IFS

Bee Boileau
David Sturrock

Working paper

23/08

Who gives and receives substantial financial transfers in Britain?

Retirement Savings Consortium

Who Gives and Receives Substantial Financial Transfers in Britain?*

Bee Boileau† David Sturrock‡

February 3, 2023

Abstract

We document key patterns in the flow of significant gifts and loans between friends and family in Great Britain, using newly-available data from the Wealth and Assets Survey. We identify a number of new stylised facts. Gifts and loans are generally intergenerational transfers: 83% of the value of gifts and 68% of the value of loans is made by parents to their children. Transfers increase inequality in economic resources over the early years of adult life. Over an 8-year period, cumulative transfers received are worth 0.5% of income for those in the bottom quintile compared to 2.6% of income for the top quintile. By contrast, they are larger as a share of current wealth for those with lower wealth levels, illustrating the importance of heterogeneous savings rates. Transfers strengthen the transmission of inequalities across generations. More than half of the value of gifts is given by the wealthiest fifth of individuals, and transfer receipt widens the gaps in resources between those with higher and lower socio-economic status parents in both absolute and percentage terms. There are substantive differences in the receipt of transfers by region and ethnicity. While much of the regional differences in giving appear to be driven by regional wealth differences, those in the South of England are substantially more likely to give gifts for a given wealth level.

†Institute for Fiscal Studies and University College London

‡Institute for Fiscal Studies and University College London. Corresponding author: beatrice.boileau@ifs.org.uk.

1 Introduction

Substantial gifts and loans made between generations are potentially of increasing importance. Rising levels of household wealth held by those at older ages means that older individuals have more wealth available to transfer to younger generations (Cribb (2019)). The flexibility with which large sums of pension wealth can be accessed (and transferred) has increased after the introduction of pension freedoms in 2015. Furthermore, younger adults face stagnant income growth and high house prices. This may mean they are perceived as being in greater relative need, compared to their older relatives, than in the past. Finally, as older generations live for longer, they may decide to pass on some wealth while alive, rather than as an inheritance at death, so that it is received earlier in adult life. Bourquin et al. (2020) estimate that the average age at which an individual's final living parent will die is set to rise from 58 for those born in the 1960s to 64 for those born in the 1980s.

Gifts and loans form part of a flow of intergenerational wealth, the other part of which is inheritances. While inheritances are much larger than transfers made during life (Hills (2015)), givers have control over the time at which they make lifetime transfers, meaning they may be received much earlier in the life course and may also be responsive to circumstances of givers and receivers. Transfers received at the point of need may be more valuable to receivers than inheritances received later at a more random time, allowing credit constraints to be overcome. Credit constraints in turn may be especially difficult for recipients with lower levels of economic resources to overcome, making transfers particularly valuable for lower-income or lower-wealth individuals. Gifts may respond to policies such as inheritance taxation, since large gifts made more than seven years before death are not subject to inheritance tax in the UK. For these reasons they are worthy of analysis, separate from previous consideration of inheritances.

Understanding transfers of this sort is important. Because of the fact that the timing of these transfers is directly controlled by the giver, they may interact with choices and circumstances in the early adult life of receivers in domains such as family formation, labour market decisions and investment decisions. Consequently, they may have effects distinct from inheritances and be a channel through which economic inequality is transmitted across generations. At the same time, decisions about making lifetime transfers may have important consequences for the saving and portfolio choice decisions of older people.

In this paper, we document key patterns in the giving and receiving of lifetime gifts and loans using the British Wealth and Assets Survey (WAS). Our aim is to exploit the new information available in WAS to build the most comprehensive picture to date of who is giving and receiving these transfers, their magnitude, and their potential importance for

various dimensions of inequality. We begin by assessing whether transfers have become more frequent or larger over time. We then examine the relationships between givers and receivers, the contribution of transfers to inequality in early adulthood, and differences in the giving and receiving of transfers across those with different characteristics such as sex, region of residence and ethnicity. We consider differences in a multivariate regression framework so that we can infer which differences between groups remain even once controlling for other differences in characteristics and economic outcomes.

Financial transfers are not the only way in which intergenerational support takes place. Co-residence and childcare, in particular, are sources of support that parents frequently offer their adult children. In this paper, our focus is on financial transfers. We include both gifts and loans in our analysis. Loans from friends and family are likely to be on relatively favourable terms, and it is possible that they will not be wholly paid back, meaning that they are in part a transfer of resources from giver to receiver. Indeed, we find that between 2018-20, more than a fifth of loans were not expected by receivers to be paid back at all at the time of receipt, and a further 6% were not expected to be wholly repaid. Even when repaid, loans could have important impacts on the outcomes of both givers and receivers. For these two reasons, we include these loans in our analysis but show patterns for gifts and loans separately in most cases.

1.1   Related literature

We build on a previous literature which has surveyed some of the patterns in inter-vivos transfers in the UK, focusing primarily on their magnitude and association with some basic characteristics.

Karagiannaki (2011) uses data from the British Household Panel Study (BHPS) covering the years 1992 to 2008, and the Attitudes to Inheritance Survey (AIS), a one-off survey conducted in 2004. That paper documents associations between recipients' characteristics and their probability of receiving a transfer, finding that younger adults and those with higher levels of education are more likely to receive transfers. Controlling for a measure of parents' social class, an individual's income is negatively related to their probability of receiving a transfer. Similar patterns have been documented by Hills (2015), using the BHPS and covering the period between 1995 and 2005.

Questions in the BHPS may fail to capture larger irregular transfers, focusing instead on regular flows of giving.[1] The AIS also has limitations stemming from the fact that it asks

---

[1] This is evidenced by the fact that the reported frequency of transfer receipt is much lower, at 0.9% of adults annually, than the estimates made by Karagiannaki (2011) from the BHPS social support module or that we make using WAS.

retrospective questions about the receipt of transfers.[2] The Wealth and Assets Survey, which has information on the timing of all substantial transfers and on the characteristics of givers and receivers before and after transfers are received, therefore allows us to build on this research by providing a more detailed, comprehensive and up-to-date picture of significant financial transfers in Britain.

Nolan et al. (2020) look at the overall patterns in both inheritances and lifetime gifts in the Wealth and Assets Survey (WAS), documenting correlations between receipt and age, education level, wealth, and income. In general, they combine inheritances and gifts, and only look at large gifts.[3] Given their focus on cross-country comparisons, they consider the relationship between transfers received and a relatively limited range of characteristics. We are able to shed further light on the impacts of transfers on differences in economic resources along a wider number of dimensions, including by region and ethnicity, and to use the longitudinal nature of WAS to look at cumulative transfers received over time. We choose to focus in particular on transfers made during life, which is especially important since lifetime gifts may have patterns and effects distinct from inheritances. We are also able to exploit questions in the most recent wave of data that allow us to look at the characteristics associated with giving transfers.

There is limited pre-existing work on those giving financial transfers in the UK: less is known about their relationship to receivers, or the distribution of giving across those with different characteristics. Hills (2015) and Karagiannaki (2011) find that those who are better qualified, home-owning, and with higher incomes are more likely to report making financial transfers. The BHPS does not allow investigation of the size of these transfers, however, and may not fully capture one-off gifts, unlike WAS. Dolton et al. (2019) documents the findings of a one-off survey which collected information on givers' characteristics. This report concluded that older and wealthier people are more likely to give substantive gifts.

We go beyond these existing studies and further our understanding of the nature of inter-vivos transfers in Great Britain in several key ways. The availability of 7 waves of WAS, covering the years between 2006-08 and 2018-20, allows us to examine how the prevalence and magnitudes of gifts and loans are changing over time. We use newly available questions asked in Round 7 of WAS (2018-2020) to both examine the relationship between givers and receivers and give more detailed information about the characteristics of givers. Exploiting

---

[2]Specifically, only the date at which the last gift was received is reported, making it difficult to look at the timing of gift receipt over the life cycle accurately. It is impossible to precisely estimate the total real value of gifts, since they cannot all be converted into common prices. There may also be issues surrounding older cohorts' recall of gifts received much earlier in their lives. Finally, since characteristics are only seen after receipt of a transfer, correlations may be capturing the effect of the transfer.

[3]They examine gifts above £3,000 in 2010 prices; more than half of the gifts we examine in this paper are below this value.

the panel nature of our dataset, we are able to look at the cumulative size of transfers in early life, showing how much transfers contribute to driving overall resource inequalities. We also consider the relationship between the size and frequency of transfer receipt and wider range of characteristics, including ethnicity, gender and region, where inequalities in transfers could be of significance. Controlling for measures of parents' socio-economic status allows us to examine the relationships between transfers and characteristics like receivers' wealth and income levels, accounting for parents' resources. Finally, as WAS covers both gifts and loans, we are able to examine both of these potentially important sources of assistance.

In providing this new picture of the patterns in intergenerational transfers in the UK, we contribute to a literature which has sought to understand the contribution of intergenerational wealth transfers to inequalities in economic resources across a number of countries. Examining the receipt of inheritances, Crawford and Hood (2016) and Karagiannaki (2015) find that inheritances increase the absolute dispersion of wealth in the UK but that they have a moderate impact on standard inequality measures. Studies from Denmark (Boserup et al. (2016)) and Sweden (Elinder et al. (2018)) also find this increase in absolute dispersion but report a reduction in relative measures of wealth inequality as a result of inheritances. Studying Norway, Black et al. (2020) find that inheritances and gifts are larger for those with higher lifetime income but are not a quantitatively significant determinant of wealth or wealth inequality. Our focus is on inter vivos transfers, not inheritances. By focusing on the cumulative transfers received during early life, our paper relates to Boserup et al. (2018), which finds that wealth transfers received explain 50% of wealth at the start of adulthood in Denmark and are strongly predictive of later wealth. The importance of transfers received in early-life drives a strong relationship between parents' and children's wealth in early adulthood that declines as children's earnings increase (Boserup et al. (2017)). We provide the first evidence of the contribution of cumulative transfers received to early-life economic inequalities in Britain.

