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Assortative mating and wealth inequality in Great Britain: Evidence from the baby boomer and Gen X cohorts

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Assortative mating and wealth inequality in Great Britain: evidence from the baby boomer and Gen X cohorts

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Non-technical summary

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Ricky Kanabar*

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Abstract

We study partnership sorting by education, the profile of wealth accumulation and the implications for wealth inequality for two cohorts born in 1947-1953 and 1973-1979 using the Wealth and Assets Survey for Great Britain. Our findings suggest individuals positively sort by education relative to random matching. By the time highly educated baby boomer couples reach their mid-late 60s their reported level of median net wealth (£2.49M) is seven times that of low educated couples. Regarding future wealth transfers, we find boomer's inheritance attitude is influenced by homeownership and inheritances received. Moreover, highly educated couples are more likely to report intending to leave an inheritance and the median level, £0.32M, is three times higher than that reported by low educated boomer couples. We document similar trends in the profile of wealth accumulation reported by Gen X couples and consistent patterns in terms of their expectations regarding future inheritance receipt. We show the disparities in wealth is attributable to the rate at which housing and pension wealth is accumulated. We underline the importance of parental education and housing tenure among both sets of parents, in addition to individuals own education, for understanding the interaction between sorting and wealth accumulation.

JEL: D31; D63; I24.

Keywords: Assortative mating, education, wealth inequality, Great Britain.

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This study uses the Wealth and Assets Survey. Office for National Statistics, Social Survey Division. (2023). *Wealth and Assets Survey, Waves 1-5 and Rounds 5-7, 2006-2020*. [data collection]. 18th Edition. UK Data Service. SN: 7215, DOI: <http://doi.org/10.5255/UKDA-SN-7215-18>

1. Introduction

Partner choice and couple characteristics have important implications for determining the rate at which couples accumulate economic resources (Goldin, 2014; Gonalons-Pons and Schwartz, 2017; Lersch and Schunck, 2023). For example, research shows that on a cohort basis increasing levels of educational attainment, returns to tertiary education and female labour supply have been important for explaining changes in income inequality in the US and Europe (Eika et al. 2021; Goldin, 2014; Greenwood et al., 2014; Gonalons-Pons and Schwartz, 2017). On the other hand, there exists scant evidence on the role educational attainment, a key factor in the sorting process (Van Bavel, 2021) influences *wealth* inequality, particularly from an intra and intergenerational perspective (Charles et al, 2013; Fagereng et al. 2023).

Such evidence is important for several reasons. First, cross country evidence shows boomer couples have accumulated much higher levels of wealth than previous generations and holdings are stratified by education level (Gregg and Kanabar, 2023b; Hällsten, 2024; Hills, 2013). Of particular interest is the rate and magnitude of current and future wealth transfers: if this is stratified by parents' education type, *ceteris paribus*, this will exacerbate wealth inequality in the offspring generation. Importantly, research suggests that whilst the *change* in the level of assortative mating by education has only modestly strengthened in the UK for cohorts born between 1945-1974, the degree of sorting by education is positive (Chiappori et al., 2020a). Similar findings have also been found for selected education groups in the US, in contrast to countries such as Denmark (Breen and Anderson, 2012; Eika et al. 2021; Wagner, 2020). However, even amongst countries with high levels of social mobility positive sorting is prevalent at the very top of the wealth distribution (Charles et al., 2013; Fagereng et al., 2022; Wagner et al. 2020).

Second, across most Western democracies research shows individuals exhibit positive levels of sorting by education (Charles, 2013; Eika et al. 2021). Such trends may reflect rational behaviour, for example due to complementarities in parenting style and preferences, or competition for economic resources; such matching has implications for *intra* and *intergenerational* wealth inequality and warrants investigation. Third, even in the absence of changes in sorting behaviour and stagnating social mobility, such inequality is compounded over time due to intergenerational persistence in education, occupation and earnings (Beck &

González-Sancho, 2009; Halvorsen 2023; Lersch and Schunck, 2023; Mare, 1991; Schwartz, 2013; Wagner, 2020).

We contribute to the scant literature on assortative mating and wealth inequality by focussing on the sorting patterns and wealth accumulation profiles exhibited by couples belonging to the baby boomer and Gen X cohorts, by couple type, using high quality microdata for Great Britain. We first show that the rate of positive sorting exhibited by high and low educated baby boomers is over double that expected versus random matching. By age 65-69, high (low) educated baby boomer couples report median levels of total net wealth of £2.49M (£0.36M), which is principally comprised of pension and housing wealth. Separately, we find large differences in the likelihood and level of total inheritance receipt by the time baby boomers reach their 50s. High educated couples are four (ten) times more likely to have received a historic (recent) inheritance compared to their low educated counterparts, and conditional on receiving, the level of receipt is around 28 times larger (£79,370 versus £2,808 in 2022 prices). We highlight the role of parental factors noting similarities in the level of paternal educational attainment and homeownership: more than (less than) 6 (4) in 10 high (medium/low) educated boomer couples report growing up in an owner-occupied residence.

We show the extent to which baby boomers inheritance attitudes and intentions differ by couple type and find homeownership and the level of historic inheritances are strongly associated with inheritance attitude. Separately, the type of assets and level of inheritances which is expected to be transferred also varies by couple type: the median level reported among males in high educated couples is £332,406 versus £129,382 (2022 prices) among low educated counterparts. Importantly, our findings highlight substantial heterogeneity in the level of intended inheritances even among couples of the *same* education type.

We document similar patterns in assortative mating and wealth inequality among couples where both partners are born in the mid-late 1970s. Among degree (below degree) educated couples the level of sorting is double (over one third) the level expected compared to random matching. We also show a clear divergence in wealth holdings, predominantly due to differences in the rate at which housing and pension wealth are accumulated. Our findings show that whilst intergenerational transfers are highly stratified by couple type, these are unlikely to explain the large differences in wealth holdings observed. In terms of inheritance expectations, 75% of highly educated couples aged 25-35 report that they are likely to receive

an inheritance and conditional on receiving expect to receive between £100,000-£250,000 net of taxes (in 2006-08 prices). In contrast, close to 50% of low educated couples do not expect to receive an inheritance.

Taken together our findings underline the importance of *both sets* of parental characteristics for understanding wealth accumulation. We find among high educated couples born in the mid-late 70s in GB, around 1 in 5 reports both their mother and father having a degree. Whereas, among low educated couples, the equivalent statistic is less than 1 in 10 (20) in the case of fathers (mothers). We observe a similar trend when comparing differences in the level of parental homeownership: over 90% among high educated couples versus 70% among low educated couples. Such findings underscore the importance of documenting parental characteristics and in particular sorting patterns among both the parent *and* offspring generations side-by-side for understanding wealth accumulation within and across generations. The rest of this paper is set out as follows, Section 2 reviews the literature on assortative mating and wealth inequality. Section 3 discusses the key features of the Wealth and Assets Survey (WAS) and outlines our methodological approach. Section 4 presents our main findings for the baby boomer and Gen X cohorts. Section 5 discusses our results and concludes.

2. Literature review

Partnership choice is typically framed in terms of the market-based approach, which highlights the interplay of individual needs, preferences and opportunities (Van Bavel, 2021). Whilst the degree to which one observes partnering within the same social group (endogamy) and partnering with individuals who share similar characteristics (homogamy) varies across countries evidence shows individuals commonly match on characteristics including education and income (Mare, 1991). Such outcomes may be viewed as efficient if a society's welfare is maximised when such sorting patterns materialise, for example if partnership stability is correlated with certain individual traits. Importantly, the degree of endogamy and homogamy has changed across time and over an individual's lifecycle within developed countries due to changes in the rate of partnership separation, level of educational attainment among women and expansion of the tertiary education sector (Buchmann and Kriesi, 2011; Bloome et al., 2018; Oppenheimer, 1988). In addition, changes in the ethnic composition of populations over time and the degree of mixing between minority and majority groups have also influenced partnership decision making (Hirschl et al. 2024; Lundquist et al. 2024; Schwartz, 2013).

The importance of education in the matching process has been researched extensively (Chiappori et al. 2020b). First, research shows education institutions provide a platform for creating partnering opportunities and reducing search costs (Kalmijn and Flap, 2001). At the same time such institutions, especially the most selective, bring together individuals who share a similar social background and preferences (Bygren and Rosenqvist, 2020; Duta and Iannello, 2018). On the one hand this improves the efficiency of potential matches due to increased homophily, however it implies the probability of educational homogamy between partners increases with educational attainment (Blossfeld and Timm, 2003; Mare, 1991). The extent to which individuals from differing social backgrounds match is also affected by barriers to accessing such platforms though these have declined over successive cohorts in GB due to programmes aimed at widening participation and providing financial aid for tertiary education (Callander and Mason, 2017; Dearden et al. 2014). Educational attainment also influences sorting behaviour indirectly, for example due to age and workplace effects (Fernández, 2001; Van Bavel, 2021). Individuals with lower levels of educational attainment enter the workforce earlier in the lifecycle and hence influences the pool of potential partners which they match with (Van Bavel, 2021).

Homogamy in educational attainment has implications for the rate at which couples accumulate resources. This is due to the market returns to (tertiary) education and increasing female labour supply, both of which have increased over time and been important for explaining changes in household *income* inequality (Eika et al. 2021; Goldin, 2014; Greenwood et al. 2014; Gonalons-Pons and Schwartz 2017; Schwartz, 2013). Importantly, the effects of educational homogamy vary among similarly advanced countries, in the US the rise in household income inequality has been attributed to the rise of similarly educated dual earner households as opposed to *changes* in the degree of assortative mating (Eika et al. 2021). In contrast, evidence based on several European countries and the UK suggests the same factors have led to a *reduction* in household earnings inequality, even when there has been no change or at best only a modest strengthening in assortative mating (Chiappori et al. 2020; Eika et al. 2021; Harkness, 2018; Leesch et al. 2024). Separately, research shows the reversal of the gender gap in education means educational hypogamy is now increasingly more common than hypergamy (De Hauw et al. 2017; Esteve et al. 2016). Specifically, it is more educated women who are partnering with relatively less educated men though sorting on factors correlated with education is still commonplace (Hirschl et al., 2024; Van Bavel, 2021).

Whilst existing literature has focussed on the impact of sorting patterns on earnings inequality, a much small number of studies have sought to understand (i) the role of wealth in explaining sorting behaviour and (ii) the implications of assortative mating for wealth inequality (Charles et al. 2013; Fagereng et al. 2021; 2022). Lersch and Schunk (2023) using US microdata find wealth is an important determinant in the matching process, even after controlling for education, race and earnings. The authors estimate the between household wealth Gini would have been 7% lower in the absence of sorting on wealth, at the same time emphasising the substantial level of positive sorting even in the absence of conditioning on wealth.¹ Importantly, their findings highlight the heterogeneity in within-household gender wealth gaps across the female wealth distribution, the latter being strongly correlated with female educational attainment. Such findings underline the interplay between marrying ‘up’ and ‘down’ the wealth distribution and how such behaviour is affected by increasing levels of female educational attainment (Lersch and Schunk, 2023; Hirschl et al., 2024).

In contrast to evidence based on predominantly US microdata, Fagereng et al. (2022) using Norwegian register data finds that after controlling for pre-marital individual characteristics including financial behaviour and personal net wealth, both of which are important for influencing sorting and wealth accumulation, parental wealth is not associated with partner choice. Nevertheless, the same authors note the importance of intergenerational transfers and bequests for influencing couple wealth outcomes post marriage, an issue we shed light on in the British context. Indeed, recent evidence based on WAS shows after controlling for offspring’s characteristics parental resources have become increasingly *more* important for explaining offspring wealth levels, including among individuals in their 20s and early 30s and so prior to first marriage in GB (Gregg and Kanabar, 2023b; Levell and Sturrock and Levell, 2023).

The fact parental wealth, which is highly unequal, is easily transferable and becoming increasingly important for determining offspring wealth outcomes implies that the ability of parent couples to make such transfers is of policy interest as is their magnitude (Fagereng et al. 2022; Gregg and Kanabar, 2023b; Halvorsen et al. 2022; van der Erve et al., 2023). It is therefore imperative to analyse how the unique characteristics of wealth interact with

¹ Negative sorting has also been discussed in the literature and is framed in terms of (i) specialization which refers to the case when traits are substitutes, and (ii) exchange theory which an imbalance in traits is resolved by exchange (see Schwartz, 2013).

educational attainment, a major determinant of individual sorting behaviour especially given that sorting levels have remained high and relatively stable in GB across successive generations; and the intergenerational persistence in outcomes such as education, earnings and wealth (Bloome et al. 2018). Such findings shed light on the implications sorting has had, and will have, as a mechanism for transmitting wealth inequality from both an intra and intergenerational perspective. To this end, rising levels of education *per se* may not a priori have the same equality-inducing implications for wealth as it has done for earnings, especially given the rapid and uneven increase in wealth accumulated by baby boomer cohorts in GB (Eika et al. 2021; Gregg and Kanabar, 2023b).

