Who Reaches the Top? Intergenerational Wealth Transfers, Wealth Inequality and Wealth Mobility in the United States

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Abstract

How much do gifts and inheritances shape who reaches the top of the U.S. wealth distribution? I use the Panel Study of Income Dynamics (PSID) over 2001–2021. Intergenerational wealth transfers concentrate sharply among the wealthy. By their early sixties, 70% of a cohort's top 10% have received a wealth transfer, against 24% of the bottom. Among recipients, those in the top 10% receive wealth transfers worth 16% of lifetime earnings, against 7–11% elsewhere. Yet wealth transfers lower within-cohort wealth inequality by less than one percent. Wealth transfers mechanically account for 21% of intergenerational and 7% of intragenerational wealth mobility. The reason is timing: top 10% recipients were already wealthy before any wealth transfer arrived. Family background and unmeasured early-life support from parents likely matter more.

JEL classification: D14, D31, D64, H24, J62

Keywords: intergenerational transfers, wealth inequality, wealth mobility, bequests, PSID

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1 Introduction

Wealth in the United States is highly concentrated, and parental wealth strongly predicts where children end up (Pfeffer and Killewald, 2018; Sabelhaus, 2024; Van Langenhove, 2026). Intergenerational wealth transfers, primarily inheritances and large gifts, accrue disproportionately to wealthy households. They account for 35–45% of aggregate U.S. wealth and have risen as a share since the mid-twentieth century (Kotlikoff and Summers, 1981; Modigliani, 1988; Davies and Shorrocks, 2000; Piketty and Zucman, 2015).

The aggregate share leaves the distributional questions open. How does receipt of wealth transfers vary across the wealth distribution? How large are these wealth transfers relative to lifetime earnings? How much do they shape wealth inequality and wealth mobility? The answers bear on estate-tax design. Heavier estate taxes reshape who reaches the top if measured wealth transfers drive wealth concentration. Otherwise they mostly redistribute late-life windfalls. The answers also discipline quantitative wealth models that use bequests to match observed wealth concentration.

Main results I use data from the Panel Study of Income Dynamics (PSID) over the period 2001–2021. I rank individuals within 10-year birth cohorts. I document how the receipt rate and importance of wealth transfers vary across the within-cohort wealth distribution. I then run two mechanical counterfactuals on net worth to measure their contribution to wealth inequality and wealth mobility.

Throughout this paper, "intergenerational wealth transfers" refers to inheritances and near-death gifts. Early-life inter vivos support is largely invisible to surveys.

I obtain two main findings. First, wealth transfers concentrate at the top. The wealthy receive them more often, and in larger amounts relative to lifetime earnings. At ages 60–64, the receipt rate rises from 24% in the bottom wealth decile to 70% in the top. Among recipients, wealth transfers represent 16% of lifetime earnings in the top wealth decile, compared with 7–11% in deciles 1–9. Over the working lifecycle the two gaps diverge. The receipt-rate gap narrows as most people lose a parent by their early sixties. The importance gap instead widens, because the wealthy receive larger amounts each time.

Second, wealth transfers mechanically account for little of measured within-cohort wealth inequality or wealth mobility. Redistributing wealth transfers equally across the cohort lowers within-cohort wealth inequality by only 6% at ages 60–64. The wealth transfers themselves lower it by less than one percent. They form a larger share of middle-decile than top-decile net worth. They account for 21% of intergenerational and 7% of intragenerational wealth mobility. These small contributions are consistent with timing: recipients who reach the top were already wealthy before any wealth transfer arrived. Observable controls (race, household labor income, birth cohort, state of residence) absorb 24% of the parent-child wealth correlation. Most of it remains unexplained. Family background and unmeasured early-life inter vivos support likely account for a larger share of U.S. wealth mobility.

Related literature I contribute to three strands of the literature on intergenerational wealth transfers. The first measures their distribution and importance. Prior U.S. (Wolff, 2002; Wolff and Gittleman, 2014; Feiveson and Sabelhaus, 2018) and European (Boserup, Kopczuk and Kreiner, 2016; Elinder, Erixson and Waldenström, 2018; Karagiannaki, 2017; Boileau and Sturrock, 2025; Fessler and Schürz, 2018; Nolan et al., 2022) studies establish two facts. Wealthier households are more likely to receive wealth transfers, and they receive larger amounts when they do. Black et al. (2025) compute the analogous share of lifetime earnings for Norway and find that it is small across the distribution. I provide the first U.S. estimate of this ratio. Quantitative wealth models require bequests to match observed wealth concentration (De Nardi, 2004; Gokhale et al., 2001; Laitner, 2001; Benhabib, Bisin and Luo, 2019; Kaymak and Poschke, 2016; Cooke et al., 2025). The receipt rates and importance ratios I compute can serve as calibration targets.

The second strand measures the mechanical contribution of wealth transfers to within-cohort wealth inequality. U.S. estimates vary widely. The high end is from SCF studies. Palomino et al. (2022) decompose variance and attribute 32% to wealth transfers. Feiveson and Sabelhaus (2018) redistribute wealth transfers and find a 16-percentage-point cut in the top-10% wealth share. The low end is from PSID and most non-U.S. studies that mechanically subtract wealth transfers from net worth (Wolff, 2002; Klevmarken, 2004; Boserup, Kopczuk and Kreiner, 2016; Crawford and Hood, 2016; Karagiannaki, 2017; Elinder, Erixson and Waldenström, 2018). Sweden is the exception: Nekoei and Seim (2023) find that bequests widen wealth inequality within a decade. Morelli et al. (2025) reconcile the split: small wealth transfers reduce wealth inequality, large ones widen it. I find a small mechanical contribution, consistent with the low-end PSID and non-U.S. estimates.

The third strand measures the contribution of wealth transfers to wealth mobility. U.S. (Charles and Hurst, 2003; Pfeffer and Killewald, 2018) and Norwegian (Fagereng, Mogstad and Rønning, 2021; Black et al., 2025) studies find that bequests explain a small share of the parent-child wealth correlation. Sweden again stands apart: Adermon, Lindahl and Waldenström (2018) attribute at least half of parent-child wealth persistence there to bequests. I find that wealth transfers account for only a small share of measured U.S. wealth mobility. This finding aligns with the U.S. and Norwegian estimates.

Contributions I make three contributions. First, I construct the first U.S. panel-based measure of wealth transfer importance: cumulative capitalized receipts over individual lifetime earnings. The lifetime-earnings denominator needs many years of individual income data, which the cross-sectional SCF cannot provide. Second, I track both the receipt rate and wealth transfer importance across the full working lifecycle, over ages 30–64. Prior work has focused on a single age. The PSID follows the same individuals as they grow older. Third, I jointly quantify the contribution of wealth transfers to within-cohort wealth inequality and to wealth mobility. Prior U.S. work treats wealth inequality and wealth mobility separately. I use two mechanical counterfactuals on net worth, one removing wealth transfers, one redistributing them equally.

Roadmap Section 2 sets up measurement. Section 3 documents receipt and importance. Section 4 carries the two counterfactuals. Section 5 concludes.

2 Data and measurement

2.1 Data

I use the PSID (University of Michigan, 2023), a representative U.S. household panel running since 1968 (biennially since 1997). My sample covers the 11 biennial waves from 2001 through 2021, restricted to the SRC subsample without weights (e.g., Cooper, Dynan and Rhodenhiser, 2019; Van Langenhove, 2026).[1]

Household wealth equals total assets minus total debts. Assets include home equity, other real estate, vehicles, and business and farm equity. Financial assets cover stocks, mutual funds, IRAs, bank deposits, and bonds.[2] Debts include mortgages and non-housing debt. I exclude Social Security wealth and defined-benefit pension entitlements, following the Survey of Consumer Finances (SCF) convention.

I convert household-level PSID data to individual-level data using two rules for wealth and one for wealth transfers. Married couples split wealth equally. Unmarried couples split wealth in proportion to labor income shares. I divide wealth transfers equally among adults in the

[1] The SRC is the historically representative PSID core. The headline finding (top wealth decile against the rest) does not hinge on the SEO oversample.

[2] The PSID added defined-contribution pension balances to its wealth questions in 2013. Restricting to the post-2013 waves barely changes the headline gradient (Online Supplement, Appendix P).

household. A head-only allocation for wealth transfers yields near-identical results (Online Supplement, Appendix H). The PSID tracks individuals as they move between households, forming the individual-level panel I use throughout.

I assign individuals to 10-year birth cohorts and compute percentile ranks within each cohort. The within-cohort ranking procedure is documented in Online Supplement, Appendix D. I group ages into five-year brackets, from 25–29 through 75+. Within each bracket, I take the median of the individual's within-cohort percentile ranks across observed waves. Alternative definitions (mean, first-wave, last-wave) yield near-identical results (Online Supplement, Appendix B).

The baseline bracket is ages 60–64 ($N = 2{,}754$). By this age, wealth accumulation is largely complete and most parents have died, so most wealth transfers have arrived. The patterns documented in this paper hold at younger age brackets as well (Online Supplement, Appendix C).

The PSID underrepresents the top of the wealth distribution relative to the SCF. I therefore use the top wealth decile rather than finer wealth percentiles. The gap to the SCF is concentrated at the very top (Insolera, Simmert and Johnson, 2021). The results of this paper apply to the broad middle and upper-middle of the U.S. wealth distribution. They do not extend to the top one percent, where large dynastic bequests may play a larger role.

