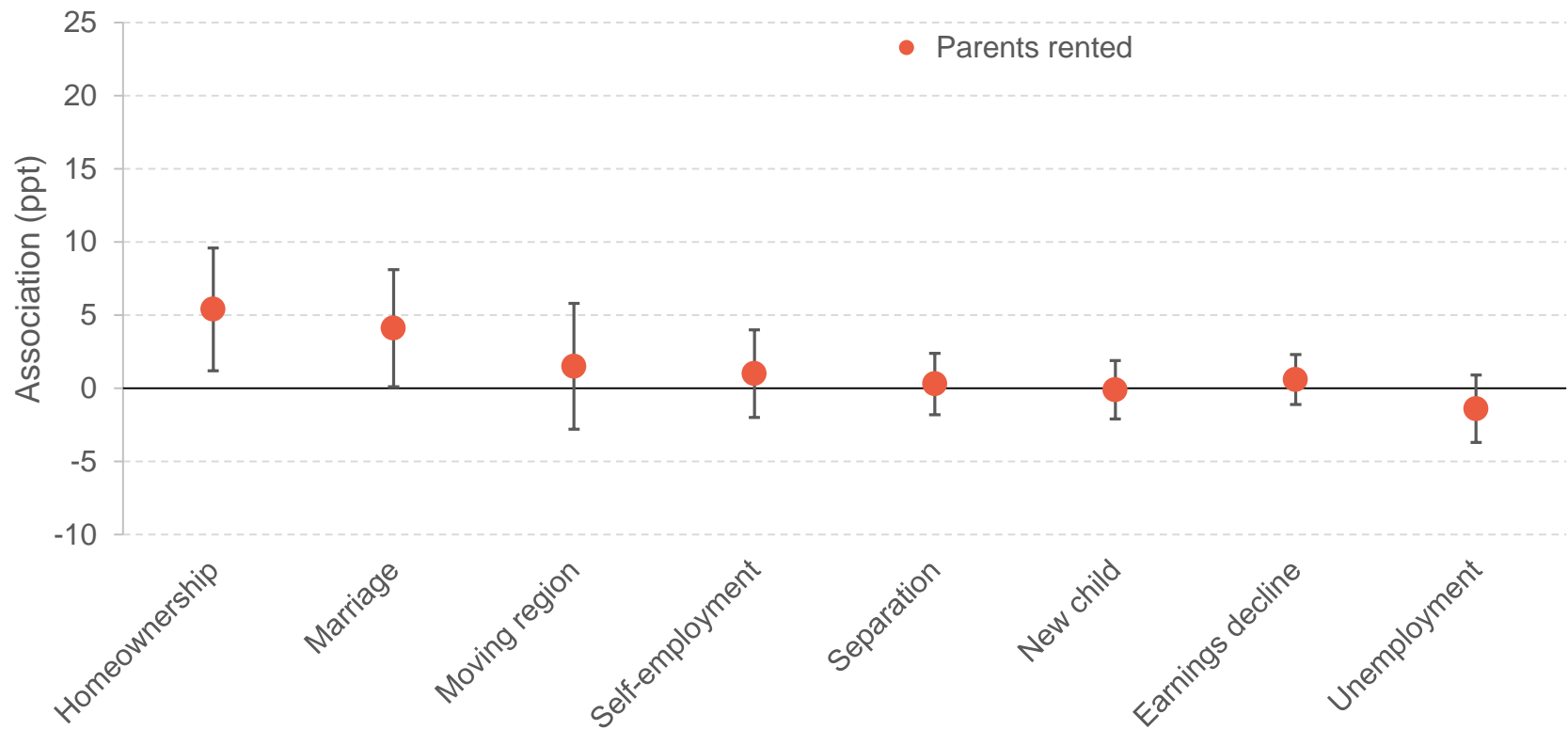
Percentage point association between life events and the probability of receiving at least one gift over the past two years



Notes and sources: Figure 2, Boileau and Sturrock (2023), 'What drives the timing'