We investigate this issue in the British context and underline the importance of both the senders' and receivers' characteristics, in terms of their sorting behaviour by education, for understanding the pattern of wealth accumulation and transfers made as baby boomers (senders) and Gen X (receivers') age. We pay special attention to the characteristics of both sets of parents' and how this influences the pattern of inheritances received, and separately, both senders' and receivers' *expectations* regarding the likelihood and magnitude of future inheritances.

3. Data and methodology

3.1 Wealth and Assets Survey

Our analysis uses the biennial Wealth and Assets Survey (WAS) representative of Great Britain and managed by the Office for National Statistics (ONS, 2012). In wave 1 (2006-08) WAS contained 30,000 households oversampling wealthier households (by a rate of between 2.5-3) compared to other postal addresses to mitigate the fact that household surveys often struggle to capture the top of the wealth distribution (Advani et al. 2020a; ONS, 2012).² Our study is based on secondary data and as such any ethical considerations regarding data collection was gained by the primary data and management team at the ONS.

² WAS data was initially collected and released in waves which spanned two calendar years (starting in July of year 1 and ending in June of year 2). Starting Wave 5 (2016-2018) the timing of the survey switched to run over twenty-four months and coincided with the financial year, each subsequent data release is termed Round.

WAS is particularly suitable for analysis purposes for several reasons. First, the design of WAS means it can be used to study wealth holdings at a point in time and by exploiting its longitudinal dimension to analyse wealth accumulation for the same individuals. Importantly, WAS follows a household design and so all self-identifying cohabiting couples can be identified, and measures of wealth can be derived at couple level. For the purposes of the short panels we construct for longitudinal analysis we focus on partnerships which remain intact across two survey waves.³ ⁴ Next, WAS contains consistent measures of individual and household level total net wealth and its subcomponents (housing, pension, financial and physical wealth) from wave 3 (2010-12) onwards. In the case of declared assets held jointly which include housing, certain types of financial and physical wealth the survey identifies relevant owners and splits wealth equally across individuals. The survey switched from ‘wave’ (July [t-2]-June [t]) to ‘round’ format (spanning two financial years) starting Round 5 (2014-16), with Round 7 (2018-2020) being the most recent dataset publicly available. For analysis purposes we adjust waves/rounds accordingly to ensure we follow individuals in a consistent way. Definitions for specific wealth measures can be found in online Appendix A.

A specific feature of WAS which makes it unique for studying the receipt of wealth in GB relates to the battery of questions asked at wave 1 of the study which asks individuals to report the three largest historic (>5 years) and recent inheritances (within 5 years) of their interview that were worth at least £1,000.⁵ In each subsequent wave/round individuals are asked to report the three largest inheritances received since their last interview. In addition to inheritances, at each wave/round of the survey participants are requested to provide information on gifts received within the two immediate years prior to survey interview (which total at least £500). Alongside inheritance receipt, at wave one attitudinal data on the importance of inheritance was collected.

For each individual belonging to a couple at wave 1 of WAS we construct a measure of historic inheritances based on the three largest inheritances received by an individual 5 years or more

³ In the event of separation WAS only follows individuals who are original sample members (i.e., joined the survey at wave 1).

⁴ It is possible separation is correlated with wealth and such events disproportionately affect one partner more than another or one type of couple more than another. Whilst it is possible wealth holdings decline for certain parties following separation, and may affect inheritance attitudes and intentions, sample sizes limit analysing recently separated partners.

⁵ Survey respondents are asked for the value of inheritances at the time they were received. If individuals cannot recall the exact amount, an approximate figure within a band is requested. Banding is capped at £250,000 and over, which implies our estimates are likely to be conservative.

prior to their survey interview. In the case of banded responses, we take the midpoint within each band.⁶ When both partners in a couple report an identical amount received in the same calendar year, we assume this refers to the same inheritance and split the amount equally. We derive recent inheritances at wave 1 following an identical approach, however in this case we can also split inheritances conditioning on the sender (type of relative/non-family member). We follow a similar procedure for all inheritances received between waves/rounds. In the case of gifts individuals report a banded amount and we split the amount received if both partners report an identical figure.

At round 7 of WAS (2018-2020) an inheritances module was fielded, which included questions regarding individuals' inheritance intentions (both giving and receiving), types of inheritance and how much such inheritances were worth at the time of the survey interview. Alongside the attitudinal data collected at wave 1 we utilise these data to demonstrate the differences in the likelihood of inheritance receipt, magnitude of inheritance received and inheritance intentions by couple type. We carry out analysis separately for couples born between 1947-1953 (pseudo-parents) and 1973-1979 (pseudo-offspring). We supplement our main analysis with individual and couple level sociodemographic information including retrospective data collected at wave 2 (2008-2010) relating to household conditions when individuals were aged around 14 such as parental education and housing tenure which have been used to proxy economic resources of the household (see Gregg and Kanabar, 2023a). This data also includes information on the number of siblings which is important for assessing inheritances (Keister, 2003).

3.2 Methodology

Our goal is to assess whether individuals sort based on their level of education, noting that individuals formed partnerships prior to the point at which they are observed in the data. Importantly, increases in educational attainment across cohorts and over time means calculating *changes* in the levels of assortative mating for different groups is not straightforward (see Chiappori et al. 2020), moreover due to data limitations calculating such changes is not feasible.⁷ Separately, we do not include single individuals in our analysis. This

⁶ From wave 2 onwards, inheritance amounts received are banded rather than reported as exact amounts.

⁷ It is important to note the role of selection into higher education in this context: only around 1 in 6 individuals belonging to this generation attained a degree (ILCUK, 2018) and access to higher education itself was stratified by social class (Boliver, 2011).

is an important simplification, as the utility gain of remaining single (the outside option) versus partnering may change over time, and evidence on the lifecycle profile of wealth accumulation exhibited by single individuals in and of itself is of policy interest given the size of this group has grown across successive cohorts. As outlined in Section 2 the partnership search process is highly complex and determined by a range of factors, of which education is a principal component. The framework we follow, developed by Chiappori et al. (2020) and Choo and Siow (2006), posits that sorting is driven by education, for example due to complementarities in parenting styles; and factors such as love, age, and social or ethnic background become relevant once individuals have matched.⁸ Though an oversimplification of the sorting process, the framework allows the analyst to compare sorting by education *level* with that which would prevail under random matching.

To calculate the level of sorting we first define an individual's level of educational attainment. WAS collects educational attainment data such that an individual's education level can take one of three levels: high (degree or above), medium (qualification including vocational training, below degree level) or low (no formal qualifications). For each group we consider couples joint level of education attainment of which there are 9 possible combinations in total. We only include heterosexual couples for analysis purposes due to sample constraints.

Table 1: Observed sorting patterns in a market with three education types

		Women		
		High	Medium	Low
Men	Education level			
	High	x	y	z-x-y
	Medium	u	v	w-u-v
	Low	r-x-u	s-y-v	1+(x+y+u+v)- (r+s+z+w)

Table 1 depicts the proportion of individuals who match for a given education combination, given the distribution observed in the data. For example, x refers to the proportion of couples where both male and female are highly educated; z refers to the proportion of men who are high educated. Sample size constraints in later rounds of WAS means that in the case of the

⁸ Sorting on different levels may also be a rational choice due to specialisation of tasks (see Becker, 1981).

offspring generation, we define education using two levels (high (degree educated) or otherwise), such that the dimension of the resulting sorting matrix is 2x2. Whilst such an assumption is necessary for analysis purposes this comes at the trade-off of not being able to strictly describe sorting behaviour within those couples with below degree education. Put another way, there is a degree of heterogeneity within this group.⁹

To assess the level of sorting in the relevant cells in Table 1 with what is expected assuming random matching, we calculate the product of the proportion of men and women in each education group.¹⁰

Table 2: Sorting patterns assuming random matching in a market with three education types

	Education level	Women		
		High	Medium	Low
Men	High	$r*z$	$s*z$	$z*(1-r-s)$
	Medium	$r*w$	$s*w$	$w*(1-r-s)$
	Low	$r*(1-z-w)$	$s*(1-z-w)$	$(1-r-s)*(1-z-w)$

Table 2 shows the product of couple's education type given the proportion of men and women who have a given level of educational attainment i.e. assuming individuals randomly match. Rather than reporting the relevant proportions for all 9 groups separately in Section 4, we combine the proportions for the off-diagonal elements (so abstracting from gender) of the sorting matrices reported in Tables 1 and 2.

Random matching holds if the proportion of any of the education combinations reported in Table 1 is equal to that reported in Table 2, for the same education combination. Our focus is then on the diagonal elements of each matrix, i.e. among individuals with the same level of educational attainment, for example positive sorting holds among high educated individuals if $x \geq rz$. Note that we do not attempt to measure the *extent* of sorting, only whether positive sorting is observed in the data, nor whether the level of sorting behaviour has changed over time.

⁹ As Chiappori et al. (2020) show, once a sorting matrix is defined, only 'local' 2x2 comparisons are possible in terms of formally defining the extent of sorting behaviour, which is beyond the scope of analysis.

¹⁰ We report weighted estimates for analysis purposes.

4. Findings

Table 3 describes weighted estimates of couple types based on their joint education attainment using the classifications defined in section 3, among individuals born between 1947 and 1953 (aged 55-59) at wave 1 of WAS (2006-08). Whilst 9 combinations are possible, we do not differentiate by gender and so are left with 6 groupings. Columns 2 and 3 of Table 3 report education combinations under two scenarios: that expected under random matching and that which is observed empirically, respectively. The findings in Table 3 imply the level of assortative matching is at least twice that expected under random matching in the case of high and low educated couples, whereas the proportion of medium educated couples are more closely aligned across the two distributions. A statistical comparison of the sorting matrices reported in Table 3 implies a significant difference in the observed and expected frequencies.¹¹ When interpreting the figures reported in Table 3 it is important to note couples where both partners are highly educated are likely selected. Separately, for certain education combinations cell sizes are relatively low.

Table 3: Education combinations among couples aged 55-59 in Wave 1 of WAS (2006-08)

Couple level education group	Expected proportion under random matching (%)	Proportion observed empirically (%)
High educated-High educated	4	11 [60]
High educated-medium educated	23	15 [80]
High-educated-low educated	8	2 [10]
Medium educated-Medium educated	37	42 [227]
Medium educated-Low educated	25	23 [126]
Low educated-Low educated	4	8 [42]

¹¹ We estimate a $X^2(4, 545) = 150.67$ and note the corresponding critical value at the 1% level is 13.28. For the purpose of estimating the test statistic we utilise all education combinations.

$N_{couples}$	545
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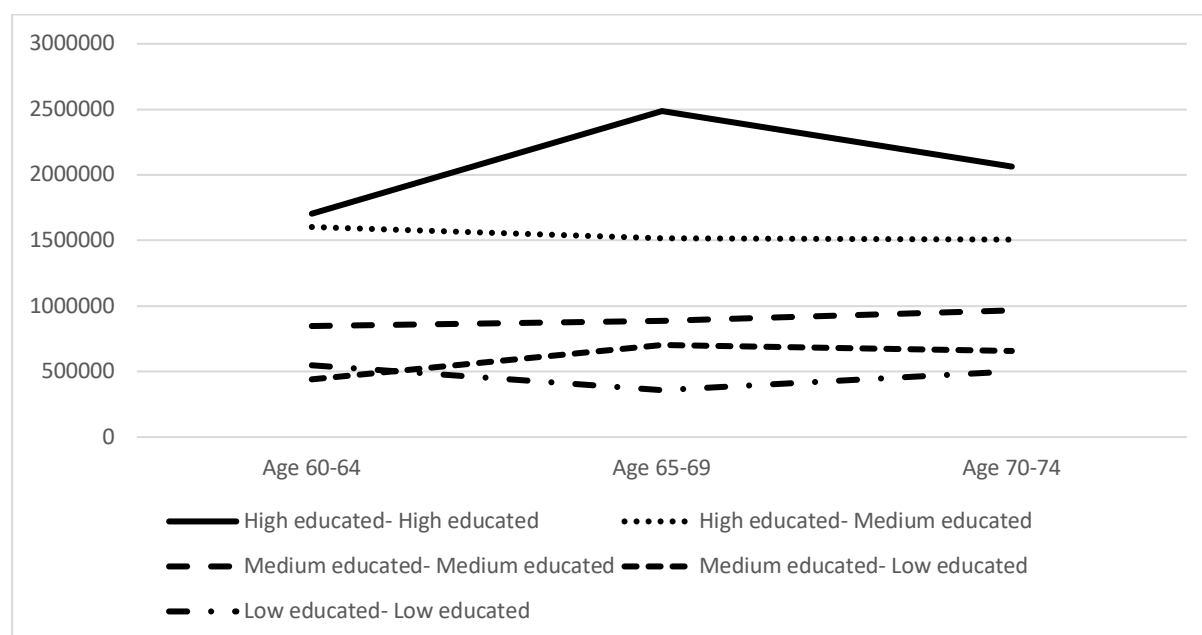
Notes: sample based on couples where both partners are aged between 55 and 59. Figures in square brackets refer to underlying cell sizes observed for each couple-education pairing. Cell sizes not reported for pairings under random matching due to figure reflecting combination of two underlying samples (for each gender respectively). Figure may not sum to 100 due to rounding. Figures correspond to weighted estimates.