2 Data

We use data from the Wealth and Assets Survey (WAS). WAS is a panel survey run by the UK Office of National Statistics (ONS). It has run every two years since 2006-08, with each round covering 2 years and the most recent round of data being from 2018-2020.[4] The survey aims to achieve good coverage of high-wealth individuals by oversampling households

---

[4]Each of the first five waves of WAS ran from July to June of the year two years later, covering July 2006 to June 2016. WAS switched from 'waves' to 'rounds' after wave 5, with the new 'round' format aligning with financial years i.e. 2 years from April. Part of wave 5 therefore overlaps with round 6.

in postcodes with high-income individuals. However, it still omits the very richest in the UK, and may understate the wealth holdings of the very wealthy individuals it does include. (Advani et al. (2021))

The survey asks all respondents whether they have received goods or cash gifts worth £500 or more at any one time in the last two years, and the precise value of these gifts. They are also asked whether they have received cash loans of £500 or more from family or friends, and the value of these. The sort of transfer behaviour we capture is thus gifts and loans which are large at a single point in time, rather than smaller, perhaps more regular financial flows.

In Round 7 (2018-20), receivers are asked from whom they received each gift and loan. Respondents are also asked whether they have given any goods or cash gifts worth £500 or more, to whom they gave these gifts, and their precise value. They are also asked whether they have given any cash loans of £500 or more, to whom, and exactly how much each loan was.

WAS contains rich demographic and financial information. We use this to build a picture of how gift and loan giving and receipt varies by a range of characteristics including age, wealth and income, parents' socio-economic status, ethnicity and region. Most of these characteristics are measured at the individual level. In some cases, we construct measures defined at the 'family' level, such as in the case of income and wealth. A family here consists of an individual and their cohabiting partner (if they have one) plus any dependent children. There may therefore be multiple families within a household.

We use the Consumer Price Index to convert the value of gifts and loans, and other financial variables reported by respondents, into real terms. We do this using the year at which the interview took place and expressing amounts in 2020 prices.

Our sample consists of all individuals aged 20 or over in all waves and rounds of the WAS data. The sample size in each wave ranges from around 27,600 to around 36,800 individuals.

3   Size and trends over time

Each year, an average of £14.1bn is transferred in the form of significant gifts, and £3.3bn in the form of significant loans, between friends and family.[5] Figure 1 shows the upper portion of the cumulative distribution of gift and loan value among the adult population aged 20 and older. Loans are both less frequent and less valuable (on average) than gifts. Over a two-year period, 6.0% of the adult population report receiving a gift, and 1.6% report

---

[5]Although this is a lower bound, as a result of WAS' omission of the most wealthy individuals (**?**

5

receiving a loan. The annual flow of these inter-vivos transfers is around a fifth of the value of the annual flow of non-spousal inheritances in our sample.[6]

The value of transfers received is very unevenly spread. In 2018-20, the median gift value received amongst those who reported having received a gift in the last two years was around £2,000. 10% of gifts (received by 0.6% of the adult population) received in the last two years were over £20,500.

Figure 1: Cumulative distribution functions for gift and loan value received in Round 7 of WAS (2018-2020).
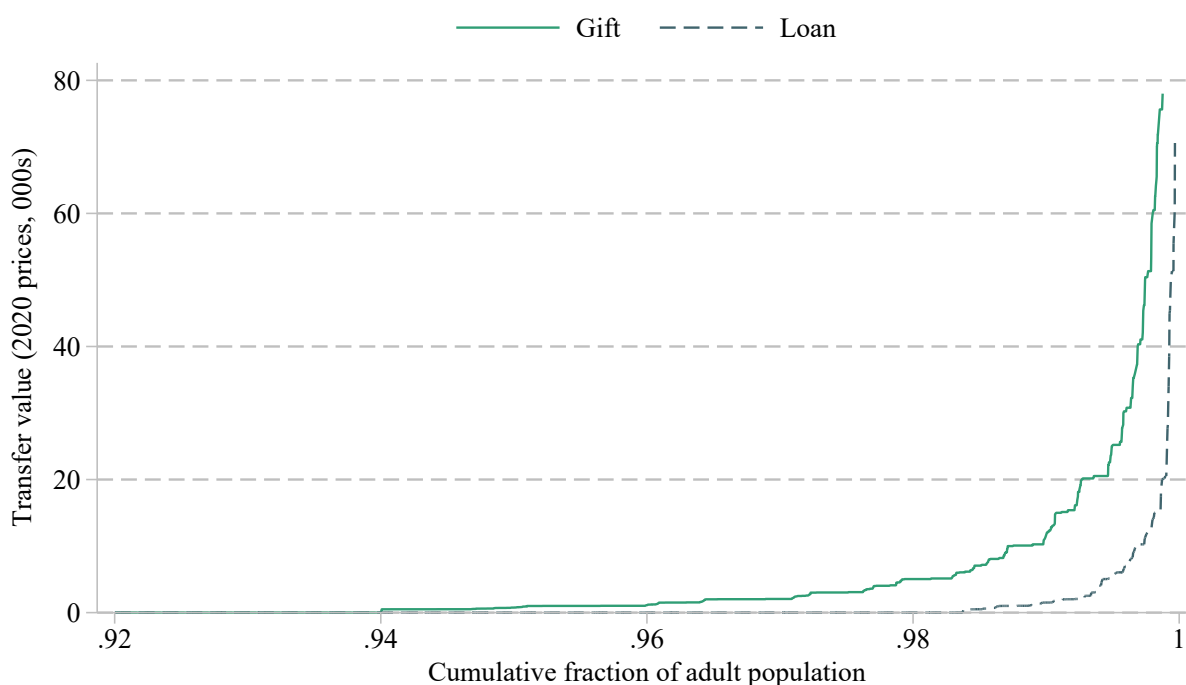
Note: Figure shows the cumulative distribution of gifts and loans in round 7 of the WAS data. The CDF is truncated to the left because the vast majority of the population receive no gifts or loans in this period. Source: WAS round 7.

Receipt of gifts has become slightly more common in the years since 2017-18. Figure 2 shows the proportion of adults who report having received a a loan, a gift or any transfer

---

[6]The average annual flow of inheritances reported in WAS over the period 2018-20 is £61.3bn. This is substantially lower than the £97.2bn of taxable inheritances reported by HMRC for the fiscal year 2019-20, which itself will understate the total annual flow of non-spousal inheritances. This under-reporting likely stems in part from the under-representation of the very wealthiest in the WAS data. It is also likely that there is under-reporting of inheritances among the sample members. Under-reporting is likely to also affect inter-vivos transfers and it is not clear *a priori* whether the estimated ratio of the flow of inter-vivos transfers to inheritances will be upward or downward biased.

(i.e. gift or loan) above £500 in the last two years, for each year from 2008-09 to 2019-2020. The proportion receiving a transfer has fluctuated between around 5% and 8%, showing a statistically significant increase in the years after 2017, driven by a rise in the proportion receiving gifts in those years.

Figure 2: Proportion of adults who received a transfer over the last two years, between 2008 and 2020.
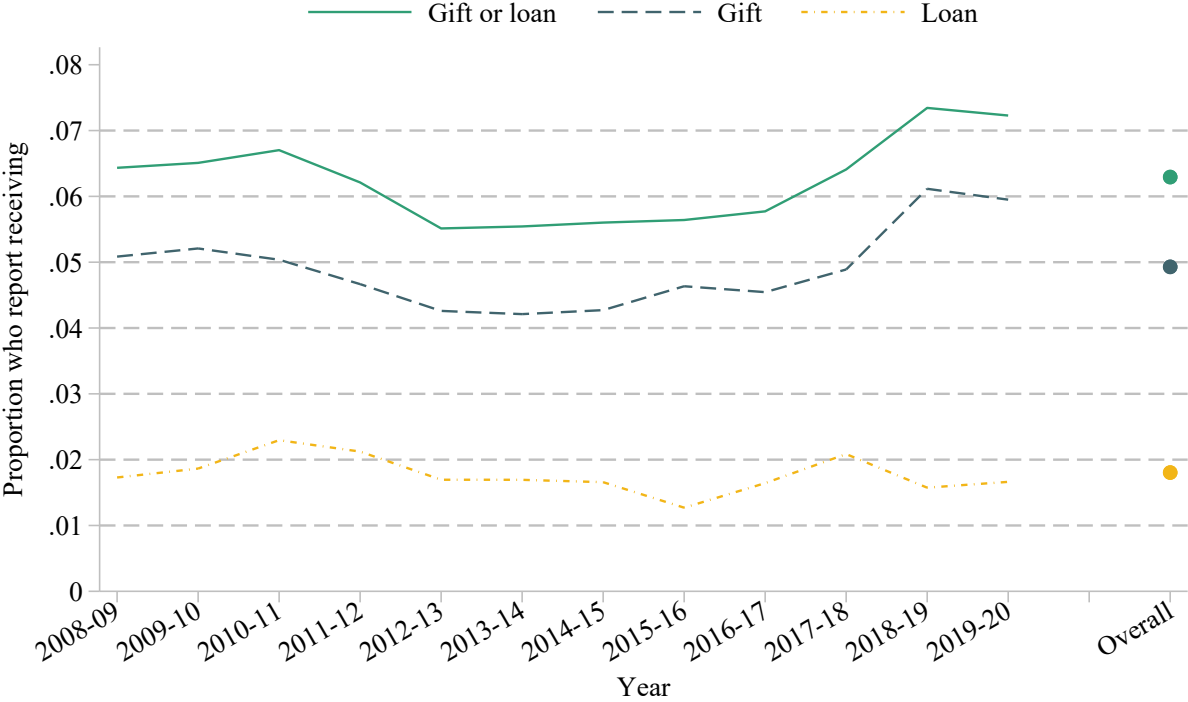
Note: 2008-09 here refers to July 2008 to June 2009, half of Wave 2's time period. The time period changes in 2016-17 with the change from waves to rounds, so 2015-16 covers July 2015 to June 2016, and 2016-17 covers April 2016 to March 2017. This is done to maintain the accuracy of wave-based weighting. The repetition of April-June 2016 is not part of our analysis elsewhere. Source: WAS waves 2 to 5 and rounds 6 and 7.

Figure 3 shows the mean, median and 75th percentile of the distribution of gifts, among those who report receiving a gift, and the equivalent for loans. The value of the median gift and loan received over time is fairly steady at around £2,000. For both gifts and loans, the mean value is around or above the 75th percentile, demonstrating how positively skewed their distributions are. This skewness, and the small number of very large transfer values it implies, may drive the fluctuations in the mean over time. While the trend in the mean and 75th percentile for gifts and loans suggests that the size of transfers amongst receivers may be growing at the upper end of the distribution, the estimates are not precise enough for us

7

to make any clear conclusions about this with our data.