Particularly strong associations for those with wealthier parents

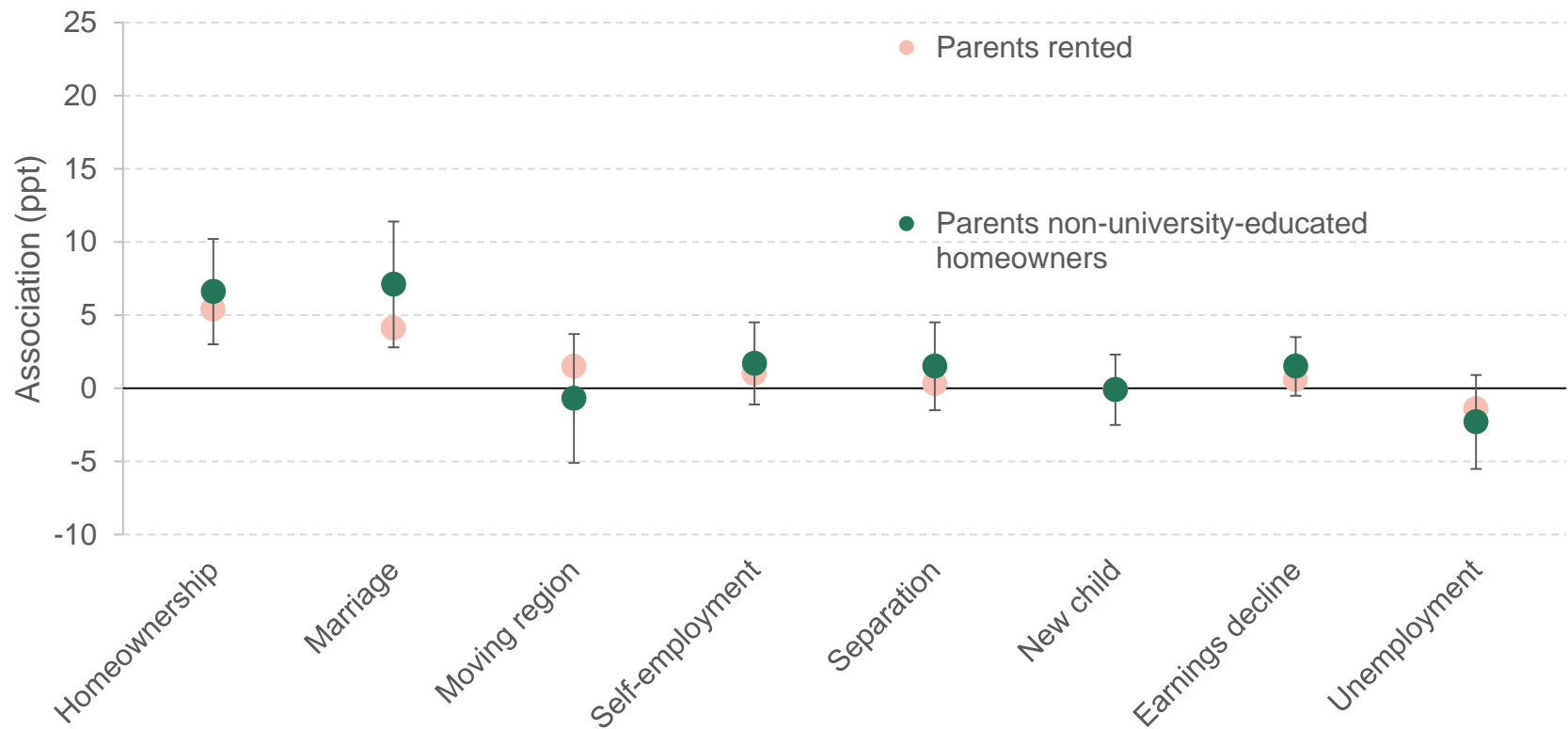
Percentage point association between life events and the probability of receiving at least one gift over the past two years, by parents' socio-economic status



Notes and sources: Table 1, Boileau and Sturrock (2023), 'What drives the timing'

