



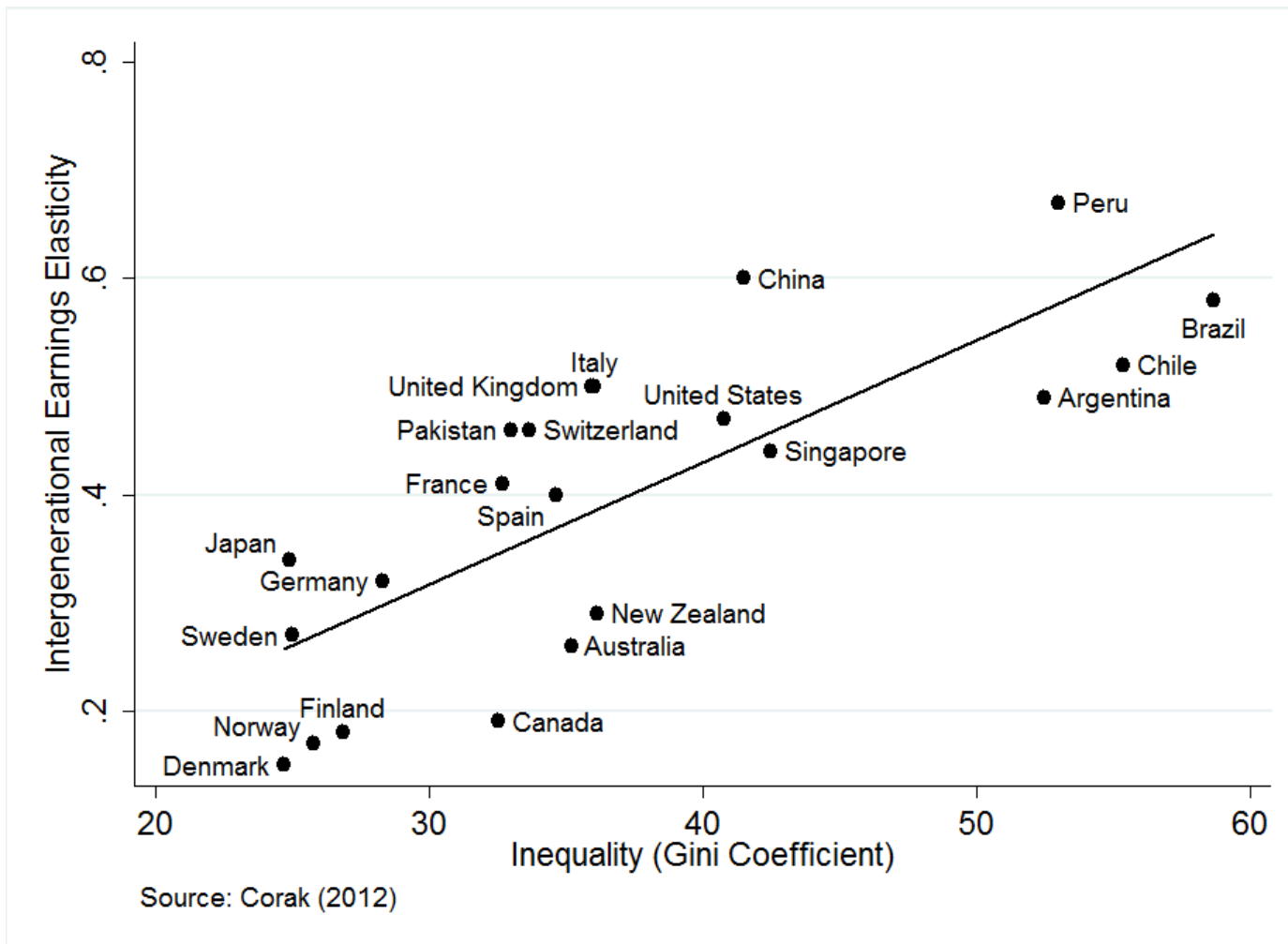
# Inheritances and social mobility

**Matthias Schnetzer**