We next analyse the level differences in median total net wealth reported by couple’s education type. Sample size constraints and attrition imply it is not possible to document the rate at which wealth is accumulated by the *same* couples over the entire sample period.¹² Instead, we closely match derived age groups reported in WAS with the panel length (biennial) and document levels of total couple net wealth at each round on a cross-section basis. Therefore, whilst the pattern of reported wealth levels in Figure 1 do not refer to precisely the same couples, the underlying samples are likely to include many of the same partnerships. To analyse the cross-section wealth holdings of couples from a similar birth cohort and with similar education attributes to those reported in Table 3, in Figure 1 we report median total net wealth among couples aged 60-64, 65-69 and 70-74 at waves 3 and 5, and round 7 of WAS respectively.¹³ From a lifecycle perspective these ages correspond to peak wealth accumulation (roughly age 64 see Gregg and Kanabar (2023a)) and the immediate following period.

¹² This includes partnership separation which is a complex process and may be endogenous to wealth. We abstract from such issues for analysis purposes.

¹³ In preliminary analysis we derived short panels between wave 3 and wave 5, and wave 5 round 7 and note that the magnitude and trend in wealth reported by this smaller sample is similar to that described in in Figure 1 (results available on request).

Figure 1: Median total net wealth by couple education-type in GB between 2010/12 and 2018/20



Notes: underlying sample data refers to unique couples at wave 3 and 5, and round 7 of WAS. $N_{\text{wave 3}}=336$, $N_{\text{wave 5}}=431$, and $N_{\text{round 7}}=331$. Figures refer to 2022 prices and weighted estimates.

Figure 1 shows a clear ordering in wealth holdings by couple type: at ages 60-64 those with the highest (lowest) levels of education report median total net wealth of £1.70M (£0.55M). Put differently, highly educated couples report over three times the level of net wealth relative to their low educated counterparts and these differences persist, indeed widen, over the age range and time period considered..¹⁴ Online Appendix B reproduces Figure 1 for various components of wealth and shows that the trends in total net wealth are due to differences in the rate at which pension and housing wealth are accumulated. For example, median pension wealth among high (low) educated couples aged 60-64 in 2010-12 is around £948,500 (£192,046); the equivalent statistics for housing wealth are £434,153 (£220,767). Similar to Figure 1 we observe a clear ordering based on couple's type which is persistent across the age and time period considered. Importantly, the housing wealth estimates on Figure B.2 include zeros, masking the fact there is significant differences in the rate of homeownership by couple type..¹⁵ For example, the average homeownership rates among the least (highest) educated

¹⁴ Equivalent statistics based on comparisons of the mean show an even more pronounced difference due to the wealth distribution being highly skewed. Results available on request.

¹⁵ This also implies the median difference in housing wealth, conditional on owning a home is larger than that reported when including households with zero housing wealth.

couples in 2010-12 was 78% (96%), and only 17% of the former group reporting living in London or the South-East versus 32% in the latter group.

The differences in couple level wealth documented in Figure 1 may reflect the market returns to higher education, and/or savings accumulated by each spouse over the lifecycle. Indeed, evidence suggests education and earnings are highly correlated with pension wealth and homeownership (Turner and Leau, 2009). Separately, we note that homeownership opportunities were more widespread for cohorts born before 1970 (Blanden and Machin, 2017). Having set out the differences in the levels of accumulated wealth we next shed light on the prevalence and magnitude of inherited wealth for understanding *intra* and *inter*-generational wealth inequality. We start by analysing historic (>5 years) and recent (≤ 5 years) inheritance receipt reported at wave 1 of WAS (2006-08), by couples' education type, before tracing out inheritance receipts at older ages. For analysis purposes we restrict the sample to partnerships where both individuals are aged between 50 and 60 corresponding to peak inheritance receipt ages in GB (Boileau and Sturrock, 2023b).

Table 4: Average historic and recent inheritance and annual earnings among couples aged 50-60 at wave 1 of WAS (2006/08)

Education group	Proportion receiving historic inheritance	Mean value of historic (>5 years) inheritances (£)	Proportion receiving recent inheritance	Mean value of recent (≤ 5 years) inheritances (£)	Total lifetime inheritances at wave 1	Median annual couple net earnings
High educated-High educated	0.29	64,809	0.1	14,561	79,370	73,023
High educated-medium educated	0.31	53,248	0.07	4,940	58,188	52,935
Medium educated-	0.18	16,023	0.05	3,297	19,320	40,548

Medium educated						
Medium educated-Low educated	0.15	4,236	0.03	804	5,040	31,325
Low educated-Low educated	0.07	2,218	0.01	590	2,808	23,669
N _{couples}	1,709					

Notes: underlying sample data refers to unique couples at wave 1 of WAS. Figures refer to 2022 prices and weighted estimates. Annual based on reported employee and self-employed earnings.

Table 4 shows a clear trend in the likelihood and magnitude of historic and recent inheritances received by couple type. Those with the highest levels of education are four times more likely to have received a historic inheritance by age 50-60, and conditional on receipt report a total level of inheritance (column 6) which is 28 times larger than that reported by low-educated couples. We also note that whilst the proportion of highly (medium) educated couples who receive a historic inheritance is not dissimilar to high-medium (medium-low) educated couples, the level of inheritance differs substantially.¹⁶ Separately, Table 4 shows the level of inheritances received by the time baby boomers reach their 50s is relatively small when compared to their total net wealth holdings and for lower educated households, their annual earnings. In the case of highly educated couples, total lifetime inheritances at ages 50-60 roughly equates to annual net earnings. Assuming individuals do not consume down all their wealth in retirement, the wealth holdings of baby boomers reported in Figure 1 implies that at the point of transfer such wealth is likely to have a disproportionately bigger impact on wealth inequality among offspring cohorts born around 1970-1980 and onwards compared to equivalent flows received by baby boomer themselves; precisely because preceding cohorts had accumulated less wealth at the same point in the lifecycle (Hills, 2013).

¹⁶ In the case of historic inheritances WAS reports the amount and year received, however small sample sizes prohibit us analysing this data though preliminary descriptive evidence, suggests individuals belonging to highly educated couples are more likely to have received inheritances at younger ages compared to individuals in low educated couples, and as shown in Table 4 the typical amount received is highly stratified by couple type.

Alongside the magnitude of inheritances, the characteristics of assets received such as their liquidity is important. In the case of the three most valuable recent inheritances WAS asks respondents to report the types of assets received and how such wealth transfers have been utilised. We combine information across all three inheritances (reported by either partner in a couple) and report how the composition varies by couple type in online Appendix C. Appendix C shows a clear trend in the likelihood of receipt by couple type: highly educated couples are more likely to report receipt across all types of assets except ‘business and other’. Whilst the overall levels of receipt are low, it is important to note these refer to assets received in the 5 years prior to individual’s wave 1 interview and not historical transfers. Tables D1 and D2 in online Appendix D report show that in the case of property-related inheritances most couples sold inheritances of this type on receipt whereas in the case of non-property inheritance a greater proportion of higher educated couples tended to invest such assets.

The level and types of inheritance boomer couples receive is related to parental characteristics including education. It is for this reason positive sorting has a compounding effect on socioeconomic outcomes across successive generations. The parents of the baby boomer sample were born in the early part of the twentieth century, a period in which inter-alia social class heavily influenced partnership decisions (Clark, 2023; Zijdeman and Mass, 2008). Due to the lack of suitable data in GB there is a dearth of empirical evidence on the implications of such partnership characteristics for understanding baby boomer wealth inequality.¹⁷ We utilise the retrospective early life data collected at wave 2 of WAS to shed light on this issue. Due to differential mortality rates by socioeconomic background and to keep analysis consistent with the birth cohorts used to derive the figures reported in Table 3, online Appendix E reports parental characteristics of individuals aged between 57 and 61 at wave 2 of WAS. Due to sample size constraints, we combine medium and low educated baby boomer couples into a single group.

Online Appendix E shows a clear trend by couple type in terms of shared parental and early life characteristics which research shows are good proxy measures of the resources of the household (Bedük and Harkness, 2024; Blau 2021). Irrespective of gender, among individuals residing in highly educated couples both their fathers are more likely to have attained a degree.

¹⁷ Only a handful of studies have attempted to study wealth inequality from a historical perspective in the UK (see Clark and Cummins, 2015; Harbury and Hitchins, 1979). However, such studies are based on relatively small datasets and focus on specific subsamples of the population.

Moreover, the level of homeownership among these parents is *double* the level reported by boomer couples with medium/low education. It is also substantially higher than the average rate of homeownership in the general population at the time (42%, based on the 1961 Census see ONS, (2021)).¹⁸ We also note the asymmetry in the labour force participation rate of mothers among highly educated couples. More generally, the findings in Online Appendix E suggest shared common characteristics in the parental generation among *both sets of baby boomer's parents*. From an intergenerational perspective, such characteristics likely influence the trends in the type and magnitude of inheritances received as reported in Table 4 and online Appendix C-D.

We next analyse inheritance receipt by couple type across the survey period (2006-2020). Our sample data is banded into five-year age groups, we therefore create two wave panels and analyse recent inheritances in the previous 4 years given the biennial nature of WAS among stable (and non-attributing) couples.¹⁹ Table 5 focuses on couples where both partners belong to the 60-64 age group at wave 3 (2010/12), 65-69 at wave 5 (2014/16) and 70-74 at round 7 (2018/20). Whilst our findings are not based on a panel of couples followed over the entire sample period, we exploit the longitudinal nature of WAS to trace out the approximate likelihood and size of inheritances received by baby boomer couples, by couple type, as they age.

Table 5: Recent inheritance receipt by couple type between 2006/08 and 2018/20.

	Age 60-64 at wave 3		Age 65-69 wave 5		Age 70-74 at round 7	
Education group	Proportion of group receiving inheritance at wave 3	Average value of inheritances (£)	Proportion of group receiving inheritance at wave 5	Average value of inheritances (£)	Proportion of group receiving inheritance at round 7	Average value of inheritances (£)
High educated-High educated	0.29	40,754	0.27	40,930	0.15	13,095

¹⁸ WAS asks respondents to report retrospective parental/early life characteristics when individuals were aged around 14, given their own parents were born around 1920-1930, given the birth cohorts studied this implies the information reported corresponds to their own situation during the early-mid 1960s.

¹⁹ Estimates are weighted to account for survey attrition.

High educated-medium educated	0.18	31,141	0.29	29,637	0.22	23,625
High-educated-low educated						
Medium educated-Medium educated	0.18	12,814	0.18	23,053	0.12	7,820
Medium educated-Low educated	0.12	20,381	0.16	4,441	0	0
Low educated-Low educated	0.07	6,537	0.05	1,824	0	0
$N_{couples}$	294		363		294	

Notes: sample size refers to number unique of couples. Due to the change in the WAS survey period, we account for the overlap between wave 5 and round 6 in our analysis. Figures refer to 2022 prices and are weighted estimates.

Table 5 shows a clear trend in the likelihood and magnitude of inheritance conditional on receipt. The general profile is also clear with respect to age: inheritance peaks when couples are in their mid-60s before declining. Notably, we observe only 5% of low-educated couples between 2012-14 and 2014-16 receive an inheritance when aged between 61 and 65, compared to almost one in three highly educated couples. Moreover, the average level of receipt among the former group is just £1,824 versus £40,930 in the latter. Table 4 showed that low educated couples are also less likely to have received *historic* inheritances compared to highly educated couples, and conditional on receiving, the level of such inheritances is relatively low. In terms of wealth accumulation, whilst the figures in Table 5 do not refer to the rate of wealth being accumulated by the *same* individuals, they do nevertheless highlight *new* inheritances reported by approximately the same group of couples.

Aside from inheritances, gifts are another method by which wealth may be transferred. WAS collects information on all gifts received in the two calendar years prior to an individual's survey interview.²⁰ Recent empirical evidence shows the likelihood of gift receipt declines with age and is highest when individuals are in their 20s and 30s (van der Erve et al., 2023). We consider gift receipt among a cross section of couples aged 55-59 at wave 1 and then utilise the same short panels which underpin the findings in Table 5 to analyse gift receipt, as couples age, by couple type. In contrast to inheritances online Appendix F shows that the magnitude of gifts received when individuals between their mid-50s to early 70s, irrespective of couple type is small and unlikely to contribute to intragenerational wealth inequality at this point in the lifecycle. Nevertheless, we observe a similar pattern in terms of the likelihood of receipt and size of transfer (conditional on receipt), by couple type, to that reported for inheritances.