2.2 Wealth transfers

The PSID asks respondents whether they received gifts or inheritances and records the amounts. Receipt data extend back to 1984. Individuals observed in 2001 therefore have up to 17 years of prior receipt history. The baseline definition sums all reported gifts and inheritances. Among recipients, the median per-wave receipt is $26,900 in 2021 dollars and the mean is $78,800. The distribution is right-skewed. Per-wave summary statistics are in Appendix A.6.

I consider two alternatives (Appendix A). The broad definition adds financial assistance from relatives (Gale and Scholz, 1994). The lump-sum variant excludes annuity-type payments. All three yield near-identical results (Online Supplement, Appendix A).

I measure wealth transfer importance as a ratio of two components. First, lifetime earnings (LR_i), defined as 35 years of capitalized average annual labor income:

$$LR_i = 35 \times \frac{1}{|\mathcal{T}_i|} \sum_{s \in \mathcal{T}_i} Y_{i,s} \cdot (1 + r)^{t^* - s}, \tag{1}$$

where $Y_{i,s}$ is labor income in wave s, $\mathcal{T}_i$ is the set of observed waves, and t^* is the terminal year. The 35-year horizon approximates the U.S. working life, from labor-force entry around age 25 to retirement around age 60.[3] Computing lifetime earnings requires observing the same individual's income over many years, which only panel data can provide. Second, cumulative capitalized wealth transfers ($T_{i,t}^{\text{cum}}$), summing all past receipts compounded forward:

$$T_{i,t}^{\text{cum}} = \sum_{s \le t} T_{i,s} \cdot (1+r)^{t-s}, \tag{2}$$

where $T_{i,s}$ is the wealth transfer received by individual i at time s. Wealth transfer importance is the ratio $T_{i,t}^{\text{cum}}/LR_i$.

I distinguish two capitalization approaches. The baseline uses each individual's own portfolio return r_i (heterogeneous capitalization).[4] The alternative applies a common median return $\bar{r} = 4\%$ to everyone (homogeneous capitalization) and leaves every finding unchanged (Online Supplement, Appendix B). In both, the same rate r capitalizes the numerator and the denominator. The importance ratio therefore reflects the relative size of wealth transfers and lifetime earnings, not differences in compounding (Saez and Zucman, 2016; Smith, Zidar and Zwick, 2023).

An alternative denominator, Total Inflows, adds the wealth transfers themselves to lifetime earnings, following Black et al. (2025) (Appendix D). Both lifetime earnings and Total Inflows exclude government transfers, which the PSID records only from 1999. Lower-wealth individuals receive more government support. Excluding it overstates their wealth transfer ratio and narrows the measured rich-poor gap.

2.3 What the data measure

Intergenerational wealth transfers fall into two categories. The first is early-life inter vivos support. Examples include education, home purchases, rent-free housing, cash gifts, debt repayment, consumption expenditures, and insurance against income shocks (Gale and Scholz, 1994; McGarry, 1999). The second is death-related transfers: near-death gifts and inheritances received around a family member's death.

Existing data sources are unlikely to capture early-life inter vivos support well. Such support is informal and ongoing. Parents pay for tuition or help with a down payment. Recipients rarely report these as "gifts or inheritances" in surveys. U.S. tax authorities are unlikely to

[3] Sensitivity to the 35-year horizon is reported in Appendix A.3.

[4] I cap individual annualized returns at -10% and 50%, binding on 7.1% of recipient-years. Results are robust to alternative bounds (Online Supplement, Appendix R).

capture most of these flows either[5]. Survey data such as the PSID and SCF capture primarily death-related transfers.

Wealth transfers measured in the PSID arrive late in working life. The median age across all reported gift and inheritance events is 50. Among individuals aged 60–64, only 23% of recipients receive their first wealth transfer before age 40. Wealth transfer receipt timing is similar across wealth deciles: median first-receipt ages range from 48 to 52 (Appendix B).

The SCF shows a similar pattern (Feiveson and Sabelhaus, 2018). The median receipt age on the SCF over 2001–2022 is 47. Both surveys place wealth transfer receipt late in working life. International evidence agrees: receipt peaks at ages 50–59 in Sweden (Elinder, Erixson and Waldenström, 2018), Norway (Black et al., 2025), and England (Crawford and Hood, 2016).

The matching timing suggests the PSID and SCF capture the same kinds of wealth transfers. The SCF records each receipt in more detail than the PSID's single gift-or-inheritance question. It distinguishes inheritances, inter vivos gifts, and trusts, and records each source (Appendix C). I use SCF waves 2001–2022 to describe this composition. Inheritances dominate: 81% of reported wealth transfers by count and 78% by value. Inter vivos gifts account for 13% by count. Among inheritances, 72% come from parents, 14% from grandparents, and 10% from aunts and uncles. Among inter vivos gifts, 72% come from parents. The non-parental share implies that 28% of measured inheritances reflect extended-family wealth rather than the direct parent-child channel.

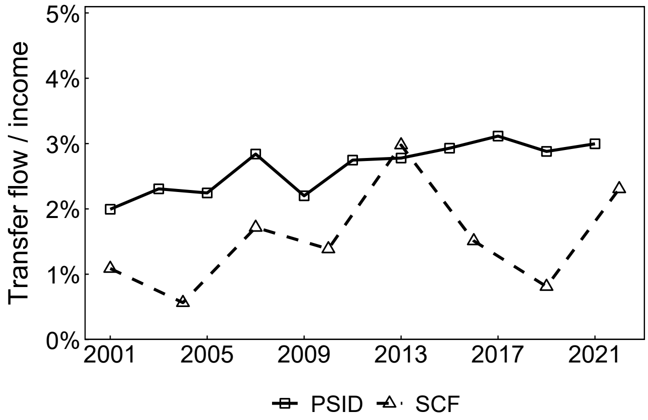
2.4 Caveats and validation

I assess three measurement concerns. The first is respondent underreporting. If everyone underreports by the same fraction, levels are too low but the rich-poor gap is unchanged. If the wealthy underreport more, the true gap is larger than what I estimate. The second is top-tail coverage. I reweight top-wealth-decile observations, wave by wave, to match the SCF top-10% mean wealth, following Van Langenhove (2026). Headline statistics shift by at most one percentage point (Online Supplement, Appendix Q).

The third concern is aggregate flow coverage. PSID receipts average 2.6% of household income and the SCF 1.5%, against the Alvaredo, Garbinti and Piketty (2017) U.S. benchmark of about 5% (Figure 1). The headline magnitudes are therefore likely understated. The understatement depends on where the missing flows sit. If they are distributed proportionally to measured

[5]Direct payments for tuition, medical expenses, and housing costs are exempt from the federal gift tax. No tax is owed until cumulative gifts exceed roughly $13.6 million (Kopczuk, 2013, surveys U.S. transfer taxation). Compliance is also low: Soled (2024) documents that 60–90% of taxpayers transferring real estate to relatives failed to file a return.

Figure 1: Annualized aggregate intergenerational wealth transfer flows relative to household income, PSID and SCF 2001–2022



Notes: Each series plots the ratio of annualized aggregate reported wealth transfers to aggregate household income (labor plus capital income). The PSID wealth-transfer numerator is winsorized at the top 1% within each wave. Winsorization limits the influence of a few very large reports. Each PSID biennial wave covers two years of receipts (numerator divided by two). The SCF rounds the year of receipt to the nearest five (numerator divided by five). PSID 2001–2021, SRC subsample (unweighted), ages 25–69, $N = 13,013$ individuals across 11 biennial waves. SCF 2001–2022 triennial waves, weighted, ages 25–69.

flows, the headline figures are lower bounds. More plausibly, the missing flows are concentrated at the top, because the largest inheritances are the most under-reported in surveys. In that case, the wealth-rank concentration is sharper than measured and the wealth inequality counterfactuals understate the true mechanical effect.

3 Wealth transfers across the distribution

Wealth transfers concentrate at the top. The wealthy receive them more often and in larger amounts relative to their lifetime earnings. I call these two patterns the receipt rate and wealth transfer importance (the extensive and intensive margins). Both hold at every age from 30 to 64.

