

# Gender Differences in Wealth Transfers: Evidence from tax data

Multidisciplinary Seminar Series at the Stone Center on Socio-Economic  
Inequality

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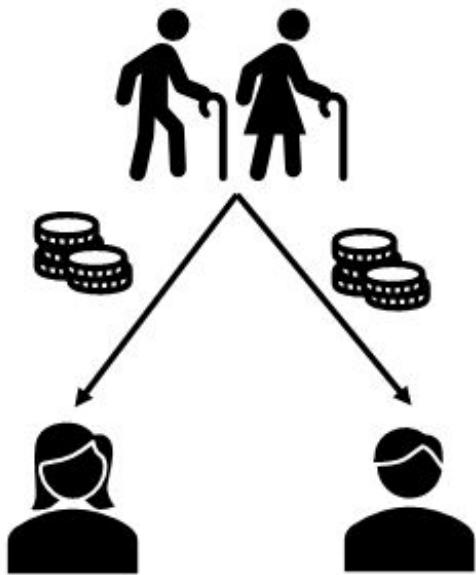
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University of New York

# Gender Wealth Gap



# Motivation



- Share of inherited wealth in aggregate private wealth in Europe around 50-60% (Alvaredo, Garbinti, and Piketty 2017)
- What's the role of intergenerational transfers in gender wealth inequality?
- Mixed prior findings
  - Gender difference in age and amounts of transfers (Bessière and Gollac 2020)
  - Hardly any gender differences in **inheritances** in Germany (Leopold and Schneider 2011; Vogel et al. 2021)
  - But: Prior research based on **survey data**

# Research Questions & Contributions

## Research Questions

1. Are there gender differences in parental transfers (inheritances and gifts) in Germany?
2. How does the German inheritance and gift tax system shape gender inequalities?

## Contributions

- Focus on the upper part of the transfer distribution
- Differentiation between asset types
- Role of the tax system in shaping gender wealth inequality

# Theoretical Background

## The family as an economic institution

- Family contributes to wealth concentration via intergenerational transfers (Farrell 1993)
- Family as a place where wealth is produced, circulated, controlled, and assigned value (Bessière and Gollac 2020)

## Gender inequality in transfers

- Societal beliefs in gender differences in entitlements (Lerner and Mikula 1994; Tisch and Gutfleisch 2022)
- Daughters and sons might receive different asset types
- Unintentional consequences of the tax system (exemptions)

# Country context: German gift and inheritance (tax) law

- Inheritances
  - statutory inheritance quota or last will (predefined inheritances = Vermächtnis and quota)
  - restricted testamentary freedom → disinheritance possible but statutory share: minimum inheritance of close relatives is half the amount they would have received in absence of a last will
- Gifts: amount of the gift and the recipient can be freely determined
- Inheritance tax (not an estate tax)
  - personal tax exemption (applies to the taxable person): e.g., 400,000 EUR / 10 years for parental transfer
  - factual tax exemption (applies to the taxable object): business, forest, furniture, family home etc.

# Data

An das Finanzamt		Aktenzeichen		Eingangsstempel	
FIA	Steuerjahr	UFA	Zeitraum	Vorlage	1
11		71			
<b>Erbschaftsteuererklärung</b>					
Zeilenummer	Todestag	Tag	Monat	Jahr	beurkundet vom Standesamt
1					
2	Erblasser	Name, Vorname		Geburtsdatum	99 11
3	letzte Wohnstraße, Hausnummer				
4	Postleitzahl	Ort	Staatsangehörigkeit		
5	letztes zuständiges Finanzamt		Steuer-Identifikationsnummer	Steuerjahr	
6	Familienstand am Todestag:		<input checked="" type="checkbox"/> ledig	<input type="checkbox"/> geschieden/eingesetzte LP aufgehoben	
7	Lebenspartner verheiratet seit:		<input type="checkbox"/> Lebenspartner verheiratet	<input type="checkbox"/> Steueramt	
8	In welchem Güterstand lebte der Erblasser? (Wenn nicht ausreichend bitte Vertrag einheften.)		<input type="checkbox"/> persönlicher Güterstand (Zugewinngemeinschaft)	<input type="checkbox"/> persönlicher Güterstand nach § 13 FB (DDR)	<input type="checkbox"/> Güterstand nach ausländischem Recht
9	Ist ein Testament/Evertrag vorhanden?		<input type="checkbox"/> nein	<input checked="" type="checkbox"/> ja	
10	Name, Aktenzeichen des Gerichts/Unternehmens/Nummer des Notars: <input type="checkbox"/> Testamentsvollstrecker <input type="checkbox"/> Nachlasspfleger <input type="checkbox"/> Nachlassverwalter bestimmt?				
11	Name, Anschrift Testatorin:				
12	Ist ein Erbschein benötigt worden? <input type="checkbox"/> ja Name, Aktenzeichen des Gerichts/Unternehmens/Nummer des Notars:				
13	War der Erblasser bei seinem Tod beteiligt an einer Erbengemeinschaft? <input type="checkbox"/> fortgesetzter Gütergemeinschaft?				
14	Name, Adresse und Wohntitel des erwerbenden Erbessens, Erbschaftsteuererklärung und ggf. Steuernummer:				
15	War der Erblasser bei seinem Tod Vorwerbe? <input type="checkbox"/> Vorvermächtinsernehmer?				
16	Name, Adresse und Wohntitel des erwerbenden Erbessens, Erbschaftsteuererklärung und ggf. Steuernummer:				
17	Unterschrift des Erblassers im Schließfach? Name und Anschrift des Geldinhabers: <input type="checkbox"/> Ja <input type="checkbox"/> nein				
18	Welche Eigentümerrechte befinden sich in den Schließfächern, wo sind diese in der Erklärung aufgeführt? Bitte ggf. gesondertes Blatt beifügen.				
19	<b>Beteiligte</b> Alle die Zeilen der Erklärung nicht ausfüllieren, bitte gesondertes Blatt beifügen.				
20	Name, Vorname	IR-Nr. der Anlage „Erwerber“	Name, Vorname	IR-Nr. der Anlage „Erwerber“	
21	Name, Vorname	IR-Nr. der Anlage „Erwerber“	Name, Vorname	IR-Nr. der Anlage „Erwerber“	
22	Name, Vorname	IR-Nr. der Anlage „Erwerber“	Name, Vorname	IR-Nr. der Anlage „Erwerber“	
23	Name, Vorname	IR-Nr. der Anlage „Erwerber“	Name, Vorname	IR-Nr. der Anlage „Erwerber“	
24	<b>Unterschrift(en)</b> Die mit der Steuererklärung angeforderten Daten werden aufgrund der §§ 149 ff. AO und des § 31 ErbStG erhoben. Die Angabe der Telefonnummer ist freiwillig.				
25	Steuererklärungen ohne Unterschrift gelten als nicht abgegeben. Bei der Anfertigung dieser Steuererklärung und der Anlagen hat mitgewirkt:				
26					
27					
28					
29	Datum, Unterschrift:				