Figure 3: Percentiles of gift and loan value by year, conditional on receipt.
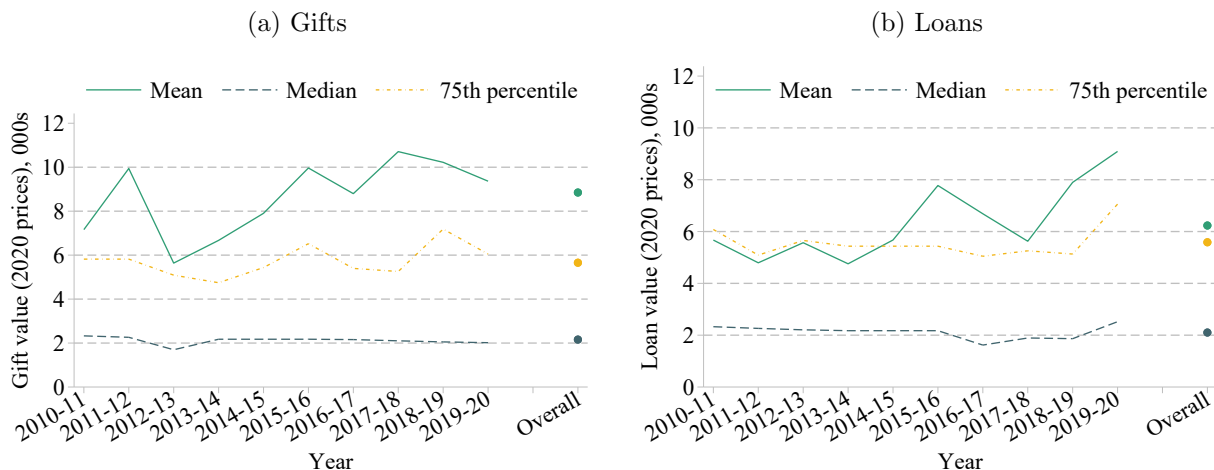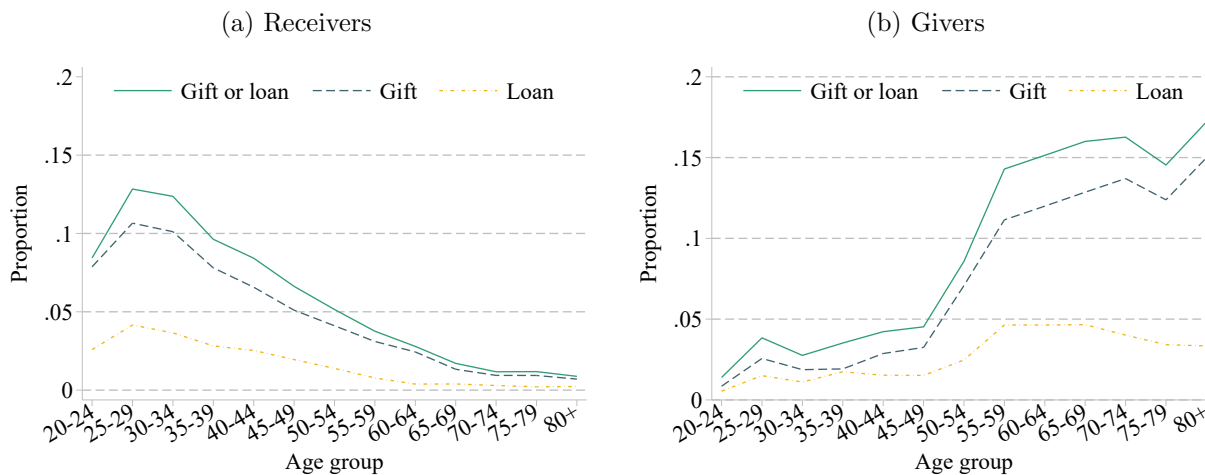
(a) Gifts

(b) Loans

Note: 2008-09 here refers to July 2008 - June 2009, half of Wave 2's time period. The time period changes in 2016 with the change from waves to rounds, so 2015-16 covers July 2015 to June 2016, and 2016-17 covers April 2016 to March 2017. This is done to maintain the accuracy of wave-based weighting. The repetition of April-June 2016 is not part of our analysis elsewhere. Source: WAS waves 2 to 5 and rounds 6 and 7.

4   Relationships between giver and receiver

Gifts and loans flow predominantly from the old to the young and, specifically, from parents to their children. In panel (a) of Figure 4, we show the proportion of adults who report having received a transfer by 5-year age-group. The proportion of people who report receiving a gift and/or loan is much higher at younger ages, peaking between the ages of 25 and 34. The proportion then steadily declines with age, with less than 2% of those in their 70s and 80s reporting having received a transfer. Panel (b) of Figure 4 shows the proportion in each age-group who give transfers. Givers tend to be older than receivers: while around 2% of those in their early 20s report having made a transfer of more than £500, this rises with age to around 16% of people in their late 60s and early 70s.

We next look more precisely at the relationships between givers and receivers. Figure 5 shows the proportion of gifts reported as received in the last two years, from various different types of relation, between 2018 and 2020. The majority of gifts received - 69% - were from parents, with a further 9.2% received from grandparents or great-grandparents. A significant minority, though, were not received from close family: other relatives gave 8.4% of

Figure 4: Proportion of adults who made or received a transfer in the last two years, by age.


(a) Receivers

(b) Givers

Source: Panel (a): WAS waves 2 to 5 and rounds 6 and 7; Panel (b) WAS round 7

gifts received, and non-relatives 4.4%. Moreover, a small proportion of gifts were transferred from younger to older generations, with children contributing 3.2% of gifts received. When weighting by value, the significance of gifts from parents to their children is greater. Parents transferred 83% of the total gift value received, with other categories much smaller in size. Grandparents or great-grandparents only transferred 3.1% of gift value, and other relatives only 4.3%.

Parents also transferred the majority of loans received between 2018 and 2020. 65% of loans were received from parents. However, a larger proportion were received from non-parental sources than for gifts. 13% of loans were received from other relatives, and a further 9.5% from non-relatives, implying that a greater proportion of loans were received from outside immediate family. When weighting by value, again the proportion of loans coming from parents is high, at 68%.

Some of parental gifting represents inheritances received and (to some extent) passed on to children. Of those who reported having received a (non-spousal) inheritance above £1,000 in the last two years between 2018 and 2020, 14.4% reported having made a gift in the same period of time, compared to 6.7% of those who did not report having received a non-spousal inheritance. The (unconditional) mean gift given by those who received an inheritance was £1,711, 3.15% of the mean inheritance received. Conditional on making a gift, inheritors passed on 21.9% of their inheritance as a gift. In contrast, gifts were worth 2.9% of income over the same period, or conditional on making a gift, 43.6% of income.

9

Figure 5: Proportion of gift number and value received from different sources.

(a) Proportion of gifts

(b) Proportion of gift value
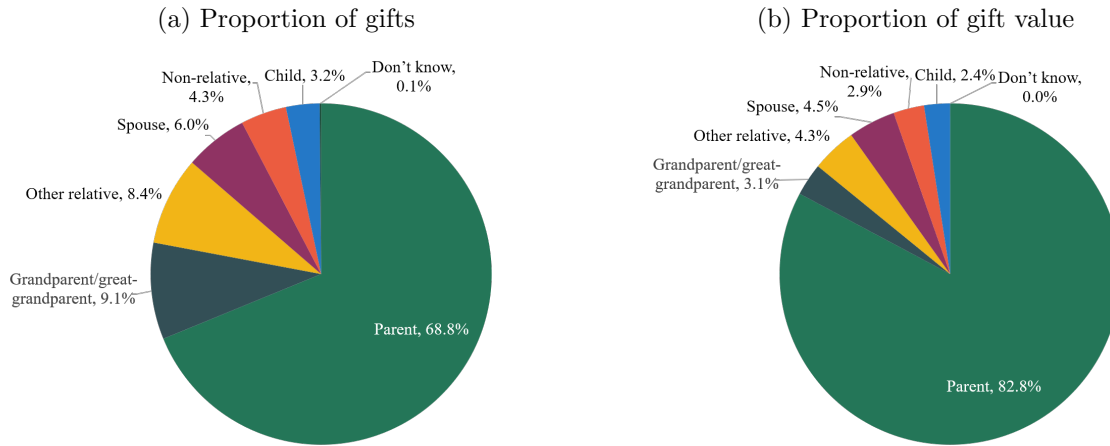
Source: WAS round 7.

Figure 6: Proportion of loan number and value received from different sources.

(a) Proportion of loans

(b) Proportion of loan value
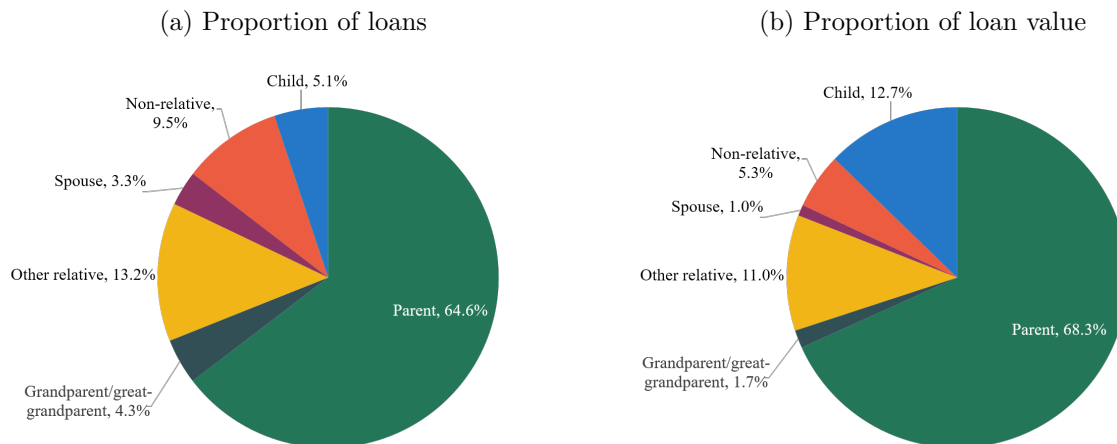
Source: WAS round 7.