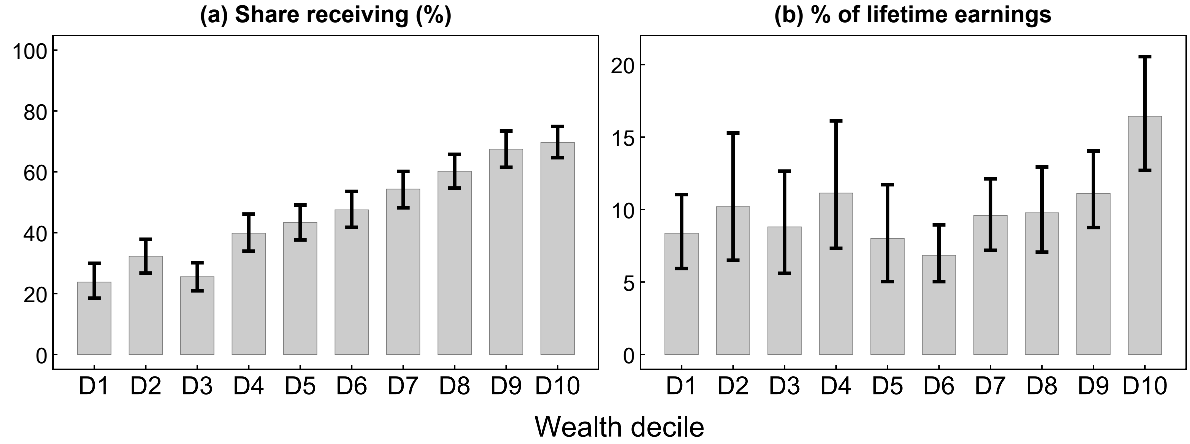
3.1 Receipt rate

The wealthy are more likely to have received a wealth transfer. At ages 60–64, 70% of top-decile individuals are recipients, against 24% at the bottom and 43–55% in the middle (Figure 2a).[6]

Prior studies find the same pattern using U.S. survey data (Wolff, 2002; Wolff and Gittleman, 2014; Feiveson and Sabelhaus, 2018), Scandinavian administrative data (Boserup, Kopczuk and Kreiner, 2016; Elinder, Erixson and Waldenström, 2018), British survey data (Crawford and

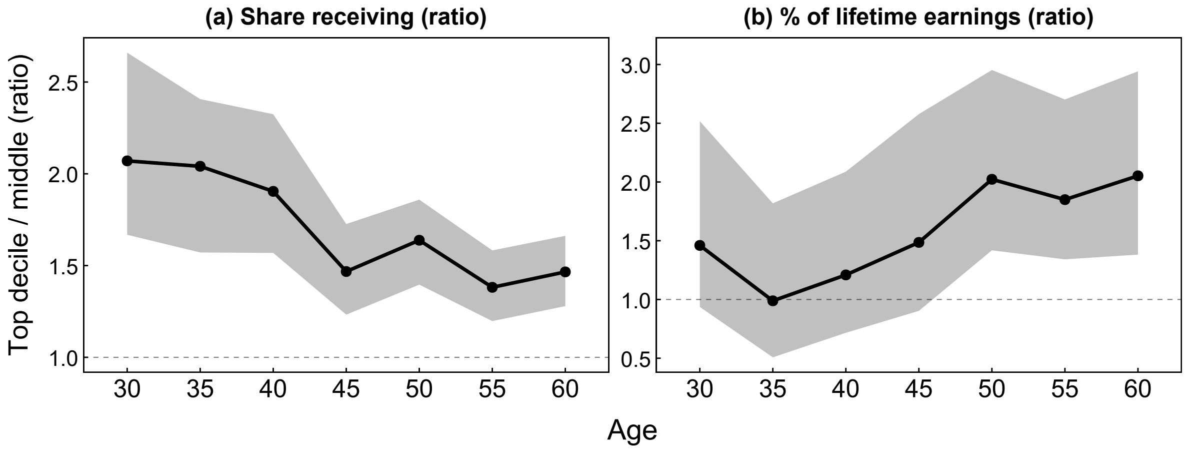
[6] The bottom-decile rate is positive for two reasons. Most low-wealth recipients were already near the bottom before receipt. The equal-split rule also counts both spouses.

Figure 2: Wealth transfer receipt rate and importance by within-cohort wealth decile, ages 60–64



Notes: Panel (a) plots the share of individuals who received at least one PSID-reported wealth transfer (%), by within-cohort wealth decile. Panel (b) plots the mean cumulative capitalized wealth transfer conditional on receipt, as a percentage of lifetime earnings. Lifetime earnings are 35 years of average labor income capitalized at each individual's own portfolio return $r = r_i$ (heterogeneous capitalization, the baseline). PSID 2001–2021, SRC subsample (unweighted), individuals aged 60–64 (N = 2,754). Within-cohort wealth deciles are based on 10-year birth cohorts. Cells with fewer than 50 observations are suppressed. Error bars report 95% confidence intervals from 1,000 non-parametric pairs bootstrap replications.

Figure 3: Top-wealth-decile gap ratio in receipt rate and wealth transfer importance, ages 30–64



Notes: Each panel plots the ratio of the top-wealth-decile value to the median of deciles 5–7 at each five-year age bracket. Deciles 5–7 bracket the cohort median while excluding the sparser tails. The dashed horizontal line marks a ratio of one. Panel (a) plots the share receiving wealth transfers. Panel (b) plots the mean wealth transfer as a share of lifetime earnings conditional on receipt. Capitalization uses each individual's own portfolio return $r = r_i$ (heterogeneous, the baseline). PSID 2001–2021, SRC subsample (unweighted), individuals aged 30–64. $N = 13,013$ across all brackets, varying by bracket. Within-cohort wealth deciles are based on 10-year birth cohorts. Baseline wealth transfer definition. Shaded bands report 95% confidence intervals from 1,000 non-parametric pairs bootstrap replications.

Hood, 2016; Karagiannaki, 2017; Boileau and Sturrock, 2025), and cross-country comparisons (Fessler and Schürz, 2018; Nolan et al., 2022; Morelli et al., 2025).

3.2 Wealth transfer importance

Wealth transfers are not only more common at the top but also larger relative to lifetime earnings.

At ages 60–64, top-wealth-decile recipients receive wealth transfers averaging 16% of lifetime earnings, against 7–11% in deciles 1–9 (Figure 2b). The baseline capitalizes at each individual's own portfolio return, so the gap embeds the higher returns wealthier individuals earn (Fagereng et al., 2020; Bach, Calvet and Sodini, 2020). A common-return baseline gives 14% in the top decile and leaves the gradient unchanged (Online Supplement, Appendix B).

The top-decile gradient is robust across several specifications.[7] Using Total Inflows (Appendix D) as an alternative denominator preserves the pattern. It also holds when conditioning on income (Online Supplement, Appendix L) and across birth cohorts (Online Supplement, Appendix K), and survives regression controls (Online Supplement, Appendix N).

Prior U.S. studies document this pattern in dollar amounts or relative to income (Feiveson and Sabelhaus, 2018). International evidence is consistent. Morelli et al. (2021) find that low-income households receive less in intergenerational wealth transfers across seven countries. Scandinavian (Boserup, Kopczuk and Kreiner, 2016), British (Karagiannaki, 2017; Boileau and Sturrock, 2025), and European (Fessler and Schürz, 2018) data show similar patterns.

Black et al. (2025) are the closest comparison. They measure wealth transfers as a share of Total Inflows in Norway. They find a small share across the distribution and a flat gradient. In Norway, top-decile recipients receive about the same share of lifetime resources as everyone else. I find a steeper U.S. gradient.

3.3 Lifecycle patterns

Over the lifecycle the receipt-rate and importance gaps move in opposite directions (Figure 3). Both hold at every age from 30 through 64, not just at the baseline 60–64.

The receipt-rate gap closes with age (Figure 3a). At ages 30–34 the top decile is 2.1 times as likely as the middle to have received a wealth transfer. By ages 60–64 the ratio falls to 1.5. Inheritances reach more families over time, and by age 60 most have lost a parent.

[7] The gradient is not concentrated in the top 5% (Online Supplement, Appendix O).

The importance gap instead widens (Figure 3b). The top-decile transfer rises from 1.5 times the middle-decile transfer at ages 30–34 to 2.1 times by ages 60–64. The wealthy receive larger amounts each time. Both ratios stabilize after age 50.[8]

4 Wealth inequality and wealth mobility

Despite concentrating at the top, wealth transfers mechanically account for little of measured within-cohort wealth inequality or wealth mobility. I assess their contribution using two mechanical counterfactuals on net worth.

4.1 Baseline patterns

Within-cohort wealth inequality in the U.S. is roughly stable over the working lifecycle. In this sample, the within-cohort Gini is 70% at ages 25–29 and 70% at ages 60–64. The top-10% wealth share rises modestly from 54% to 57%. These levels are broadly consistent with Van Langenhove (2026) and with approximately 60% at age 50 in Bauluz and Meyer (2024) (Appendix E).

Wealth ranks are strongly persistent (Table 1). The intergenerational slope at ages 60–64 is 0.46. The intragenerational slope from ages 35–39 to 60–64 is 0.60. Both are consistent with prior U.S. wealth-rank work. The intragenerational slope is close to the 0.57 in Van Langenhove (2026). The intergenerational slope sits between pooled-sample U.S. estimates of 0.37–0.39 (Charles and Hurst, 2003; Pfeffer and Killewald, 2018) and the age-matched 0.51 in Van Langenhove (2026).[9]

4.2 Counterfactual design

I use two counterfactuals on net worth. Both ask how wealth inequality and wealth mobility would change if no one had received a wealth transfer. I construct counterfactual wealth by removing or redistributing capitalized wealth transfers. I then recompute wealth inequality and wealth rankings and compare to the actual distribution.

First, the subtraction counterfactual removes all capitalized wealth transfers: $w_i^{\text{CF}} = w_i - T_i$. Here w_i is net worth at observation wave t and $T_i \equiv T_{i,t}^{\text{cum}}$ from equation 2. Both are in the same measurement-year dollars. This counterfactual measures wealth transfers' total contribution

[8] Terminal wealth rank may reflect wealth transfers already received. Using lagged ranks (4–10 years earlier) preserves the pattern (Online Supplement, Appendix F).

