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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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We study partnership sorting by education, the profile of wealth accumulation and the implications for intra and intergenerational wealth inequality for two cohorts born in 1947-1953 and 1973-1979 using the Wealth and Assets Survey for Great Britain. Our findings show substantial evidence of positive sorting by education relative to random matching. By the time highly educated baby boomer couples reach their mid-late 60s their reported level of net median net wealth of £2.49M is close to seven times that of low educated couples. Regarding future wealth transfers, we find baby boomer's inheritance attitude is strongly influenced by their own lifecycle profile of wealth accumulation and in particular homeownership and level of historical inheritance received. Moreover, highly educated couples are more likely to report *intending* to leave an inheritance and the median level of such inheritances, £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 couples born in the mid-late 1970s and separately consistent patterns in their *expectations* of future inheritance receipt. In terms of the composition of wealth portfolios we show the large disparities in wealth observed in both cohorts is attributable to the rate at which housing and especially 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. Our findings show the nature of sorting behaviour across generations has important implications for wealth inequality now and in the future.

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Highlights

- There is scant evidence on the interaction between assortative mating by education and wealth inequality from an intra and intergenerational perspective.
- Using the Wealth and Assets Survey for Great Britain we document sorting patterns among baby boomers, a generation who have accumulated vast amounts of wealth albeit unequally, and Gen X whose parents belong to the boomer cohort.
- We show individuals in both generations sort by educational attainment, and wealth levels by type are highly stratified by couple's education type.
- We document a clear trend in lifetime inheritance receipt by couple type among boomers, and in transfers received by Gen X.
- We also find consistent patterns in terms of boomer's future inheritance *intentions* on the one hand and Gen X *expectations* on the other.
- 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 behaviour and wealth accumulation.

Why does this matter?

Our findings show the nature of sorting behaviour within and across generations has important implications for wealth inequality now and in the future.

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

Ricky Kanabar*

October 2024

Abstract

We study partnership sorting by education, the profile of wealth accumulation and the implications for intra and intergenerational wealth inequality for two cohorts born in 1947-1953 and 1973-1979 using the Wealth and Assets Survey for Great Britain. Our findings show substantial evidence of positive sorting by education relative to random matching. By the time highly educated baby boomer couples reach their mid-late 60s their reported level of net median net wealth of £2.49M is close to seven times that of low educated couples. Regarding future wealth transfers, we find baby boomer's inheritance attitude is strongly influenced by their own lifecycle profile of wealth accumulation and in particular homeownership and level of historical inheritance received. Moreover, highly educated couples are more likely to report *intending* to leave an inheritance and the median level of such inheritances, £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 couples born in the mid-late 1970s and separately consistent patterns in their *expectations* of future inheritance receipt. In terms of the composition of wealth portfolios we show the large disparities in wealth observed in both cohorts is attributable to the rate at which housing and especially 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. Our findings show the nature of sorting behaviour across generations has important implications for wealth inequality now and in the future.

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 been shown to have important implications for determining an individual's current and future living standards, in particular 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 the level of educational attainment, the returns to tertiary education and female labour supply have increased over time and collectively are important for explaining changes in household level income inequality in the US and Europe (Eika et al. 2021; Goldin, 2014; Greenwood et al., 2014; Gonalons-Pons and Schwartz, 2017). A key question then is to understand how 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 individuals and couples who belong to the baby boomer generation and are set to transfer resources in the coming decades have accumulated much higher levels of wealth than previous generations, and holdings are highly stratified by education level (Hällsten, 2024; Gregg and Kanabar, 2023b; 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. Indeed, recent evidence shows the intergenerational correlation in wealth in GB similar to the US is increasing over time across successively younger cohorts (Gregg and Kanabar, 2023a). Importantly, research also 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 itself is clearly positive (Chiappori et al., 2020a). Similar findings have also been found for selected education groups in the US, in contrast to countries with greater levels of social mobility such as Denmark (Breen and Anderson, 2012; Eika et al. 2021; Wagner, 2020). However, a common finding across countries with both low and high levels of social mobility is that even in the latter, 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 (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; importantly such matching has implications for *intra* and *inter*generational 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 cohort, and a cohort of individuals born in the mid-late 1970s, by couple type, using high quality microdata for Great Britain. We show that couple's education, which is strongly correlated with lifetime earnings and labour supply (Eika et al., 2021), is crucial for understanding differences in wealth holdings and in particular differences in the level of inherited wealth, especially among the baby boomer cohort. Moreover, we document how such

couples intend to pass on the vast stock of wealth they have accumulated to their own heirs. 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).

As well as documenting the rate at which inheritances are received by baby boomers from their own parents who were born in the early part of the 20th century, we also show within such couples' similarities in the level of paternal educational attainment and high levels of stratification in homeownership. Among high educated baby boomer couples more than 6 in 10 reports growing up in an owner-occupied residence, in contrast among medium/low educated couples the equivalent statistic is less than 4 in 10. We next show the extent to which baby boomers inheritance attitudes and intentions differ by couple type. After controlling for key covariates, we find homeownership and the level of historic inheritances are strongly associated with inheritance attitude. Separately, we find 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 counterparts in low educated couples. Importantly, our findings highlight substantial heterogeneity in the level of intended inheritances even among couples of the *same* education type.

In order the document the intergenerational inequality in wealth receipt in the final part of the paper, we turn to a cohort of individuals born in the mid-late1970s whom for analysis purposes we consider pseudo-offspring. Similar to the pseudo-parental (baby boomer) cohorts we document high levels of sorting: among degree (below degree) educated couples the level of sorting is double (over one third) the level expected compared to random matching. We next report the levels of wealth accumulated by couple type up to age 49, that is, prior to the age at which main inheritances are typically received in GB (van der Erve et al., 2023). Nevertheless, we observe a clear divergence in wealth holdings, predominantly due to differences in the rate at which housing and pension wealth are accumulated. Whilst we find intergenerational transfers are highly stratified by couple type, these are unlikely to explain the large differences in wealth holdings observed. Finally, we analyse inheritance expectations among pseudo-offspring couples aged 25-35, both in terms of the likelihood and magnitude of expected transfers. Among individuals in high educated couples, we find 75% report that they are likely to receive an inheritance and conditional on receiving the most likely amount reported is between £100,000-£250,000 net of taxes (in 2006-08 prices). Whereas among low educated couples only 30% of individuals expect to receive. Notably, we find only 10-14% of individuals in high educated couples do not expect to receive an inheritance, compared to close to 50% of individuals in low educated couples.

Finally, we show the importance of ***both*** sets of parental characteristics when analysing wealth accumulation among the pseudo-offspring generation. 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 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 dataset used and outlines our methodological approach. Section 4 presents our main findings separately for baby boomers and Gen X. Section 5 discusses our results and concludes.

2. Literature review

Research on 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 suggests individuals typically match on characteristics including education and income (Mare, 1991). Such matching 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, for example 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 varying degree of mixing between minority and majority ethnic 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, it is acknowledged 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 also 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 higher education which have declined over successive cohorts in GB due to programmes aimed at widening participation and providing financial aid (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 this influences the pool of potential partners which they might match with (Van Bavel, 2021).