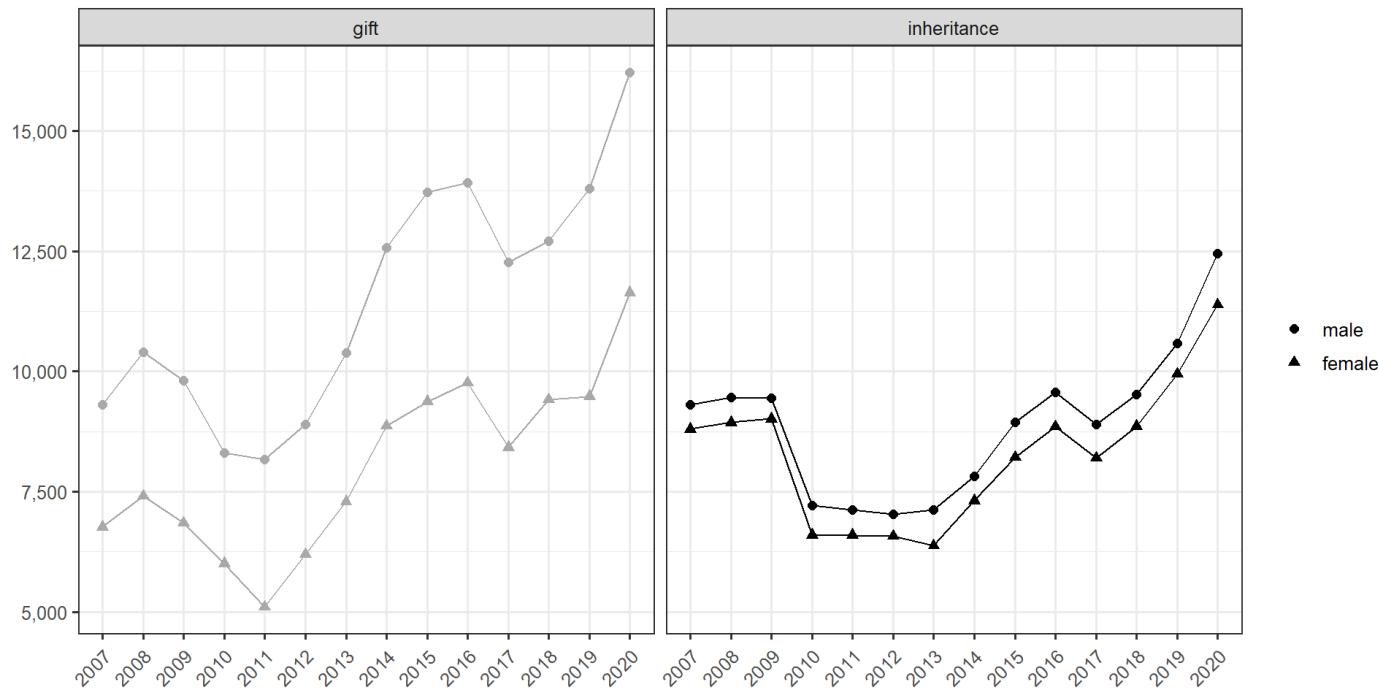
- German inheritance and gift tax data 2007-2020
- Highly sensitive data → restricted access
- Cover bequests and gifts for which a tax claim was requested
- Advantage: Entire population of tax relevant transfers
- Disadvantage: Only entire population of tax relevant transfers
- Coverage: 30% of all bequests, accounting for 73% of all transferred wealth above 10,000 EUR in 2010 (Bach et al. 2014)