[9] Rank-rank slopes rise with children's age (Van Langenhove, 2026). The pooled estimates therefore lie below my age-60–64 anchor.

to wealth inequality and wealth mobility. Second, the redistribution counterfactual replaces each individual's wealth transfers with the sample mean $\bar{T}$: $w_i^{\text{CF}} = w_i - T_i + \bar{T}$ (following Feiveson and Sabelhaus, 2018). This counterfactual isolates the contribution of the unequal distribution of wealth transfers, holding the aggregate stock of wealth transfers constant.

Both counterfactuals are mechanical: they ignore behavioral responses. Two behavioral channels push in opposite directions. When heirs expect a wealth transfer, they may save less on their own. The counterfactual then counts that forgone saving as part of the wealth transfer, overstating its contribution (Basiglio, Rossi and van Soest, 2023; Belloc and Molina, 2026). Crowd-in via homeownership lets wealth transfers leverage additional wealth, so the mechanical counterfactual understates the contribution (Engelhardt and Mayer, 1998). Recipients in this sample show higher homeownership transitions in most wealth deciles (Online Supplement, Appendix E). Druedahl and Martinello (2022) find that only one-third of a windfall remains in Danish wealth a decade after receipt. Both channels operate, and on net the windfall dissipates.

The mechanical counterfactual is agnostic between the two channels and provides a benchmark. I report mechanical attribution shares, not causal treatment effects.

4.3 Within-cohort wealth inequality

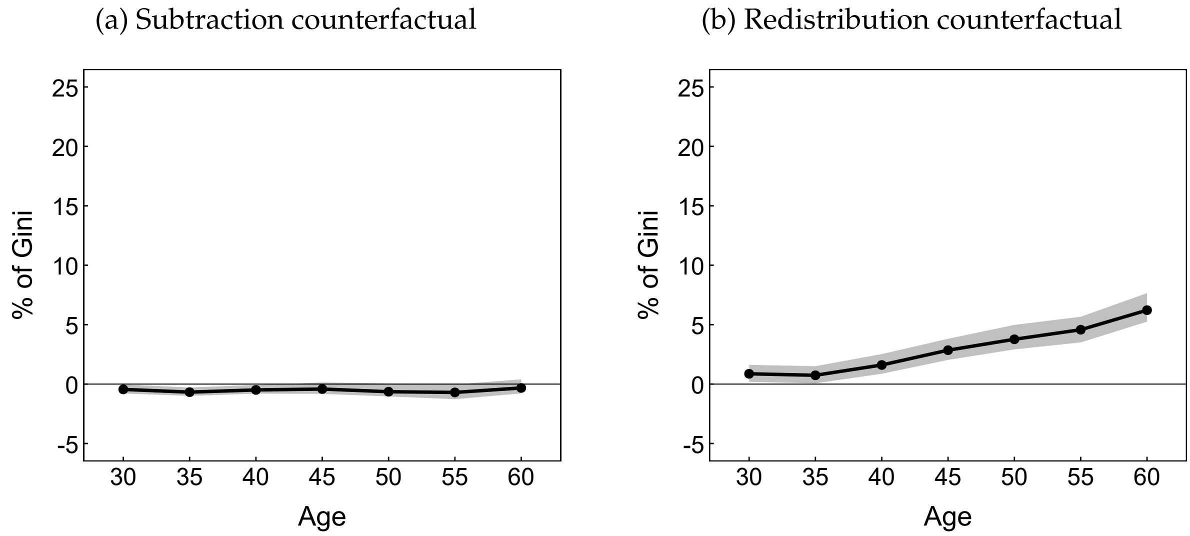
Wealth transfers contribute little to within-cohort wealth inequality (Figure 4). Under the subtraction counterfactual, wealth transfers lower the Gini at ages 60–64 by less than one percent. Under the redistribution counterfactual, replacing each individual's wealth transfers with the sample mean lowers the Gini by 6%[10]. The subtraction effect is roughly constant over the lifecycle. The redistribution effect rises with age, reaching 6% at ages 60–64, as wealth transfers accumulate (Figure 4).

Both effects are small because wealth transfers are a declining fraction of net worth across the wealth distribution (Appendix E). Among recipients, wealth transfers represent 50% of middle-decile net worth. In the top decile, they represent only 27%.

A broad international literature finds similarly small effects (Wolff, 2002; Klevmarken, 2004; Boserup, Kopczuk and Kreiner, 2016; Crawford and Hood, 2016; Karagiannaki, 2017; Elinder, Erixson and Waldenström, 2018). Nekoei and Seim (2023) are the exception. Although wealth transfers are initially equalizing at receipt, they widen wealth inequality within a decade in Sweden.

[10]The redistribution counterfactual uses the homogeneous mean for $\bar{T}$ because individual-return compounding produces an extreme sample mean.

Figure 4: Contribution of wealth transfers to within-cohort wealth inequality over the lifecycle



Notes: Each panel plots the percentage of the within-cohort Gini attributable to wealth transfers. The formula is $(\text{Gini}_{\text{actual}} - \text{Gini}_{\text{CF}})$ / $\text{Gini}_{\text{actual}}$, computed at each five-year age bracket. Panel (a) reports the subtraction counterfactual (net worth minus cumulative capitalized wealth transfers). Negative values indicate wealth transfers lower the Gini. Panel (b) reports the redistribution counterfactual (net worth minus individual wealth transfers plus sample mean). Positive values indicate that the unequal distribution raises the Gini above the equal-share counterfactual. Panel (a) capitalizes at each individual's own portfolio return $r = r_i$ (heterogeneous, the baseline). The redistribution counterfactual in panel (b) uses homogeneous capitalization, because the heterogeneous sample mean is degenerate. PSID 2001–2021, SRC subsample (unweighted), individuals aged 25–69. $N = 13,013$ across all brackets, varying by bracket. Gini is computed within 10-year birth cohorts. Baseline wealth transfer definition. Shaded bands report 95% confidence intervals from 1,000 bootstrap replications. Absolute top-10% wealth-share levels are reported in Appendix E.

Two U.S. studies report larger effects. Palomino et al. (2022) attribute 32% of U.S. wealth inequality to wealth transfers using a Shapley decomposition on the SCF. Feiveson and Sabelhaus (2018) find that redistributing SCF wealth transfers lowers the top-10% wealth share by about 16 percentage points. The cohort design is not the explanation. Pooling all ages 25–69 leaves both effects similarly small (Online Supplement, Appendix M).

Three other design differences account for the gap. First, the SCF oversamples wealthy households (Pfeffer et al., 2016), while the PSID does not. Second, Feiveson and Sabelhaus (2018) report the top-10% wealth share, which responds more to top-tail receipts than the Gini. Third, the Shapley decomposition in Palomino et al. (2022) attributes the correlated indirect channels (education, saving behavior, homeownership) to wealth transfers. My mechanical counterfactual leaves those channels in the residual.

4.4 Wealth mobility

Wealth transfers mechanically account for little of measured wealth mobility (Table 1)[11]. They explain 21% of intergenerational and 7% of intragenerational wealth mobility. The reason is timing: recipients were already wealthy before any wealth transfer arrived. Top-wealth-decile recipients had a median pre-transfer wealth rank of 94 one wave before their first wealth transfer (Figure 5). Removing wealth transfers moves them by only 1 percentile point, and 90% remain in the same wealth decile (Online Supplement, Appendix G).

Prior work reaches similar conclusions for the U.S. (Charles and Hurst, 2003; Pfeffer and Killewald, 2018) and Norway (Fagereng, Mogstad and Rønning, 2021; Black et al., 2025). In contrast, Adermon, Lindahl and Waldenström (2018) find a larger role in Sweden. Intergenerational wealth transfers there explain at least half of the parent-child wealth correlation. Adermon, Lindahl and Waldenström (2018) use regression with parental controls. I use a counterfactual that subtracts wealth transfers directly from net worth.

4.5 The role of family background

If measured wealth transfers mechanically account for little of measured wealth mobility, what does? I add three controls to the parent-child rank-rank regression. These are race, log household labor income at the terminal age, and birth cohort fixed effects. The slope drops from 0.46 to 0.40 (Table 2, column 2). These observed characteristics absorb 12% of the parent-child wealth correlation.

Adding state of residence fixed effects lowers the slope further to 0.35 (Table 2, column 3). The share of measured persistence absorbed by observed characteristics rises to 24%. Geography explains an additional share, consistent with evidence that neighborhood and regional context shape wealth accumulation (Chetty and Hendren, 2018). Subtracting capitalized wealth transfers on top of the controls and state-fixed-effects specification lowers the slope to 0.25 (Table 2, column 4). Observed background and measured wealth transfers together account for roughly half of the parent-child wealth correlation. The remaining half is residual.