Homogamy in educational attainment also has direct implications for the rate at which couples accumulate economic resources. In part this is due to the market returns to (tertiary) education and increasing female labour supply, which have both increased over time and shown to be important for explaining changes in household *income* inequality in developed economies (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, for example in the case of the US the rise in household income inequality as opposed to *changes* in the degree of assortative mating has been attributed to the rise of

similarly educated dual earner households (Eika et al. 2021). In contrast, empirical evidence for selected countries European 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 in countries such as the UK and Italy (Chiappori et al. 2020; Eika et al. 2021; Harkness, 2018; Leesch et al. 2024). Separately, research also 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 (Hirschl et al., 2024). Nevertheless, individual preferences are such that sorting on factors such as income and social background, both of which are correlated with education is still commonplace (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 same authors estimate the between household wealth Gini would have been 7% lower in the absence of sorting on wealth, at the same time stressing 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, which itself is 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 across successively younger generations (Lersch and Schunk, 2023; Hirschl et al., 2024).

In contrast to evidence based on predominantly US microdata, Fagereng et al. (2022) using Nordic register data finds that after controlling for *pre-martial* individual characteristics including financial behaviour and personal net wealth, parental wealth is no longer directly relevant for explaining sorting patterns. 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. Nevertheless, Fagereng et al. (2021) show parental characteristics such as wealth remain important for explaining intergenerational wealth correlations, even when comparing biological and adopted children. Indeed, recent empirical evidence for GB based on WAS shows parental resources have become increasingly *more* important for explaining offspring wealth levels, including among individuals in their 20s and 30s and so prior to first marriage in the UK and after controlling for offspring's characteristics (Gregg and Kanabar, 2023b; Levell and Sturrock and Levell, 2023). It is important to also note that parental resources have an indirect effect on offspring's later life outcomes in GB, for example research using the 1958 National Child Development Survey shows investment behaviours at young ages play an important role in shaping education and skill outcomes, which in turn are important for explaining earnings in adulthood (Bolt et al. 2024) and so influences sorting patterns.

We contribute to the literature on assortative mating and wealth inequality from an intragenerational, intergenerational *and* household perspective. Specifically, we consider how sorting behaviour in the parent generation can be viewed as a particular type of *intragenerational* social mobility, which influences the lifecycle accumulation of wealth, by

[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).

couple type, and in turn has implications for *intergenerational* wealth inequality. To understand how such behaviour varies by couple-level education, we interpret our findings focussing on realised sorting patterns rather than model the partnership search process itself. Contemporary evidence on such issues for those cohorts already in retirement and who will pass on their assets in the coming years is important for several reasons. First, research using British microdata shows wealth holdings among baby boomers is (i) significantly higher than that of older birth cohorts when measured at the same stage in the lifecycle and (ii) highly stratified by individual characteristics, particularly education and homeownership which themselves are highly correlated (Hills, 2013).[2] Put another way, the lifecycle profile of wealth accumulation differs significantly by socioeconomic group. For example, Figure 1 in Gregg and Kanabar (2023b) using WAS shows average levels of total net wealth among high (low) educated individuals born around 1950 was £1.4M (£0.45M) in 2010-12 (2022 prices). Separately, research also shows retired cohorts in GB do not consume down their wealth holdings at a rate consistent with a typical lifecycle model of consumption and savings (Crawford and O'Dea, 2014). The fact parental resources are becoming increasingly important for determining offspring wealth outcomes in GB implies that the ability of parent couples to make wealth transfers is of policy interest, as is the magnitude of any such transfer.

Second, research implies that there is likely to be a degree of inequality in likelihood and size of such transfers during parents' lifetimes and at the point of death due to intergenerational persistence in outcomes such as education, earnings and wealth holdings (Bloome et al. 2018; Fagereng et al. 2022; Halvorsen et al. 2022; Sturrock and Boileau, 2023a; Bolt et al. 2024). Importantly, such factors have also shown to be key determinants on which individuals sort and, in addition, influence the profile of individual lifecycle wealth accumulation (Fagereng, 2022). Whilst a large body of evidence shows education is an important determinant of living standards and social mobility (see Chetty et al. 2014) due its association with earnings, various forms of wealth such as inheritances, gifts and inter-vivo transfers are easily transferable and further compound existing inequalities. It is therefore imperative to analyse how the unique characteristics of wealth interact with educational attainment, a major determinant of individual sorting behaviour especially given that empirical evidence has shown that sorting levels have remained high and relatively stable in GB across successive generations. 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 (Chiappori et al, 2020; Wagner et al., 2020). 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).

Third, recent empirical evidence for GB using WAS shows the likelihood and magnitude of inter vivo transfers among offspring born in the 1980s and onwards is highly stratified by parental education and homeownership status (Boileau and Sturrock, 2023a; van der Erve et al., 2023). Studies using the same dataset show parental characteristics including education and homeownership are becoming increasingly important for determining major offspring lifecycle outcomes including homeownership, wealth levels and portfolio composition, even after accounting for offspring education and earnings (Gregg and Kanabar, 2023b). Similar evidence has been found using the 1970 British Cohort Study even among offspring in professional/managerial occupations and those with a degree, a phenomenon which is not observed among similar individuals belonging to older cohorts (Lindley and McIintosh, 2024).

[2] A related and important point to note in the context of (ii) is that those individual's attaining a degree level education (especially women) are increasingly selected across successively older birth cohorts.

In this paper we go further 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 transfers made as baby boomers and receivers' age. We pay special attention to the importance of ***both*** sets of parents' characteristics 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).[3] Our study is based on secondary data and as such any ethical considerations regarding data collected was gained by the primary data collection and management team at the ONS.

WAS is well suited for the analysis of wealth accumulation, transfers and how this varies by partnership education levels for specific cohorts and over time 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 individuals belonging to partnerships (all self-identifying cohabiting couples irrespective of whether they are legally married or otherwise) can be identified and measures of wealth can be derived at the 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 (roughly 4 calendar years).[4] [5] 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 fact that a battery of questions was asked at wave 1 of the study which asks individuals to report the three largest historic (>5 years) and recent inheritances (within 5 years)

[3] 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.
[4] In the event of separation WAS only follows individuals who are original sample members (i.e., joined the survey at wave 1).
[5] 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.

of their interview that were worth at least £1,000.[6] 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 also requested to provide information on gifts received within the two immediate years prior to survey interview (which total at least £500). Alongside inheritance receipt, attitudinal data on the importance of inheritance was collected (wave 1 only).

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 prior to their survey interview. In the case of banded responses, we take the midpoint within each band.[7] 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 across each partner. 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) a one-off inheritances module was fielded, which included questions regarding individuals' inheritance intentions (both giving and receiving), types of inheritance and how much such inheritances are 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 aged in their 50-60s at wave 1 of WAS and born between 1947-1953 (pseudo-parents) and for couples where both individuals are born between 1973 and 1979 (pseudo-offspring). As WAS is a household panel survey we supplement our main analysis with rich individual and couple level sociodemographic information available in the data. We draw upon retrospective data collected at wave 2 (2008-2010) which relates to household conditions including parental characteristics when individuals were aged around 14. Such data include data on parental education and homeownership which have been used as proxy markers for economic resources of the household during childhood (see Gregg and Kanabar, 2023a). These retrospective data also include information on the number of siblings which is important for assessing intergenerational wealth inequality (Keister, 2003).