The empirical evidence presented up to this point has demonstrated high levels of inequality among baby boomer couples in terms of their total net wealth holdings, and such differences are predominantly driven by pension and housing wealth. We have also shown that to a lesser extent differences in wealth holdings among baby boomers is due to differences in the rate and magnitude of *inherited* wealth. From an *intergenerational* perspective the transfer of such accumulated wealth, the so-called 'Great Wealth Transfer', has already begun and will continue until the around 2040. Recent evidence suggests that the role of parental resources is set to play an increasingly important role in determining living standards and is being driven by rising inequality in offspring homeownership and housing wealth (Gregg and Kanabar (2023a; 2023b)). The extent to which parents can influence their offspring's wealth holdings is related to their *own* capacity, attitude and intention regarding inheritance. Given the powerful role of wealth in influencing lifecycle decisions, if such attitudes differ by couple type or the characteristics which influence such attitudes is related to boomers' own inheritance experiences, then given the large absolute differences in wealth holdings among this generation this then has implications for intergenerational and social mobility in the future.

²⁰ No data on lifetime gifts are collected however evidence suggests so-called 'gifting' is more prevalent among wealthier parent groups in GB (Boileau and Sturrock, 2023a), therefore our estimates of the prevalence and magnitude of gifts received by couple-types is likely to be conservative.

In wave 1 of WAS, sample respondents are asked about their attitude to inheritance.²¹ In online Appendix G we provide response matrices by couple type, for each partner within the couple among individuals aged 50-60 at wave 1 of WAS (2006-08).²² Online Appendix G shows that based on the raw data and prior to adjusting for sociodemographic characteristics around 63% (23%) of highly educated couples felt it was either very or fairly important (not very/not at all important) to leave an inheritance, whereas the equivalent statistic among low-educated couples was 59% (35%). Whereas a difference in inheritance attitudes emerges between these two groups, other couple types reported similar responses (whose inheritance attitudes sit between these two groups).

Individuals and couples' attitude to inheritances may be influenced by their *capacity* to transfer wealth. Whilst wave 1 of WAS does not include derived measures of total net wealth it is possible to analyse the relationship between inheritance attitudes and markers of wealth such as housing tenure and inheritance receipt. Such a relationship may be endogenous, put another way, it is difficult to disentangle the direction of association. Nevertheless, we believe descriptive evidence on inheritance attitudes, after controlling for key covariates, is important and note inheritance receipt refers to transfers received prior to reported attitudes.

We define a binary variable which equals 1 if individuals believe inheritance is fairly or very important and zero otherwise.²³ Our findings show there is a strong correlation between inheritance attitudes and housing tenure, individuals who rent their home which is substantially more prevalent among lower educated couples versus owning (outright or with a mortgage) are 26 percentage points less likely to report leaving an inheritance as 'fairly or very important'. Separately, we find a strong positive correlation between the level of historic inheritances received by couples themselves and the likelihood of an individual within a couple reporting inheritance being important. We do not observe a similar finding with respect to the level of recent inheritances. Given we measure couple's attitudes when individuals are aged in their 50s

²¹ The questionnaire wording is as follows: "How important, if at all, is it to you to leave property or money as an inheritance at some point in the future?" Individuals may respond as follows: very important, fairly important, not very important, not at all important and no opinion. We combine the first two categories and similarly the third and fourth categories to derive a binary variable summarising individuals' attitude towards inheritance. Only a low proportion of individuals report having no opinion.

²² In preliminary analysis (not reported) we analyse responses across all individuals in couples aged 50-70 at wave 1 given the pattern of wealth transfers in GB (see Boileau and Sturrock, 2023a) and before selected mortality affects estimates and note the trends reported for 50-60-year-olds are similar to this larger sample.

²³ We exclude individuals who have no opinion for analysis purposes, less than 2% of the sample.

this may well reflect historic inheritances, which are more prevalent among highly educated couples, being received at critical periods earlier in the lifecycle. We separately note that, conditional on couple education type, women are more likely to report leaving an inheritance in the future as important. Finally, after controlling for a range of factors, including inheritances received, we do not find a clear pattern in the association between couple's education type and individual's inheritance attitude.

Table 6: Inheritance attitudes among couples aged 50-60 and own inheritances.

Covariates	Inheritance intention
<i>Education combination</i>	
High educated, medium educated	-0.0313 (0.0414)
High educated, low educated	0.0625 (0.0880)
Medium educated, medium educated	0.0290 (0.0353)
Medium educated, low educated	0.0852** (0.0396)
Low educated, low educated	0.0139 (0.0558)
<i>Sociodemographic characteristics</i>	
Renting	-0.264*** (0.0404)
Recent inheritances	0.00388 (0.00427)
Historic inheritances	0.00679*** (0.00262)
Age	0.111 (0.115)

Age squared	-0.00108 (0.00105)
Female	0.0295*** (0.0101)
North West	-0.00703 (0.0580)
Yorkshire & Humber	-0.0994* (0.0592)
East Midlands	-0.0605 (0.0604)
West Midlands	-0.0327 (0.0614)
East of England	0.00136 (0.0582)
London	0.0231 (0.0645)
South East	-0.0291 (0.0563)
South West	-0.0188 (0.0601)
Wales	0.0242 (0.0647)
Scotland	-0.0425 (0.0586)
Constant	-2.130 (3.173)
N	3,367

Notes: *** p<0.01, ** p<0.05, * p<0.1. Both partners in couple aged between 50 and 60. Wealth values reflect 2022 prices. Base categories: high educated couple, homeowner, male and North East. Standard errors clustered at household level.

Alongside attitudes, inheritance *intentions* is important for understanding future transfers of wealth At round 7 (2018-2020) of WAS information on the types and total value of inheritance

an individual intends to pass on is asked of survey respondents. We analyse both dimensions of inheritance to better understand intentions of boomer couples aged 65-74 and the implications for intergenerational wealth inequality. We choose this age range to keep the findings consistent given the birth cohorts used in earlier analysis. The fact we analyse intentions based on a cross-section sample implies that whilst the underlying sample may well correspond to different couples the overall response patterns nevertheless refer to inheritance intentions among individuals belonging to the same birth cohorts.

We note at the outset that the figures reported in Table 7 should be interpreted with caution, specifically WAS does not ask *who* the inheritance will be made payable to albeit the majority of inheritances in GB typically flow from parent to offspring (Boileau and Sturrock, 2023a; van der Erve et al., 2023). Second, we do not know the number of offspring/recipients for whom the inheritance is intended, though Table 12 in the second part of the paper, shows that more highly educated baby boomer couples tend to have a lower number of children. Finally, we do not know the *timing* of when such inheritances will be made only that they are intended. Nevertheless, recent findings based on WAS suggest individuals born around 1980 and whose parents are high educated homeowners are more likely to receive transfers during their 20s and 30s, and the magnitude of such transfers is stratified by parental characteristics (van der Erve et al., 2023).

We first consider whether the types of inheritances couples intend to bequeath. We define four categories of inheritance: (1) property (including land), (2) cash and (3) other (includes a business, shares, jewellery etc) and (4) no intention to leave an inheritance. We next define a variable indicating whether any individual within a couple states they intend to leave a particular type of inheritance. Table 7 reports responses by couple type.

Table 7: Inheritance intentions by couple and inheritance type

Couple type	Inheritance intention			
	Property	Cash	Other	None
Highly educated	94%	88%	82%	2%

High educated, medium educated	90%	83%	76%	8%
High educated, low education				
Both medium educated	84%	75%	66%	6%
Medium educated, low educated	62%	56%	52%	27%
Low educated	68%	48%	36%	22%
$N_{couples}$	893			

Notes: sample data based on unique couples aged 65-75 at round 7 of WAS (2018-2020). Grey box refers to cells with <30 unique couples. Weighted estimates.

Table 7 shows irrespective of inheritance type more highly educated couples intend to pass on a given type of asset. This finding is consistent with how wealth portfolios vary by couple type, for example 97% (69%) of high educated (low educated) baby boomer couples report homeownership at ages 65-74, however we note the extent of the level differences in intentions is nevertheless large. This may well reflect the value, type and locality of the main residence; alternatively medium/low educated couples may need to liquidate housing assets during retirement. Thus, the ability to pass on assets is unequal across couple types. This also influences the value of inheritances transferred given pension and housing wealth constitute the two most important components of household wealth portfolios. Nevertheless, even in the case of cash/savings there is around a 30% difference in the proportion of high and low educated couples reporting that they intend to transfer this type of wealth. Finally, we note that whereas only 2% of highly educated couples do not intend to leave an inheritance, this increases across successively lower educated couples and among low educated couples stands at 22%.

We next document the total value of intended inheritance reported by each partner in a couple, by couple type. Importantly, the question is worded such that the value is part of an individual's estate and so, in theory given the tax rules at the time, excludes pension wealth. From an

intergenerational perspective our main interest is understanding level differences across different types of couples, rather than intrahousehold differences.²⁴

Table 8: Mean and median value of total intended inheritance by couple type among individuals aged 65-74.

	Male partner inheritance intention		Female partner inheritance intention	
Couple type	Mean	Median	Mean	Median
Highly educated	678,312	332,406	670,470	332,406
High educated, medium educated	441,366	302,187	432,121	302,187
High educated, low education				
Both medium educated	275,990	218,586	265,164	219,950
Medium educated, low educated	177,378	124,906	171,596	124,906
Low educated	139,315	129,382	127,446	106,170
N _{couples}	893			

Notes: sample size refers to unique couples where both members are aged between 65-74 at round 7 of WAS (2018-2020). Weighted estimates. Figures correspond to 2022 prices.

²⁴ It is not possible to sum the respective amounts at couple level due to the style of the survey question (partners may include the same asset for example main residence in their response), indeed the findings suggest this is the case.

Table 8 shows a clear trend in the value of intended inheritances by couple type. Partners in high educated (low educated) couples intend to transfer, on average, in the region of £670K-£678K (£127K-139K), around five times the level of the least educated couples. Table 8 highlights large differences between mean and median reported values by couple type, especially among more highly educated couples, implying significant within couple type heterogeneity in inheritance intentions. Nevertheless, even based on comparisons of median values reported the difference is close to three-fold. Crucially, the level of wealth which will ultimately be received by beneficiaries, typically offspring, depends on the number of siblings (Keister, 2003). Whilst WAS does not record information on adult children living outside the home, we note that among pseudo-offspring with parents sharing similar education characteristics as our baby boomer sample, Table 12 in the second part of the analysis shows the average number of siblings is *higher* among those with *lower* educated parents.

In the first part of the analysis, we have shown that when analysed by couples' education type, the wealth accumulated by baby boomers over the second half of the 20th century, combined with their inheritance intentions implies that the levels of future wealth transfers are set to become increasingly unequal. For example, Table 4 indicates highly educated couples received around £79,000 in inheritances by the time they reached aged 50-60 yet baby-boomer couples with similar characteristics at ages 65-74 intend to bequeath (in total) on average over six times that level across all heirs. It is important to note changes in the composition of family size, by couple type, across generations in this context: comparing online Appendix E and Table 12 shows that whilst the average number of reported siblings increased slightly among high educated couples and decreased among low educated couples between the baby-boomer and Generation X generation, the average number of siblings is nevertheless higher among low educated pseudo-offspring couples, and this does not offset the relative per heir increase in intended inheritances assuming all inheritance is transferred to offspring equally. We also note that comparing Tables 4, 5, 8 and online Appendix J show that across all couple types in absolute terms pseudo-offspring couples will benefit from higher absolute levels of inheritance compared to pseudo-parents of a similar education type reflecting the large absolute gains in wealth experienced by the baby boomer generation.

We end this section by summarising the main findings found for the baby boomer generation. Specifically, we note the trends in wealth accumulation and transfers documented are highly stratified by the type of couple an individual has sorted into based on their educational

attainment. Such behaviour implies that the inequality in inherited wealth is exacerbated by the fact that both partners within a highly educated baby boomer couple are more likely to both be born to a highly educated father. In the next section we show a similar pattern exists for the pseudo-offspring generation born between 1973 and 1979 and *their* own parent's characteristics. More generally our findings in the first part of the analysis show that from an intergenerational perspective the wealth accumulated by both sets of baby boomer parents is set to play an increasingly important role in determining offspring wealth accumulation.

Offspring generation

The second part of the analysis focuses on partnership decisions and the profile of wealth accumulation among couples where both spouses are aged between 27 and 35 at wave 1 of WAS (2006-08). Whilst partnership matches tend to stabilise at around age 40 our goal is to understand the trends in lifecycle wealth accumulation and the role of intergenerational transfers by parent-couple type, when parents belong to the baby boomer generation. Given the average age at which baby boomers had their first child was 26 this implies our pseudo-parents (born 1947-1953) started a family in the mid-late 1970s and guides the choice of pseudo-offspring birth cohorts used for analysis purposes (House of Commons Library, 2012).