I cannot allocate the residual persistence across specific channels, but five candidates plausibly contribute (e.g., Elmelech, 2026). First, early-life inter vivos support that recipients rarely report as "gifts or inheritances" (Engelhardt and Mayer, 1998; Fagereng et al., 2025). Second, parental investment in children's human capital beyond parental income (Boserup, Kopczuk and Kreiner, 2018; Pfeffer and Killewald, 2018; Fagereng, Mogstad and Rønning, 2021). Third,

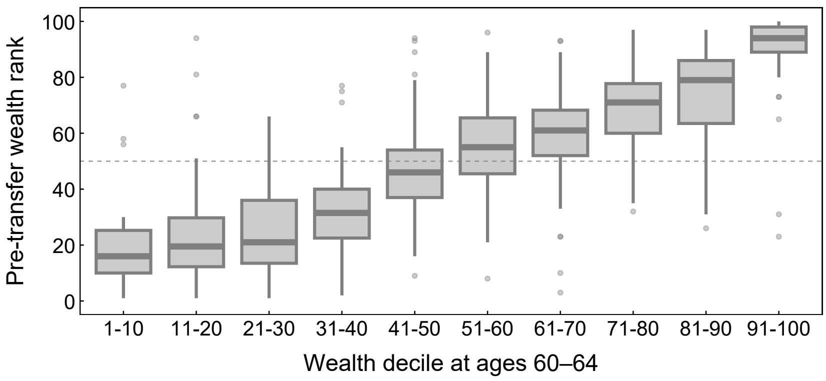
[11] The redistribution counterfactual adds a constant to every individual's wealth and so leaves ranks unchanged. Only the subtraction counterfactual is informative.

Table 1: Contribution of wealth transfers to intragenerational and intergenerational wealth mobility

	Actual β	Counterfactual β	% mechanical share
Panel A: Intragenerational persistence (ages 35–39 → 60–64)			
Rank-rank slope	0.60 (0.02)	0.56 (0.02)	7% [4, 9]
N = 2,232, R^2 = 0.34			
Panel B: Intergenerational persistence (parent at 60–64 → child at 60–64)			
Rank-rank slope	0.46 (0.03)	0.37 (0.03)	21% [15, 27]
N = 965, R^2 = 0.21			

Notes: Each row reports the OLS rank-rank slope of within-cohort wealth rank at ages 60–64 on an earlier rank. Panel A uses own rank at ages 35–39 (intragenerational). Panel B uses parental rank at ages 60–64 (intergenerational). The counterfactual subtracts cumulative capitalized wealth transfers from net worth, capitalized at each individual's own portfolio return (the baseline). Online Supplement, Appendix B reports the homogeneous alternative. The mechanical share equals $1 - \beta_{CF}/\beta_{actual}$. It isolates the mechanical contribution of $T^{cum}_{i,t}$, not a causal treatment effect. PSID 2001–2021, SRC subsample (unweighted), within-cohort ranks based on 10-year birth cohorts. Panel A: $N = 2232$. Panel B: $N = 965$. Standard errors in parentheses. 95% confidence intervals from 1,000 bootstrap replications in brackets. Every rank-rank slope is large relative to its bootstrap standard error. No bootstrap distribution places mass at or below zero.

Figure 5: Distribution of pre-transfer wealth ranks among recipients, by terminal wealth decile, ages 60–64



Notes: Each box plot shows the distribution of within-cohort wealth ranks before the individual's first PSID-reported wealth transfer. The pre-transfer observation is one wave (two years) before receipt. Box plots are grouped by terminal (ages 60–64) wealth decile. Boxes mark the interquartile range (25th–75th). The horizontal line within each box marks the median. Whiskers extend to 1.5× IQR. Dots are outliers. The dashed line at rank 50 marks the within-cohort median. Wealth transfer recipients with a valid pre-transfer wealth observation ($N = 497$). Non-recipients are absent from every decile. Decile 1 recipients are mostly individuals who were already in the lower part of the distribution before receipt. The outliers above rank 50 are recipients who fell in rank after receipt. PSID 2001–2021, SRC subsample (unweighted), within-cohort ranks based on 10-year birth cohorts.

Table 2: Parent-child rank-rank slope: contribution of observed background and wealth transfers, ages 60–64

	(1) Bivariate	(2) + Controls	(3) + State FE	(4) + State FE + CF
Parent rank-rank slope	0.46 (0.03)	0.40 (0.03)	0.35 (0.04)	0.25 (0.04)
Cumulative share absorbed (%)	0	12	24	45
Controls[a]	—	Yes	Yes	Yes
State of residence FE	—	—	Yes	Yes
Subtraction counterfactual	—	—	—	Yes

Notes: Each column reports the parent-child rank-rank slope from an OLS regression. The dependent variable is within-cohort wealth rank at ages 60–64. The independent variable is parental within-cohort wealth rank at ages 60–64. Column (1) is bivariate. Column (2) adds the controls in row [a]. These are race (white indicator), log household labor income at the terminal age, and birth cohort fixed effects. Column (3) adds state of residence fixed effects. Column (4) replaces actual child wealth with the subtraction counterfactual on the column (3) specification. The subtraction counterfactual is net worth minus cumulative capitalized wealth transfers. The cumulative share absorbed equals $1 - \beta_k/\beta_1$, where β_1 is the bivariate slope. Column (4) compares the bivariate dependent variable to the counterfactual dependent variable. It therefore bounds the joint contribution of observed background and measured wealth transfers. Cluster-robust standard errors, clustered by family, in parentheses. PSID 2001–2021, SRC subsample (unweighted), individuals aged 60–64. $N = 960$ in column (2) and $N = 960$ in columns (3)–(4).

neighborhood and network effects (Durlauf, 2004; Chetty and Hendren, 2018). Fourth, channels of the racial wealth gap that a binary race indicator cannot capture. Fifth, transmitted preferences over saving (Cronqvist and Siegel, 2015) and risk-taking (Dohmen et al., 2012; Black et al., 2017).

5 Conclusion

The wealthy inherit more. Yet measured wealth transfers alone do not explain who reaches the top. Measured intergenerational wealth transfers concentrate at the top, yet removing them mechanically barely changes within-cohort wealth inequality or wealth mobility. Recipients who end up in the top wealth decile were already near the top before any wealth transfer arrived. Family background and unmeasured early-life inter vivos support appear to matter more.

No existing data source likely captures this support well. It takes informal forms: education, home purchases, rent-free housing, cash gifts, debt repayment, consumption expenditures, and insurance against income shocks. Recipients likely rarely report any of this as a gift or inheritance. If this unmeasured support from wealthy parents drives wealth positions, the strongest channel of intergenerational wealth transmission remains unmeasured.

Three limitations qualify these findings. First, the PSID misses the very top, where large bequests likely matter more. Second, the counterfactual ignores behavioral responses. Heirs may save less in anticipation, and wealth transfers can enable further accumulation through homeownership. Third, it cannot disentangle wealth transfers from inherited family traits like financial literacy or saving behavior. A calibrated heterogeneous-agent model (De Nardi, 2004; Benhabib, Bisin and Luo, 2019) could draw this distinction, using the decile-level receipt rates and importance ratios as calibration targets.

These findings are relevant to debates on wealth transfer taxation. Estate taxes target the late-life wealth transfers documented in this paper. These wealth transfers concentrate at the top yet mechanically account for little of measured within-cohort wealth inequality or wealth mobility. Early-life inter vivos support falls largely outside the tax system (Kopczuk, 2013) and likely matters more for wealth transmission. On this mechanical reading, heavier estate taxation would mostly redistribute late-life windfalls rather than change who reaches the top. It would leave the early-life channels outside the tax system largely untouched.

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A Variable definitions and sample construction

A.1 Wealth transfer definitions

The PSID asks household heads whether they or their spouse received "gifts or inheritances worth $10,000 or more." The question covers receipts since the previous interview, which I cumulate from 1984 onward.

The baseline definition sums all reported gifts and inheritances. The broad definition adds financial help received from relatives outside the household, capturing regular and one-time support (Gale and Scholz, 1994). The lump-sum definition replaces the baseline inheritance variable with lump-sum gifts and inheritances, excluding annuity-type payments. It also adds help from relatives. All three yield qualitatively identical results (Online Supplement, Appendix A).

A.2 Capitalization

I capitalize each wealth transfer receipt forward from the year of receipt to the final observation year. A wealth transfer $T_{i,s}$ received by individual i at time s has capitalized value at time t:

$$T_{i,s,t}^{\text{cap}} = T_{i,s} \cdot (1+r)^{t-s}. \tag{3}$$

Cumulative capitalized wealth transfers sum all receipts through t:

$$T_{i,t}^{\text{cum}} = \sum_{s \leq t} T_{i,s,t}^{\text{cap}}. \tag{4}$$

I report two capitalization approaches. Homogeneous capitalization uses a common rate $r = \bar{r}$, the sample median annualized portfolio return over 2001–2021. Heterogeneous capitalization uses each individual's own portfolio return $r = r_i$. I cap individual returns at -10% and 50% annually to limit the influence of extreme compounding. Under heterogeneous capitalization, both lifetime earnings LR_i and cumulative wealth transfers $T_{i,t}^{\text{cum}}$ capitalize at r_i. Online Supplement, Appendix B reports sensitivity to the capitalization rate. Online Supplement, Appendix R reports sensitivity to the cap bounds.

A.3 Lifetime earnings

Lifetime earnings equal 35 years of capitalized average annual labor income (equation 1). I average over all waves with positive labor income observed between ages 25 and 65. For waves with zero labor income, I impute 40% of the previous wave's income. This 40% rate matches average U.S. unemployment-insurance and disability replacement rates. I drop observations with no valid previous wave. I also drop individuals with fewer than four valid income observations from the intensive-margin analysis.