3.2 Methodology

Our goal is to assess whether individuals sort based on their level of education, noting that the cohorts used for analysis purposes 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 non-trivial and a consensus has yet to be reached in the literature (see Chiappori et al. 2020),

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

moreover due to data limitations calculating such changes is not feasible.[8] Separately, we do not include single individuals in our analysis. This is an important simplification, as the utility gain of remaining single 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) which itself draws upon the work of 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.[9] Though an oversimplification of the sorting process, the framework allows the analyst to easily 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 of these education groups we consider couples joint level of education attainment and given the number of groups there are 9 potential combinations. 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		
Men	Education level	High	Medium	Low
	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 empirical distribution observed in the data. For example, x refers to the proportion of men and women who are both highly educated and are observed in a partnership; 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 offspring generation, we define education using two levels (high (degree) educated or otherwise), such that the resulting sorting matrix is 2x2. Whilst such an assumption is necessary to ensure sufficient sample 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 a degree of heterogeneity within this group. Nevertheless, we can still compare trends in matching behaviour between individuals with and without a degree.[10]

[8] 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).

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

[10] 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.

To assess the level of sorting in the relevant cells in Table 1 with what is expected under random matching, we calculate the product of the proportion of men and women in each education group.[11] [12]

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

		Women		
Men	Education level	High	Medium	Low
	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 reflects the combination of couple's education type given the proportion of men and women who have a given level of educational attainment i.e. in the absence of any sorting and 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 (i.e. abstracting from gender) of the sorting matrices reported in Tables 1 and 2.

For analysis purposes the level of sorting is interpreted relative to random matching. Specifically, random matching holds if the proportion of any of the given 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 holds 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 declined or strengthened over time.

4. Findings

We first document the levels of assortative mating based on education among couples born between 1947 and 1953, and so aged 55-59 at wave 1 of WAS (2006-08). Next, we describe wealth holdings among couples belonging to similar birth cohorts and the rate and magnitude of inherited wealth received. Finally, we consider couples inheritance attitudes and intentions among baby boomers.

Table 3 describes weighted estimates of couple types based on their joint education level using the education classifications defined in section 3. Whilst 9 combinations are possible for analytical purposes we do not differentiate by gender and so are left with 6 groupings. Columns 2 and 3 of Table 3 report education combinations based on our sample of couples under two scenarios: that expected under random matching and that which is observed empirically, respectively. The patterns in Table 3 imply there is positive sorting among individuals born between 1947 and 1953. The level of assortative matching is at least twice that expected versus 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

[11] We report weighted estimates for analysis purposes.

[12] Tables 1 and 2 depicts the situation for the parental generation, in the case of the pseudo-offspring generation the dimension of equivalent table is 2x2.

observed and expected frequencies.[13] When interpreting the figures reported in Table 3 it is important to bear in mind underlying cell sizes. Separately, we note that certain groups such as highly educated couples are increasingly selected across successively older cohorts.

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]
$N_{couples}$	545	

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.

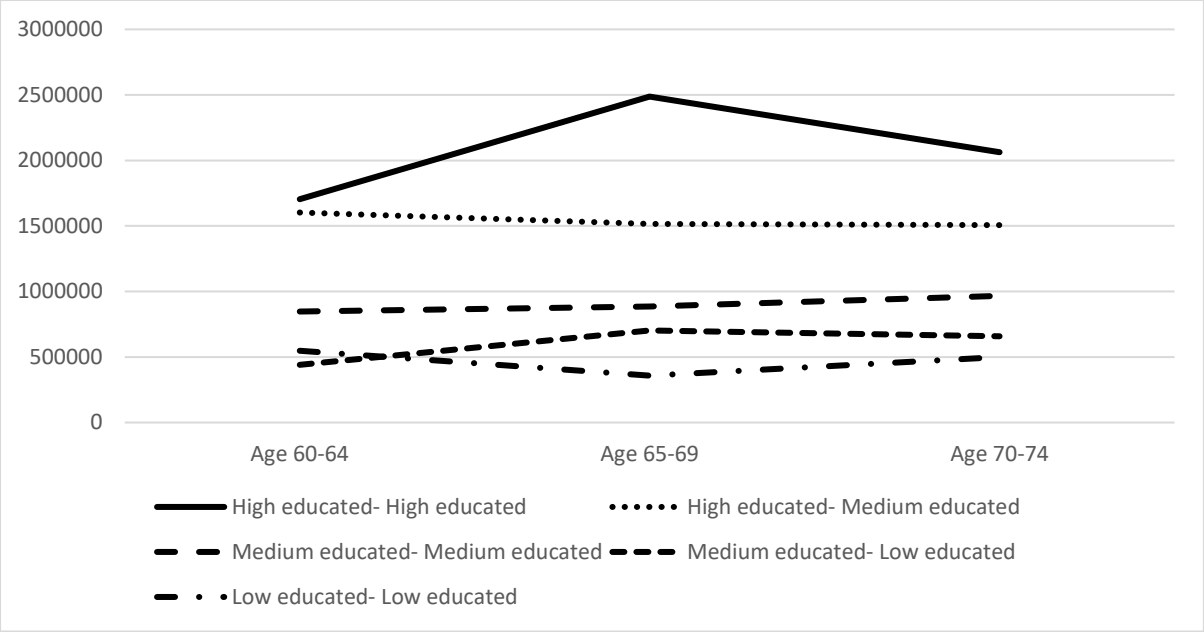
We next analyse the level differences in median total net wealth reported by couple's education type. Consistent measures of wealth are only available starting from wave 3 (2010/12) of WAS. Sample size constraints and attrition imply it is not possible to document the rate at which wealth is accumulated by the *same* couples over the entire sample period.[14] Instead, we closely match derived age groups (5-year bands from wave 3 onwards) reported in WAS with the panel length (biennial) and document levels of total couple net wealth at each wave/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. In order 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 (2010-2018).[15] From a lifecycle perspective these ages correspond to peak wealth accumulation (roughly age 64 see Gregg and Kanabar (2023a)) and the immediate following period.

[13] 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.

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

[15] 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. $N_{wave\ 3}$=336, $N_{wave\ 5}$=431, and $N_{round\ 7}$=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), an absolute difference of £1.05M. 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 analysed. Equivalent statistics based on comparisons of the mean show an even more pronounced difference due to the wealth distribution being highly skewed.[16] In online Appendix B we reproduce Figure 1 for various components of wealth and show that the trend in wealth profiles is predominantly 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), respectively. Similar to Figure 1 we also observe a clear ordering based on couple's type which is persistent across the age and time period considered. Importantly, the housing wealth estimates include zeros (i.e. no housing), masking the fact there is significant differences in the rate of homeownership by couple type.[17] For example, the average homeownership rates among the least (highest) educated 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 substantial differences in couple level median total net wealth documented in Figure 1 may reflect market returns to higher education and savings accumulated by each spouse over the lifecycle. For example, evidence suggests education and earnings are highly correlated with pension wealth and homeownership (Turner and Leau, 2009). Separately, we note that homeownership opportunities both in terms of access (supply) and affordability were generally much more widespread for all cohorts born before 1970 (Blanden and Machin, 2017). Having

[16] Results available on request.