Particularly strong associations for those with wealthier parents

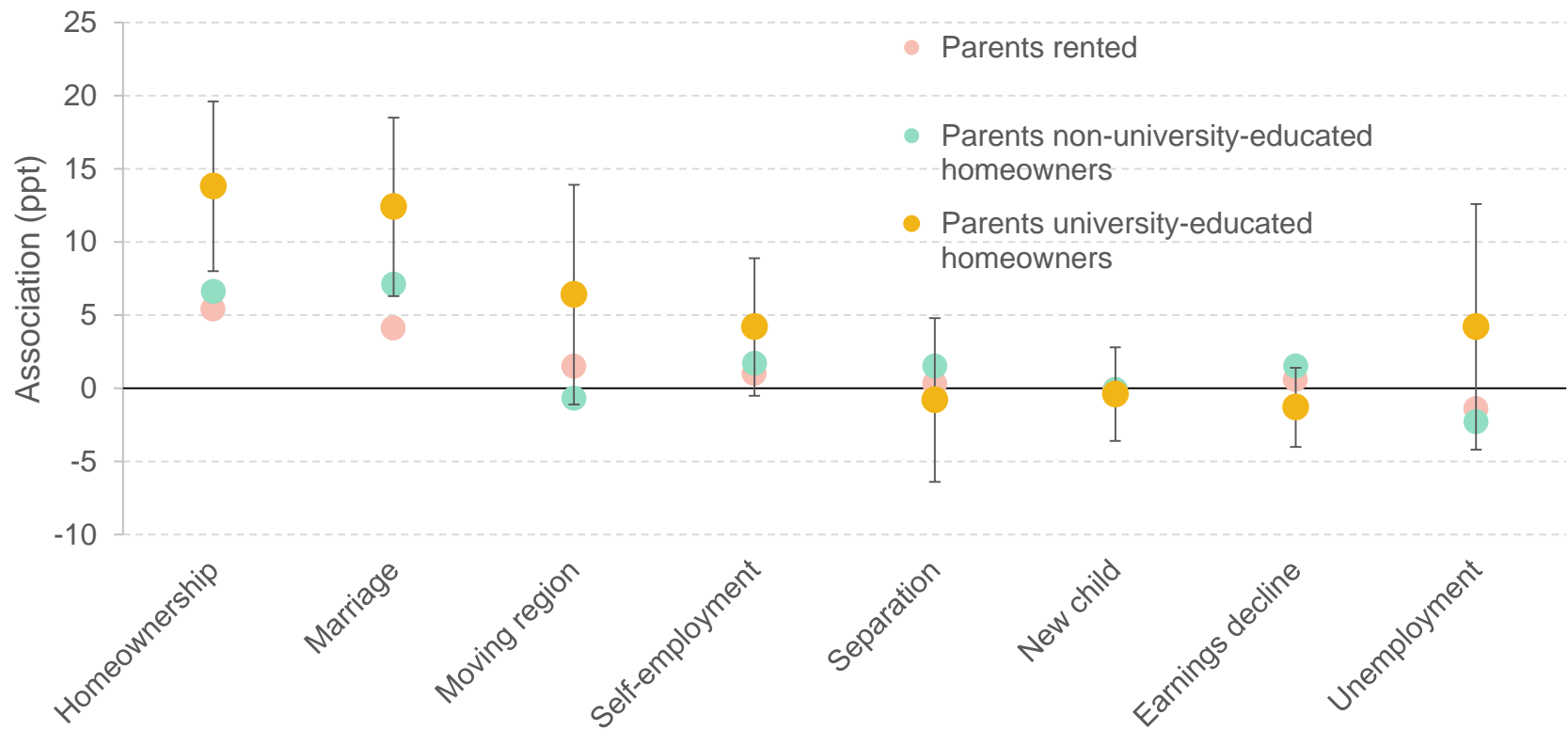
Percentage point association between life events and the probability of receiving at least one gift over the past two years, by parents' socio-economic status



Notes and sources: Table 1, Boileau and Sturrock (2023), 'What drives the timing'