Table 9 shows the level of assortative mating by education in the pseudo-offspring generation, by couple type. Due to sample size constraints in later waves/rounds of WAS and compulsory schooling laws in operation at the time means very few individuals left FT education with no qualifications, therefore we broaden the education groups used to define couple types as follows: individuals who have a degree level education (highly educated) and those with below degree level education (medium/low educated). The second column of Table 9 refers to the proportion of couples expected under random matching and the final column shows the proportions observed in the data.

Table 9: Assortative matching among individuals aged 27-35 at wave 1 of WAS.

Couple level education group	Expected proportion under random matching (%)	Proportion observed empirically (%)
---------------------------------	---	--

High educated-High educated	16	28 [274]
High educated-Medium/Low educated	48	23 [222]
Medium/Low educated-Medium/Low educated	37	49 [480]
N _{couples}	976	

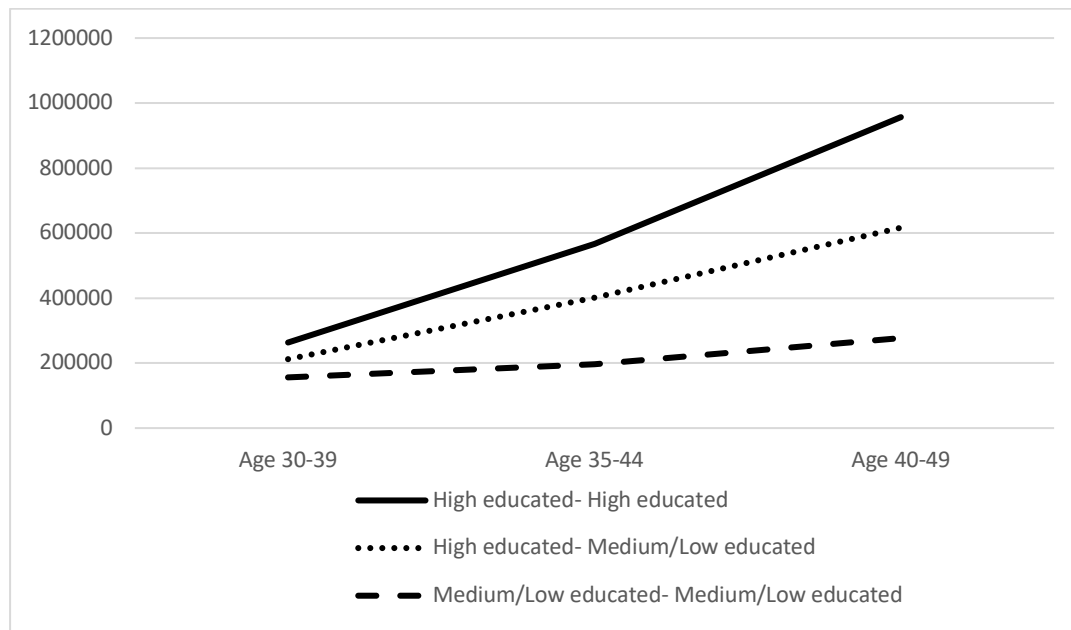
Notes: couples at wave 1 (2006-08) of WAS where both partners are aged 27-35. Proportions correspond to weighted figures and may not sum to 100 due to rounding.

Table 9 shows individuals belonging to cohorts born 1973-1979 exhibit positive sorting relative to random matching. A statistical comparison of the sorting matrices reported in Table 9 implies a significant difference in the observed and expected frequencies.²⁵ Almost double (one-third) the proportion of highly (medium-low) educated individuals partner with a similarly educated individual, compared to what would be expected under random matching. In contrast, we observe the proportion of couples where partners have different levels of educational attainment is less than half of what is implied based on random matching, based on our broad education categories.

In Figure 2 we report median levels of wealth by couple type based on cross section data. Therefore, the trends in Figure 2 reflect wealth holdings at a point in time across different couples rather than the profile of accumulated wealth. Nevertheless, due to the way age is coded in WAS (5-year intervals) we plot couple wealth at waves 3, 5 and 7 noting that the survey is biennial. This allows us to approximately trace out wealth profiles for couples of the same type across time. It is important to note that when interpreting these figures, the span of the birth cohorts of interest implies there will be some overlap in age ranges and hence couples at each wave/round, however couples (in the absence of attrition and separation) will have aged on average 4 years between each observation point. Put another way, the trends shown in Figure 2 show a combination age, time and cohort effects.

²⁵ We estimate a $X^2(4, 545) = 355.27$ and note the corresponding critical value at the 1% level is 13.28. For the purpose of estimating the test statistic we utilise all education combinations.

Figure 2: Median total couple net wealth by type between wave 3 (2010/12) and round 7 (2018/20) of WAS.



Notes: samples (unique couples) derived from waves 3, 5 and round 7 of WAS. $N_{w3} = 460$, $N_{w5} = 485$ and $N_{R7} = 346$. Figures correspond to 2022 prices and weighted estimates.

Figure 2 shows couples' level of educational attainment is correlated with total net wealth and these differences rapidly fan out as couples age. At age 30-39 the median level of total net wealth held by high (low) educated couples is approximately £263K (£160K), by age 40-49, the equivalent statistic is £957K (£277K). Whilst these figures do not correspond the same couples and we caution that the findings are based on relatively small sample sizes, the absolute difference in wealth holdings as couples age is substantial.

The trend in wealth trajectories depicted in Figure 2 may reflect individual savings arising from returns to characteristics such as education. Alternatively, such differences may arise due to intergenerational transfers. Understanding the composition of wealth portfolios at couple level sheds light on the components of wealth responsible for driving the divergence in total net wealth observed in Figure 2.

Table 10: Median income and wealth holdings by wealth and couple type at ages 35-49 across wave 3-Round 7 of WAS (2010-2020).

<i>Couple type (wave/round)</i>	<i>Couple level measures of income and wealth</i>							
Age 30-39 (wave 3)	Housing wealth	Pension wealth	Financial wealth	Physical wealth	Proportion reporting home ownership	Median annual couple net earnings	Median number of FTE workers in couple	Median couple hours worked per week
Highly educated couple	101,302	60,369	19,377	50,101	0.83	101,309	2	74
High educated- medium/low educated	80,694	58,239	4,907	55,594	0.88	77,453	2	69
Medium/low educated- Medium/low educated	54,811	17,612	-102	47,120	0.71	63,680	1.5	61
<i>N_{couples}</i>	460							
Age 35-44 (wave 5)								
Highly educated couple	165,000	233,679	22,693	60,813	0.89	91,524	1.5	70
High educated- medium/low educated	93,000	115,618	2,176	61,866	0.85	69,854	1.5	67
Medium/low educated- Medium/low educated	53,000	31,289	-584	46,728	0.69	50,151	1.5	62
<i>N_{couples}</i>	485							

Age 40-49 (round 7)								
Highly educated couple	269,491	342,972	27,107	73,733	0.92	83,025	2	74
High educated- medium/low educated	171,500	218,321	11,796	63,248	0.94	67,274	2	70
Medium/low educated- Medium/low educated	92,000	76,650	1560	45,690	0.63	47,695	1.5	60
$N_{couples}$	346							

Notes: samples (unique couples) derived from waves 3, 5 and round 7 of WAS $N_{w3} = 460$, $N_{w5} = 485$ and $N_{R7} = 346$. Final column refers to mean level of homeownership. Figures correspond to weighted estimates and 2022 prices. Housing estimates include those couples with zero housing wealth. Homeownership based on reported housing tenure. Annual based on reported employee and self-employed earnings.

Table 10 shows that across most wealth types there is a clear ordering by couple type, irrespective of age group and time period. The single largest component of total net wealth among couples in their 30s is housing. For reference, we also report the number of workers in a couple, the number of hours couples worked per week and their annual total net earnings, noting the levels reported at ages 30-39 are not dissimilar to median net housing wealth. As couples age, Table 10 shows that pension wealth is the largest component of total net wealth among more highly educated couples, and the level of holdings is significantly higher than annual earnings. We also observe a trend in labour market engagement (except at ages 35-44), annual couple earnings and hours worked by education type across age groups. Separately, highly educated couples report much higher levels of financial wealth compared to medium/low educated counterparts, however in absolute terms this form of wealth constitutes only a small proportion of couple's total net wealth holdings. Finally, Table 10 shows a clear pattern in terms of homeownership by couple type: around 80% (90%) among higher educated couples in their 30s (mid-late 40s), in contrast to lower educated couples who report homeownership rates of between 60-70%.

Table 10 shows that it is important to separate out total net wealth into its constituent components to better understand the portfolio composition of wealth holdings among pseudo-offspring couples; especially when trying to shed light on the pathways by which parental and individual characteristics affect wealth accumulation. Research shows individual characteristics including educational attainment are important for determining earnings and wealth, nevertheless around half of the variation in total net wealth holdings among individuals born around 1980 at age 35 is unexplained by individual factors alone (Levell and Sturrock, 2023). Similarly, Gregg and Kanabar (2023b) show that for individuals belonging to similar birth cohort's parental resources are playing an increasingly important role in explaining the likelihood of homeownership and the rate at which individuals accumulate housing wealth-even after controlling for offspring's own education. We next shed light on the role intergenerational transfers have on contributing to wealth differences as couples age, using two-wave panels in order to trace out inheritance and gift receipt, by couple type.

Table 11: Inheritance and gifts received by offspring couple type.

Couple type	Wave 1 (2006/08) Age 27-35			Wave 2-3 (2008-2012) Age 30-39		Waves 4-5 (2012-2016) Age 35-44		Round 6-7 (2016-2020) Age 40-49	
	Proportion receive historic inheritance	Proportion receive recent inheritance	Proportion receive recent gift	Proportion receive recent inheritance	Proportion receive recent gift	Proportion receive recent inheritance	Proportion receive recent gift	Proportion receive recent inheritance	Proportion receive recent gift
High educated- High educated	0.12	0.04	0.29	0.20	0.37	0.18	0.27	0.13	0.29
High educated- Medium/Lo w educated	0.09	0.03	0.30	0.16	0.28	0.16	0.27	0.15	0.17
Medium/Lo w educated- Medium/Lo w educated	0.12	0.01	0.17	0.14	0.21	0.09	0.17	0.12	0.09
	Historic inheritances (£)	Recent inheritances (£)	Recent gifts (£)	Recent inheritances (£)	Recent gifts (£)	Recent inheritances (£)	Recent gifts (£)	Recent inheritances	Recent gifts
High educated- High educated	2727	1862	3740	5625	4607	9,812	6,663	11,675	6,092

High educated-Medium/Low educated	2481	1148	2141	2578	4504	8,593	3,727	8,916	3,094
Medium/Low educated-Medium/Low educated	2608	140	930	3684	1275	2,154	2,490	5,364	520
<i>N_{couples}</i>	976			345		385		265	

Notes: sample size refers to number unique of couples. Due to the change in the WAS survey period, we account for the overlap between wave 5 and round 6 in our analysis. Figures correspond to weighted estimated and adjusted to 2022 prices.

Table 11 shows that the likelihood and level of inheritance and gifts is higher among couples with higher levels of education, irrespective of the age group considered. From a lifecycle perspective the age range considered in Table 11 is for most individuals prior to receipt of the bulk of their inheritance, which is typically received between ages 50-70 as shown in Tables 4 and 5 for the pseudo-parent generation. Given the absolute levels of wealth reported among couples in Figure 2 and Table 10, the findings in Table 11 suggest that the value of early-mid life gifts and inheritances in absolute terms are relatively small compared to total net wealth when couples are in their 30s and early 40s. However, it is important to note that the cumulative magnitude of transfers such as gifts and loans may be non-trivial when compared to cumulative *income*, particularly for those individuals from less advantaged backgrounds (Boileau and Sturrock, 2023a). More generally, evidence suggests intergenerational transfers are highly stratified by parental characteristics such as education and housing tenure, and for certain offspring groups constitutes an important part of the deposit needed to purchase their first home (Boileau and Sturrock, 2023a).

An alternative form of intergenerational transfer between family members is in the form of loans. A key distinction compared to other forms of transfers is that loans may be repaid. WAS records loans received from close networks including family and friends. Online Appendix H shows that whilst the magnitude of loans received is stratified by couple type, the pattern is not consistent across age groups. Separately, similar to recent inheritances and gifts the sums reported by pseudo-offspring couples imply such transfers are unlikely to have a significant impact on the overall level of intragenerational wealth inequality.

Collectively, the findings in parts one and two of the analysis show that the likelihood and level of intergenerational transfers is highly stratified by couple type both in the pseudo-parent and pseudo-offspring generation. Given the level of wealth holdings among the former group and differences in inheritance intentions and amounts by couple type, the exact levels of future transfers will depend on the characteristics of *both* sets of parents. In order to link the findings reported for the baby boomer and pseudo-offspring generations we utilise the retrospective data collected at wave 2 of WAS. Specifically, we report information regarding family background characteristics provided by the pseudo-offspring regarding their *actual* parents. We restrict analysis to individuals aged 29-37 to keep analysis consistent with the sample used in Table 9.

Table 12: Parental characteristics among individuals within couples aged 29-37 by couple type at wave 2 (2008-2010) of WAS.

