Introduction

In recent years the topic of household wealth holdings and their distribution has been discussed intensively in the literature. An obvious reason for this is the increase of accumulated private wealth in relation to the national income in the affluent industrialised economies, from the late 1970s onwards as analysed among many others by e.g. Piketty (2014). In addition to this development, in most OECD countries inequality of income rose from the 1980s onwards (see for example OECD 2011). Another reason for the increased interest in research on household wealth is that micro data have become available in the past two decades for more and more countries that allow us to study wealth holdings and inequality, not only at the level of individual countries but also to compare the situation across countries, first via the Luxembourg Wealth Study Database and more recently based on data from the Eurosystem Household Finance and Consumption Survey (HFCS).

In a previous paper (Leitner, 2016) I have already applied the Shapley value approach to decomposition to wealth inequality based on HFCS 2010 data. The present paper replicates the analysis using data from the second wave of the survey (HFCS 2014). Thus the aim is to test the robustness of the results obtained previously and analyse potential differences. Similar to the previous research done (Leitner, 2016), my assumption is that the accumulation of wealth stocks by households is facilitated by the receipt of bequests or gifts (mostly of ancestors). Thus the wealth inequality of one generation can be passed on to the following, which over longer periods of time may result in an increase in the inequality of wealth within a society. In principle, households build up wealth stocks in three ways. Either they save out of their income from employment or self-employment or out of financial sources. The second way, important for many households, is to receive bequests or gifts and to save them instead of using the assets for consumptive purposes. A third form, which however cannot be dealt with in this paper, is that the assets owned appreciate in real terms. In my paper I am interested in the process of households' building-up of wealth stocks via the first two processes and the respective inequality in asset holdings that results therefrom. In order to detect the sources of wealth inequality across countries I apply (as in Leitner, 2016) a decomposition methodology based on the Shapley value approach to the inequality measure used most frequently in the literature: the Gini index. This decomposition method allows for an assessment of the relative importance of explanatory factors in inequality. While some authors (see the literature review below) have already worked for some decades on measuring how much of the accumulated stock of household wealth can be attributed to inheritance and intergenerational inter vivos transfers (contrary to wealth built up over the life cycle via saving and investment), decomposition approaches to the distribution of wealth have been performed only recently. However, in the literature one can so far find only decompositions by wealth source but not by subgroups. This latter analysis is performed in the following and should highlight the relative importance of inheritance, income and household characteristics in shaping wealth inequality in a cross-country manner, thus providing a novel contribution to the literature.

The paper is organised as follows: Since the approach of this paper equals the one of previous research performed in Leitner (2016) I will not replicate or present a distinct literature review in this publication. Instead I refer the reader to the one presented there, covering the relevant publications on developments of household wealth inequality, the effects of inheritance and inter vivos transfers and on decomposition methods used to analyse income and wealth inequality. Section 2 discusses the most relevant aspects of the data used (sources, measurement issues and definitions) and Section 3