5   The contribution of transfers to economic resources and inequalities in early adult life

Transfers received could constitute an important addition to the resources of younger people close to the beginning of their adult lives. We can exploit the panel nature of the Wealth and Assets Survey to quantify this, using a sample of people present for four consecutive interviews up to and including round 7 of WAS (covering 2012-14 to 2018-20).[7] These people are between 25 and 34 in the final wave of data, meaning that they were between 19 and 28 in 2012-14. In all four waves they give responses about their gifts in the past 2 years, yielding a sample who give responses about gifts received over an eight-year period. We thus capture people, broadly, at the beginning of adult life, and can get a sense of how much transfers contribute to overall resources over the early part of adult life.

5.1   Differences in transfers received across the income and wealth distributions

We compare total transfers received over this eight-year period to net individual income received (from employment, benefits and so on) over the same period.[8] We compare transfers received to individual income (rather than household or benefit-unit income) because we are analysing transfers received by individuals and do not want to understate the size of transfers in comparison to incomes. The average annual level of income below which an individual is in the bottom quintile is around £8,800. Average annual income over the eight-year period amongst the top income quintile was around £29,700.[9]

Figure 7 shows the proportion of people who report having received at least one transfer over this eight-year period, split by their cumulative income quintile over the period. Across the whole sample, 30% of people reported receiving at least one transfer over the period. There is a strong relationship between income and the likelihood of receiving a transfer, with

---

[7]Due to the change of the timing of WAS from July to June 'waves' to April to March 'rounds' from round 6 onwards, we also include the wave 3 interview for those individuals who are interviewed in April to June of wave 3 and interviewed three times subsequently (in wave 4, in the overlap period between wave 5 and round 6, and in round 7. This ensures that we capture all people interviewed in round 7 who were also present in WAS for at least three consecutive prior interviews.

[8]We construct a measure of net income at the individual level, which includes income from employment, self-employment, from benefits, from investment, and from other sources like private pensions (not relevant for this age group). WAS collects data on annual income in its biennial questionnaire, and on total transfers received over the last two years: we use average annual measures for both transfers received and net income received.

[9]These amounts may be considered quite low. One reason for this is that many of those surveyed spend some period of time not economically active (as a result of studying or family responsibilities, for example) or in unemployment.

Figure 7: Proportion of 25-34-year-olds in each cumulative income quintile who report having received a transfer in the last four waves, and proportion of cumulative income represented by cumulative transfers.
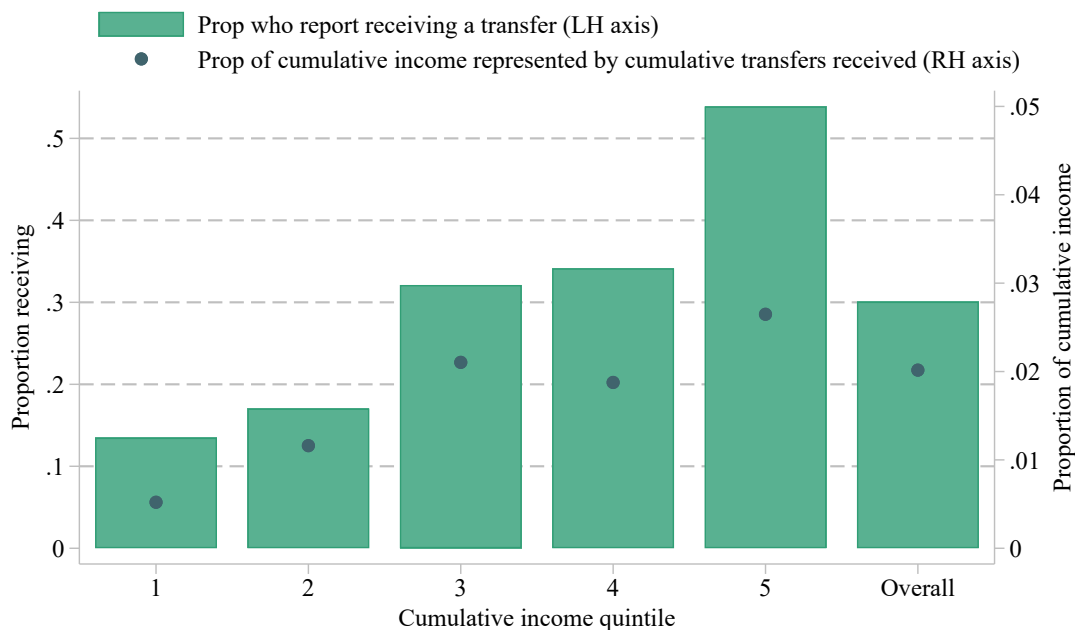
Source: Wealth and Assets Survey, waves 3 to 5 and round 6 and 7.

around half of those in the top cumulative income quintile reporting having received at least one transfer over this period, compared to only about 15% of those in the bottom cumulative income quintile. Figure 7 also shows the proportion of cumulative income represented by the cumulative transfers received in each cumulative income quintile. There is again a positive relationship between income quintile and the proportion of cumulative income represented by cumulative transfers. In the bottom quintile, cumulative transfers were worth 0.5% of cumulative income over the period. This compares to 2.6% of cumulative income for those in the top income quintile. This reflects both the fact that those in higher quintiles are more likely to receive money at all, and that they are likely to receive larger amounts as compared to their income. In absolute terms, the average annual amounts received increase from around £30 for those in the bottom quintile to £790 for those in the top quintile.

Our findings here differ from previous ONS analysis of WAS, which found that transfers have a U-shaped relationship with current income, being lower in the second income quintile than the bottom income quintile.(ONS (2018)) This difference likely results from the fact that the ONS are looking at contemporaneous income only: many of those with very low

incomes are only temporarily in this situation. Since we are thinking here about overall inequality in economic resources, we have constructed quintiles of cumulative income across four waves of data, allowing us to take a longer-term view.

Our results imply that, at least over this part of life, transfers received widen gaps in total economic resources available to those with higher and lower incomes, both in absolute and in percentage terms. The overall impact of these transfers is relatively modest, however, widening the gap between the top and bottom cumulative income quintiles in the annual flow of resources received by £760. Alternatively described, this leads to a 2% increase in the ratio of resources received by the top income quintile to those received by the bottom income quintile.

Studies of the effects of intergenerational transfers on inequality often compare transfers received to current wealth. In the UK, the ONS (2018) study shows that transfers received were a larger share of contemporaneous wealth for those with lower levels of wealth.[10] In Figure 8 we show cumulative transfers received as a share of current individual wealth, for those in each wealth quintile.[11] Cumulative transfers are much larger as a share of wealth for those with lower levels of wealth, falling from 30% of current net wealth for those in the least-wealthy fifth to 3% for those in the wealthiest fifth.

The sharp contrast in the distributional patterns in the size of transfers as a share of wealth as opposed to as a share of total income stems from the fact that contemporaneous wealth reflects how much of income and transfers received are saved (as well as the returns to that saved) and saving rates and returns are known to be different across the income and wealth distributions (Dynan et al. (2004), Bozio et al. (2017), Fagereng et al. (2019)).[12] Indeed, in the case of gifts received in our sample, we find that wealthier recipients save a higher proportion of the gifts they receive. Our comparison of transfers to total income received arguably gives a more comprehensive picture of how transfers contribute to economic resources received in early life.

5.2 Differences by parental background

As well as being interested in the relationship between these transfers and receivers' socio-economic status, we are also interested in the role transfers play in driving differences between those with richer and those with poorer parents. Differences in outcomes between those with

---

[10] Among receivers, the median transfer received was worth 12% of wealth for those in the bottom wealth quintile, falling to less than 1% for those in the top wealth quintile.

[11] We use total individual net wealth.

[12] When assessing the contributions of transfers to economic inequalities at older ages, comparing transfers to wealth therefore has the virtue that wealth is accumulated from, and therefore may give information about, income from earlier periods of life.

Figure 8: Proportion of 25-34-year-olds in each wealth quintile who report having received a transfer in the last four waves, and proportion of current wealth represented by cumulative transfers.

more or less well-off parents can be interpreted as a measure of social mobility. WAS contains questions about respondents' parents' homeownership status and educational attainment when the respondent was a child.[13] These can be seen as a measure of socio-economic status; they are also highly related to wealth. We use these variables to split individuals into three roughly-equal groups: those whose parents were renting their accommodation when the individual was aged between 12 and 16 ('Renters'), those whose parents were homeowners at that time, but for whom neither parent was a university graduate ('Low-ed h/o'), and those whose parents were homeowners and for whom at least one parent was a graduate ('High-ed h/o').

Figure 9 shows the relationship between parents' socio-economic status and the probability of receiving a transfer, as well as the proportion of cumulative income represented by cumulative transfers in each group. The figure makes clear that those from higher socio-economic backgrounds are most likely to receive financial transfers: around 46% of those whose parents were graduate homeowners reported having received at least one transfer in the eight-year period. This is higher than those whose parents were non-graduate homeowners, of whom 23% reported having received a transfer, and than those whose parents rented their home, of whom only 18% reported having received a transfer. Cumulative transfer value also represented a higher proportion of cumulative income for those from higher socio-economic backgrounds. For those whose parents rented their home, cumulative transfer value represented slightly below 1% of cumulative income on average. This was higher for those with non-graduate homeowner parents, and highest - at just over 3% - for those with graduate homeowner parents. In absolute terms, the average annual transfers received for the 'renter' group was around £100, for the low-educated homeowner group was £240 and for the high-educated homeowner group was £560.

5.3 Givers' wealth and income

We can corroborate this evidence that those who are of higher socio-economic status give more using the latest round of WAS data. In that data, we can see people reporting having made a transfer, and therefore can look at the wealth of givers directly. Figure 10 shows the proportion of adults who report having made a transfer at at least one point over the last two years, by their within-age-group family wealth quintile from the previous wave. We use the wealth quintile from the previous wave because we would expect having made a substantial transfer to affect givers' wealth in a way we do not want to capture. The relationship between

---

[13]Respondents are asked how their household occupied their accommodation, whether homeowners, renters, or some other situation, and the educational qualifications of their mother and father, when they were a young teenager, between the ages of 12 and 16. If they ask for a specific age, they are told 14.

Figure 9: Proportion of 25-34 year olds who report having received a transfer in the past eight years, by parents' socio-economic status.

Source: WAS round 7.

family wealth quintile and propensity to give is clear: around 15% of those in the highest wealth quintile made a transfer of some sort – whether gift or loan – in the last two years. This compares to less than 5% of those in the lowest quintile.