# Methods

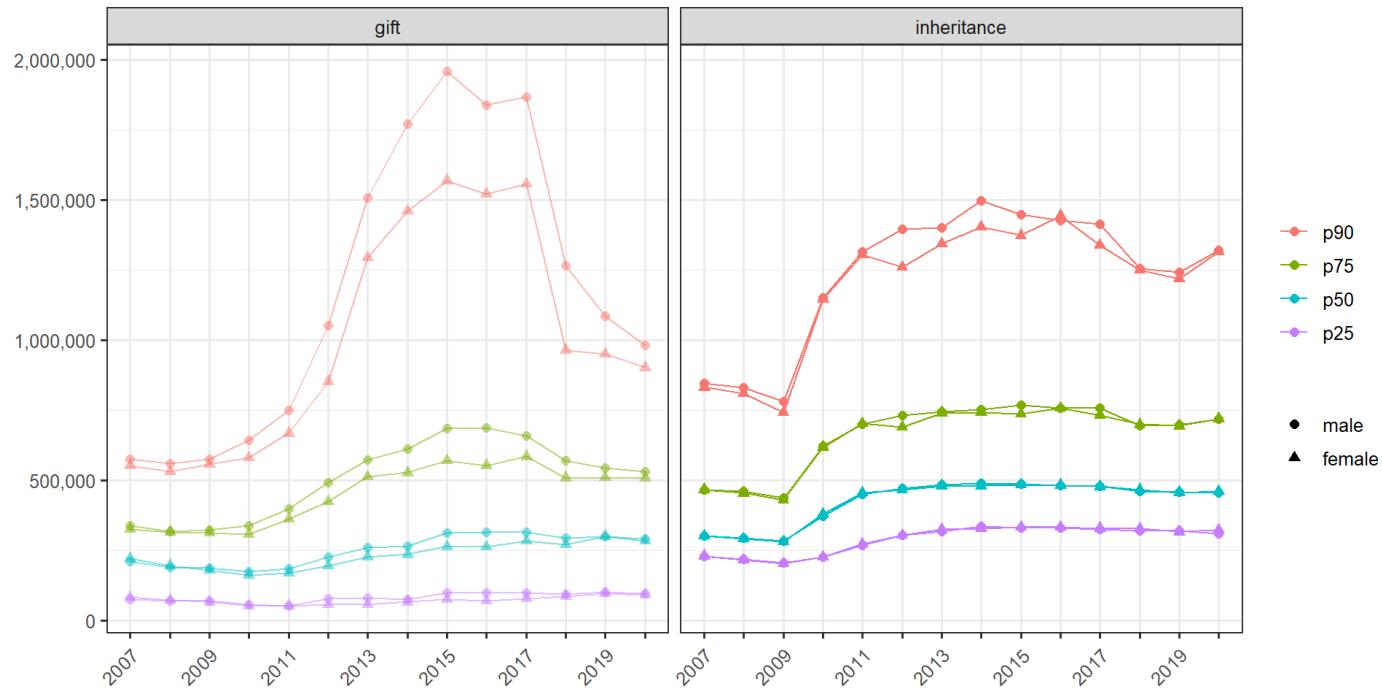
- Descriptive analyses
- OLS regressions
  - Dependent variables:
    1. Percentile rank in gifts / inheritances
    2. Effective inheritance / gift tax rate
  - Predictor variables
    - gender (receiver and donor)
    - asset type (as dummy variables)
    - age (receiver and donor)
    - east/west Germany
    - year