Particularly strong associations for those with wealthier parents

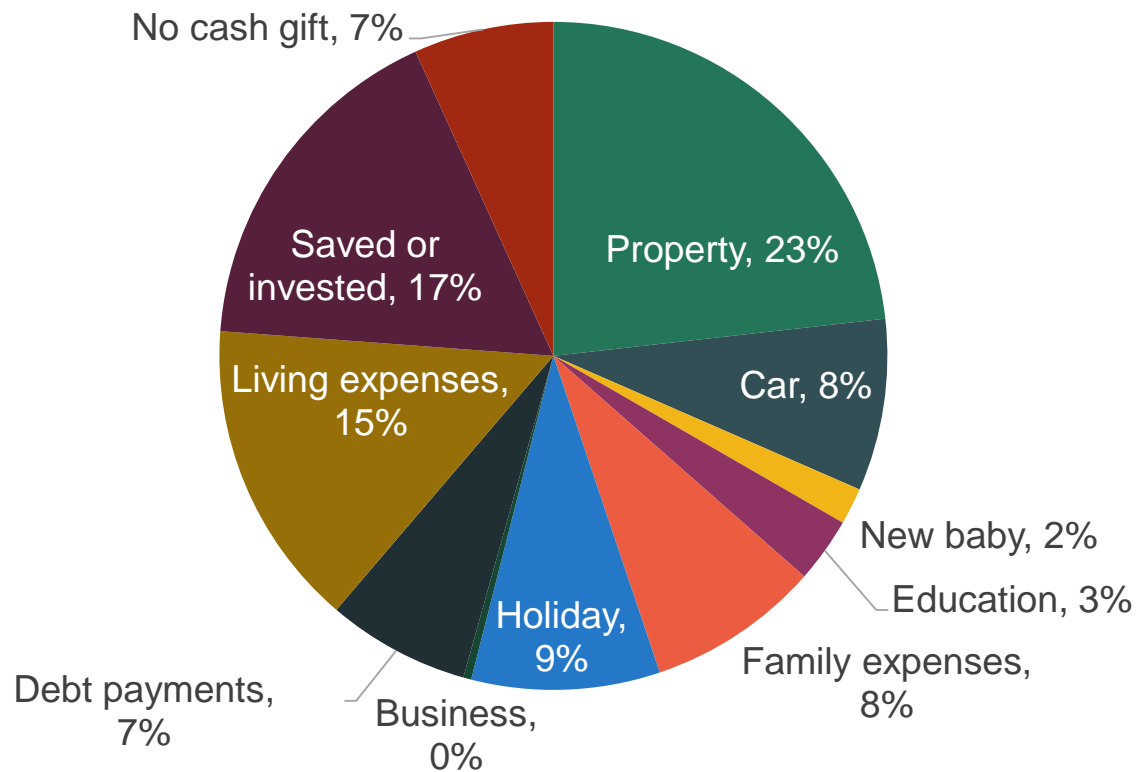
Percentage point association between life events and the probability of receiving at least one gift over the past two years, by parents' socio-economic status



Notes and sources: Table 1, Boileau and Sturrock (2023), 'What drives the timing'

Self-reported evidence shows range of important drivers

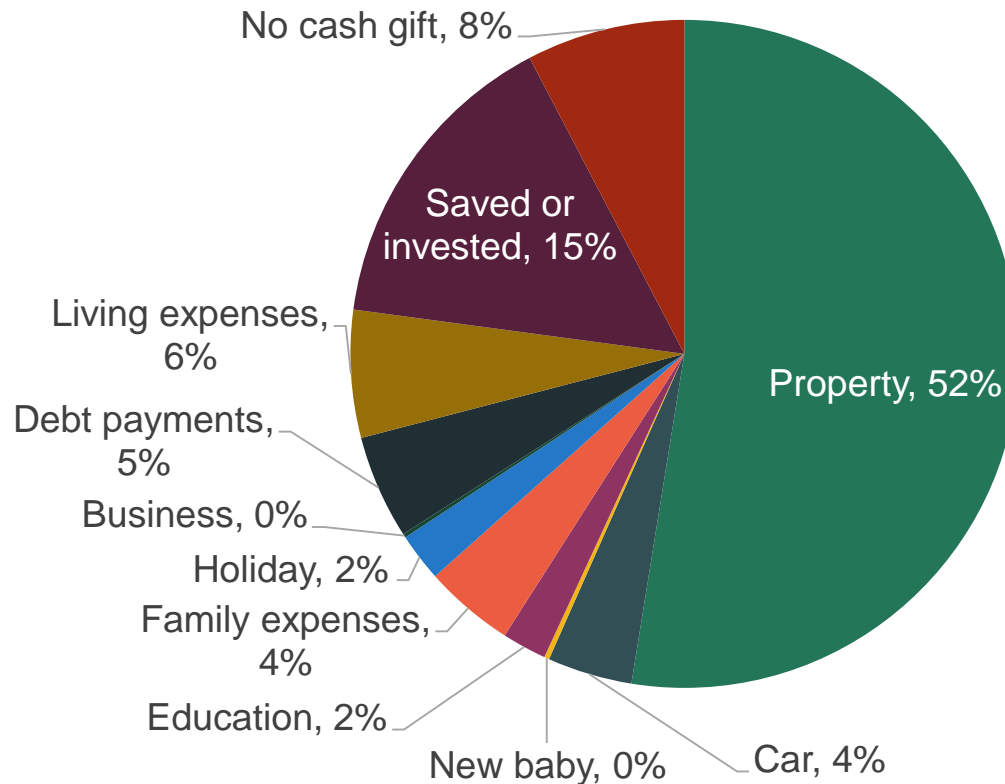
Proportion of gifts used for different reasons