There is a similar, although less strong, relationship between giving and income quintile, as Figure 11 shows. The bottom income quintile is no less likely to give than the second income quintile. This makes sense, given that we know that having particularly low income is for many not a permanent situation, meaning this group are not necessarily poor in lifetime terms. Future waves of data from WAS will allow us to study the relationship between giving and a longer-term income measure. The likelihood of giving rises from the second income quintile, from around 6% of respondents having given a gift in the last two years in that quintile to around 12% in the top income quintile.

As well as the proportion of people reporting giving, we can see the average amount given by each group. Those in the top wealth quintile reported making mean transfers of £3,120, representing 56% of total transfers. In the top income quintile, the equivalent figure was 44%, with mean transfers equal to £2,300. The wealthiest, and the highest-income, dominate transfer flows.

6   Heterogeneity analysis

We now turn to analyse how the giving and receiving of gifts and loans varies across individuals with different characteristics, such as variation by sex, ethnicity and region of residence. Many of these characteristics are known to be related to each other and to age, income and wealth, which we have seen have important relationships with transfers. As well as examining the univariate relationship between key characteristics and transfers, we therefore also report results from multivariate OLS regressions controlling for a range of observable characteristics. This allows us to infer which characteristics are associated with giving and receiving transfers, once other differences between individuals are accounted for. While a significant association between some characteristic and a transfer outcome in these regressions does not imply a causal link between the two, determining which relationships are robust to controls in this way may be indicative of which characteristics are potential drivers of differences in transfer giving and receipt across individuals and which are merely the product of other differences between these groups.

In these regressions, our outcome variable is an indicator variable for having given or received a gift or loan over the last two years. Our explanatory variables are categorical variables for age-group, sex, family wealth quintile in the previous wave, family income quintile in the previous wave, a 3-way categorical education variable, region, and ethnicity.

Figure 10: Proportion of adults who report having given a transfer over the last two years, by benefit-unit wealth quintile, and mean real value of transfer in each quintile.
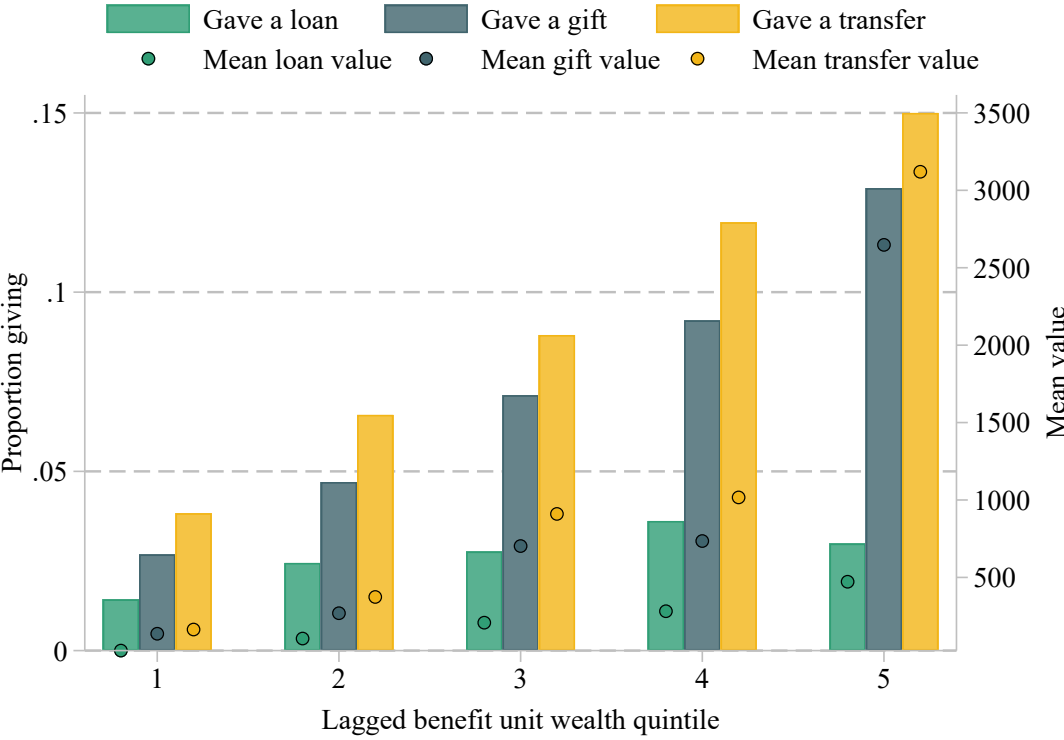
Figure 11: Proportion of adults who report having given a transfer over the last two years, by income quintile, and mean real value of transfer in each quintile.
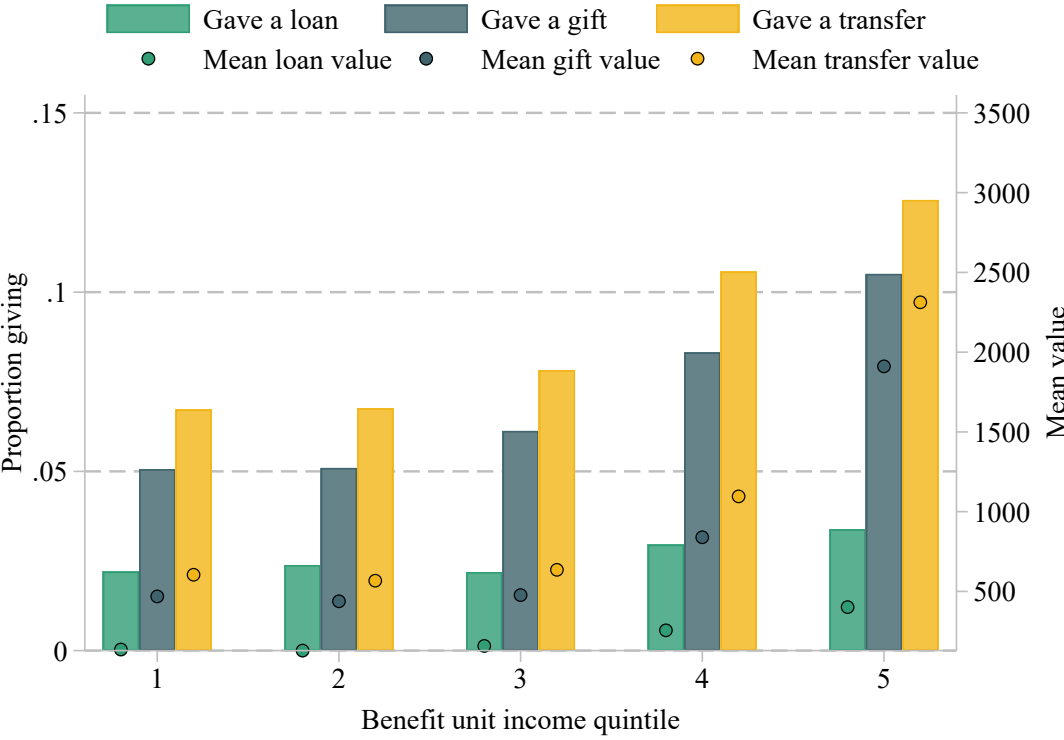
In the case of receivers, we also include an interaction between whether parents were reported to be homeowners and the highest level of parental education reported. We use the lagged values of wealth and income quintiles because transfers could affect these outcomes directly in a way we do not want to capture. While we might ideally choose to analyse the relationship between individual characteristics and cumulative transfers over several waves, the sample size for the group present over 4 waves used in our earlier analysis is not large enough for us to use it for multivariate analysis of this kind. We therefore examine the relationship characteristics and between giving and receiving transfers over a 2-year period. The full set of regression results is set out in Appendix Tables 1.1 and 1.2. These include the results from an equivalent set of probit regressions.

6.1   Age, wealth, income, and parental socioeconomic status

Before turning to examine differences by a range of additional characteristics, we first examine which of the relationships between transfer behaviour and age, wealth, income and parental socioeconomic status that have already been documented are robust to controlling for other factors. The age gradient described earlier also holds in a regression framework, with those in their late 20s significantly more likely to report having received a gift than those in their early 20s, and those in their 50s and older significantly less likely to report having received either a gift or loan than those in their early 20s. Those in their 40s and older are significantly more likely to report having made a gift or loan than those in their early 20s, controlling for other factors. These results imply that age was not merely proxying for wealth or income.

When controlling for other factors, those in higher family wealth quintiles remain significantly more likely to report having made a gift. A much weaker association remains between income quintile and making a gift: there is only a marginally significant association between being in the highest income quintile, compared to the lowest, and the probability of making a gift. The association between income or wealth and the probability of making a loan is insignificant when controlling for other factors.

For receivers, when other characteristics are controlled for, lagged family wealth quintile is not significantly associated with gift receipt. Those in higher lagged wealth quintiles are less likely to report having received a loan, implying that - once parental resources, in particular, have been controlled for - loans may be responding to need. Being in a higher lagged income quintile is associated with a higher likelihood of receiving a gift when controlling for other characteristics, but there is no association between lagged income quintile and loan receipt.

Parental socio-economic status is related to the likelihood of receiving a gift or loan,

especially parental homeownership status. Those whose parents owned their home when young were significantly more likely to receive both a gift and a loan, compared to those whose parents rented their home and left school at 16 or earlier. There is also a slight gradient in parental education, where those whose parents were more highly educated are more likely to report having received a gift or loan, although this is statistically insignificant among those whose parents were renters. Overall, those whose parents are high-educated homeowners are 4.4 percentage points more likely to receive a substantial gift over a 2-year period than the children of low-educated renters.

6.2 Variation across regions

There are important differences in the rate of gift giving and gift receipt observable by region, as shown in Figure 12. More of those in the South West and South East report having given a transfer in the last two years - more than 10% of adults in both regions - whereas fewer of those in the North East, North West, and Scotland report giving a transfer.[14]

The pattern of transfer receipt has similarities to the patterns in giving. Regions in which giving is more common tend to be those in which transfer receipt is more common. This is what we might expect, since most people live in the same region as their parents, and - as shown above - most transfers take place from parents to their children. There are some significant differences in the patterns, however. For example, in Wales, almost 8% of over-20s report having given a gift, but only 4% report having received one. While those in London are much less likely to give a transfer than those in the South-East and South-West, they are almost as likely to report receiving a transfer. These differences could reflect the different age distributions in these different regions driven in part by geographical mobility over people's working lives.