[17] 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.

set out the differences in the levels of accumulated wealth among baby boomer couples, our interest is to shed light on the prevalence and magnitude of inherited wealth for understanding *intra* and *inter*-generational wealth inequality. We start by analysing historic (more than 5 years prior to an individual's wave 1 interview) and recent (within 5 years of an individual's wave 1 interview) inheritance receipt reported at wave 1 of WAS (2006-08), by couples' education type, before tracing out inheritance receipts at older ages. We restrict the sample to partnerships where both individuals are aged between 50 and 60 as recent empirical evidence shows inheritance receipt in GB typically peaks at these ages (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-Medium educated	0.18	16,023	0.05	3,297	19,320	40,548
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 that there is 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 any type of receipt report a total level of inheritance (column 6) which is around 28 times larger relative to 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. Separately, we note that the level of inheritances received by the time baby boomers reach theirs 50s is relatively small when compared to their total net wealth holdings and for lower educated households, their annual earnings (see final column in Table 4). In the case of highly educated couples, total lifetime

inheritances at ages 50-60 roughly equates to annual net earnings. Put another way, 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 accumulated less wealth and there was lower levels of wealth inequality (see inter-alia Hills, 2013).

Indeed, the point in the lifecycle at which individuals receive inheritance is important for understanding how wealth transfers influence living standards and wealth persistence more generally. 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 (not reported), 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. This is also consistent with recent empirical evidence for younger birth cohorts which shows individuals born around 1980 in GB are more likely to receive a wealth transfer in their 20s if their parents were highly educated and/or a homeowner (Sturrock and Boileau, 2023a; 2023b).

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 how such assets were used by couples. We separate out response categories depending on the type of asset received (property versus non-property) given how the data are collected in WAS. In the case of property-related inheritances, where applicable, most couples sold inheritances of this type on receipt. Notably, in the case of non-property inheritance, Table D2 shows a higher proportion of higher educated couples tend to invest such assets.

The level and types of inheritance an individual receives is related to parental characteristics, therefore for the same reasons set out in Section 2 the level of assortative matching in the baby boomer's parents' generation is also relevant for understanding (wealth) inequality. Indeed, it is for this reason that 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 partnership characteristics for understanding wealth inequality, therefore we briefly highlight differences in the characteristics of the *parents* of baby boomers who were born around 1920-1930 using data collected at wave 2 of WAS.[18] Due to differential mortality rates by socioeconomic background

[18] 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.

and to keep analysis consistent with the birth cohorts used to derive the figures reported in Table 3, Table 5 reports parental characteristics using the sample of baby boomer couples 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.

Table 5: 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		
$N_{couples}$	416							

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

Table 5 shows a clear trend by couple type in terms of shared parental and early life characteristics which research has shown to be good proxy measures of the resources of the household in which an individual grew up in (Bedük and Harkness, 2024; Blau 2021).

Irrespective of gender in the baby boomer couple, among individuals residing in highly educated couples both *their* fathers are more likely to have attained a degree. Moreover, the level of homeownership among these parents is ***double*** the level reported by baby boomer couples with medium/low education. It is also substantially higher than average rate of homeownership (42%) based on the 1961 Census (see ONS, 2021).[19] We also note the asymmetry in the labour force participation rate of mothers among highly educated couples, which may reflect sorting behaviour in either the parent or offspring cohort. More generally, the findings in Table 5 suggest shared common characteristics in the parental generation, that is, among ***both sets of baby boomer's parents*** which likely reflects a degree of sorting and is consistent with historical evidence which suggests partnership decisions at the time depended on characteristics including social class and education (Clark, 2023). We separately note that from an intergenerational perspective, such sorting and parental characteristics likely influenced the observed trends in the magnitude and type of inheritances received as reported in Table 4 and online Appendix C-D.

Having set out historic and recent inheritances couples received by age 60, we next analyse inheritance receipt by couple type across the survey period (2006-2020), that is, wealth transfers observed between survey waves as couples age. Our sample data is banded into five-year age groups, we therefore analyse inheritances received in the two survey waves prior to interview among stable couples. In effect we create two wave panels and analyse recent inheritances in the previous 4 years given the biennial nature of WAS, for example at wave 3 we restrict attention to all stable (and non-attriting) couples observed in the data at waves 2 and wave 3 (2008/12-2010/12).[20] We repeat this for wave 4-wave 5 (2012/14-2014/16) and round 6-round 7 (2016/18-2018/20). Having already analysed historic and recent inheritances upto age 60 at wave (2006/08) in Table 4 we focus on couples where both partners are in the age group 60-64 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 nevertheless exploit the longitudinal nature of WAS to trace out the approximate likelihood and average size of inheritances received by baby boomer couples, by couple type, as they age.

Table 6: 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
High educated-medium educated	0.18	31,141	0.29	29,637	0.22	23,625
High-educated-low educated						

[19] 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.
[20] Estimates are weighted to account for survey attrition.

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 6 shows a clear trend in the likelihood of inheritance receipt and conditional on receipt, the magnitude of transfer by couple type. The general profile is also clear with respect to age: inheritance peaks when couples are in their mid-60s before declining, consistent with existing evidence (Boileau and Sturrock, 2023a; van der Erve et al., 2023). Notably, we observe higher educated couples are more likely to report receiving an inheritance, indeed only 5% of low-educated couples between 2012-14 and 2014-16 report receiving inheritance when aged between 61 and 65, whereas almost six times that level, close to one in three, highly educated couples at the same age report receiving an inheritance and the average level of receipt is £40,930. The equivalent statistic among the low educated is just £1,824. It is important to reconcile these findings with the evidence presented in Table 4, which showed that low educated couples are also far less likely to have received *historic* inheritances compared to highly educated couples, and conditional on receiving, the level of such inheritances is relatively low. Data constraints imply the figures in Table 6 do not refer to the rate of wealth being accumulated by the *same* individuals, but they do nevertheless highlight *new* inheritances reported, which reflects transfers received by approximately the same group of couples (in the absence of separation and survey attrition) given how the age ranges are defined and the fact we construct two wave panels.

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. 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. Separately, 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) which will be explored in the second part of the analysis. 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 6 to analyse gift receipt in the 4 years prior to ages 60-64 at wave 3, ages 65-69 at wave 5 and ages 70-74 at round 7, by couple type.

Table 7: 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.

In contrast to historic and recent inheritances the findings in Table 7 show that the magnitude of gifts received when individuals are in their mid-50s upto the point they reach their early 70s, irrespective of couple type is small and is likely to make a negligible contribution 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. For example, among high educated couples where both partners are aged between 60-64 in 2010-12, 12%, four times the proportion when compared to low educated couples report receiving a gift between ages 56 and 60. Moreover, the average level of gifts is £577 in the former group compared to only £71 in the latter.

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. Parental and individual characteristics have a varying degree of influence on the rate at which these types of wealth are accumulated. For example, parents may directly provide financial support to offspring to acquire a home, whereas early life investments may impact education decisions later in life which in turn effect occupation, earnings and hence pension wealth (Bolt et al. 2024). Individual's own characteristics on the other hand impact the ability to borrow and also determine savings behaviour, although the latter has been shown to also be shaped by parent's financial behaviour (Cronqvist and Siegel, 2015). The high levels of wealth inequality observed among baby boomers also reflects the general economic conditions experienced by this cohort, for example the return on holding assets such as housing, particularly in London and the Southeast over the second half of the 20th century in GB.

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. The bulk of inheritances are likely to have been received from family members and hence *both* sets of parents, and we have shown the likelihood of receipt and size of such transfers is highly stratified by couple type.