Notes and sources: Table 9, Boileau and Sturrock (2023), 'What drives the timing'

Majority of gift *value* reported as used for property purchase

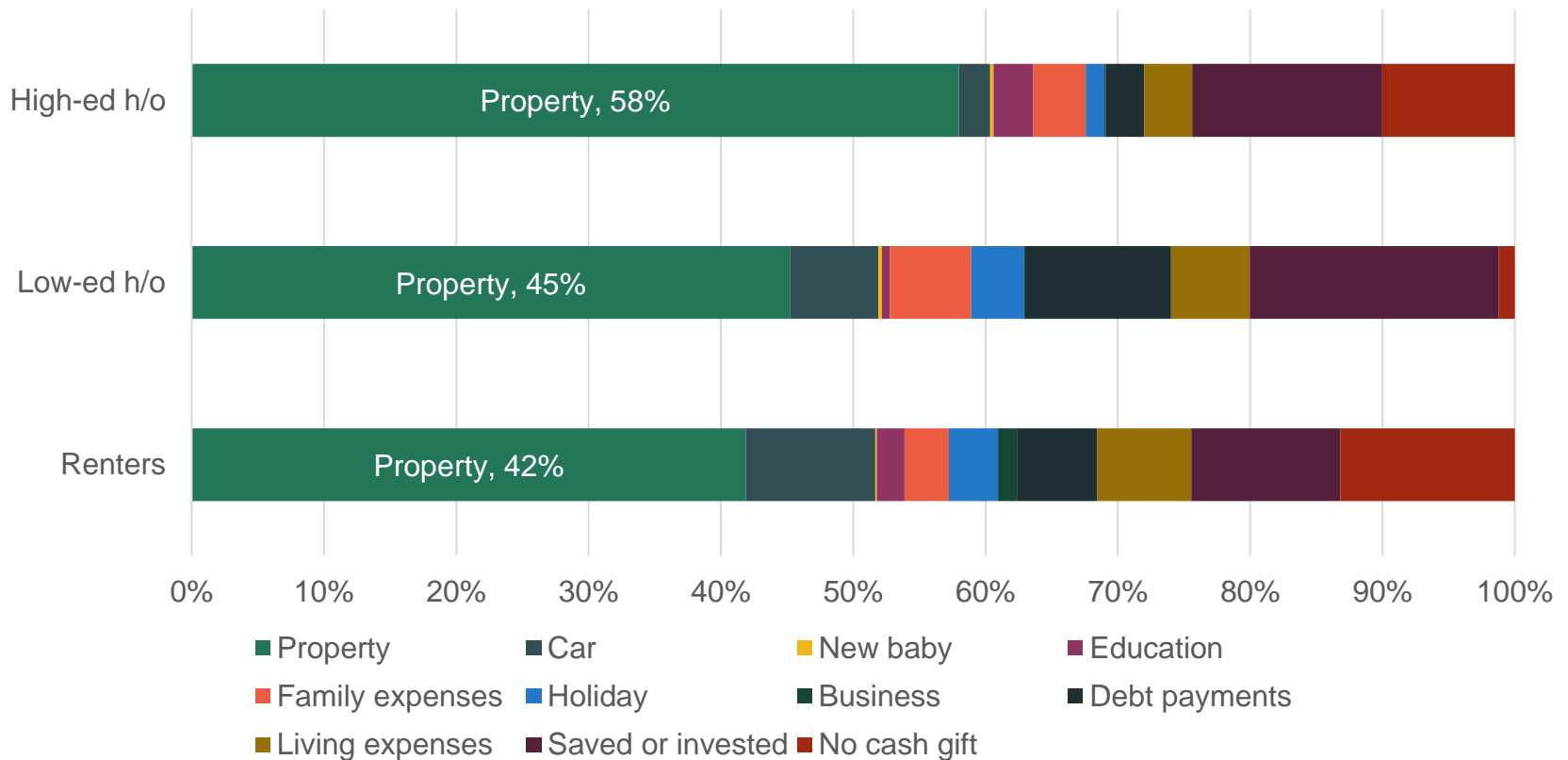
Proportion of gift value used for different reasons



Notes and sources: Table 10, Boileau and Sturrock (2023), 'What drives the timing'