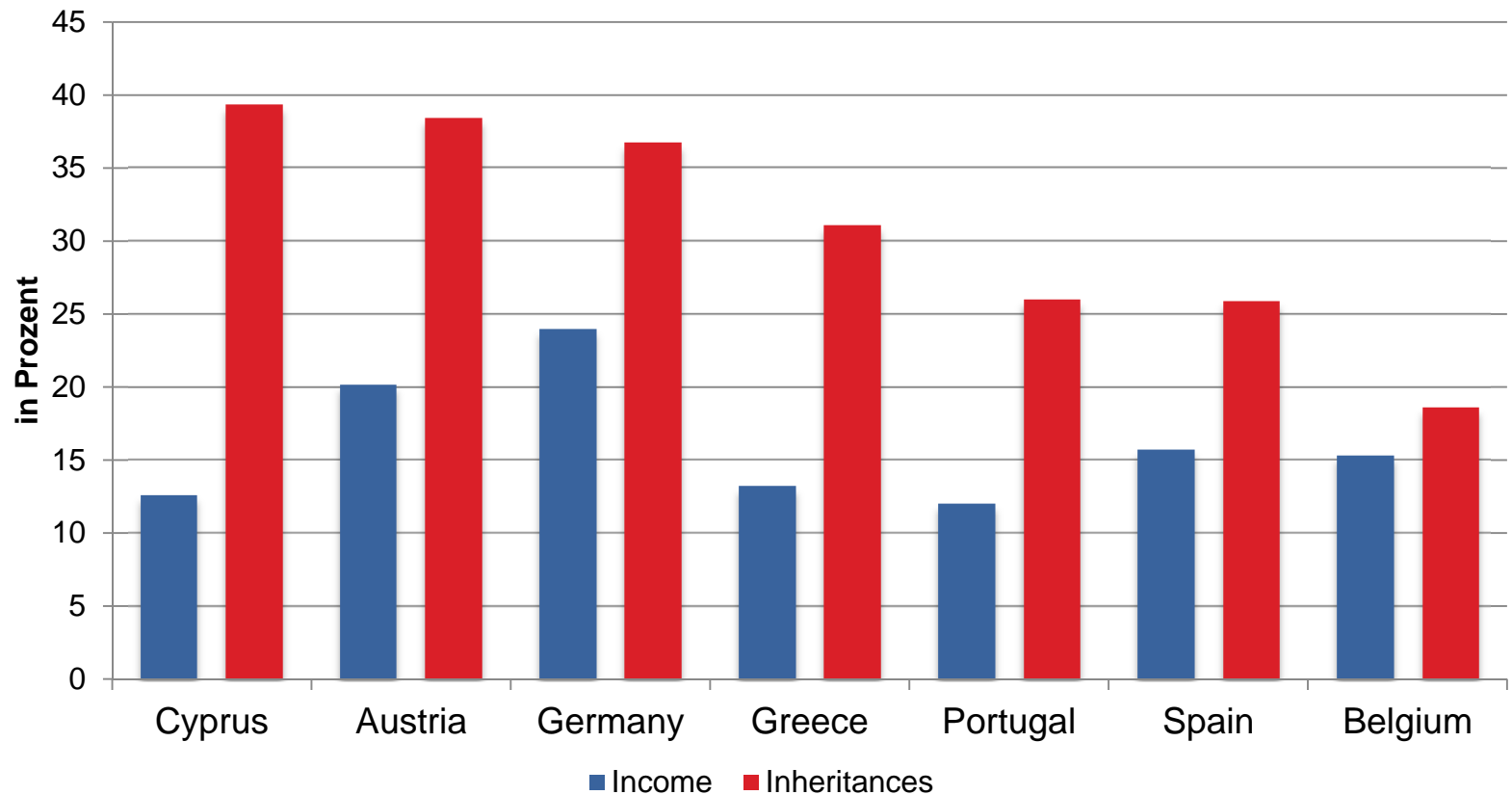


[www.arbeiterkammer.at](http://www.arbeiterkammer.at)