The focus of this section has been *intragenerational* wealth inequality among baby boomers, and our findings highlight very large differences in absolute wealth holdings by the time couples reach their late 60s. 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 empirical evidence using the WAS suggests that the role of parental resources is set to play an increasingly important role in determining living standards Gregg and Kanabar (2023a). Research also shows that the strengthening of the correlation in intergenerational wealth is being driven by rising inequality in offspring homeownership and housing wealth (Gregg and Kanabar, 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.

In wave 1 of WAS, sample respondents are asked "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. In online Appendix E we provide response matrices by couple type, for each partner within the couple. We analyse inheritance attitudes among baby-boomers and to keep the findings consistent with our previous analysis restrict attention to individuals aged 50-60 at wave 1 of WAS (2006-08).[21] Online Appendix E 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). Whilst there was a higher proportion of couples who did not have an opinion on the importance of leaving an inheritance among low educated couple types, small sample sizes refrain us from investigating this further.

Importantly, individuals and couples' attitude to inheritances may be influenced by their *capacity* to transfer wealth, for example whether they are homeowners or the level of inheritances they themselves have received. Whilst wave 1 of WAS does not include derived measures of total net wealth it is possible to analyse the relationship between inheritance attitudes on the one hand and various markers of wealth such as housing tenure and inheritance receipt. We note at the outset that such a relationship may well be endogenous, put another way, it is difficult to disentangle the direction of association. Nevertheless, we believe such descriptive evidence is important and note inheritance receipt refers to transfers received prior to reported inheritance attitudes.

We define a binary variable which equals 1 if individuals believe inheritance is fairly or very important and zero otherwise (we exclude individuals who have no opinion for analysis purposes, less than 2% of the sample). Our findings show there is a strong correlation between

[21] 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, 2023b) and before selected mortality affects estimates and note the trends reported for 50–60-year-olds are similar to this larger sample.

inheritance attitudes and housing tenure, conditional on controlling for a range of other characteristics. 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 >5 years ago at the time of interview) 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 (those received within 5 years). Given we measure couple's attitudes when individuals are aged in their 50s this may well reflect historic inheritances being received at critical periods earlier in the lifecycle, which is more likely for highly educated couples and possibly being used for specific purposes such as paying down their mortgage. We separately note that, conditional on couple education type, women are more likely to report leaving an inheritance in the future as important. Finally, we note that 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 8: Inheritance attitudes among couples aged 50-60 and own inheritances.

Covariates	Inheritance intention
Education combination	
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)
Sociodemographic characteristics	
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, understanding individuals and couples' inheritance *intentions* is important for understanding future transfers of wealth, particularly given the substantial albeit unequally distributed level of wealth accumulated by baby boomers. Such data was collected at round 7 (2018-2020) of WAS. Specifically, 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 the retirement intentions of pseudo-parents aged 65-74 and the implications for intergenerational wealth transfers. We choose this age range to keep the findings consistent in terms of the birth cohorts used in earlier analysis. Whilst we analyse retirement intentions using a cross section of couples at round 7 (2018-2020) implying the underlying sample may well correspond to different couples, we nevertheless wish to understand such intentions among the baby boomer generation by couple type.

We note at the outset that the figures reported in Table 9 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 14 presented in the second part of the paper, based on a pseudo cohort of offspring couples, shows the number of siblings is stratified by couple type such 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 also stratified by parental characteristics (Boileau and Sturrock, 2023a; van der Erve et al., 2023).

We first consider whether the types of inheritances couples intend to bequeath differ by couple type. 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 9 reports responses by couple type.

Table 9: Inheritance intentions by couple and inheritance type

	Inheritance intention			
Couple type	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 9 shows irrespective of inheritance type more highly educated couples intend to pass on a given type of asset. This finding is to an extent unsurprising given 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 for consumption purposes or to fund social care. Thus, the ability to pass on such 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, excludes pension wealth. From an intergenerational perspective our

main interest is understanding level differences across different types of couples, rather than intrahousehold differences.[22]

Table 10: 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.

Table 10 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 10 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. Whilst WAS does not record this information at the couple (pseudo-parent) level, we note that among pseudo-offspring with parents sharing similar education characteristics as our baby boomer sample, Table 14 in the second part of the analysis shows the average number of siblings is *higher* among those with *lower* educated parents.

[22] 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.

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 is 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 Tables 5 and 14 shows that whilst the average number of reported siblings slightly increased among high educated couples and decreased among low educated couples between the baby-boomer and Generation X cohort, 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 4,6,10 and 16 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 at least one parent, typically their father, who is highly educated as shown in Table 5. 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, which is highly stratified by couple type as shown in Figure 1 is set to play an increasingly important role in determining offspring wealth accumulation going forward.

Offspring generation

The second part of the analysis focuses on partnership decisions and the profile of wealth accumulation among couples where both spouses are born between 1973 and 1979, so aged between 27 and 35 at wave 1 (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 we use for analysis purposes (House of Commons Library, 2012). We utilise the retrospective data on individual's parent characteristics collected at wave 2 of WAS to corroborate our findings with respect to the first part of the analysis.

Table 11 shows the level of assortative mating by education in the pseudo-offspring generation, by couple type. As discussed in Section 3, 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 11 refers to the proportions of matches expected under random matching and the final column shows the proportions observed in the data.

Table 11: 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	

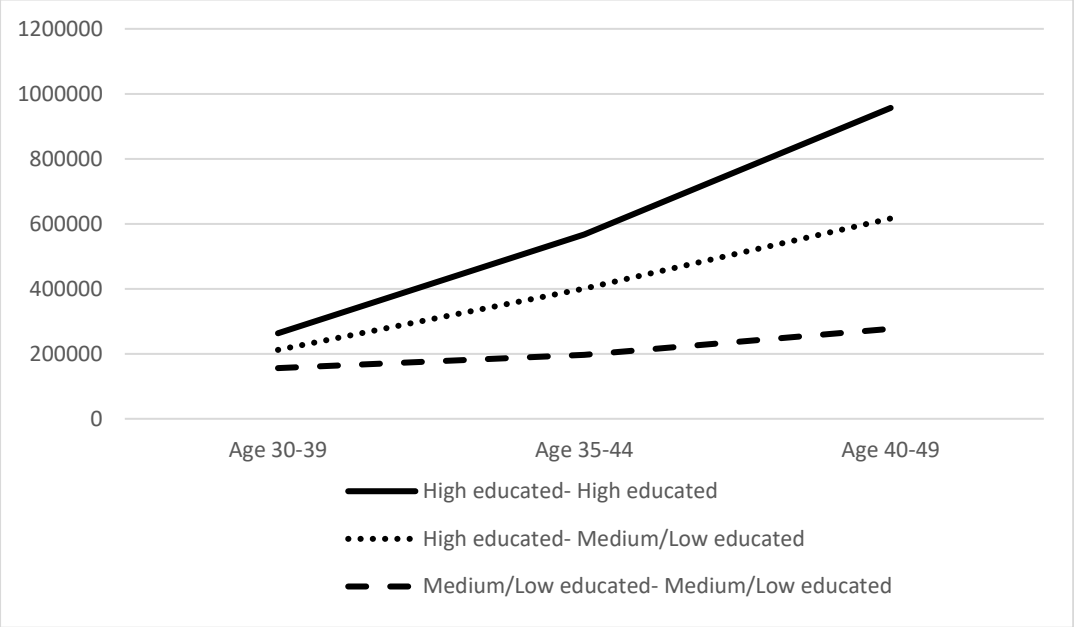
Notes: couples at wave 1 (2006-08) of WAS where both partners are aged 27-35. Proportions correspond to weighted figures and may not sum to 100 due to rounding.

