1 Introduction

A recent surge of interest in the distribution of wealth, along with growing availability of high-quality micro-data, has led to more research on the topic. Much of the existing literature on wealth distributions focuses on the United States (e.g. Wolff, 1998), with more limited research on European countries (e.g. Frick et al., 2010; Bover, 2010; Piketty, 2014). Thus far, differences in wealth by gender have not been a prominent topic in this research, some notable exceptions notwithstanding (e.g. Deere and Doss, 2006; Schmidt and Sevak, 2006; Sierminska et al., 2010). Especially in contrast to the gender pay gap, the gender wealth gap has received far less attention. Reasons for this research shortage have been the relative lack of wealth data compared to income data, and the difficulty in untangling ownership information within households. Despite the difficulties in studying wealth gaps by gender, the topic is highly relevant. Wealth is an important indicator of well-being, because it constitutes economic prosperity in its own right, provides the basis for future income generation via investments, brings social and political power, and provides economic security when income flows are interrupted. Understanding the gender gap in wealth is thus critical for understanding contemporary gender relations in the economy.

This paper thus contributes to the literature by presenting the first cross-national study of the gender wealth gap in eight European countries, based on a survey harmonized by the European Central Bank, the Household Finance and Consumption Survey (HFCS). The HFCS data used here contain household-level information on net wealth and its components, real and financial assets, and debt. Detailed socioeconomic data on the household and the people in it allow us to control for numerous household- and individual-level characteristics to test the role of gender in determining a household’s wealth.

The HFCS data enable researchers to take large strides in studying the distribution of wealth by gender by providing harmonized data for many European countries, but the fact that the data are aggregated at the household level presents a challenge. Having data on the wealth of households, not individuals, complicates the analysis of the intra-household distribution of wealth because household members may not have equal access to wealth (Sierminska et al., 2010; Grabka et al., 2013) or decision-making power (Mader and Schneebaum, 2013). This paper circumvents this problem by restricting the analysis to households with only one adult, the female or male reference person (“female single households” and “male single households”, respectively).

The study investigates the difference in wealth between male and female single households by using multivariate econometric methods on several different outcomes of interest. First, for compatibility with the existing literature, OLS regressions predicting the level of household net wealth are performed using a vector of standard and novel explanatory variables. Second, since the gender wealth gap is most prevalent at the top of the net wealth distribution, we use quantile regressions to investigate the household- and person-
level characteristics which drive this gap. Third, we extend the analysis of net wealth to its constituent parts, and show the results of quantile regressions at the 95th percentile predicting gross wealth and its components, financial and real wealth, and debt as well as its components, secured and unsecured debt. Finally, we check the robustness of our gender wealth gap at the household level by looking at gender differences in occupational pension wealth, for which data are collected at the person level in the HFCS.

The results are in line with the limited existing literature on gender differences in the wealth distribution in the U.S., U.K., and Germany. A gender wealth gap exists at the upper end of the unconditional distribution of net wealth in the raw data in each of the eight countries. Quantile regressions on net wealth at the top of the distribution, however, show mixed evidence of a gender “glass ceiling” in wealth. On the whole, we find that labour market characteristics and participation in asset and debt categories go a long way towards explaining the differences in wealth between male and female single households. The heterogeneous results in the gender net wealth gap across countries lead us to look deeper at the gender gap in gross wealth and debt, the two components of net wealth. This analysis sheds light onto the gendered distribution of wealth categories across countries which was previously veiled by looking at net wealth only. Further, differences in historical trajectories, institutions, and social norms in the eight countries that we analyse here also appear to play an important role. We provide a discussion of how various social and legal institutions across countries may explain some findings regarding the gender wealth gaps we find in the data.

The paper is structured as follows: section 2 gives an overview of the theoretical and empirical background of gender differences in the accumulation and distribution of wealth, section 3 presents the data, section 4 contains the empirical results for net wealth, section 4.2 covers the additional wealth categories, and section 4.3 contains the robustness check of the gender wealth gap. Section 5 concludes.

2 Gender Differences in Wealth Accumulation

It is a well-established stylized fact that the distribution of wealth in Europe is highly skewed, much more so than the distribution of income (Piketty, 2014; Rehm and Schnetzer, 2015). An understanding of the distribution of wealth by gender, though, is not so clearly established. As discussed below, most existing studies find a gender wealth gap, that is, male households have more wealth than female households. In order to assess potential determinants of this gender wealth gap, the following model can be posited (adapted from Schmidt and Sevak (2006), see also Siemonska et al. (2010)):

\[ A_{t+1} = (1 + r_t)(A_t + Y_t - C_t + T_t). \]  

That is, the household stock of assets \( A \) at time \( t + 1 \) is a function of the rate of return \( (r_t) \), the stock of assets \( (A_t) \), income earned \( (Y_t) \), consumption \( (C_t) \), and wealth transfers