The Wealth of Children. Identification, assumptions, limits.

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Ined & Paris-Panthéon-Assas (Lemma)

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- Minor children within households (HHs) → severe endogeneity of moving / staying from the HH when children over 18
- From households to children: same usual limits as with (French) wealth survey = only ordinary households + sampling of super-rich HHs

- Few data can offer this: register data and surveys not always so fine-grained
- ► Almost no literature (Boserup, Kopczuk, and Kreiner (2018); Sansu(r) and Leturcg (n.d.); Leturcg (n.d.) + works on pocket money (Barnet-Verzat and Wolff (2001), etc.)
- From HHs to individuals: HHs aren't just couples, this adds a layer of understanding (this also raises the question of adult members of HHs that are not parents / couples)

For what?

Introduction

- Intergenerational mobility and inequalities: Boserup, Kopczuk, and Kreiner (2018)
- \triangleright HH structures and inequalities: Sansu(r) and Leturcq (n.d.)
- Parental practices: Sansu(r) and Leturcq(n.d.); Leturcq(n.d.)
- Many others...

- ▶ 5 waves, from 2004 to 2020
- HHs with minor children
- ► Table "Produit" → identification of financial and estate assets owned by children
- Rebuilding HHs structures (ranks, blended families, etc.)

Introduction

▶ Minimization choice for real estate assets if others people in the HH

Stylized facts & results

- No professional wealth + no associated debt
- Drop same-sex parents (around 10 HHs per wave)

Introduction

Sample	$All\ families$	$Non-blended\ families$	$NBF,\ 2+\ children$
Children			
N_{obs}	29743	21066	18556
% of boys	51.1	50.6	50.8
% from multiple birth	3.12	3.11	3.63
Age	8.66	8.16	8.74
Financial wealth	1262.07	1393.09	1421.47
% with zero financial wealth	45.4	42.6	41.4
Households (HH) N_{HH}	16648	11530	9020
N_{HH}	16648 1.94	11530 1.99	9020 2.33
N_{HH} Children in HH			
N_{HH} Children in HH Children outside HH	1.94	1.99	2.33
N _{HH} Children in HH Children outside HH Children from preceding unions	1.94 0.32	1.99 0.15	2.33 0.20
N _{HH} Children in HH Children outside HH Children from preceding unions HH net wealth	1.94 0.32 0.67	1.99 0.15 0	2.33 0.20 0
, ,	1.94 0.32 0.67 202796.69	1.99 0.15 0 240010.15	2.33 0.20 0 259528.24

Stylized facts & results

▶ Limits when used as dependent / independent variable → same as when working with usual wealth but even more severe (skewed, large share of 0s, measurement errors, etc.)

Stylized facts & results

- Real estate assets highly selected: 1.30% of children, yielding a mean increase of 25% from 1262 to 1572 euros
- Endogeneity in a lot of social processes / mechanisms (+ composition effects of HH structures)
- Which weights?

Children's wealth distribution

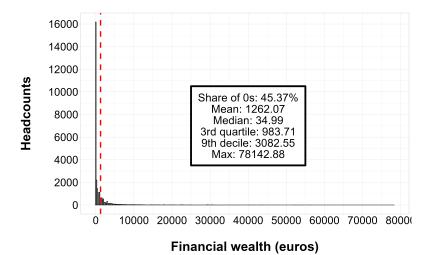


Figure 1: Distribution of financial wealth directly owned by minor children.

Children's wealth distribution (IHS-transformed)

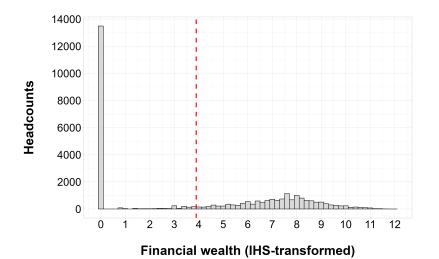


Figure 2: Distribution of IHS-transformed financial wealth directly owned by minor children.

Assets

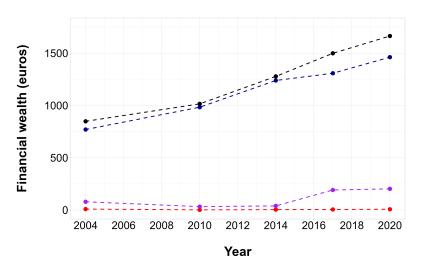
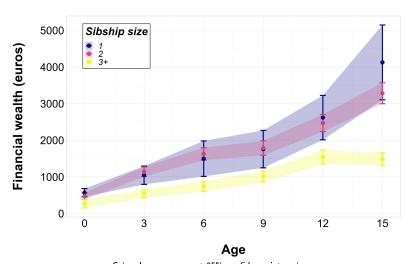


Figure 3: Time-series of mean financial wealth (black), broken down by current accounts (red), savings accounts (blue), non-savings assets (purple).

Fewer siblings, more wealth?



Colored areas represent 95% confidence intervals.

Figure 4: Mean financial wealth by age according to sibship size.

Observations here are restricted to the subsample of non-blended families.

No visible gender differences

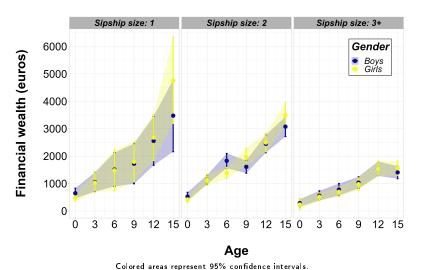


Figure 5: Mean financial wealth by age according to sibship size, broken down by gender. Observations here are restricted to the subsample of non-blended families.

No visible rank differences

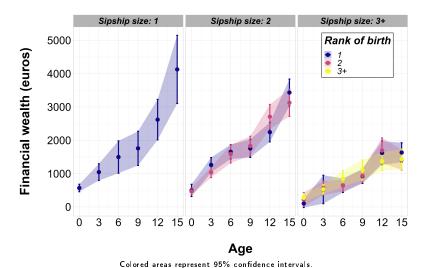
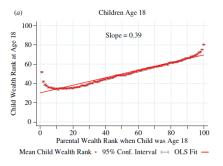


Figure 6: Mean financial wealth by age according to sibship size, broken down by rank of birth. Observations here are restricted to the subsample of non-blended families.

Boserup, Kopczuk, and Kreiner (2018)



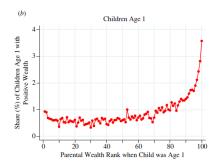


Figure 7: Relationship of Parental and Childhood Wealth.

References 1

Introduction



Barnet-Verzat, Christine and François-Charles Wolff (2001). "L'argent de poche versé aux jeunes : l'apprentissage de l'autonomie financière". fr. In: Economie et statistique 343.1, pp. 51-72. ISSN: 0336-1454. DOI: 10.3406/estat.2001.7461. URL:

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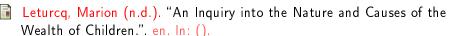


Boserup, Simon Halphen, Wojciech Kopczuk, and Claus Thustrup Kreiner (July 2018). "Born with a Silver Spoon? Danish Evidence on Wealth Inequality in Childhood". en. In: The Economic Journal 128.612, F514-F544, ISSN: 0013-0133, 1468-0297, DOI: 10.1111/ecoj.12496. URL: https: //academic.oup.com/ej/article/128/612/F514-F544/5089455

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References II

Introduction



Sansu(r), Mathis and Marion Leturcq (n.d.). "Wealth inequality from the cradle. The impact of sibship size on children's assets.". en. In: ().