Similar to the findings based on the baby-boomer sample, Table 11 suggests individuals belonging to cohorts born 1973-1979 exhibit positive sorting relative to random matching. A statistical comparison of the sorting matrices reported in Table 11 implies a significant difference in the observed and expected frequencies.[23] 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 halve of what is implied based on random matching, based on our broad education categories.

To understand how wealth profiles vary by couple type we next plot reported wealth by age. In Figure 2 we report median levels of wealth based on cross section data. Therefore, the trends in Figure 2 reflect wealth holdings at a point in time across different individuals 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 born to birth cohorts 1973-1979, and of the same type across time, though the underlying data may not necessarily refer to the same couples. 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.

[23] 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 a clear ordering in couples total net wealth by education type. Those with higher levels of educational attainment report higher levels of total net wealth which rapidly fans 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: increasing from £107K at ages 30-39 to £680K at ages 40-49.

The trend in wealth trajectories depicted in Figure 2 may reflect individual savings arising from market returns to characteristics such as education. Alternatively, such differences may arise due to intergenerational transfers which have been shown to be stratified by parental characteristics including education and homeownership (Gregg and Kanabar, 2023b; van der Erve et al., 2023). Understanding the composition of wealth portfolios at individual and couple level sheds light on the components of wealth responsible for driving the divergence in total net wealth observed in Figure 2.

Table 12: Median income and wealth holdings by wealth and couple type at ages 35-49 across wave 3-Round 7 of WAS (2010-2020).

Couple type (wave/round)	*Couple level measures of income and wealth*							
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
$N_{couples}$	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
$N_{couples}$	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 12 shows that across most wealth types there is a clear ordering by couple type, irrespective of age group and time period considered. The single largest component of total net wealth among couples in their 30s is housing irrespective of couple type (we include couples who report zero housing wealth). 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 12 shows that pension wealth becomes the dominant wealth form among more highly educated couples and the stock 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, we note that these same couples report much higher levels of financial wealth compared to medium/low educated couples, however in absolute terms this form of wealth constitutes only a small proportion of couple's total net wealth holdings. Finally, Table 12 shows a clear pattern in terms of homeownership by couple type: more highly educated couples consistently report higher levels of homeownership: around 80% in their 30s which increases to over 90% by the time they reach their mid-late 40s, in contrast to lower educated couples who report homeownership rates of between 60-70% irrespective of age group.

The rate at which young couples accumulate wealth is a function of various factors including savings from earnings, investment returns and transfers received from *both* sets of parents. The findings in Table 12 highlight 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 play an 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, similar to the first part of the analysis we create two-wave panels in order to trace out inheritance and gift receipt, by couple type, in the immediate four calendar years prior to individual's survey interview.

Table 13: 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/Low educated	0.09	0.03	0.30	0.16	0.28	0.16	0.27	0.15	0.17
Medium/Low educated-Medium/Low 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
$N_{couples}$	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 13 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 13 is for most individuals prior to receipt of their 'main' inheritance, which is typically received between ages 50-70, as shown in Tables 4 and 6 for the pseudo-parent generation. Given the absolute levels of wealth reported among couples in Figure 2 and Table 12, the findings in Table 13 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 who also tend to be lower earners (Boileau and Sturrock, 2023a). More generally, such transfers have been shown to be economically important in GB, specifically, to facilitate homeownership and empirical evidence suggests intergenerational transfers are highly stratified by parental characteristics such as education and housing tenure; indeed, for certain offspring groups such transfers constitute 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. Indeed, evidence suggests the vast majority of loans are made between parents and offspring (Boileau and Sturrock, 2023a**).** Appendix F 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 relative to offspring couple's total net wealth.

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 11.

Table 14: 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 14 includes markers of parental and household characteristics for *each individual* in a partnership, by couple type. Many of these markers proxy parental resources and research shows are useful for analysing intergenerational wealth correlations (see Gregg and Kanabar, 2022). By separating out the characteristics of parents for each partner in the offspring couple, we can shed light on the similarities in characteristics within parent couples, across *both set of parents,* and given the findings in the first part of the analysis consider the likely implications this has for understanding inter and intragenerational wealth inequality.

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 12 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.[24] Such differences in 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 9 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 in their own right which has been shown to influence labour market attachment (Liefbroer and Corijn, 1999). Finally, we note those adult offspring in medium-low educated couples report a larger number of siblings, especially among the male offspring partners. This is relevant for understanding intergenerational transfers set to take place in the future specifically that such transfers are highly stratified by parent couple type (as shown in Tables 9 and 10) and is usually split among heirs. Taken together with the findings in the first part of the analysis, the retrospective data underline future wealth transfers in the form of inheritance will disproportionately benefit the most educated offspring couples.

The so-called 'Great Wealth Transfer' is still in its early stages, however one way to elicit information regarding future wealth receipt is to analyse inheritance *expectations* among offspring born between 1970 and 1980 whose parents belong to the baby boomer generation. Such individuals 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 (thought recent empirical evidence suggests otherwise, see inter-alia Basiglio et al., (2022)), our aim is to understand broad differences, by couple type, in terms of expected inheritance rather than the precise amounts per se. Separately, we note that the proportion of individuals in Table 15 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. 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.

[24] 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).

Table 15: 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.

Table 15 shows a striking trend across couple types regarding the expected likelihood of future inheritance receipt, noting that expectations are highly consistent within couples. We find that between 3-4 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 not expect to receive an inheritance, and this proportion rises to around 60% of this group if we combine those who respond that the likelihood is "not very likely" or "not at all". This is roughly similar to the proportion of high educated couples who report they "definitely or very likely" will receive some form of inheritance. In contrast, the equivalent statistic among low educated couples is around 25%.

Conditional on individuals responding that they expect to receive some form of inheritance (i.e. columns 2-4 in Table 15) WAS reports the expected level of individual's share of total inheritance(s) net of tax.[25] 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.

[25] Respondents are asked to report net amount if known.

Table 16: 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).

Table 16 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. Separately, we note that 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. 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 above, especially for the most educated offspring couples given the findings in the first part of the analysis and underlines the importance of baby boomer parents' wealth holdings in influencing future wealth inequality.

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 10 the median value of total inheritance intention 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), a multiple of

around 2.5. Moreover, as shown Table 14, highly educated offspring couples are also more likely to report *both* sets of parents being highly educated.

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 our back of the envelope calculation 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 Table 16, which in this case refer to responses based on the offspring cohort and show that among highly educated couples the most frequently reported amount of expected inheritance was £100,000-£249,999. We nevertheless caution readers when interpreting these findings given the small sample size.[26]

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, the latter having 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 *themselves* 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 counterparts. In terms of the lifecycle profile of wealth accumulation the findings show that by age 65-69 these couples have amassed £2.49M in net wealth (at the median), 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.

To corroborate our findings, we show the qualitative nature of the findings including the profile of wealth accumulation by couple type is mirrored in the pseudo-offspring generation. 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

[26] The calculations are based on 168 individuals residing in 84 couples.

more likely to report they will 'definitely' receive some form of inheritance, and the expected magnitude of the inheritance share is typically reported to be between £100,000-£249,999 after tax. Whilst the level of inheritances expected to be transferred and received respectively is below the IHT 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, these findings should be interpreted with caution for several reasons: the data do not allow us to clearly 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 figures using 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. One reason for this is the intrinsic nature of the inheritances and gifts, in addition, in the case of historic inheritances individuals may incorrectly recall such information. 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 amounts 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 we follow 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 such as differentiating between married and cohabiting couples, remarriage/divorcees, age at first marriage, ethnic composition and interracial marriages.

