

**Mixed blessings?**  
**The chances of leaving an inheritance among immigrants and  
native-born elderly populations in Europe**

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***Abstract***

Introduction: It is widely acknowledged that intergenerational transfers are a major source of social bonds. In Europe the setting up of welfare systems and the widespread existence of pensions systems have been crucial in making older people as providers of financial support to their offspring. Whilst abundant literature has dealt with the description and explanation of intergenerational transfers, little is known still about the patterns of downward financial flows to younger generations via inheritance between immigrants and native-born elderly populations. Aim: Of importance here is to assess the differences in the chances of leaving an inheritance among various immigrants and native-born elderly populations in Europe. This paper makes two specific contributions. First, it assesses the probability of leaving an inheritance based on nativity, immigrant origin, age at migration and duration of residence. Second, it sets out cross-region and country differences in the chances of leaving an inheritance. Data: The study uses data from the Survey of Health and Ageing and Retirement in Europe (SHARE), which allow us to provide comparative evidence between people aged 50 and for 11 (wave 1) and 14 (wave 2) European countries. Results: The odds of leaving an inheritance are significantly lower for immigrants than for the native-born elderly although important differences are found too among immigrant groups. Age at migration appears to be a more powerful predictor of leaving an inheritance than duration of residence. The chances of receiving an inheritance and homeownership are the two most powerful predictors of leaving an inheritance. The findings make evident the need to address social disparities in order to tackle the growing wealth gap and intergenerational inequality that creates unequal socioeconomic positions across generations.

## ***Introduction***

It is widely acknowledged that intergenerational transfers are a major source of social bonds. In Europe the setting up of welfare systems and the widespread existence of pensions systems have been crucial in making older people as providers of financial support to their offspring. Gains in life expectancy combined with a decrease in the number of children per family have also contributed greatly to the number of people who inherit assets (Attias-Donfut and Wolff, 2000). Other factors such as the growth of homeownership in Europe have led to more bequests, thus affecting the distribution of wealth between different population subgroups depending on their housing wealth (Rowlingson and McKay, 2004). Within this context, the existence of disparities in advantage and disadvantage that produce patterns of inequality within and across societies is likely to put various population subgroups in different positions in terms of the distribution of wealth and the way inheritance moves down generations. These patterns are seen as crucial as they affect the well-being of individuals and families as well as issues of social policy, social stratification and social integration (Szydlik, 2004; Avery and Rendall, 2002).

Whilst a significant number of studies have analysed the effect of inheritance on wealth inequality (see, for example, Forrest et al, 1990; Gokhale et al, 2001; Wolff, 2002), much less is known about the comparative evidence concerning differences on inheritance transfers among immigrants and native-born populations across countries. Research to date has generally focused either on particular country experiences (see, for example, Izuhara, 2002 for a comparison of the Japanese and English perspectives) or particular groups (see, for example, Nesbitt and Neary, 2001 for a comparison of the Pakistani, Bangladeshi and White groups in England). In the USA, some scholars such as Thomas Shapiro (2004: 5) have also argued that differences between minority groups such as the African American and the White group might be subject to the effect of the baby boomer generation which 'is in the midst of benefiting from the greatest inheritance of wealth in history'. As pointed out by Albertini et al (2007) and Kaufmann et al (2002) when evaluating inheritance expectations the macro-level or contextual factors are also important.

In a context of ageing migrant populations in Europe and elsewhere after continued immigration and increased diversity, more studies are needed to explore the intensity and practices related to inheritance transfers among migrant and non-migrant groups. So far research on immigration has mostly focused on the needs of working-age immigrants and has paid little attention to the significance of wealth transmission by immigrant seniors to second generation immigrants, which is expected to have a direct impact on the social mobility of the latter and future generations.

## ***Aim***

The aim of this paper is to contribute to further understanding of the chances of leaving an inheritance among immigrants and native-born elderly populations in Europe. This paper makes two specific contributions. First, it assesses the probability of leaving an inheritance based on nativity, immigrant origin and age at migration. Second, it sets out cross-region and country differences in the chances of leaving an inheritance. The purpose of this research is to address the following research questions:

- 1) Are there differences/similarities between immigrants and native-born elderly populations in the chances of leaving an inheritance based on nativity, immigrant origin, age at migration and duration of residence?
- 2) To what extent are there differences/similarities between immigrants and native-born elderly populations across regions and countries?

### ***Data and Methods***

This paper uses data from the Survey of Health, Ageing and Retirement (SHARE), which allow us to provide comparative evidence between people aged 50 and for 11 (wave 1) and 14 (wave 2) European countries. This data source is unique in so far as it provides a consistent set of questions on the chances of receiving and leaving inheritance for the first time in Europe. The dataset contains samples of non-institutionalized people aged 50 and older. The individual non-response rate varies between 84.6 (Sweden) and 93.3% (France). The countries included in this cross-national panel database are a balanced representation of the various regions in Europe, including Scandinavia (Denmark and Sweden), Atlantic Europe (Ireland), Central Europe (Austria, France, Germany, Switzerland, Belgium, the Netherlands, the Czech Republic and Poland) and the Mediterranean (Spain, Italy and Greece).

Methodologically, hierarchical logistic regressions are applied to predict the probability of leaving an inheritance on nativity, immigrant origin, age at migration and duration of residence. Analyses are undertaken for Europe, regions and (some) countries separately. The explanatory variables entered into the models (raw and adjusted) are as follows: age, sex, marital status, number of children, household income, self-perceived health, the chances of receiving an inheritance, family income and homeownership.

### ***Some preliminary results***

-All immigrant groups display lower odds of leaving an inheritance compared to natives. However, important differences are found among immigrant groups with those populations with a non-European origin having the lowest odds.

-Age at migration is a more powerful predictor of leaving an inheritance than duration of residence. Senior immigrants who migrated during childhood are more likely to leave an inheritance than their counterparts whose migration took place during adulthood.

-The chances of receiving an inheritance and homeownership are the two most powerful predictors of leaving an inheritance. Similarly, other covariates such as marital status and family income appear to be effective predictors of leaving an inheritance but of less magnitude. There are also some differences by gender although these are not generally significant.

-Although there is some evidence of the expected North-South gradient, with greater chances of leaving an inheritance from respondents in Central and Northern countries, exceptions are also found. For example, respondents from Greece show much higher chances of leaving an inheritance compared to respondents from Spain and Italy and

respondents in Sweden display much lower chances of leaving an inheritance than respondents from Austria. Such cross-region and country differences are likely to affect comparisons between immigrants and native-born elderly populations and, therefore, require more investigation.

The preliminary results need to be explored further in addition to new analyses, particularly with regard to patterns of family support among immigrant and native-born populations that are commonly associated with cultural and/or contextual differences in leaving an inheritance.

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