Couple level education group	Proportion of fathers with a degree (%)		Proportion of mothers with a degree (%)		Proportion who own their home (%)		Proportion living both first parents (%)	
	Male partner	Female partner	Male partner	Female partner	Male partner	Female partner	Male partner	Female partner
High educated- High educated	0.23	0.23	0.21	0.18	0.91	0.94	0.87	0.93
High educated- Medium/Low educated	0.10	0.10	0.09	0.09	0.87	0.86	0.87	0.78
Medium/Low educated- Medium/Low educated	0.08	0.06	0.02	0.03	0.71	0.69	0.75	0.77
Couple level education group	Proportion of fathers working		Proportion of mothers working		Average number of siblings			

	Male partner	Female partner	Male partner	Female partner	Male partner	Female partner		
High educated- High educated	0.98	0.98	0.74	0.72	1.53	1.66		
High educated- Medium/Low educated	0.97	0.97	0.73	0.73	1.63	1.47		
Medium/Low educated- Medium/Low educated	0.93	0.95	0.60	0.69	1.96	1.74		
$N_{couples}$	578							

Notes: unique couples at wave 2 (2008-10) of WAS where both partners are aged 29-37. Proportions correspond to weighted estimates.

Table 12 shows a clear trend emerges based on the markers available in WAS: those individuals residing in more highly educated couples are themselves more likely to have grown up in relatively more advantaged households, as measured by both sets of parental characteristics. This is particularly striking when comparing educational attainment of adult offspring's own parents' education and housing tenure, irrespective of offspring gender. Such findings, in conjunction with the findings in Table 10 are consistent with domestic and international evidence on the intergenerational persistence in education and homeownership (Blanden et al. 1997; Blanden et al. 2023). For example, the proportion of fathers (mothers) holding a degree among highly educated couples is around three-four (six-ten) times the level reported among medium-low educated couples.

Similarly, we observe parental homeownership rates in excess of 90% among highly educated couples versus around 70% reported by medium-low educated couples.²⁶ Such differences in

²⁶ Unfortunately, WAS does not collection information regarding the region in which children grew up, which not only influences parental housing wealth but has also been shown be an important determinant of social mobility more generally (Fielding, 1992).

asset holding in the parent generation are important for understanding the composition of future inheritances baby boomer couples intend to leave for heirs: for example, Table 7 showed 92% (68%) of highly (low) educated baby boomer couples intend to pass on an inheritance in the form of housing wealth. Whilst employment rates among fathers across all couple types is high, among mothers we observe significantly higher rates among those women whose offspring are in highly educated couples, consistent with the fact these mothers are more likely to report holding a degree which has been shown to influence labour market attachment (Liefbroer and Corijn, 1999). Finally, we note adult offspring in medium-low educated couples report a larger number of siblings, especially among the male offspring partners. This is relevant for understanding the magnitude of within-family intergenerational transfers set to take place in the future.

Whilst the ‘Great Wealth Transfer’ is still in its early stages one way to elicit information regarding future wealth receipt is to analyse inheritance *expectations* among offspring born between 1970 and 1980, who will reach ‘peak’ inheritance age between 2020 and 2040. Specifically, we consider whether individuals within couples report systematic differences in the likelihood and level of inheritance share they expect to receive in the future (net of taxes). Such data was collected at Wave 1 (2006-08) of WAS and whilst offspring are relatively young which may affect their knowledge or certainty around future inheritances, though recent empirical evidence suggests otherwise, see inter-alia Basiglio et al., (2022), our aim is to understand broad differences in expected inheritance, by couple type, rather than the precise amounts per se.²⁷ The larger sample size at wave 1 permits us to analyse inheritance expectations using an education marker with three groupings similar to the first part of the analysis.

Online Appendix I shows a striking trend across couple types regarding the likelihood of future inheritance receipt, noting that expectations are highly consistent within couples. We find that between three-four times the proportion of highly educated offspring couples respond they ‘definitely will’ receive some form of inheritance relative to their low educated counterparts. In contrast the trend is reversed if we consider the proportion of individuals in couples who respond, “not at all”. Indeed, almost half of individuals in low educated couples report they do

²⁷ Separately, we note that the proportion of individuals in online Appendix I who responded that they didn’t know whether they were likely to receive an inheritance was relatively low, though we note there is a general trend upwards across successively lower educated couples.

not expect to receive an inheritance. Conditional on individuals responding that they expect to receive some form of inheritance (i.e. columns 2-4 in online Appendix I) WAS reports the expected level of individual's share of total inheritance(s) net of tax.^{28 29}

Online appendix J shows that in general across successively higher educated couples the level of expected inheritance share increases, and separately the amounts reported are similar within couples. For example, among individuals in high educated couples roughly 1 in 4 (1 in 10) expect to receive between £100,000-£249,000 (£250,000-£499,999), noting the figures correspond to the nominal amounts at the time of their wave 1 survey (July 2006- June 2008). In contrast, the equivalent statistic among medium educated couples is around 1 in 6 (1 in 20) and a higher proportion of couples in this group report expecting to receive between £10,000 and £99,999.^{30 31}

We end this section by reconciling the findings reported at round 7 of WAS regarding parent's inheritance intentions with offspring couple's total net wealth position during their 30s and accounting for number of siblings. Sample constraints mean we are unable to compare intergenerational transfers between parents and their own offspring given the cohorts of interest. Instead, we first note that in Table 8 the median value of total inheritance intended among highly (low) educated baby boomers is £332K (£129K). This figure corresponds to total inheritance, and we assume for simplicity this is intended for offspring. Utilising the retrospective data collected at wave 2 of WAS, we note that among 30–39-year-olds at Wave 3 of WAS whose parents, broadly speaking, belong to the same birth cohorts as those couples studied in the first part of the analysis, the median number of siblings among those with high (low) education parents is 2. Thus, the median amount of inheritance an heir with high (low) educated baby boomer parents is expected to receive is £166,000 (£64,500). Moreover, as shown Table 12, highly educated offspring couples are also more likely to report *both* sets of parents being highly educated.

²⁸ Respondents are asked to report net amount if known.

²⁹ It is for this reason we cannot report estimates for lower educated couples, precisely because such a high proportion report the likelihood of receiving an inheritance is either not very likely or not at all.

³⁰ Across all couple types between 1 in 5 and 1 in 6 individuals report that they do not know what level of inheritance they expect to receive, most likely due to uncertainty given their age at the time of interview.

³¹ The question wording of the survey is such that the amount reported, in theory, reflects each individual partner's own expected inheritance, therefore total couple-level inheritances may well be much higher than the figures reported, especially for the most educated offspring.

Finally, to assess the magnitude of future inheritances relative to accumulated offspring wealth at ages 30-39, which is arguably relatively young from an inheritance perspective, we calculate that as a proportion of current wealth per heir future inheritances among offspring with highly educated parents accounts for around 63% of total median couple level net wealth at wave 3 (164% in the case of median couple annual net earnings). The equivalent statistic among offspring whose parents are low educated is 41% (and 102% in the case of earnings), noting that the absolute difference in median wealth between offspring by parent-couple type is over £100,000 (£263,243 versus £155,985). Whilst estimate makes several simplifying assumptions, the findings underline the stark differences in the flow of future inheritances by parental characteristics. We also note the amounts reported correspond closely with the findings reported in online Appendix J, which refer to responses provided by the pseudo-offspring cohort. We nevertheless caution readers when interpreting these findings given the small sample size.³²

5. Discussion and conclusion

Education is a key determinant in the process by which individuals sort into couples (Fernández et al. 2005; Chiappori et al., 2020; Eika et al. 2021; Fagereng et al., 2022). Using high quality microdata for GB we show that sorting among highly educated individuals in the offspring generation brings together, on average, two sets of parents who have relatively high levels of accumulated wealth and as such has important implications for understanding intra and intergenerational wealth inequality, across cohorts and over time. More generally, we highlight the role of wider family background characteristics and early life environment (i.e. ascribed traits) in addition to acquired traits. This is especially true for the offspring born to the baby boomer generation who have accumulated far higher levels of wealth than their predecessors (Hills, 2013). Importantly, we show differences in parental characteristics in particular homeownership extend to the parents of baby boomers themselves, a generation born in the early part of the 20th century.

By the time high educated boomers reach age 50-60 they are four times more likely to have received a historic inheritance, and conditional on receiving the magnitude of historic inheritance is 29 times larger than that reported by their low-educated couples. In terms of the

³² The calculations are based on 168 individuals residing in 84 couples.

lifecycle profile of wealth accumulation the findings show that by age 65-69 the median level of net wealth among these couples' is £2.49M, close to seven times the level reported by their low-educated counterparts (£0.36M). The disparity in accumulated wealth is reflected in couples' inheritance intentions: high educated boomer couples are substantially more likely to report planning to bequeath assets to their heirs, and the magnitude of median intended inheritance is three times larger than that reported by low educated boomer couples.

We show the qualitative nature of our findings including the profile of wealth accumulation by couple type is mirrored in a generation of offspring born in the mid-late 1970s. The proportion of individuals residing in highly educated Gen X couples who report having highly educated parents is between six-ten times higher compared to their low-educated couple counterparts. In terms of expected wealth transfers such offspring couples are three-four times more likely to report they will 'definitely' receive some form of inheritance, and the expected magnitude of the inheritance share typically reported is between £100,000-£249,999 after tax. Whilst the level of inheritances expected to be transferred and received respectively is below the inheritance tax threshold in the UK (£500,000 per individual owning their home), we find significant heterogeneity in intragenerational wealth inequality and inheritance intentions even among couples with the *same* education type. Nevertheless, our findings should be interpreted with caution for several reasons: the data do not allow us to identify intended beneficiaries nor inheritance split among potential heirs. In addition, we cannot verify whether inheritances expected by each individual belonging to a pseudo-offspring couple refers to the same wealth transfer, by not summing such wealth transfers our estimates are therefore likely to be conservative.

Separately, research has noted additional limitations of WAS. First, evidence suggests estimates of wealth especially at the top of the distribution are likely to be underreported (Advani et al., 2021). Second, comparisons of wealth estimates based on WAS compared to administrative data sources find systematic discrepancies which are likely due to underreporting (Boileau & Sturrock, (2023a)). Such underreporting is also likely to hold in the case of inheritances and gifts due to the intrinsic nature of these wealth transfers, in addition, in the case of historic inheritances individuals may not recall information correctly. Finally, WAS uses banded responses in case individuals cannot recall precise inheritance and/or gift amounts which are capped at £250,000 (and over) therefore we cannot accurately measure the very largest transfers received.

Whilst our main goal has been to document how wealth accumulation, intergenerational transfers and expectations vary by couple's education characteristics, our analytical approach also has several shortcomings. First, the approach is descriptive and based on observed couple outcomes at a point in time, it is therefore unable to shed light on the mechanisms responsible for determining sorting patterns. Second, we are unable to determine whether there has been a change in the level of sorting across the cohorts we study, and the effect of such changes for wealth inequality. Third, we do not consider single men and women in our analysis for whom the gains from marriage have changed across cohorts (Schwartz, 2013). Fourth, for analysis purposes we take the perspective that wealth is pooled at the household level whereas recent empirical evidence suggests intrahousehold wealth inequality by gender is not uncommon in developed countries (Lersch and Schunck, 2023). Finally, sample constraints impede us from analysing wealth outcomes among the same parent-sibling families and accounting for important demographic changes across cohorts.

Our findings suggest that in the case of wealth accumulation the interaction between sorting behaviour and education may not a priori have the same equality-inducing implications as it has done for earnings (Fernández et al., 2005; Harkness, 2018; Eika et al. 2021). This is due to the way sorting behaviour interacts with the unique characteristics of wealth, namely it is easily transferable, and the level of wealth accumulated by baby boomers implies the scale of such transfers is, and will, playing an increasingly important role in determining offspring living standards in GB. Whilst the findings suggest intergenerational transfers are unlikely to have mitigated any equalising effects of increasing higher educational attainment for the boomer generation; the magnitude of current and future intergenerational wealth transfers documented in this paper alongside increasing heterogeneity in the returns to tertiary level education, suggests the relative importance of parental wealth will have a bearing on policies aimed at improving social mobility going forward (Balestra and Backes-Gellner, 2017). Future research should aim to formally decompose the relative importance of inheritances and family background on the one hand and individual characteristics such as education on the other, in explaining wealth inequality across cohorts and over time. Separately, when suitable data become available, research should seek to determine the relative contribution of changes in assortative mating and educational attainment across cohorts and how this has influenced the distribution of wealth holdings in GB.

We conclude by making two observations. First, we note the level of total net wealth reported by baby boomer couples by the time they reach their late 60s, particularly those with higher levels of education far surpasses the levels of inheritances they intend to bequeath. Whilst these findings refer to two different samples, they reflect responses from couples which belong to broadly the same birth cohorts. Thus, a better understanding of the degree to which wealth is consumed throughout retirement and the implications for intergenerational wealth inequality is needed.