The top-wealth-decile gradient survives three perturbations to the lifetime-earnings denominator. I try a shorter (30-year) horizon, a longer (40-year) horizon, and a low risk-free capitalization rate ($r = 2\%$). In each case, the top-decile share stays well above the share in the middle of the distribution. The baseline shares are 14% in the top decile against 7–11% in deciles 1–9. The 30-year horizon gives 16% against 8–12%. The 40-year horizon gives 12% against 6–9%. A risk-free rate lowers every share, since the denominator grows more slowly, but the top-to-middle ratio holds (8% against 4–8%).

A.4 Sample construction

The sample starts with all PSID SRC individuals observed in at least one wave from 2001 through 2021. I restrict to individuals aged 25–69 at the time of at least one interview. I include observations at ages 70–75+ for the extended age-bracket analysis but exclude them from the pooled panel.

Within each wave, I trim cumulative capitalized wealth transfers at the top 0.1%. The trim limits the influence of a small number of very large values. The symmetric 0.1% bottom trim never binds, because wealth transfers are non-negative and so have no extreme low outliers.[12] The baseline sample at ages 60–64 contains $N = 2{,}754$ individuals.

A.5 Wealth rank

I assign individuals to 10-year birth cohorts (1936–1945, 1946–1955, 1956–1965, 1966–1975, 1976–1985) and compute within-cohort wealth percentile ranks in each wave. For each five-year age bracket, I take the median of the individual's within-cohort percentile ranks across observed waves. The median smooths year-to-year wealth fluctuations. I bin wealth ranks into deciles. Alternative aggregation methods (mean, first wave, last wave) yield near-identical results (Online Supplement, Appendix B).

[12]The aggregate flow series in Figure 1 uses a separate 1% winsorization (cap at the 99th percentile) rather than the 0.1% trim. Winsorization keeps the total stock of receipts intact. This is the quantity that matters for the aggregate-flow comparison. Trimming is preferred for the percentile-rank baseline because it leaves the rank ordering unaffected.

A.6 Wealth transfer receipt: summary statistics

Table 3 reports the distribution of positive per-wave wealth transfer receipts. The median receipt is $26,900 in 2021 dollars, well below the mean of $78,800. The distribution is right-skewed, driven by a small number of large transfers. The interquartile range runs from $12,500 to $69,400. Amounts are compounded from the year of receipt to 2021 at the sample median portfolio return.

Table 3: Summary statistics for positive wealth transfer receipts

	N	Mean	Median	SD	P25	P75
All waves	4,092	78.8	26.9	246.8	12.5	69.4
2001	312	70.2	33.7	108.1	15.6	72.7
2003	314	86.7	30.4	185.7	14.7	70.9
2005	330	69.3	27.8	112.5	14.4	75.6
2007	383	86.2	35.0	148.1	13.2	93.8
2009	374	67.8	23.6	121.8	14.0	62.0
2011	373	117.5	27.4	646.9	14.4	61.2
2013	423	67.2	30.1	123.0	13.4	68.6
2015	452	64.6	21.9	135.9	12.0	52.9
2017	386	89.0	28.9	201.2	11.6	81.0
2019	392	63.7	21.5	127.3	10.8	60.5
2021	353	89.1	25.0	257.9	10.0	60.0

Notes: Per-wave wealth transfer receipts among individuals with positive receipt. Amounts in thousands of 2021 dollars, compounded from the survey year at the sample median portfolio return ($\bar{r} = 4\%$). PSID 2001–2021, SRC subsample (unweighted), individuals aged 25–69. Baseline wealth transfer definition.

A.7 Statistical inference

I compute confidence intervals via a non-parametric pairs bootstrap with 1,000 replications. This applies to descriptive statistics (means, medians, fractions, wealth inequality indices) and to the mechanical-share estimates. I report the 2.5th–97.5th percentile interval and suppress cells with fewer than 50 observations. The intragenerational rank-rank slope standard error is the standard deviation of this bootstrap distribution. The intergenerational and controlled parent-child rank-rank slopes use family-clustered (cluster-robust) standard errors, since siblings share parents. The descriptive logit and OLS gradient regressions (Online Supplement, Appendix N) report conventional model-based standard errors.

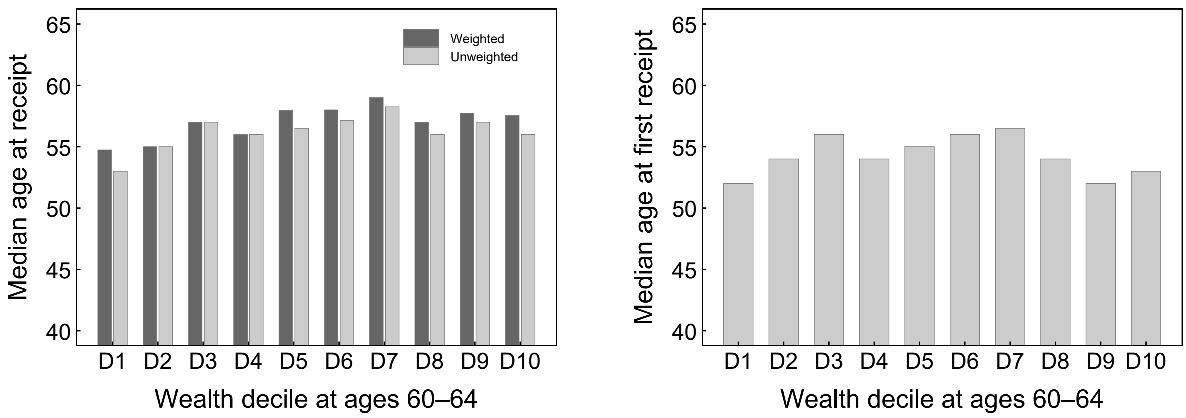
B Wealth transfer timing

Wealth transfers arrive late in working life. Among individuals aged 60–64, the median age at first receipt is 50. Only 23% of recipients receive their first wealth transfer before age 40.

The wealthy do not inherit earlier than the rest of the distribution (Figure 6). The weighted median receipt age varies by only a few years across wealth deciles (panel a). The median age at first receipt is similarly flat (panel b).

Figure 6: Median wealth transfer receipt age by within-cohort wealth decile, ages 60–64

(a) Median receipt age (b) First receipt age



Notes: Panel (a): age at wealth transfer receipt by within-cohort wealth decile, shown as paired bars per decile. For each individual I average the ages at which wealth transfers were received. For the dark-grey bar, I average each individual's receipt ages, weighting each receipt by its capitalized value. The bar is the median of those dollar-weighted ages across the decile. The light-grey bar reports the median when receipts are weighted equally. Panel (b): median age at first wealth transfer receipt by within-cohort wealth decile. PSID 2001–2021, SRC subsample (unweighted), individuals aged 60–64 ($N = 2{,}754$), within-cohort wealth deciles based on 10-year birth cohorts. Baseline wealth transfer definition.

C SCF wealth-transfer validation

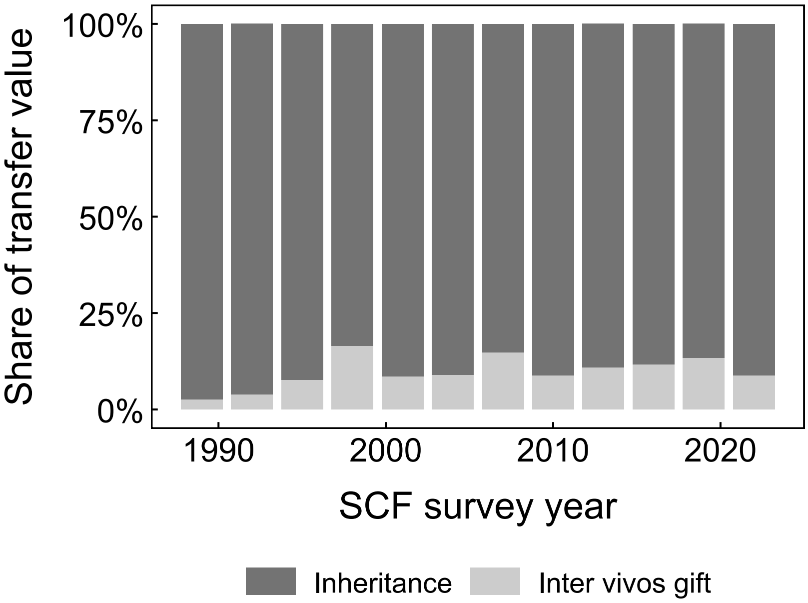
C.1 Data

I validate the PSID wealth transfer measure against the Survey of Consumer Finances (SCF). The SCF asks respondents to report up to three wealth transfers. It classifies each as an inheritance, inter vivos gift, or trust, and records the source. I pool all SCF triennial waves from 1989 through 2022 for the composition, source, and density results below. For the cross-survey amount comparison in Table 4 and the in-text statistics in Section 2.3, I restrict to the PSID-overlapping waves 2001–2022. I use the first implicate throughout. Dollar amounts are left in nominal survey-year dollars. The composition and source shares and the receipt-age distributions are invariant to deflation. The cross-survey amount comparison in Table 4 is reported in nominal dollars for both surveys.