Again, especially true for those with wealthy parents

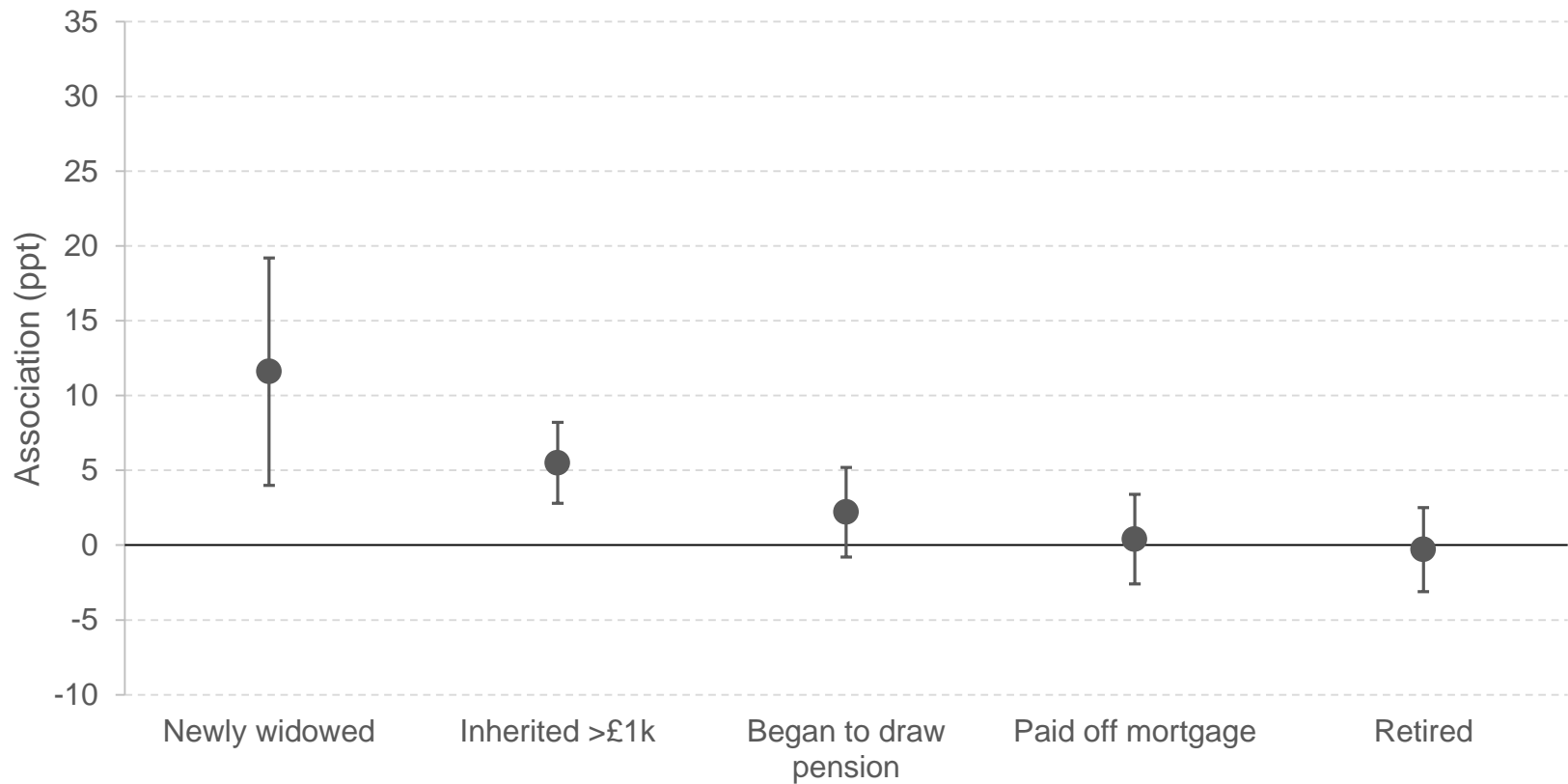
Proportion of gift value used for different reasons, by parents' socio-economic status



Notes and sources: Table 10, Boileau and Sturrock (2023), 'What drives the timing'