# Gender inequality in gifts but not inheritances?

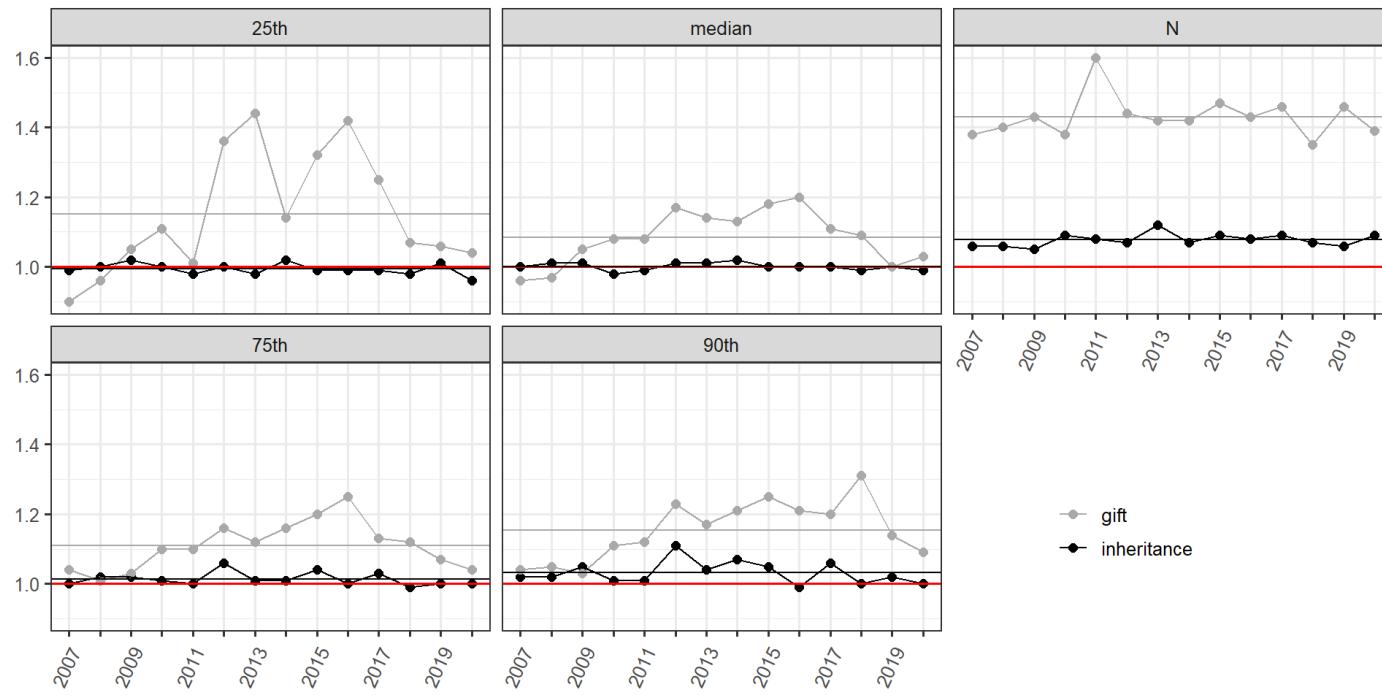
# Number of parental transfers over time



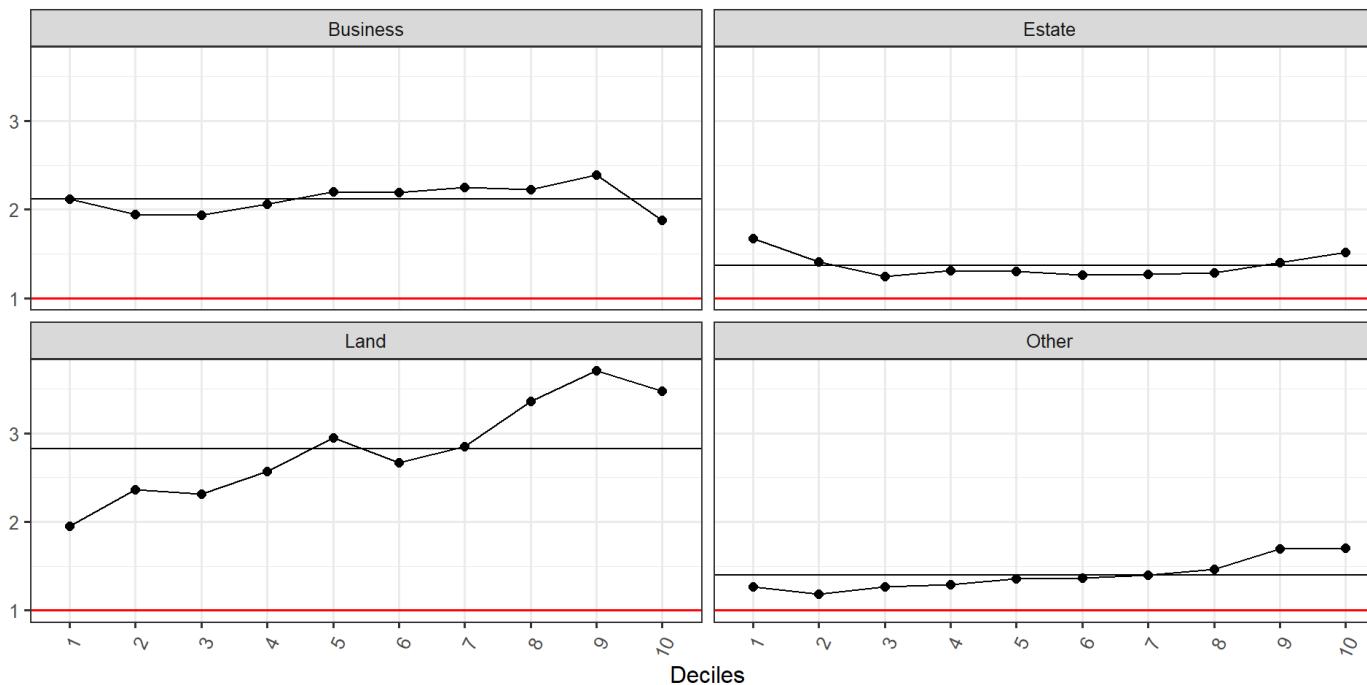
# Amount of transfer by percentile and sex over time (in Euros)