C.2 Composition and source

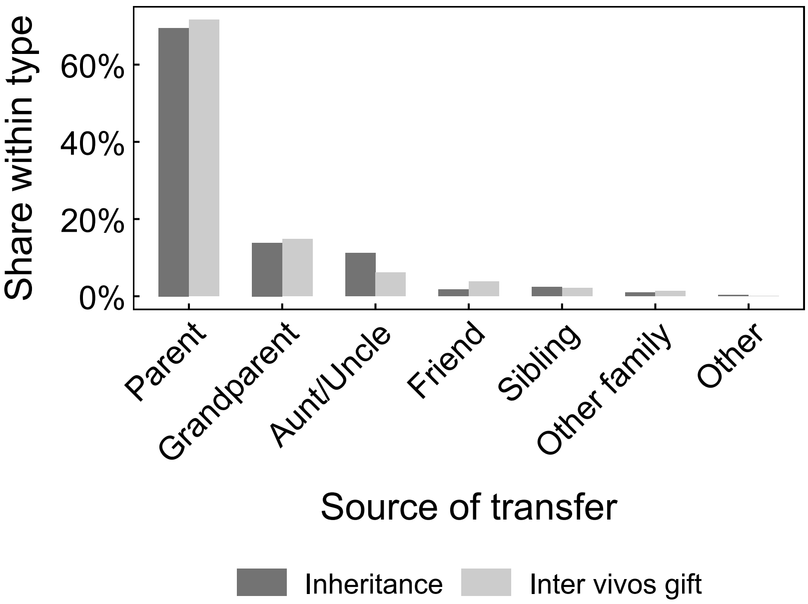
Inheritances dominate SCF-reported wealth transfers. Over the PSID-overlapping waves (2001–2022), they account for 81% of reported wealth transfers by count and 78% by value. Figure 7 plots the full 1989–2022 wave-by-wave series. Inter vivos gifts account for 13% by count and 9% by value. The inheritance share fluctuates across waves but shows no trend. Figure 8 pools all 1989–2022 waves. Among SCF-reported inheritances over the 2001–2022 waves, 72% come from parents, 14% from grandparents, and 10% from aunts and uncles. Among inter vivos gifts, 72% come from parents. The non-parental share implies that 28% of measured inheritances reflect extended-family wealth rather than the direct parent-child channel.

Figure 7: Value-weighted composition of SCF-reported wealth transfers by type, 1989–2022



Notes: Each bar shows the value-weighted share of SCF-reported wealth transfers in each survey wave. Shares are renormalized over inheritances and inter vivos gifts. Trusts account for the remaining share and are omitted for visual clarity. They make up about 13% of reported wealth transfers by value and 7% by count. SCF 1989–2022, first implicate only. Dollar weights are in nominal survey-year dollars. The value shares are invariant to deflation.

Figure 8: Source of SCF-reported wealth transfers by type, pooled 1989–2022



Notes: Each bar shows the share of SCF-reported wealth transfers within each wealth-transfer type (inheritance or inter vivos gift). Bars are broken down by source: parent, grandparent, aunt/uncle, friend, sibling, other family member, or other. SCF 1989–2022 (all waves pooled), first implicate only.

C.3 Receipt timing

The SCF and PSID produce similar timing distributions. The median age at receipt across all reported gift and inheritance events is 50 in the PSID. The SCF median is 47 over 2001–2022. In the SCF, inheritances arrive later on average than inter vivos gifts. The inheritance density peaks around age 50 and is broadly symmetric. The gift density peaks in the late 20s and has a long right tail extending well into retirement (Figure 9).

Figure 9: Distribution of receipt age by wealth-transfer type, SCF 1989–2022

Notes: Kernel density estimate of the age at which respondents received each wealth transfer, separately for inheritances and inter vivos gifts. SCF 1989–2022 (all waves pooled), first implicate only.

C.4 Wealth-transfer amounts

Table 4 compares cumulative lifetime transfer amounts between the PSID and SCF at ages 60–64. I pair each PSID wave with the closest SCF wave. Both quantities are at the household level and in nominal dollars. The PSID cumulates all reported gifts and inheritances from 1984 onward. The SCF records up to three detailed lifetime wealth-transfer events plus a residual amount for additional wealth transfers. I sum these per household. PSID amounts are lower than SCF amounts for two reasons. First, the SCF oversamples wealthy households, who receive larger wealth transfers, whereas the PSID SRC subsample does not. Second, the PSID begins recording wealth transfers only in 1984. Earlier PSID waves miss receipts that occurred before that year. The coverage gap narrows over time. By 2021, the PSID captures 37 years of wealth-transfer history for respondents aged 60–64, covering most of their adult life.

Table 4: Cumulative lifetime wealth transfer amounts: PSID vs. SCF

		Mean		Median	
PSID	SCF	PSID	SCF	PSID	SCF
2001	2001	52.6	154.5	15.8	40.0
2003	2004	152.6	174.4	24.5	50.0
2007	2007	67.6	160.9	25.5	60.0
2009	2010	80.6	208.9	27.5	60.0
2013	2013	105.6	241.6	40.0	70.0
2015	2016	107.1	183.3	40.0	64.0
2019	2019	110.2	190.0	45.0	69.0
2021	2022	106.3	255.5	44.8	80.0

Notes: Cumulative lifetime wealth transfer amounts in thousands of nominal dollars, at the household level, among recipients aged 60–64. PSID: sum of all reported gifts and inheritances from 1984 onward, aggregated across adults in the household (SRC subsample, unweighted). SCF: sum of up to three detailed transfer events plus the residual amount for additional transfers (survey-weighted). PSID amounts understate lifetime totals for earlier waves because the PSID begins recording transfers in 1984; coverage improves in later waves. Matched year-pairs use the closest SCF wave for each PSID wave. PSID 2001–2021, SCF 2001–2022, first implicate.

D Total Inflows denominator

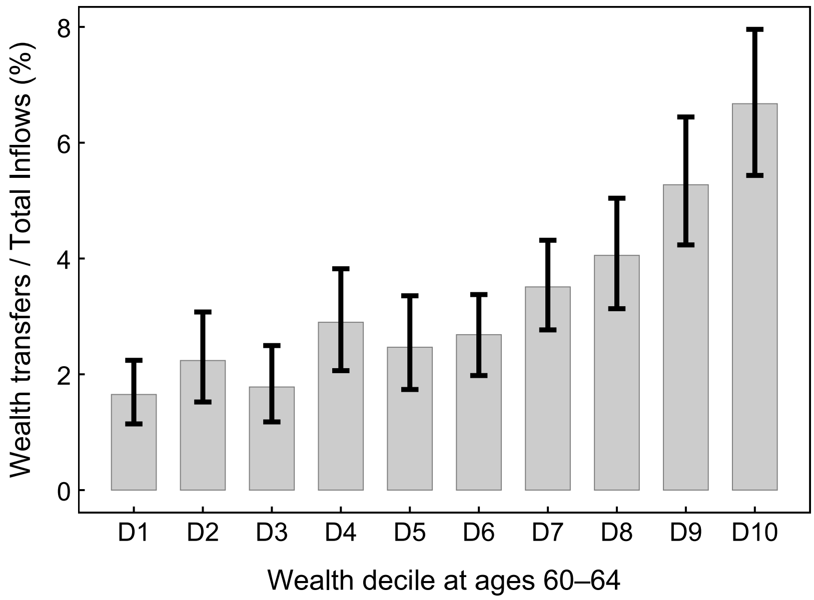
The main text measures wealth transfer importance as cumulative capitalized wealth transfers divided by lifetime earnings (LR_i). Black et al. (2025) use an alternative denominator, Total Inflows (TI_i), which adds the wealth transfers to lifetime earnings:

$$TI_i = LR_i + T_{i,t^*}^{\mathrm{cum}}, \tag{5}$$

where T_{i,t^*}^{cum} is cumulative capitalized wealth transfers received before age 65. The wealth transfer importance ratio is $T_{i,t^*}^{\mathrm{cum}}/TI_i$. Both LR_i and TI_i exclude government transfers, which the PSID records only from 1999.

Because TI_i always exceeds LR_i, every importance ratio is mechanically smaller under this denominator. The gap across wealth groups survives this denominator change. Figure 10 shows the mean importance ratio by wealth decile. Top-wealth-decile recipients have a higher ratio than bottom-decile recipients, mirroring the main-text finding. Table 5 reports both ratios side by side.

Figure 10: Wealth-transfer share of Total Inflows by within-cohort wealth decile, ages 60–64



Notes: Each bar shows the mean ratio of cumulative capitalized wealth transfers to Total Inflows, by within-cohort wealth decile. The mean is taken across all individuals in the decile. Non-recipients enter with a zero numerator. Error bars: 95% confidence intervals from 1,000 bootstrap replications. PSID 2001–2021, SRC subsample (unweighted), individuals aged 60–64 ($N = 2{,}754$), homogeneous capitalization ($r = \bar{r}$), within-cohort wealth deciles based on 10-year birth cohorts.

Table 5: Wealth transfers as a share of lifetime earnings vs. total inflows, by terminal wealth decile.