# Inequality and Social Mobility correlate



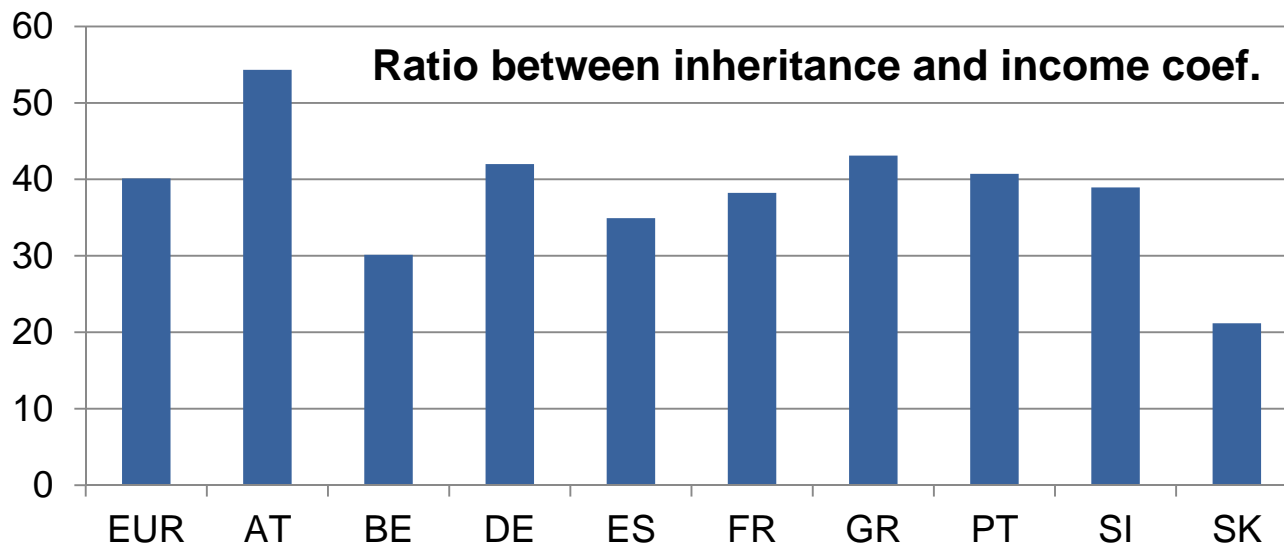
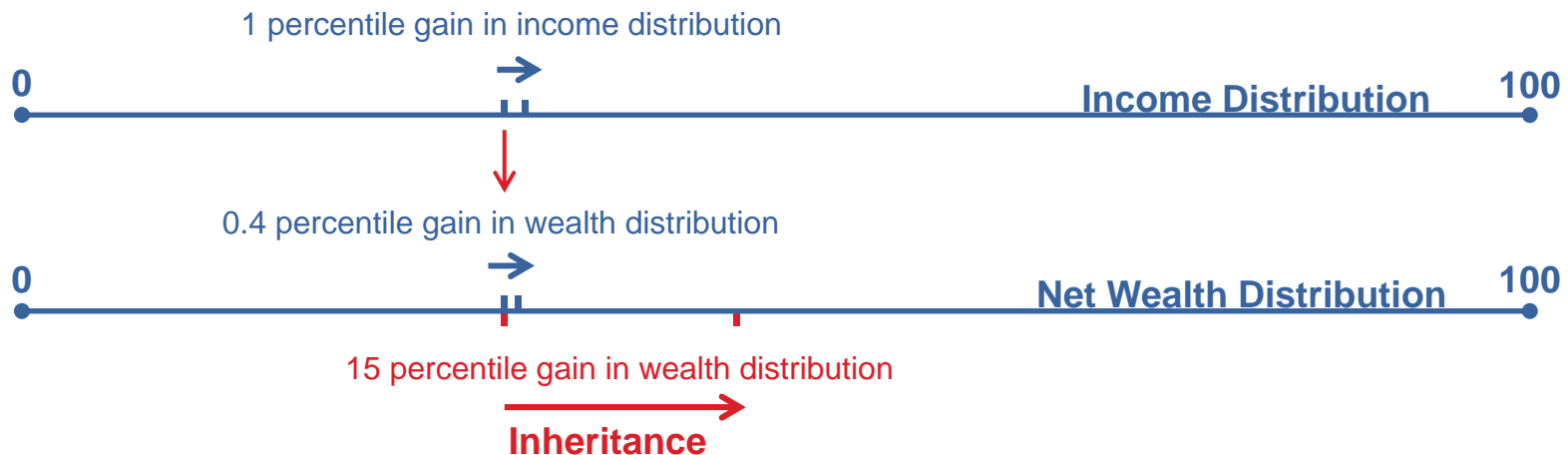
# Inheritances contribute most to wealth inequality



Note: Relative share of decomposed gross wealth Gini coefficient

Source: Leitner S. (2015): Drivers of wealth inequality in euro area countries. European Journal of Economics and Economic Policies: Intervention 13 (1), 114-136

# Inheritances and Wealth Accumulation



Source: Humer S./Moser M./Schnitzer M. (2016): Bequests and the Accumulation of wealth in the Eurozone. AK Working Paper Series 149

# Patrimonial capitalism (Piketty)

- **Clark/Cummins (2014): Richest families around 1858 still have 4 times the wealth of average British family in 2012**  
**(= 5 generations later)**
- **Barone/Mocetti (2016): Families with highest income in Florenz in 1427 are still at the top in 2011**  
**(= 6 centuries later)**

Sources: Clark G./Cummins N. (2014): Intergenerational Wealth Mobility in England, 1858-2012: Surnames and Social Mobility. The Economic Journal 125 (582), 61-85  
Barone G./Mocetti, S. (2016): Intergenerational mobility in the very long run: Florence 1427-2011. Banca D'Italia Working Paper 1060

# What should be done?

## On the tax side

- Significant taxes on very high inheritances
- Reducing actual wealth inequality

## Promoting social mobility

- Expanding public pre-primary education
- Later tracking in schools (integrated schools)