When controlling for other factors, including age, those in the South West are statistically significantly more likely to report having given a gift than those in the North East, by 2.9 percentage points. There are no strong regional patterns associated with the probability of making loans. Those in Yorkshire, London, the South East, and South West are one to two percentage points more likely to report having received a gift compared to those in the North East. Similar relationships are evident for loans, with those in London, the South East, the South West, and the East of England more likely to report having received a loan than those in the North East, controlling for other factors.

Figure 13 shows that the median transfer given was around £3,000 in most regions, but

---

[14]It is worth noting that more people in every region report having given than having received a transfer: this makes sense if givers are giving to recipients under 20 (who are not captured in this figure), or if multiple givers are giving to a single recipient at one time.

Figure 12: Proportion of adults who report having given and received a transfer over the last two years, by region.
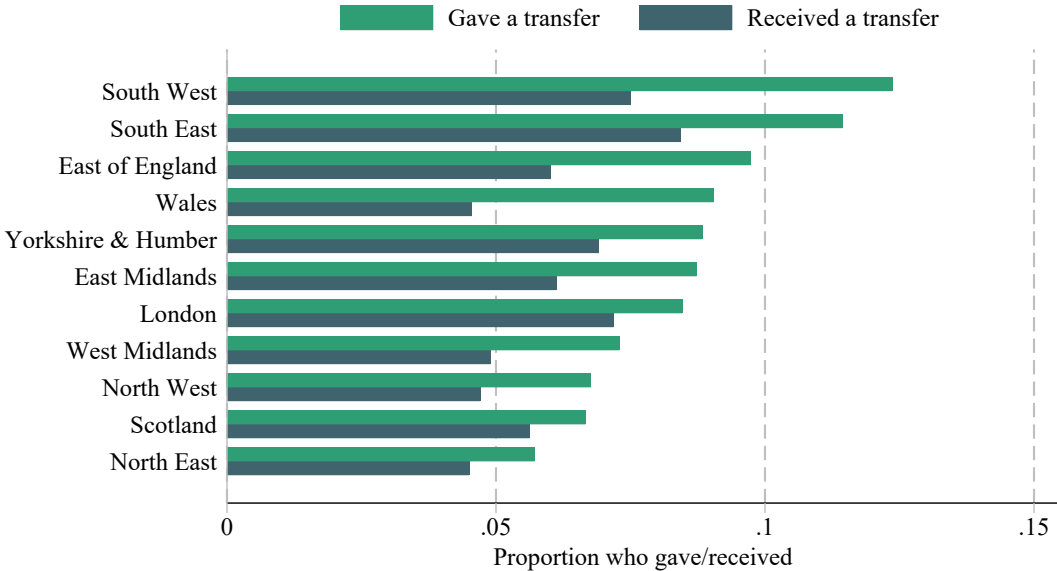
Source: WAS round 7.

Figure 13: Median transfer value over the last two years, by region, conditional on receipt.
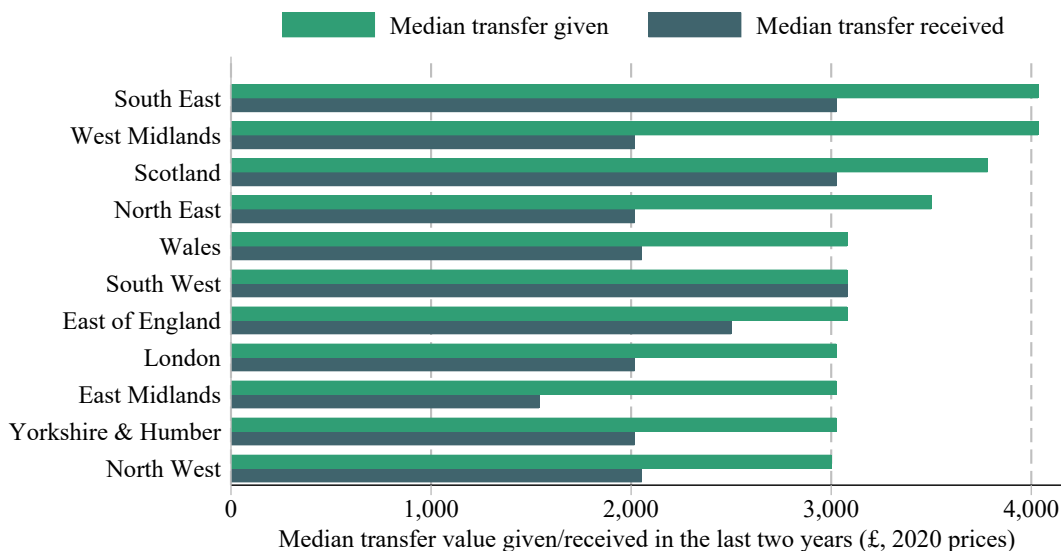
Source: WAS round 7.

rises above this in the North of England, in Scotland, the West Midlands, and the South East. Similarly to when looking at prevalence, median transfer amounts received are lower than those given, at around £2,000.

6.3 Variation by ethnicity and sex

Transfers have the potential to drive differences in economic resources between sexes and between ethnic groups. When looking at ethnicity, we restrict our sample to those aged between 20 and 39, to avoid capturing just the effects of the very different age distributions of different ethnic groups. We look only at receipt of transfers, since giving only begins to be reported in round 7, and there is insufficient sample size of givers in a single round for reliable breakdowns of differences by ethnicity.

As shown in Figure 14, the highest proportion of transfer receipt among 20-39 year olds is reported by White British and Other White groups: around 10% of White British and 11% of Other White young adults reported having received at least one gift. There are much lower levels of gift receipt reported by Indian, Pakistani or Bangladeshi, Black Caribbean and Black African young adults. The group least likely to report having received a gift were

Pakistani or Bangladeshi young adults, of whom 3% reported having received a gift in the last two years. All of the differences in gift receipt between White British and other ethnic groups are statistically significant other than for the "mixed" and "other Asian" group.

There was slightly less dispersion in the different rates of loan receipt by ethnicity: the group most likely to report having received a loan over the last two years was the Mixed ethnicity group, with 5% of this group receiving a loan; the least likely were those of Indian or 'Any other' ethnicity, of whom around 2% reported receiving a loan.

When controlling for other factors including wealth and age, those who are Indian, Pakistani, Bangladeshi, of other Asian ethnicity (excluding Chinese), and Black African remain less likely to report having received a gift than those who are White British, by two to five percentage points. These are large differences when set against the baseline rates of gift receipt. There are fewer strong patterns when looking at loan receipt, but those who are Black Caribbean are 1.1 percentage points less likely to report having received a loan than those who are White British, controlling for other factors.

When examining patterns of giving, broader ethnic groups must be used because we only have one wave of data, giving us a smaller sample size. The only significant difference between groups that we observe is that, when controlling for other characteristics, those of other White ethnicity are 5.6 percentage points more likely to report making a gift than White British people. There will be significant variation within this group. The point estimate for the Black category is 3.5 percentage points, and for the "Any other" category it is 3.1 percentage points, but neither of these are statistically significantly different from zero. The point estimates on the Asian and Mixed groups are smaller and not significant. Overall, the sample size limits our ability to make strong statements about differences in giving by ethnicity.

As Figure 15 shows, more women tend to report having received a transfer at younger ages (where transfer reception in general is more frequent). Around 15% of women, compared to only 11% of men, report having received a transfer in the last two years between the ages of 25 and 29. At most ages, men are more likely to report giving a substantial transfer over the last two years, as shown on the right hand side of Figure 15. This is especially marked after the age of 55, which is driven by gift-giving behaviour in particular.

When other factors are controlled for, men are more likely to report having made a gift, although there is no significant association between sex and the probability of making a loan. Being female is associated with a 0.9 percentage point higher probability of receiving a gift, a significant - albeit small - association. There is no significant association between sex and loan receipt.

Figure 14: Proportion of 20-39 year olds who report having received a gift or loan, by ethnic group.
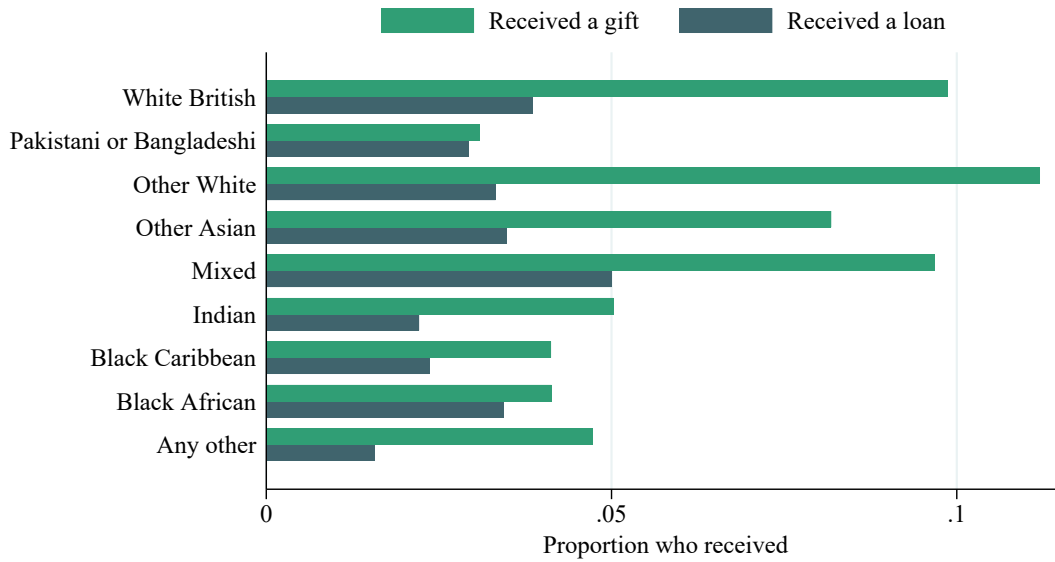
Source: Wealth and Assets Survey, waves 2 to 5 and round 6 and 7.