# Gender ratio in transfers over time



# Gender ratio in the number of gifts including specific components by deciles (2007-2020)



## Regression: gifts (2007-2020)

	<i>M1 (b)</i>	<i>M1</i> ( <i>se</i> )	<i>M2 (b)</i>	<i>M2</i> ( <i>se</i> )
Receiver female	-1.857***	0.11	-3.058***	0.77
Business (indicator)			27.73***	0.20
Business (indicator) * Receiver female			3.894***	0.36
Land (indicator)			-0.107	0.23
Land (indicator) * Receiver female			-4.262***	0.43
Other wealth (indicator)			2.836***	0.20
Other wealth (indicator) * Receiver female			0.385	0.35
Estate (indicator)			18.06***	0.20
Estate (indicator) * Receiver female			4.236***	0.34
Donor female			-2.301***	0.14
Donor female * Receiver female			1.178***	0.22
Age (receiver)			0.113***	0.01
Age (receiver) * Receiver female			-0.0207*	0.01
Age (donor)			-0.124***	0.01
Age (donor) * Receiver female			0.0182	0.01

West		3.717***	0.25
West * Receiver female		-0.659	0.39
Intercept	51.00***	0.23	35.24***
N	273030	257712	
R <sup>2</sup>	0.00	0.18	
Gender Gap	-1.857	-0.369	
p value (Gender Gap)	0.00	0.00	

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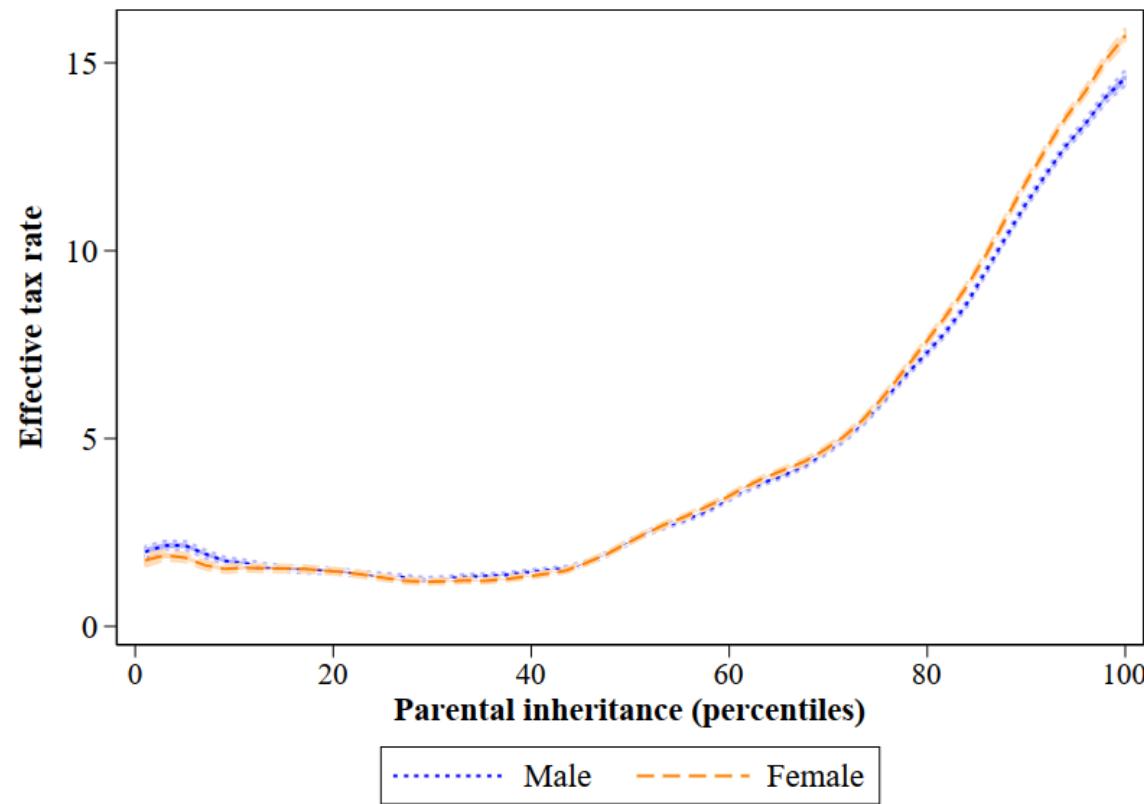
## Regression: inheritance (2007-2020)

	<i>M1 (b)</i>	<i>M1 (se)</i>	<i>M2 (b)</i>	<i>M2 (se)</i>
Receiver female	-0.0950	0.12	0.122	1.11
Business (indicator)			13.44***	0.24
Business (indicator) * Receiver female			-0.780*	0.35
Land (indicator)			-3.501***	0.23
Land (indicator) * Receiver female			-0.526	0.33
Other wealth (indicator)			-1.825***	0.33
Other wealth (indicator) * Receiver female			0.226	0.48
Estate (indicator)			10.89***	0.21
Estate (indicator) * Receiver female			-0.200	0.30
Donor female			0.999***	0.17
Donor female * Receiver female			0.137	0.25
Age (receiver)			-0.0186	0.01
Age (receiver) * Receiver female			-0.0179	0.02
Age (donor)			0.213***	0.01
Age (donor) * Receiver female			0.0246	0.02
West			1.598***	0.39
West * Receiver female			-1.146*	0.57