Second, our findings shed light on the composition of baby boomers' wealth in GB and the intragenerational inequality in the types of wealth held, in particular pension wealth. Until the October 2024 Budget unused defined contribution pension wealth did not form part of an individual's estate for inheritance tax purposes in GB (the reform will take effect 6th April 2027). Notably, the inheritance intentions data collected in WAS explicitly asks respondents to only include wealth which forms part of their estate. More generally, the tax treatment of pensions has been long argued to be overly generous due to tax relief being applied at the level of an individual's marginal rate of income and so favouring the highest earners. Moreover, 25% of pension pots can be withdrawn tax free (up to a limit of £268,275 at the time of writing). Undeniably saving for retirement should be encouraged and individuals should be appropriately incentivised, however, the current treatment of such saving requires reform.

Taken together our findings show the so-called 'Great Wealth Transfer' is highly stratified by both parental *and* offspring characteristics in GB. In liberal, advanced societies individuals rightly choose their spouse and, separately, higher education should be made accessible and encouraged for the benefit of society at large. At the same time, when these two forces interact and individuals sort on such characteristics, we show this has profound implications for intra and intergenerational wealth inequality.

Competing interest's statement:

The authors declare no competing interests.

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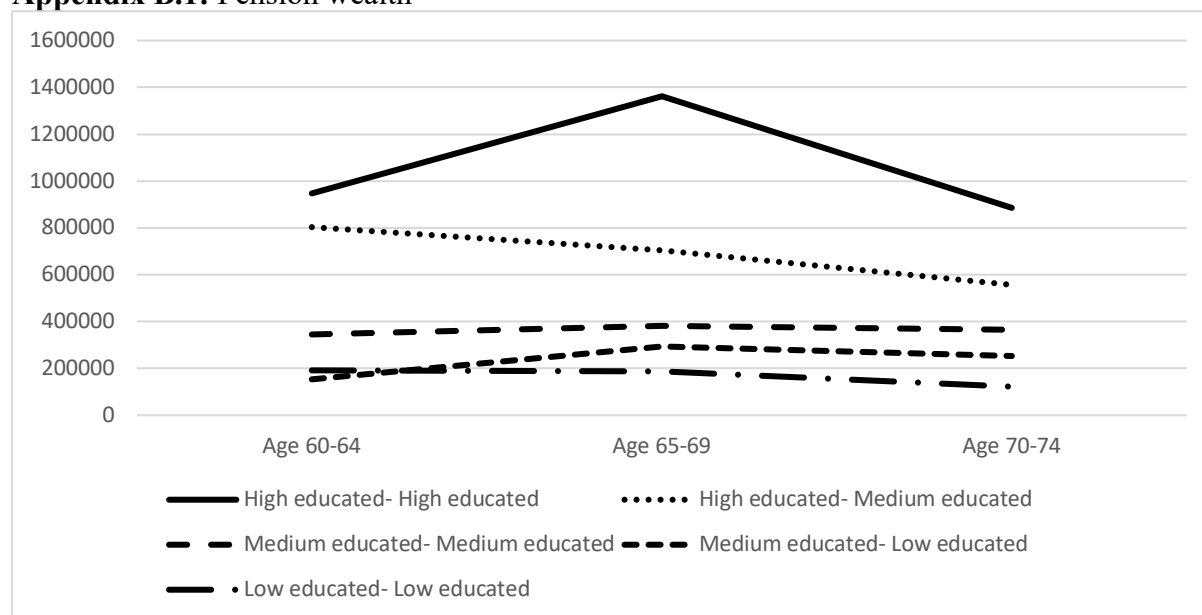
Online appendix

Appendix A: Definition of derived wealth measures in WAS

Variable	Definition
Total net wealth	Total sum of: Individual net value of all (main and other) property, individual net financial wealth (includes endowment), individual physical wealth (including durable goods) and individual pension wealth.
Pension wealth	Total sum of occupational Defined Benefit (DB), occupational Defined Contribution, retained rights in DB schemes, retained rights in DC schemes, value of additional voluntary contributions (AVCs), value of personal pensions, value of retained rights in defined benefit pensions, value of retained rights in defined contribution pensions, value of retained rights in drawdown, value of pensions in payment and value of pension from former spouse of partner.
Net property wealth	Individual net value of all (main and other) property
Net financial wealth	Total value of all formal assets (current account, savings, ISAs, national savings product, shares, insurance, bonds, employee shares, unit and investment trusts, overseas shares, bonds/gilts (home and abroad), any other investments) PLUS total value of informational assets PLUS child trust funds, other children's assets, endowments. MINUS Total financial liabilities (total credit card balance, total value of store cards, mail order, hire purchase, total amount of all loans, mail order arrears, hire purchase arrears, loan arrears, total bill arrears, current account overdraft, total value of student loans).
Physical wealth	Total physical household level wealth shared equally amongst adults in main household (all aged 16 and over), plus physical personal wealth for all property other than main home.

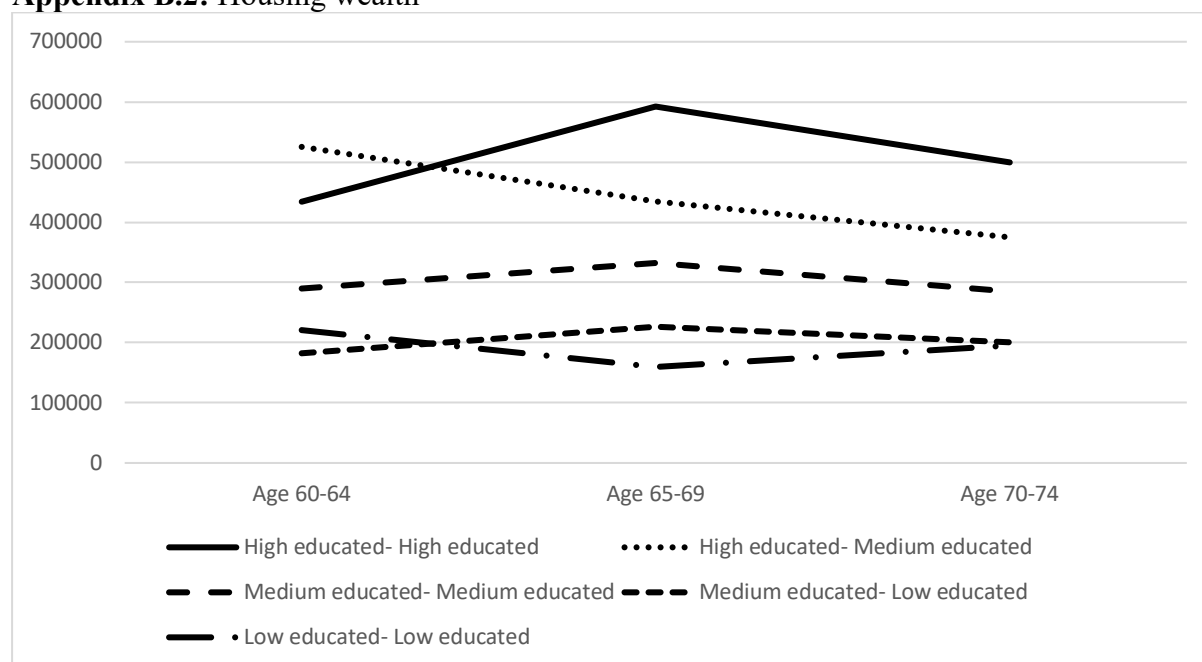
Appendix B: Couple level wealth profiles by wealth type and couple in GB between 2010-12 and 2018-20

Appendix B.1: Pension wealth



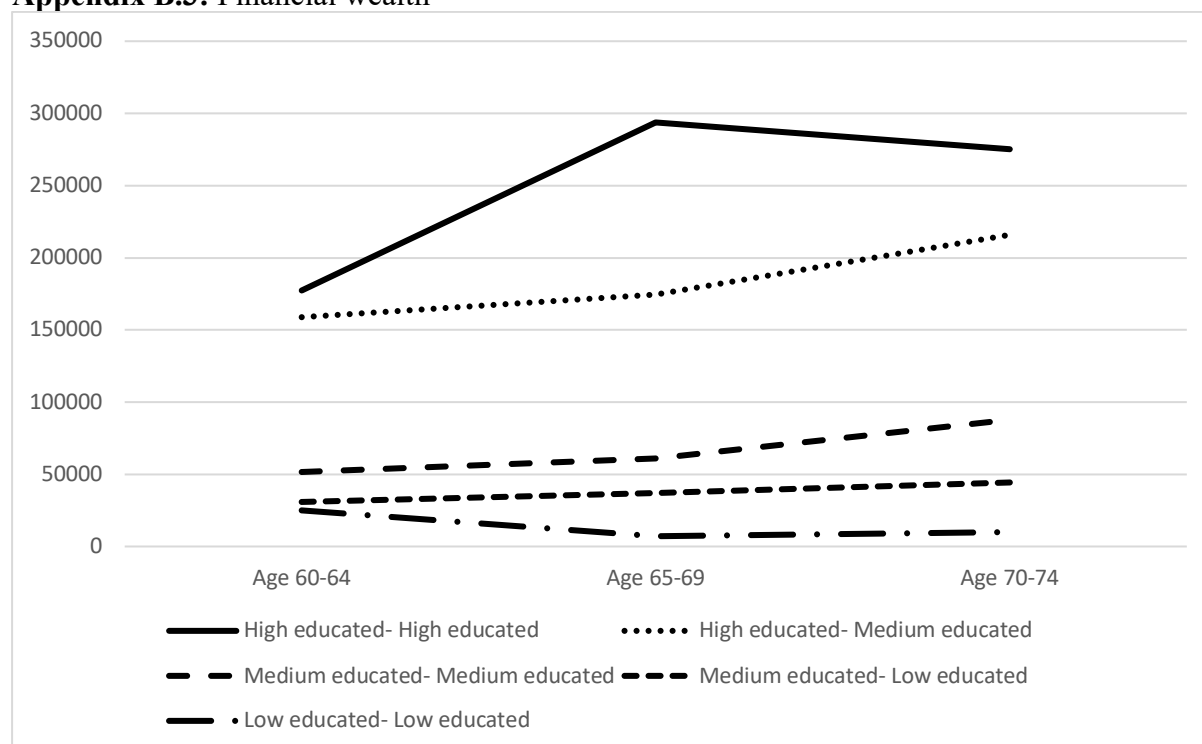
Notes: underlying sample data refers to unique couples at wave 3 and 5, and round 7 of WAS. $N_{\text{wave } 3}=336$, $N_{\text{wave } 5}=431$, and $N_{\text{round } 7}=331$. Figures refer to 2022 prices and weighted estimates.

Appendix B.2: Housing wealth



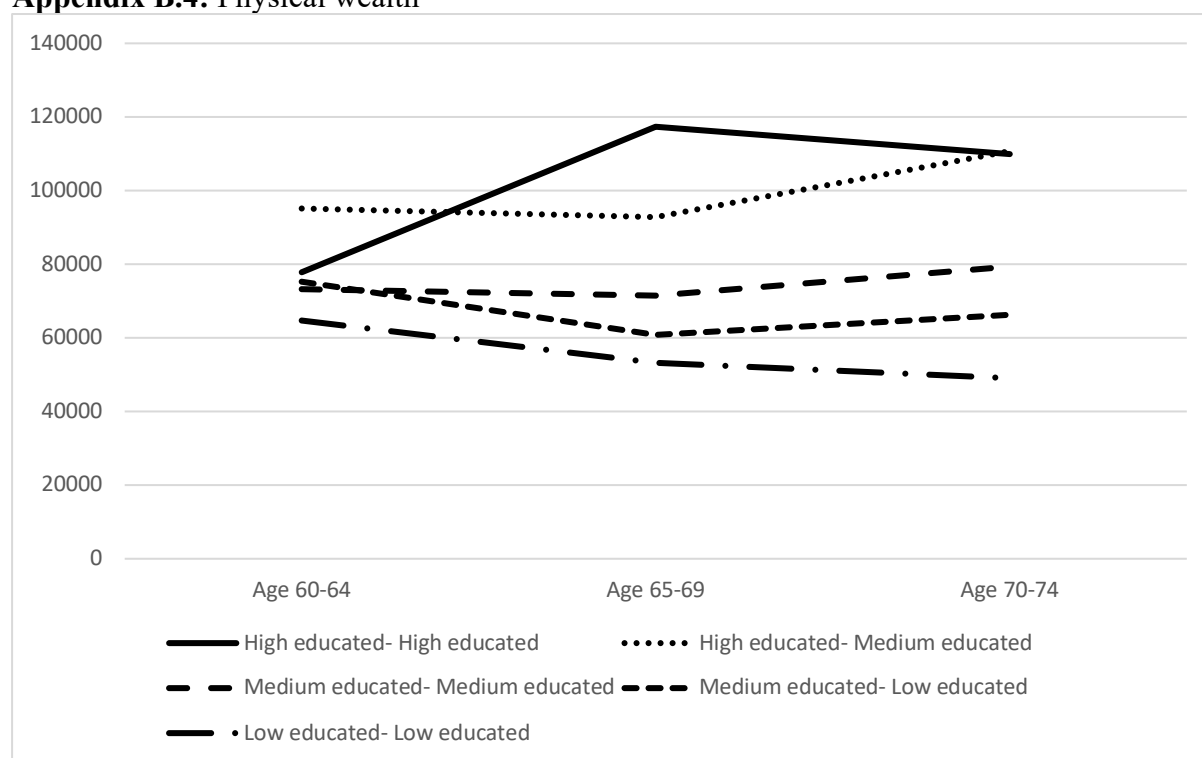
Notes: underlying sample data refers to unique couples at wave 3 and 5, and round 7 of WAS. $N_{\text{wave } 3}=336$, $N_{\text{wave } 5}=431$, and $N_{\text{round } 7}=331$. Figures refer to 2022 prices and weighted estimates.

