

Intergenerational Transfers and Asset Inequality in Japan: Empirical Evidence from a New Survey Data

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Abstract

This study quantitatively evaluates possible factors which affect the amount of gift from one's own parents and inheritance received by households. We estimate a gift and inheritance amount equation, using a unique microdata taken from the "Survey of Family Relationship, Job Experience, and Intergenerational Transfers," conducted in January 2010 by the Economic and Social Research Institute. Since our data of gift and inheritance is collected in an ordered interval-coded form, we apply interval regression and ordered probit models.

Our analysis reveals that the households whose head is the oldest son, self-employed, and/or has an advanced education are more likely to receive a large amount of gift and inheritance. It also suggests that most of these intergenerational transfers occur at the time of their parents' deaths. Furthermore, we find that the amount of the household head's income and/or household assets have a positive correlation with the amount of gift and inheritance. Nonetheless, gift and inheritance appear not to contribute largely to widening asset inequality among descendants.

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