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 (Fernàndez 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 playing an increasingly important role in determining 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 (Balestra and Backes-Gellner, 2017). Future research efforts should aim to formally decompose the relative importance of factors such as inheritances and family background on the one hand and individual's own characteristics such as education, which is important for particular types of wealth accumulation such as housing and pension wealth in explaining intragenerational 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. One possibility, which is supported by empirical evidence, is that these individuals are overly liberal in terms of how much wealth they intend to consume in retirement and prior to death (Wu et al. 2016). Alternatively, Crawford and O'Dea (2014) find that certain types of English couples born during the 1940s oversave for retirement. The large disparity may also reflect differences in life expectancy which is socially graded and consistent with the observation that higher educated couples tend to lead healthier lifestyles (Cutler and Lleras-Muney, 2010). Finally, such differences may reflect uncertainty with respect to events occurring at later stages in the lifecycle such as the onset of unexpected health shocks and social care costs. Nevertheless, 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. We note that among the most educated couples, pension wealth is the single largest type of wealth held. At the time of writing, pension wealth held in the form of a defined contribution pension does not form part of a couple's estate for inheritance tax purposes in GB. 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 and in the case of defined contribution pensions, unused pension pots can be passed on to beneficiaries without incurring tax. Undeniably saving for retirement should be encouraged and individuals should be appropriately incentivised, however, the current treatment of such saving requires reform. We do, however, note the general shift from defined benefit to defined contribution schemes since the 1990s in the UK implies the generosity of pension schemes has declined over successively younger cohorts. Therefore, the same *levels* of pension wealth accumulation observed among baby boomers, particularly highly educated couples, may not be repeated among younger couples of the same type especially given the increasing heterogeneity in the market returns to tertiary education. Nevertheless, our findings show the same trends in couple level wealth accumulation, by wealth type, are observed in the Gen X cohort.

Taken together our findings show the so-called 'Great Wealth Transfer' is highly stratified by both parental *and* offspring characteristics. In particular, we document the importance of sorting behaviour for wealth transfers and wealth accumulation across three generations spanning birth cohorts born circa 1920 through to 1979 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.

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Online appendix

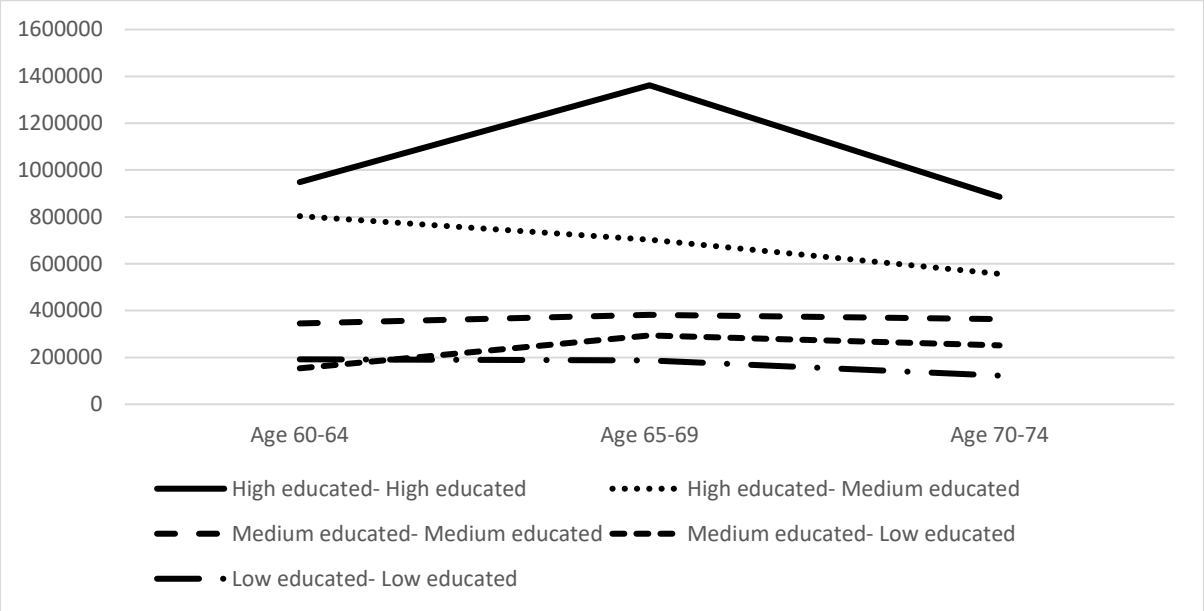
Appendix A: Definition of derived wealth measures in WAS

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.

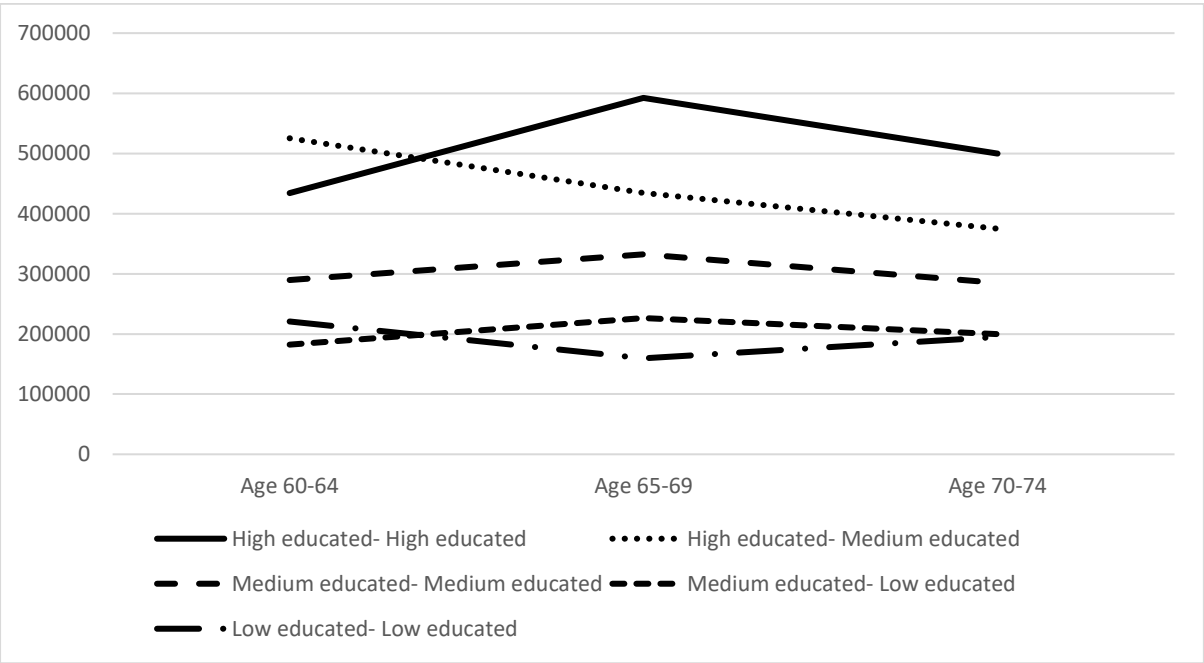
Appendix B: Couple level wealth profiles by wealth type and couple in GB between 2010-12 and 2018-20