Appendix B.3: Financial wealth



Notes: underlying sample data refers to unique couples at wave 3 and 5, and round 7 of WAS. $N_{\text{wave 3}}=336$, $N_{\text{wave 5}}=431$, and $N_{\text{round 7}}=331$. Figures refer to 2022 prices and weighted estimates.

Appendix B.4: Physical wealth



Notes: underlying sample data refers to unique couples at wave 3 and 5, and round 7 of WAS. $N_{\text{wave 3}}=336$, $N_{\text{wave 5}}=431$, and $N_{\text{round 7}}=331$. Figures refer to 2022 prices and weighted estimates.

Appendix C: Types of assets received in three largest inheritances within 5 years of wave 1 survey interview among couples aged 50-60.

Couple type	Types of assets					
	House/flat/share in property	Money or savings	Personal items (car, jewellery, or ornaments)	Stocks, shares, trusts or other investments	A business	Other
High educated-High educated	0.03	0.1	0.04	0.03	0	0
High educated-medium educated	0.01	0.07	0.02	0	0	0
High-educated-low educated						
Medium educated-Medium educated	0.01	0.05	0.01	0	0	0
Medium educated-Low educated	0	0.03	0	0.01	0	0
Low educated-Low educated	0.01	0.01	0	0	0	0
N _{couples}	1,709					

Notes: Sample refers to all couples where both partners are aged between 50 and 60 at wave 1 of WAS (2006-08) and is weighted for analysis purposes.

Appendix D: Utilisation of recent assets by couple type among couples aged 50-60 at wave 1 of WAS (2006/08).

Table D1: Utilisation of three largest property-related recent inheritances by asset type among couples aged 50-60 at wave 1 of WAS (2006/08).

<i>Property related inheritance</i>						
	Sold it	Lived in it as main home	Use it as a second home	Family members live in it	Rent it out	Other
High educated-High educated	0.02	0	0	0	0	0
High educated-medium educated	0.01	0	0	0	0	0
High-educated-low educated						
Medium educated-Medium educated	0.01	0	0	0	0	0
Medium educated-Low educated	0	0	0	0	0	0
Low educated-Low educated	0	0	0	0	0	0
N _{couples}	1,709					

Notes: Sample refers to all couples where both partners are aged between 50 and 60 at wave 1 of WAS (2006-08) and is weighted for analysis purposes.

Table D2: Utilisation of three largest non-property related recent inheritances by asset type among couples aged 50-60 at wave 1 of WAS (2006/08).

<i>Non-property related inheritance</i>							
	Spent it	Gave it away	Saved or invested proceeds	Paid off debts	Kept it	Sold it	Other
High educated-High educated	0.01	0.01	0.08	0.02	0.01	0	0
High educated-medium educated	0.03	0.01	0.04	0.01	0.02	0	0
Medium educated-Medium educated	0.02	0	0.03	0	0	0	0
Medium educated-Low educated	0.02	0	0.02	0	0	0	0
Low educated-Low educated	0.01	0	0	0	0	0	0
N _{couples}	1,709						

Notes: Sample refers to all couples where both partners are aged between 50 and 60 at wave 1 of WAS (2006-08) and is weighted for analysis purposes. High-educated-low educated group omitted due to low cell count.

Appendix E: Parental characteristics among individuals aged 57-61 by couple type at wave 2 of WAS (2008/10)

	Characteristics of baby boomer's parents'							
	Proportion of fathers with a degree (%)		Proportion of mothers with a degree (%)		Proportion who owned their home (%)		Proportion living with both first parents (%)	
Baby boomer couple level education group	Male partner	Female partner	Male partner	Female partner	Male partner	Female partner	Male partner	Female partner
High educated-High educated	0.06	0.06	0	0.02	0.65	0.75	0.97	0.90
High educated-Medium/Low educated	0.07	0.02	0.02	0	0.56	0.45	0.92	0.93
Medium/Low educated-Medium/Low educated	0	0	0	0	0.30	0.34	0.90	0.88
Couple level education group	Proportion of fathers working		Proportion of mothers working		Average number of siblings			
	Male partner	Female partner	Male partner	Female partner	Male partner	Female partner		
High educated-High educated	0.98	0.99	0.35	0.49	1.37	1.35		
High educated-Medium/Low educated	0.99	0.99	0.49	0.48	1.92	1.74		
Medium/Low educated-Medium/Low educated	0.98	0.98	0.53	0.50	2.37	2.28		
<i>N_{couples}</i>	416							

Notes: unique couples at wave 2 (2008-10) of WAS where both partners are aged 57-61. Figures correspond to weighted estimates.

Appendix F: Gift receipt by couple type among couples aged 55-74, 2006-2020.

	Age 55-59 at wave 1		Age 60-64 at wave 3		Age 65-69 wave 5		Age 70-74 at round 7	
Education group	Proportion receiving gift at wave 1	Value of gifts (£)	Proportion receiving gift at wave 3	Value of gifts (£)	Proportion receiving gift at wave 5	Value of gifts (£)	Proportion receiving gift at wave 7	Value of gifts (£)
High educated-High educated	0.09	406	0.12	577	0.11	1183	0.04	209
High educated-medium educated	0.11	789	0.09	493	0.03	158	0.02	53
High-educated-low educated								
Medium educated-Medium educated	0.01	49	0.03	726	0.04	794	0.03	1118
Medium educated-Low educated	0.02	68	0.01	31	0.03	213	0.05	1770
Low educated-Low educated	0	0	0.03	71	0	0	0	0
N	545		294		363		294	

Notes: sample size refers to unique couples. Figures refers to 2022 prices and weighted estimates.

Appendix G: Inheritance attitudes by couple type among individuals aged 50-60 at wave 1 of WAS (2006-08).

Table G.A1: High educated couples

How important, if at all, is it to you to leave property or money as an inheritance at some point in the future?"	Very important/ fairly important	Not very important/ not at all important
Very important, fairly important	63%	6%
Not very important, not at all important	8%	23%
<i>N_{couples}</i>	226	

Notes: Sample refers to all couples where both partners are aged between 50 and 60 at wave 1 of WAS (2006-08) and is weighted for analysis purposes. Column refers to male response and row female response. High-educated-low educated group omitted due to low cell count. Weighted estimates. Figures may not sum to 100 due to rounding.

Table G.A2: High- medium educated couples

How important, if at all, is it to you to leave property or money as an inheritance at some point in the future?"	Very important/ fairly important	Not very important/ not at all important
Very important, fairly important	59%	4%
Not very important, not at all important	11%	27%
<i>N_{couples}</i>	277	

Notes: Sample refers to all couples where both partners are aged between 50 and 60 at wave 1 of WAS (2006-08) and is weighted for analysis purposes. Column refers to male response and row female response. High-educated-low educated group omitted due to low cell count. Weighted estimates. Figures may not sum to 100 due to rounding.

Table G.A3: Medium-medium educated couples

How important, if at all, is it to you to leave property or money as an inheritance at some point in the future?"	Very important/ fairly important	Not very important/ not at all important
Very important, fairly important	64%	4%
Not very important, not at all important	9%	24%
<i>N_{couples}</i>	695	

Notes: Sample refers to all couples where both partners are aged between 50 and 60 at wave 1 of WAS (2006-08) and is weighted for analysis purposes. Column refers to male response and row female response. High-educated-low educated group omitted due to low cell count. Weighted estimates. Figures may not sum to 100 due to rounding.

Table G.A4: Medium- low educated couples

How important, if at all, is it to you to leave property or	Very important/ fairly important	Not very important/ not at all important
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money as an inheritance at some point in the future?"		
Very important, fairly important	67%	3%
Not very important, not at all important	8%	22%
$N_{couples}$	319	

Notes: Sample refers to all couples where both partners are aged between 50 and 60 at wave 1 of WAS (2006-08) and is weighted for analysis purposes. Column refers to male response and row female response. High-educated-low educated group omitted due to low cell count. Weighted estimates. Figures may not sum to 100 due to rounding.

Table G.A5: Low- low educated couples

How important, if at all, is it to you to leave property or money as an inheritance at some point in the future?"	Very important/ fairly important	Not very important/ not at all important
Very important, fairly important	59%	3%
Not very important, not at all important	3%	35%
$N_{couples}$	127	

Notes: Sample refers to all couples where both partners are aged between 50 and 60 at wave 1 of WAS (2006-08) and is weighted for analysis purposes. Column refers to male response and row female response. High-educated-low educated group omitted due to low cell count. Weighted estimates. Figures may not sum to 100 due to rounding.

Appendix H: Loans from family and friends by offspring couple type.

Couple type	Wave 2-3 (2008-2012) Age 30-39		Waves 4-5 (2012-2016) Age 35-44		Round 6-7 (2016-2020) Age 40-49	
	Proportion receive loan	Total average loan size	Proportion receive loan	Total average loan size	Proportion receive loan	Total average loan size
High educated-High educated	0.18	£1,463	0.05	£648	0.04	£943
High educated-Medium/Low educated	0.17	£1,228	0.10	£3,144	0.06	£630
Medium/Low educated-Medium/Low educated	0.14	£542	0.10	£506	0.08	£516
	345		385		265	

Notes: sample size refers to number unique of couples. Due to the change in the WAS survey period, we account for the overlap between wave 5 and round 6 in our analysis. Figures correspond to weighted estimated and adjusted to 2022 prices.

Appendix I: Likelihood of inheritance receipt by individual and couple type among couples aged 25-35 at wave 1 of WAS.

Couple type	Definitely will		Very likely		Fairly likely		Not very likely		Not at all		Don't know	
	Male partner	Female partner	Male partner	Female partner	Male partner	Female partner	Male partner	Female partner	Male partner	Female partner	Male partner	Female partner
High educated-High educated	0.31	0.32	0.29	0.27	0.16	0.14	0.10	0.09	0.10	0.14	0.04	0.05
High educated-medium educated	0.27	0.28	0.28	0.28	0.18	0.17	0.11	0.11	0.12	0.12	0.03	0.03
Medium educated-Medium educated	0.24	0.27	0.21	0.21	0.20	0.18	0.14	0.10	0.17	0.18	0.05	0.06
Medium educated-Low educated	0.16	0.16	0.15	0.15	0.19	0.15	0.14	0.14	0.29	0.35	0.08	0.06
Low educated-Low educated	0.07	0.10	0.17	0.14	0.08	0.03	0.14	0.17	0.47	0.46	0.07	0.10
$N_{couples}$	1242											

Notes: sample refers to individuals belonging to couples where both partners are aged between 25 and 35. High-low group excluded due to cell size <30. Figures correspond to weighted estimates.

Appendix J: Expected level of inheritance receipt by individual and couple type among couples aged 25-35 at wave 1 of WAS.

Couple type	Less than £1,000		£1000-£4,999		£5,000-£9,999		£10,000-£24,999		£25,000-£49,999		£50,000-£99,999	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
High educated-High educated	0.02	0.02	0.02	0.04	0.03	0.05	0.11	0.10	0.07	0.09	0.14	0.20
High educated-medium educated	0.01	0.02	0.02	0.02	0.04	0.03	0.07	0.10	0.10	0.17	0.17	0.19
Medium educated-Medium educated	0.03	0.02	0.04	0.04	0.02	0.06	0.09	0.08	0.15	0.15	0.21	0.23
Couple type	£100,000-£249,999		£250,000-£499,999		£500,000 or more		Don't know					
	Male	Female	Male	Female	Male	Female	Male	Female				
High educated-High educated	0.26	0.23	0.09	0.07	0.05	0.03	0.21	0.17				
High educated-medium educated	0.31	0.22	0.09	0.11	0.03	0.01	0.15	0.13				
Medium educated-Medium educated	0.18	0.15	0.06	0.06	0.02	0.03	0.20	0.18				
$N_{couples}$	637											

Notes: sample refers to individuals belonging to couples where both partners are aged between 25 and 35 and reported that the likelihood they would receive an inheritance as “definitely will”, “very likely” or “fairly likely”. Figures correspond to weighted estimates and correspond to nominal amounts at the time of the survey (July 2006-June 2008).