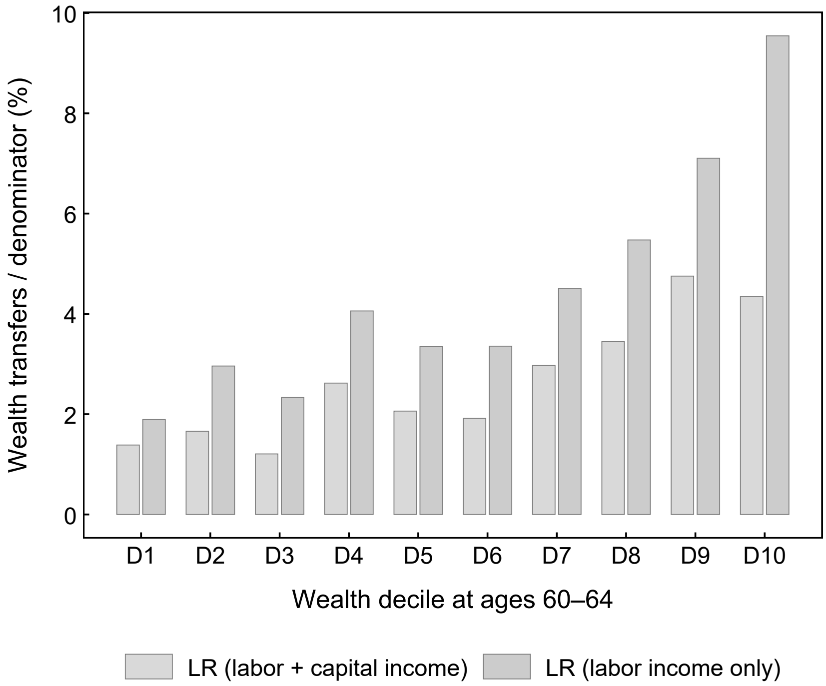
Wealth decile	LR ratio (%)	TI ratio (%)	Diff (pp)
1-10	1.9	1.7	0.2
11-20	3.0	2.2	0.7
21-30	2.3	1.8	0.6
31-40	4.1	2.9	1.2
41-50	3.4	2.5	0.9
51-60	3.4	2.7	0.7
61-70	4.5	3.5	1.0
71-80	5.5	4.1	1.4
81-90	7.1	5.3	1.8
91-100	9.5	6.7	2.9

Notes: LR ratio is cumulative capitalized wealth transfers over lifetime earnings (35-year capitalized labor income, the main-paper denominator). TI ratio is cumulative capitalized wealth transfers over Total Inflows (labor income plus cumulative capitalized wealth transfers, the Black et al. (2025) denominator). Both denominators exclude government transfers. Baseline age bracket (ages 60-64). Baseline wealth transfer definition. PSID 2001–2021.

D.1 Capital income in the denominator

The headline LR_i uses labor income only. Capital income for top-wealth individuals is partly the return on inherited wealth. Excluding capital income understates wealthy recipients' working-life resources, inflating their measured wealth-transfer share. Figure 11 reports the unconditional mean cumulative wealth-transfer share under the headline denominator and under an alternative LR_i^{full}. Non-recipients enter with a zero numerator. The alternative adds capital income to LR_i, compounded at the same rate. In the top wealth decile, the share falls from 9.5% of LR_i to 4.4% of LR_i^{full}. In decile 5, it falls from 3.4% to 2.1%. The top-to-middle gradient narrows but survives.

Figure 11: Cumulative wealth transfer as a share of lifetime resources, by within-cohort wealth decile, under labor-only and labor-plus-capital denominators, ages 60–64



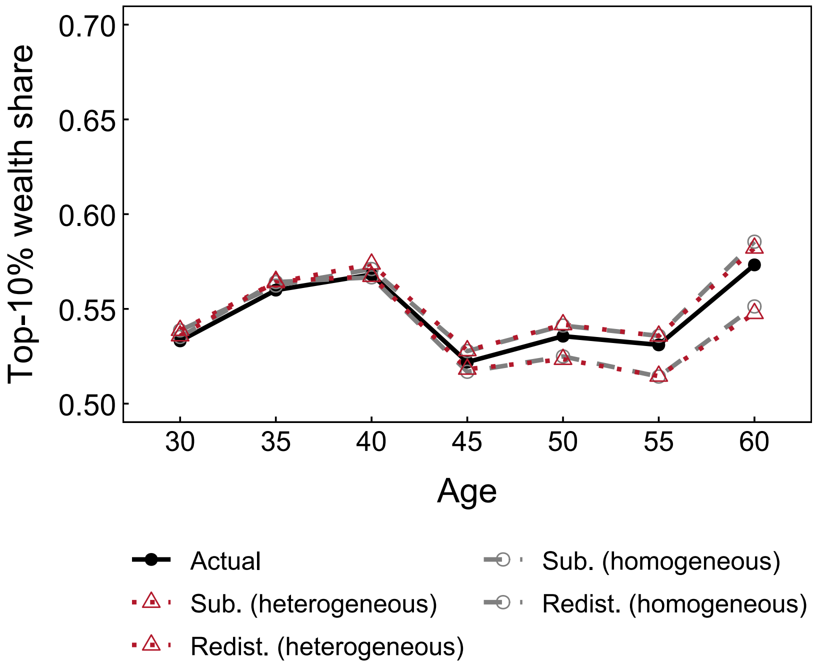
Notes: Each bar shows the mean cumulative capitalized wealth transfer divided by a measure of lifetime resources. Values are reported by within-cohort wealth decile at ages 60–64. The mean is taken across all individuals in the decile. Non-recipients enter with a zero numerator. "LR (labor income only)" is the headline denominator used in the main text: 35 years of capitalized average labor income. "LR (labor + capital income)" adds capital income to the wage flow and capitalizes at the same rate. PSID 2001–2021, SRC subsample (unweighted), $N = 2{,}754$ individuals, homogeneous capitalization ($r = \bar{r}$), within-cohort wealth deciles based on 10-year birth cohorts.

E Additional results

E.1 Top-10% wealth share over the lifecycle

Removing wealth transfers barely changes the top-10% within-cohort wealth share at any age (Figure 12). The top-10% share rises modestly with age, from 54% at ages 25–29 to 57% at ages 60–64. Actual and counterfactual lines are nearly indistinguishable, mirroring the within-cohort Gini result in Figure 4 of the main text.

Figure 12: Within-cohort top-10% wealth share under actual and counterfactual wealth over the lifecycle, ages 25–69

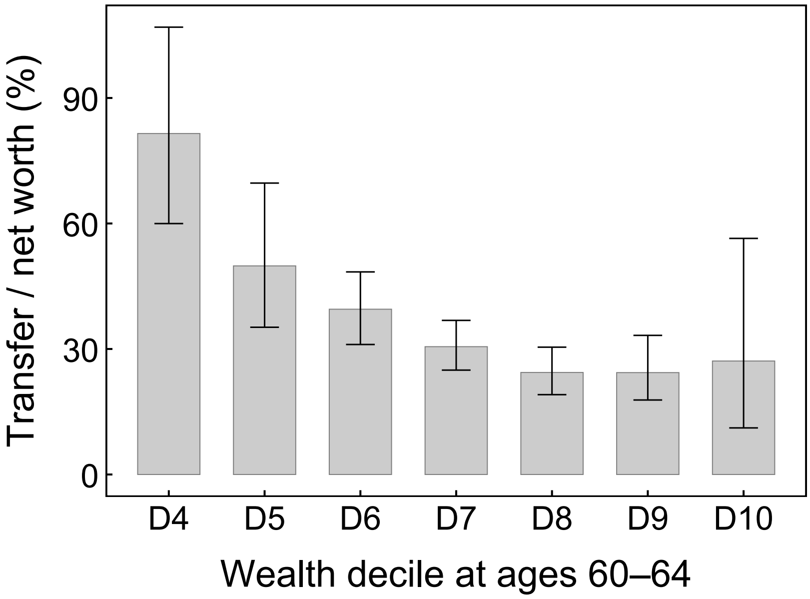


Notes: Each line shows the within-cohort top-10% wealth share by age bracket (25–29 through 65–69), for actual wealth and three counterfactuals. The subtraction counterfactual is net worth minus capitalized wealth transfers, under both homogeneous ($r = \bar{r}$) and heterogeneous ($r = r_i$) capitalization. The redistribution counterfactual is net worth minus individual wealth transfers plus the sample mean, under homogeneous capitalization. PSID 2001–2021, SRC subsample (unweighted), ages 25–69 ($N = 13,013$ across all brackets, varying by bracket), within-cohort shares computed within 10-year birth cohorts. Baseline wealth transfer definition.

E.2 Wealth-transfer-to-net-worth ratio

Why do wealth transfers have so little effect on within-cohort wealth inequality? Figure 13 provides the answer. Top-wealth-decile recipients receive the largest wealth transfers in absolute terms (Section 3). These amounts are a smaller share of net worth at the top than lower down the distribution. The wealth-transfer-to-net-worth ratio declines sharply with wealth rank. Removing them therefore barely changes the wealth ranks of top-decile individuals.

Figure 13: Cumulative wealth transfers as a share of net worth by within-cohort wealth decile, ages 60–64



Notes: Each bar shows the mean cumulative capitalized wealth transfer as a percentage of net worth among recipients. Values are by within-cohort wealth decile. Restricted to recipients in within-cohort wealth deciles 4–10 with positive net worth. Error bars report 95% confidence intervals from 1,000 bootstrap replications. PSID 2001–2021, SRC subsample (unweighted), individuals aged 60–64 ($N = 2{,}754$), within-cohort wealth deciles based on 10-year birth cohorts. Baseline wealth transfer definition.