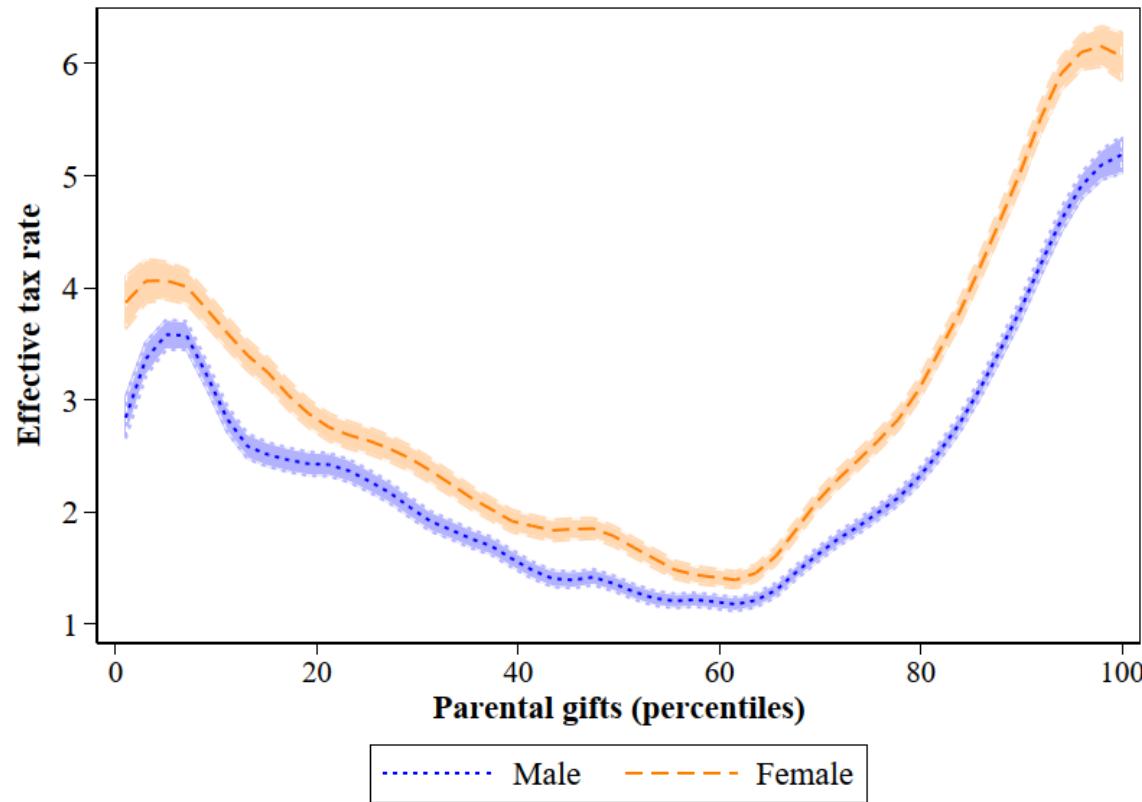
Intercept	50.50***	0.22	24.92***	0.80
N	240100		229874	
R <sup>2</sup>	0.00		0.05	
Gender Gap	-0.095		0.060	
p value (Gender Gap)	0.42		0.61	

Let's look at how the tax  
system shapes gender  
inequality.

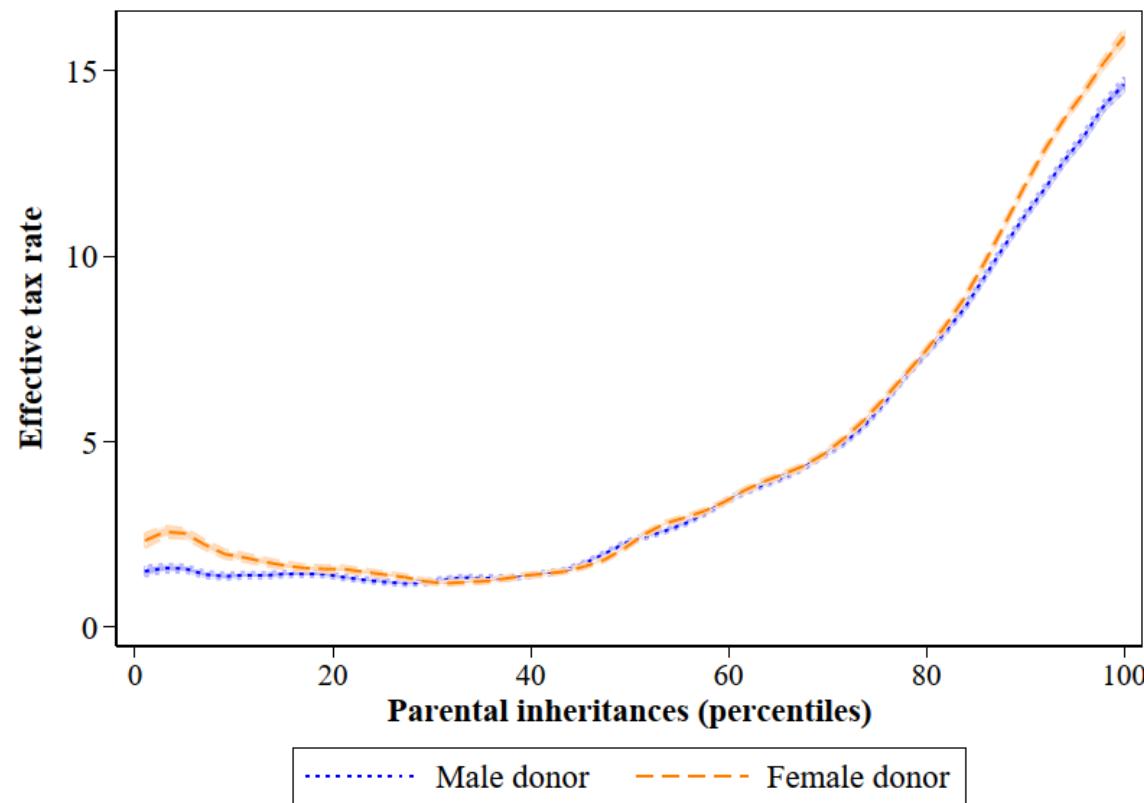
# Effective inheritance tax rate by gender of receiver (2007-2020)