Figure 15: Proportion of adults who report having made or received a transfer over the last two years, by age and sex.
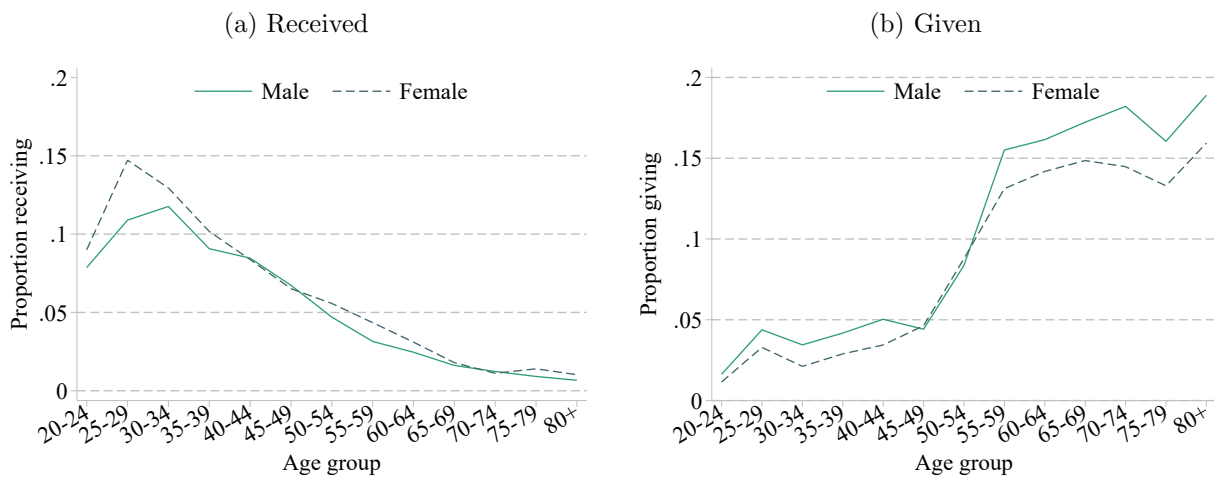
Source: WAS round 7.

6.4 Educational status

Educational attainment is significantly associated with a higher likelihood of receiving both a gift and a loan. Attending university is associated with a 2.8 percentage points higher probability of receiving a gift, and a 0.8 percentage point higher probability of receiving a loan, compared to those who only attended education to a compulsory level.

There are also strong associations between educational attainment and the likelihood of making gifts and loans. This is particularly the case for gift-giving, where those who have received a university education are 5.8 percentage points more likely to report having made a gift than those who have only received education up to a compulsory level, controlling for other factors.

7 Conclusion

In this paper, we have provided evidence for the interpretation of gifts and loans as intergenerational flows. Most gifts and loans - and the vast majority of the value of gifts and loans - are transferred from parents to children. While there is some evidence that gift-giving has become more common in recent years, there is not strong evidence for a large increase in the value of gifts and loans made during life over time. This is despite growing longevity in the UK, and increasing wealth at retirement: these facts do not seem to be translating directly or dramatically into larger flows of gifts. Neither does it seem that inheritances are skipping generations and being passed on as gifts in a significant way, another way in which longevity and increased retirement wealth could affect flows of gifts. Only 14% of those who received an inheritance between 2018 and 2020 made a gift in the same period, and the (unconditional) mean value of this gift was only 3% of the value of the mean inheritance received.

These intergenerational flows have consequences for inequality and social mobility in early adulthood. Surveying people in their twenties and early thirties over a six-year period reveals that cumulative income and parents' socioeconomic status were strongly and positively associated with the probability of transfer receipt. Those with higher income over this period (or with better-off parents) also reported receiving total transfers that were larger as a proportion of their income. This implies that transfers increase economic inequalities during early adult life, although the magnitude of these impacts is relatively modest. When we consider cumulative transfers as a share of current wealth, they are larger for those with lower wealth levels. This contrast between the patterns across the wealth and income distributions illustrates the importance of heterogeneity in saving rates. This may mean that comparing

transfers to cumulative income rather than contemporaneous wealth gives a better guide to their impacts on inequalities in total economic resources.

When controlling for factors associated with the likelihood of making a transfer, age, sex, wealth, and education remain strongly predictive of giving gifts. Older, wealthier, more highly educated people are more likely to report having made a gift in the last two years. Combined with our knowledge that most gifts are made from parents to children, this provides further evidence that these gifts are likely to reinforce the transmission of socio-economic inequalities across generations. More highly educated, older people are also more likely to report having made a loan in the last two years. Those in the South of England are substantially more likely to give gifts, even for given wealth levels.

Performing a similar exercise for receiving transfers shows that age, education, and parents' socio-economic status are predictive of receiving: younger, more highly educated individuals, with better-off parents, are more likely to have received a gift. These results tell us that differences in transfers received between those with higher and lower-SES parents are not simply those that would be expected given the differences in income or education that exist between these young adults. Even for given characteristics, those with better off parents are more likely to receive substantial gifts.

References

Advani, A., G. Bangham, and J. Leslie (2021). The UK's wealth distribution and characteristics of high-wealth households. Fiscal Studies 42(3-4), 397–430. _eprint: https://onlinelibrary.wiley.com/doi/pdf/10.1111/1475-5890.12286.

Black, S. E., P. J. Devereux, F. Landaud, and K. G. Salvanes (2020). Where Does Wealth Come From? NBER Working Paper, 72.

Boserup, S. H., W. Kopczuk, and C. T. Kreiner (2016). The role of bequests in shaping wealth inequality: Evidence from Danish wealth records. American Economic Review 106(5), 656–661.

Boserup, S. H., W. Kopczuk, and C. T. Kreiner (2017). Intergenerational Wealth Formation over the Life Cycle: Evidence from Danish Wealth Records 1984-2013. Technical report.

Boserup, S. H., W. Kopczuk, and C. T. Kreiner (2018). Born with a Silver Spoon? Danish Evidence on Wealth Inequality in Childhood. Economic Journal 128(612), F514–F544.

Bourquin, P., R. Joyce, and D. Sturrock (2020). Inheritances and inequality within generations. Technical report, The IFS.

Bozio, A., C. Emmerson, C. O'Dea, and G. Tetlow (2017). Do the rich save more? Evidence from linked survey and administrative data. Oxford Economic papers 69(4), 1101–1119.

Crawford, R. and A. Hood (2016). Lifetime Receipt of Inheritances and the Distribution of Wealth in England. Fiscal Studies 37(1), 55–75.

Cribb, J. (2019). Intergenerational Differences in Income and Wealth: Evidence from Britain. Fiscal Studies 40(3), 275–299. _eprint: https://onlinelibrary.wiley.com/doi/pdf/10.1111/1475-5890.12202.

Dolton, A., S. Adam, C. Jessop, and M. Wood (2019). Lifetime gifting: reliefs, exemptions and behaviours. HM Revenue and Customs Research Report 535. Publisher: HMRC.

Dynan, K. E., J. Skinner, and S. P. Zeldes (2004). Do the Rich Save More? Journal of Political Economy 112(2), 48.

Elinder, M., O. Erixson, and D. Waldenström (2018). Inheritance and wealth inequality: Evidence from population registers. Journal of Public Economics 165, 17–30.

Fagereng, A., M. B. Holm, B. Moll, and G. Natvik (2019). Saving Behavior Across the Wealth Distribution: The Importance of Capital Gains. Technical Report W26588, National Bureau of Economic Research, Cambridge, MA.

Hills, J. (Ed.) (2015). Wealth in the UK: distribution, accumulation, and policy. Oxford: Oxford Univ. Press.

Karagiannaki, E. (2011). The Magnitude and Correlates of Inter-vivos Transfers in the UK. LSE STICERD Research Paper No. CASE151, 33.

Karagiannaki, E. (2015). Recent Trends in the Size and the Distribution of Inherited Wealth in the UK. Fiscal Studies 36(2), 181–213.

Nolan, B., J. Palomino, P. V. Kerm, and S. Morelli (2020). The Wealth of Families: The Intergenerational Transmission of Wealth in Britain in Comparative Perspective. Technical report.

ONS (2018). Intergenerational transfers: the distribution of inheritances, gifts and loans, Great Britain. Technical report.

A Appendix: Regression results

Table 1: Association between demographic characteristics and the probability of receiving a transfer.

	(1)	(2)	(3)	(4)
	Gifts (OLS)	Loans (OLS)	Gifts (Prob.)	Loans (Prob.)
Age (ref. 20-24)				
25-29	0.025**	0.010*	0.019*	0.01
	(0.008)	(0.005)	(0.008)	(0.005)
30-34	0.020**	0.007	0.013	0.006
	(0.007)	(0.004)	(0.008)	(0.005)
35-39	0.004	-0.004	-0.002	-0.004
	(0.007)	(0.004)	(0.007)	(0.004)
40-44	-0.007	-0.004	-0.009	-0.004
	(0.006)	(0.004)	(0.007)	(0.004)
45-49	-0.015*	-0.006	-0.016*	-0.007
	(0.006)	(0.004)	(0.006)	(0.004)
50-54	-0.025***	-0.010**	-0.026***	-0.011**
	(0.006)	(0.004)	(0.007)	(0.004)
55-59	-0.030***	-0.016***	-0.031***	-0.016***
	(0.005)	(0.003)	(0.006)	(0.004)
60-64	-0.038***	-0.020***	-0.037***	-0.020***
	(0.005)	(0.003)	(0.006)	(0.004)
65-69	-0.048***	-0.018***	-0.049***	-0.018***
	(0.005)	(0.003)	(0.006)	(0.004)
70-74	-0.050***	-0.021***	-0.053***	-0.021***
	(0.005)	(0.003)	(0.006)	(0.004)
75-79	-0.049***	-0.021***	-0.052***	-0.022***
	(0.005)	(0.003)	(0.006)	(0.004)
80+	-0.050***	-0.020***	-0.053***	-0.022***
	(0.005)	(0.003)	(0.006)	(0.004)
Gender (ref. male)				
Female	0.009***	0.002	0.009***	0.002
	(0.002)	(0.001)	(0.002)	(0.001)
Lagged wealth quintile				