Widowhood and inheriting associated with gift-giving

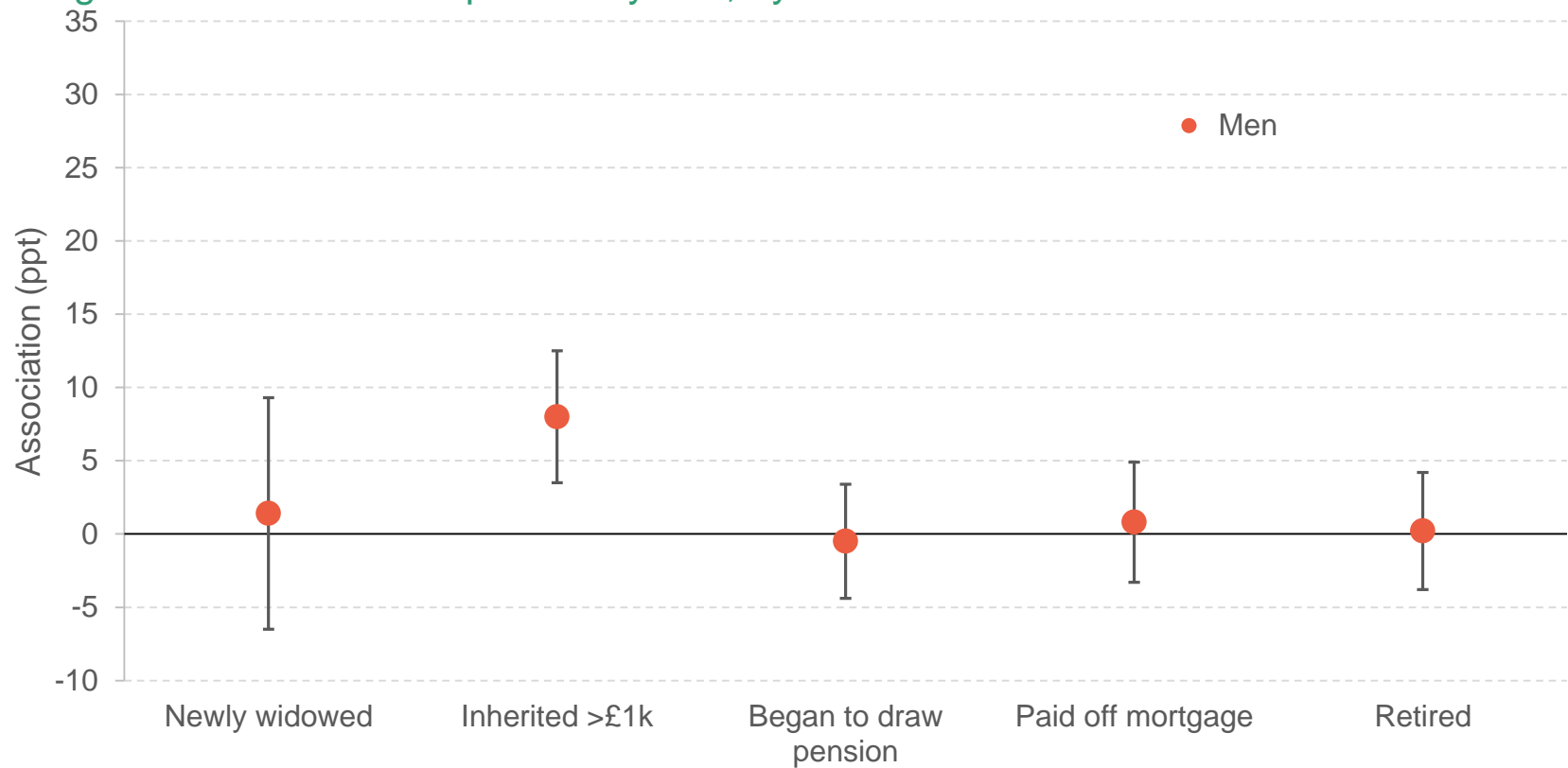
Percentage point association between life events and the probability of making at least one transfer of £500+ over the past two years



Notes and sources: see Figure 3, Boileau and Sturrock (2023), 'What drives the timing'

