

Parental Wealth Transfers and Children's Wealth Accumulation¹

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Abstract

This paper examines the impact of anticipated wealth transfers on recipients' wealth accumulation behavior. Our empirical analysis based on the doubly robust, augmented inverse probability weighting estimator shows that anticipated wealth transfers from parents would encourage children to save more and accumulate more housing wealth. Anticipated transfers can also enhance children's motivations to leave their wealth to their own offspring. Households with anticipated transfers from parents tend to have stronger intentions to leave their wealth to offspring and thereby accumulate more wealth to meet their needs for gifts and bequests.

Keywords: Intergenerational transfers, wealth accumulation, saving, housing wealth, bequest and gift intention.

JEL codes: D14, D15, D31, D64

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