(ref. bottom)				
Second lagged wealth quintile	0.004	-0.003	0.006	-0.004
	(0.003)	(0.002)	(0.004)	(0.002)
Third lagged wealth quintile	0.008*	-0.005*	0.010**	-0.005*
	(0.003)	(0.002)	(0.004)	(0.002)
Fourth lagged wealth quintile	0.002	-0.008**	0.005	-0.008**
	(0.004)	(0.003)	(0.004)	(0.003)
Top lagged wealth quintile	-0.004	-0.012***	0.001	-0.011***
	(0.005)	(0.003)	(0.004)	(0.003)
Lagged income quintile				
(ref. bottom)				
Second lagged income quintile	0.006*	-0.000	0.006*	-0.001
	(0.003)	(0.002)	(0.003)	(0.002)
Third lagged income quintile	0.004	-0.002	0.004	-0.003
	(0.003)	(0.002)	(0.003)	(0.002)
Fourth lagged income quintile	0.011**	-0.000	0.010**	-0.001
	(0.004)	(0.002)	(0.004)	(0.002)
Top lagged income quintile	0.024***	-0.002	0.020***	-0.003
	(0.005)	(0.003)	(0.004)	(0.002)
Education				
(ref. up to compulsory)				
A-Levels/college	0.005**	0.005***	0.016***	0.006***
	(0.002)	(0.001)	(0.003)	(0.002)
University	0.028***	0.008***	0.033***	0.008***
	(0.003)	(0.002)	(0.003)	(0.002)
Parents' circumstances				
(ref. renters, left school pre-17)				
Homeowner, left school pre-17	0.007**	0.003	0.012***	0.003*
	(0.002)	(0.001)	(0.002)	(0.002)
Homeowner, left school at 17/18	0.031***	0.009	0.031***	0.009*
	(0.006)	(0.004)	(0.005)	(0.003)
Homeowner, further quals	0.044***	0.011***	0.039***	0.010***
	(0.004)	(0.002)	(0.003)	(0.002)
Renter, left school at 17/18	-0.010	0.000	-0.003	0.001
	(0.006)	(0.005)	(0.006)	(0.004)

Renter, further quals	0.009	0.002	0.015**	0.003
	(0.005)	(0.003)	(0.005)	(0.003)
Region (ref. North East)				
North West	-0.000	-0.000	-0.000	-0.001
	(0.005)	(0.003)	(0.005)	(0.003)
Yorkshire	0.011*	0.005	0.010	0.004
	(0.005)	(0.003)	(0.006)	(0.003)
East Midlands	0.003	0.001	0.003	0.001
	(0.006)	(0.003)	(0.006)	(0.003)
West Midlands	0.003	0.002	0.003	0.002
	(0.005)	(0.003)	(0.005)	(0.003)
East of England	-0.000	0.006*	0.001	0.006
	(0.005)	(0.003)	(0.005)	(0.003)
London	0.012*	0.008**	0.011	0.008*
	(0.006)	(0.003)	(0.006)	(0.003)
South East	0.014**	0.012***	0.013*	0.011***
	(0.005)	(0.003)	(0.005)	(0.003)
South West	0.015**	0.013***	0.015**	0.013***
	(0.006)	(0.003)	(0.006)	(0.003)
Wales	-0.004	0.002	-0.005	0.003
	(0.006)	(0.003)	(0.006)	(0.003)
Scotland	0.007	0.002	0.007	0.001
	(0.006)	(0.003)	(0.006)	(0.003)
Ethnicity (ref. White British)				
Other white	0.010	-0.005	0.006	-0.004
	(0.009)	(0.004)	(0.006)	(0.003)
Mixed	-0.014	0.005	-0.013	0.002
	(0.013)	(0.010)	(0.009)	(0.006)
Indian	-0.029***	-0.007	-0.024***	-0.005
	(0.009)	(0.004)	(0.006)	(0.003)
Pakistani	-0.058***	-0.005	-0.045***	-0.004
	(0.005)	(0.007)	(0.003)	(0.005)
Bangladeshi	-0.043***	-0.015	-0.035***	-0.011
	(0.013)	(0.011)	(0.010)	(0.006)
Other Asian	-0.036**	-0.004	-0.027**	-0.004

	(0.014)	(0.009)	(0.010)	(0.006)
Black Caribbean	-0.010	-0.011*	-0.010	-0.010**
	(0.018)	(0.005)	(0.017)	(0.004)
Black African	-0.052***	0.006	-0.038***	0.002
	(0.008)	(0.011)	(0.006)	(0.007)
Chinese	0.073	0.005	0.056	0.007
	(0.051)	(0.030)	(0.041)	(0.024)
Any other	-0.043***	-0.007	-0.034***	-0.004
	(0.007)	(0.006)	(0.005)	(0.005)
Constant	0.023***	0.018***		
	(0.007)	(0.004)		
Observations	86930	86933	86930	86933
Adjusted R^2	0.039	0.011		

Note: table shows OLS and probit regression coefficients. The outcome variable is receipt of a gift or loan in the last two years, and explanatory variables are categorical variables for age-group, sex, family wealth quintile in the previous wave, family income quintile in the previous wave, an interaction between whether parents were reported to be homeowners and the highest level of parental education reported, a 3-way categorical education variable, region, and ethnicity. Data: Wealth and Assets Survey, Waves 3 to 5, Rounds 6 and 7

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 2: Association between demographic characteristics and the probability of making a transfer.

	(1) Gifts (OLS)	(2) Loans (OLS)	(3) Gifts (Prob.)	(4) Loans (Prob.)
Age (ref. 20-24)				
25-29	0.003	0.005	0.009	0.006
	(0.008)	(0.006)	(0.009)	(0.006)
30-34	-0.007	0.008	0.004	0.009
	(0.008)	(0.006)	(0.008)	(0.006)
35-39	-0.012	0.004	-0.001	0.006
	(0.007)	(0.005)	(0.007)	(0.004)
40-44	0.04	0.006	0.015	0.007
	(0.010)	(0.005)	(0.009)	(0.005)
45-49	0.012	0.011*	0.021*	0.013*
	(0.009)	(0.005)	(0.009)	(0.005)
50-54	0.064***	0.022***	0.072***	0.023***
	(0.011)	(0.006)	(0.012)	(0.006)
55-59	0.081***	0.042***	0.085***	0.042***
	(0.011)	(0.007)	(0.011)	(0.007)
60-64	0.118***	0.046***	0.122***	0.046***
	(0.012)	(0.007)	(0.012)	(0.007)
65-69	0.116***	0.041***	0.120***	0.042***
	(0.011)	(0.007)	(0.011)	(0.007)
70-74	0.126***	0.037***	0.130***	0.038***
	(0.010)	(0.006)	(0.011)	(0.006)
75-79	0.141***	0.033***	0.145***	0.034***
	(0.013)	(0.008)	(0.014)	(0.008)
80+	0.147***	0.043***	0.151***	0.044***
	(0.013)	(0.008)	(0.013)	(0.008)
Gender (ref. male)				
Female	-0.015***	0.003	-0.011**	0.004
	(0.004)	(0.003)	(0.004)	(0.003)
Lagged wealth quintile (ref. bottom)				
Second lagged wealth quintile	0.016*	0.005	0.018*	0.006*

	(0.007)	(0.005)	(0.009)	(0.006)
Third lagged wealth quintile	0.031***	0.007	0.034***	0.007
	(0.008)	(0.006)	(0.009)	(0.007)
Fourth lagged wealth quintile	0.037***	0.006	0.038***	0.006
	(0.009)	(0.006)	(0.009)	(0.007)
Top lagged wealth quintile	0.068***	-0.002	0.062***	-0.001
	(0.010)	(0.007)	(0.011)	(0.007)
Lagged income quintile				
(ref. bottom)				
Second lagged income quintile	0.009	0.008	0.022**	0.011*
	(0.006)	(0.004)	(0.008)	(0.005)
Third lagged income quintile	0.007	0.010*	0.020*	0.012*
	(0.007)	(0.005)	(0.009)	(0.005)
Fourth lagged income quintile	0.032***	0.014*	0.042***	0.017**
	(0.008)	(0.006)	(0.009)	(0.006)
Top lagged income quintile	0.034***	0.012	0.040***	0.014*
	(0.010)	(0.007)	(0.010)	(0.006)
Education				
(ref. up to compulsory)				
A-Levels/college	0.037***	0.010*	0.026***	0.008*
	(0.006)	(0.004)	(0.006)	(0.003)
University	0.058***	0.022***	0.047***	0.020***
	(0.007)	(0.005)	(0.007)	(0.005)
Region (ref. North East)				
North West	0.000	-0.003	0.002	-0.003
	(0.010)	(0.006)	(0.011)	(0.007)
Yorkshire	0.015	0.003	0.016	0.003
	(0.011)	(0.007)	(0.012)	(0.007)
East Midlands	0.014	-0.002	0.017	-0.002
	(0.012)	(0.006)	(0.012)	(0.007)
West Midlands	0.006	0.007	0.005	0.008
	(0.011)	(0.007)	(0.012)	(0.008)
East of England	0.011	0.004	0.015	0.005
	(0.011)	(0.007)	(0.012)	(0.007)
London	0.013	-0.005	0.019	-0.004

	(0.012)	(0.007)	(0.014)	(0.008)
South East	0.021	0.010	0.021	0.010
	(0.012)	(0.007)	(0.012)	(0.007)
South West	0.029*	0.011	0.030*	0.011
	(0.013)	(0.008)	(0.013)	(0.008)
Wales	0.003	-0.004	0.006	-0.003
	(0.013)	(0.008)	(0.014)	(0.008)
Scotland	-0.004	-0.003	-0.003	-0.002
	(0.011)	(0.007)	(0.012)	(0.007)
Ethnicity (ref. White British)				
Other white	0.056**	0.013	0.069**	0.017
	(0.019)	(0.011)	(0.023)	(0.013)
Mixed	-0.015	0.028	-0.012	0.036
	(0.024)	(0.024)	(0.038)	(0.027)
Asian	-0.018	-0.012	-0.023	-0.014
	(0.010)	(0.006)	(0.012)	(0.008)
Black	0.035	0.003	0.045	0.002
	(0.026)	(0.013)	(0.035)	(0.015)
Any other	0.031	0.019	0.047	0.028
	(0.029)	(0.021)	(0.042)	(0.030)
Constant	-0.068***	-0.023**		
	(0.012)	(0.007)		
Observations	17638	17637	17638	17637
Adjusted R^2	0.074	0.015		

Note: table shows OLS and probit regression coefficients. The outcome variable is having given a gift or loan in the last two years, and explanatory variables are categorical variables for age-group, sex, family wealth quintile in the previous wave, family income quintile in the previous wave, a 3-way categorical education variable, region, and ethnic group. Data: Wealth and Assets Survey, Rounds 6 and 7.

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$