Widowhood is particularly important for women

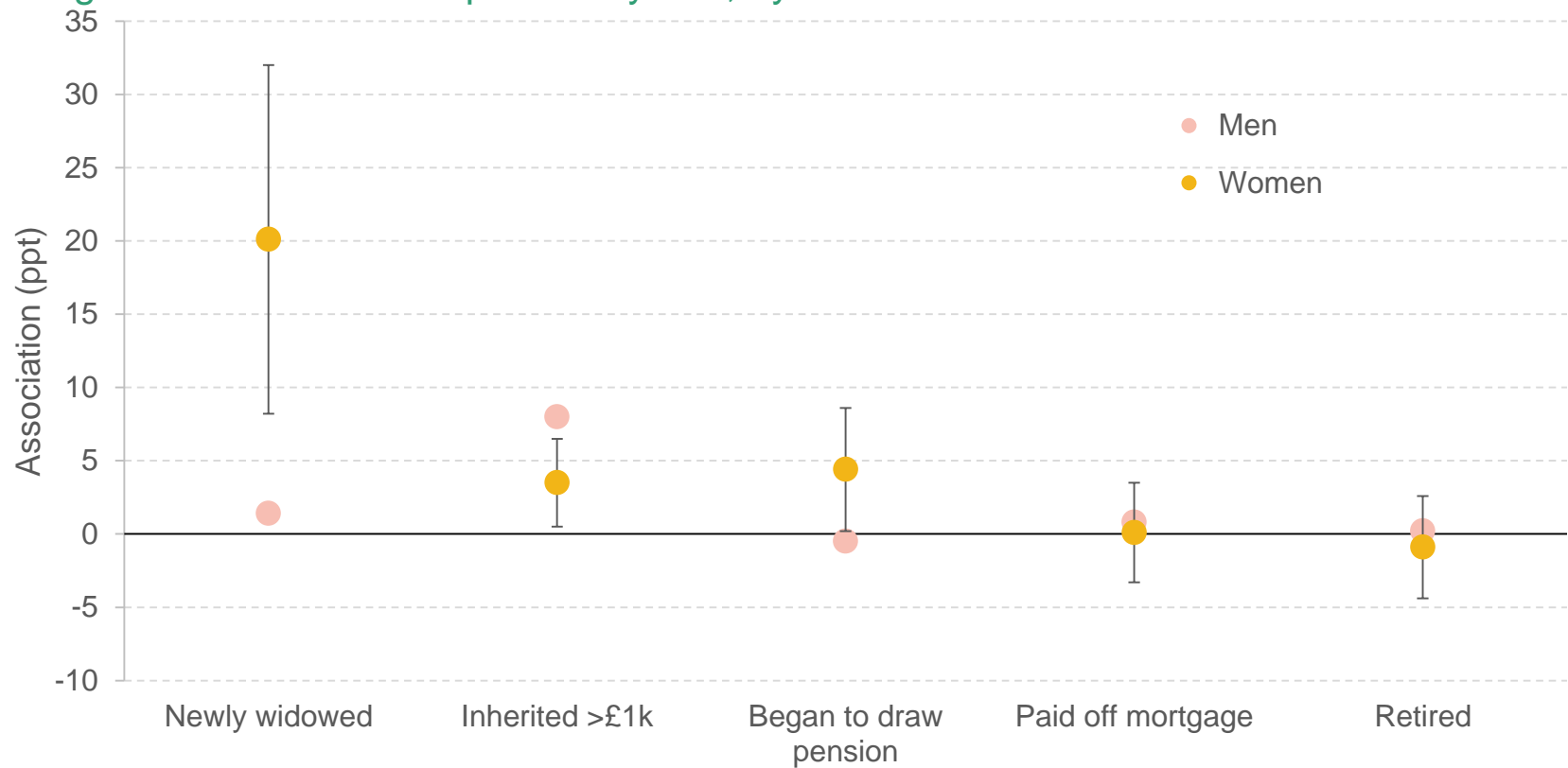
Percentage point association between life events and the probability of making at least one gift of £500+ over the past two years, by sex



Notes and sources: see Table 3, Boileau and Sturrock (2023), 'What drives the timing'

Widowhood is particularly important for women

Percentage point association between life events and the probability of making at least one gift of £500+ over the past two years, by sex



Notes and sources: see Table 3, Boileau and Sturrock (2023), 'What drives the timing'

Conclusions

- Transfers tend to be **infrequent**
- Homeownership in particular is associated with gift receipt – adverse events like job loss, income fall do not seem to be
 - Gifts and loans associated with overcoming credit constraints for costly expenditures, rather than intra-family insurance
- Stronger associations with homeownership for those with more affluent parents
- Receiving an inheritance and widowhood are associated with giving gifts
 - No strong association with drawing a pension, retiring, paying mortgage
 - Widowhood especially strong for women – may reflect a change in control of household finances

The Institute for Fiscal Studies
7 Ridgmount Street
London
WC1E 7AE

www.ifs.org.uk