Appendix B.1: Pension wealth



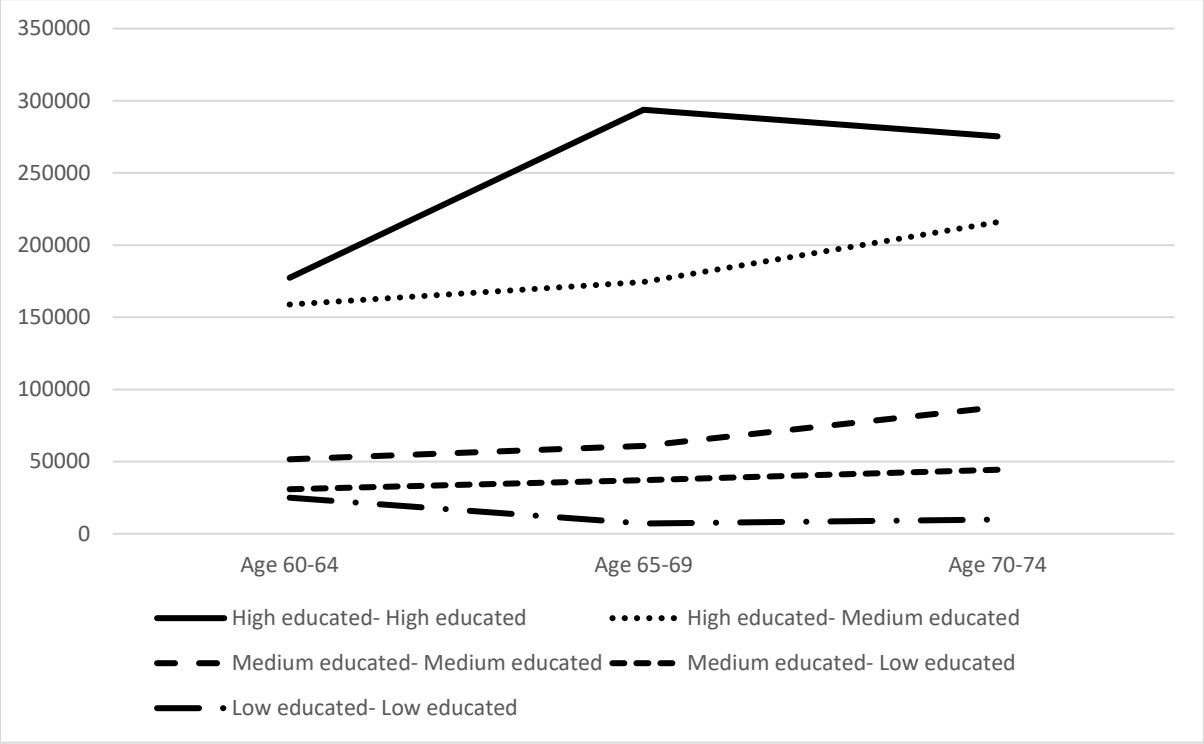
Notes: underlying sample data refers to unique couples at wave 3 and 5, and round 7 of WAS. $N_{wave\ 3}$=336, $N_{wave\ 5}$=431, and $N_{round\ 7}$=331. Figures refer to 2022 prices and weighted estimates.

Appendix B.2: Housing wealth



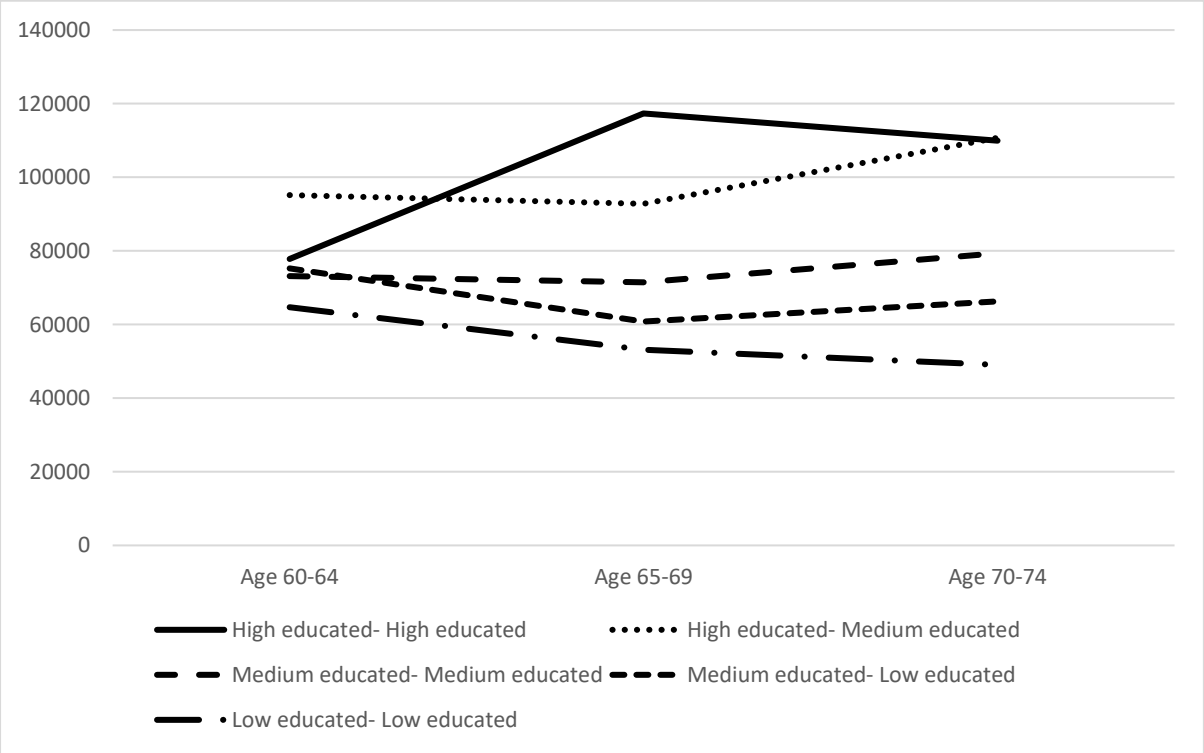
Notes: underlying sample data refers to unique couples at wave 3 and 5, and round 7 of WAS. $N_{wave\ 3}$=336, $N_{wave\ 5}$=431, and $N_{round\ 7}$=331. Figures refer to 2022 prices and weighted estimates.

Appendix B.3: Financial wealth



Notes: underlying sample data refers to unique couples at wave 3 and 5, and round 7 of WAS. $N_{wave\ 3}$=336, $N_{wave\ 5}$=431, and $N_{round\ 7}$=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. $N_{wave\ 3}$=336, $N_{wave\ 5}$=431, and $N_{round\ 7}$=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.

	Types of assets					
Couple type	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).

Property related inheritance						
	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).

Non-property related inheritance							
	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: Inheritance attitudes by couple type among individuals aged 50-60 at wave 1 of WAS (2006-08).

Table E.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%
$N_{couples}$	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 E.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%
$N_{couples}$	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 E.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%
$N_{couples}$	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 E.A4: Medium- 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	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 E.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 F: 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.

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