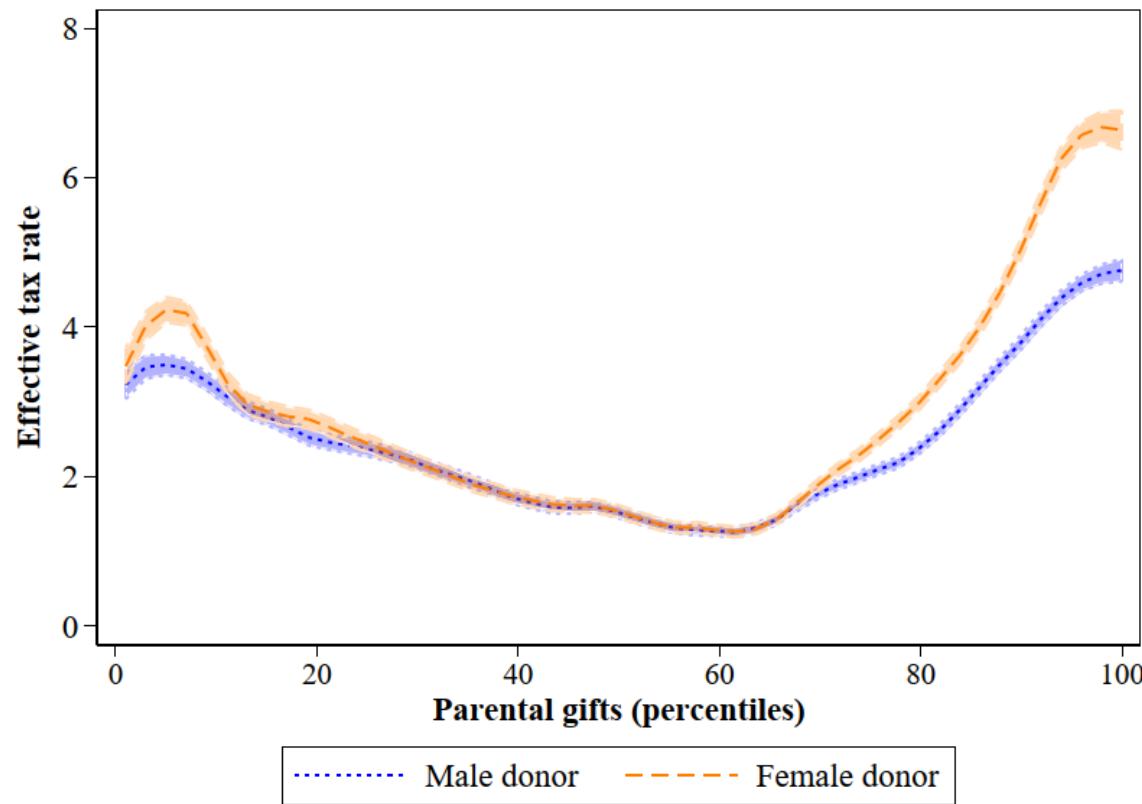
# Effective gift tax rate by gender of receiver (2007-2020)



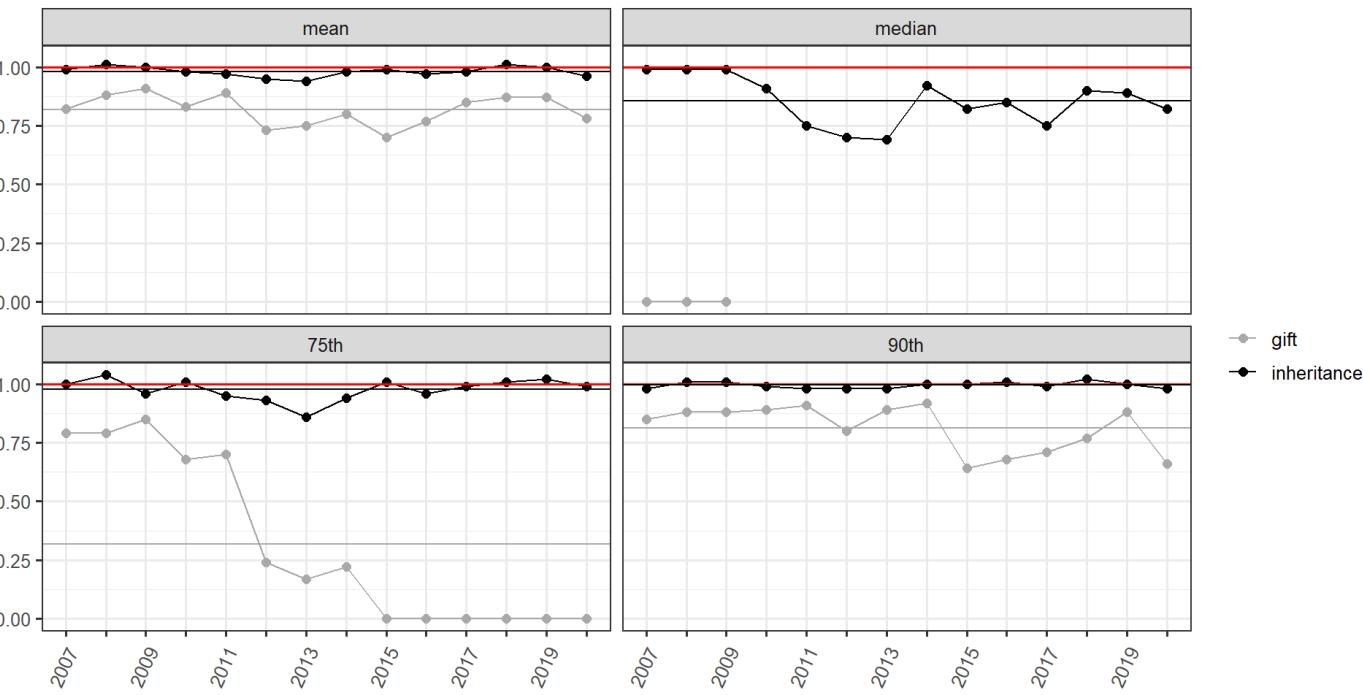
# Effective inheritance tax rate by gender of receiver (2007-2020)



# Effective gift tax rate by gender of donor (2007-2020)



# Gender ratio of effective tax rate over time



## Regression: effective gift tax (2007-2020)

	<i>M1 (b)</i>	<i>M1</i> ( <i>se</i> )	<i>M2 (b)</i>	<i>M2</i> ( <i>se</i> )
Receiver female	0.549***	0.02	0.480**	0.17
Gifts, percentile	0.0113***	0.00	0.0287***	0.00
Business (indicator)			-2.138***	0.05
Business (indicator) * Receiver female			-0.448***	0.08
Land (indicator)			-1.260***	0.05
Land (indicator) * Receiver female			0.0853	0.09
Other wealth (indicator)			1.235***	0.04
Other wealth (indicator) * Receiver female			0.127	0.08
Estate (indicator)			-1.147***	0.04
Estate (indicator) * Receiver female			-0.752***	0.08
Donor female			0.0220	0.03
Donor female * Receiver female			-0.338***	0.05
Age (receiver)			0.0656***	0.00
Age (receiver) * Receiver female			-0.0102***	0.00
Age (donor)			0.00333**	0.00

Age (donor) * Receiver female		0.00848***	0.00	
West		0.659***	0.05	
West * Receiver female		-0.188*	0.08	
		0.00719***	0.00	
Intercept	2.812***	0.05	-0.623***	0.12
N	271087		255949	
R <sup>2</sup>	0.02		0.11	22

## Regression: effective inheritance tax (2007-2020)

	$M1 (b)$	$M1$ (se)	$M2 (b)$	$M2$ (se)
Receiver female	0.0804***	0.02	-0.0708	0.18
Inheritance, percentile	0.119***	0.00	0.119***	0.00
Business (indicator)			-0.558***	0.04
Business (indicator) * Receiver female			0.463***	0.06
Land (indicator)			-0.311***	0.04
Land (indicator) * Receiver female			0.223***	0.05
Other wealth (indicator)			0.822***	0.05
Other wealth (indicator) * Receiver female			-0.378***	0.08
Estate (indicator)			-1.386***	0.03
Estate (indicator) * Receiver female			-0.0885	0.05
Donor female			-0.114***	0.03
Donor female * Receiver female			-0.0548	0.04
Age (receiver)			-0.0115***	0.00
Age (receiver) * Receiver female			-0.00309	0.00

Age (donor)		0.0276***	0.00	
Age (donor) * Receiver female		0.00216	0.00	
West		0.117	0.06	
West * Receiver female		0.0355	0.09	
		0.00849***	0.00	
Intercept	-0.883***	0.04	-2.210***	0.13
N	239947		229733	

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# Conclusion

- Gender gap in total amounts and number of inheritances and gifts
- Gender differences more pronounced in gifts compared to inheritances
- Asset types and gender of donor explain gender transfer gap in amounts
- Tax system with generous exemptions amplifies gender inequality

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[dariatisch.github.io](https://dariatisch.github.io)

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# No age differences

