

U Mind the (Housing)
W Wealth Gap: Patterns
o of family wealth,
p past, present, future **B**

Ricky Joseph, CHASM Conference 18 July 2014

Overview

- Background
- Research aims
- Methodology
- Key findings on motivations and impact
- Concluding thoughts

“The boomers, roughly those born between 1945 and 1965 have done and continue to do some great things but now the bills are coming in; and it is the younger generation who will pay them...The charge is that the boomers have been guilty of a monumental failure to protect the interest of future generations”

(David Willetts MP, The Pinch, 2010)



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Background

- Growing debate around family relations (i.e. solidarity-conflict, ambivalence), support and generational inequality (i.e. Baby boomer versus the rest)
- Higher levels of income/wealth inequality
- Greater risk and uncertainty throughout life-course
- Shift in responsibility from state to individual
- Leverhulme Trust funded project, *Mind the Wealth Gap: Inter-generational Justice and Family Welfare*

Workstream Research Aims

1. What is the extent of financial transfers across generations in different directions ('down' and 'up')?
2. Why, and how, do people finance such transfers?
3. What is the impact of inter-generational transfers on both the donors and the recipients?
4. What are people's attitudes towards supporting or being supported by family members?
5. How does all this vary by demographic factors such as ethnicity, gender and social class?

Methodology

- Mixed methods (i.e. includes Omnibus survey)
- Qualitative interviews with 15 families (12 x 3 generations and 3 x 2 generations)
- Sample included 5 ethnic minority families
- Baby boomer born between 1945-65
- 'Younger Generation' aged 18 years +
- 'Older Generation' must be in good health
- Each family member interviewed separately with no details shared
- Topic guides included vignettes from previous study on attitudes to financial support

Motivations

Balance between spoiling and independence

We give him support so that he can develop and he doesn't need it in the future and he knows that we're there and he knows where it comes from and he knows that it's expensive ... he's not stupid by any means, and I've no doubt he appreciates it but I think it makes him a more independent person. That's sound – double Dutch doesn't it because we're paying for it [university accommodation] to make him independent, that sounds mad I know but I'm looking at the long term (Baby Boomer, Connelly Family, Female, White UK, HR Manager, Home owner)

What's my motivation? Good question really, you want to make your children happy don't you, there's a fine line between spoiling them ... if you have got the means, it's almost sometimes churlish not to give it if it's not causing you that much of a problem to give it.. Its difficulty to hold onto all of your own values when you're subjecting your children to other experiences (Baby Boomer, Henry Family, Female, Black Caribbean, Local Government Officer, Home owner)

Not wanting a family member struggle with debt

We help him out whenever we can...You know, full well you'd get it back off him. .. I was quite happy....What's he want the money for? I wonder if he's all right, what's he doing? He's got to pay some debts off, If he wants to tell us he'll tell us and he would do.. Unless I had an inkling.. there was let's say drugs involved...then that would be a different thing altogether ... He never, never told us anything...we didn't want to know what he wants the money for. (Older Generation, Docherty Family, Female, White UK, Retired skilled manual worker, Home owner)

The council tax was in arrears, which we wasn't made aware of, they hadn't sent any letters, so obviously the bailiff turned up at the door, I didn't know anything about it, my partner was working [away from home] and I had to phone my dad and I said they need £800 or else they're coming in the house..., it was between [my sibling] and my dad, and they got me the £800 and paid it off and they wouldn't accept it back off me (Younger Generation, Evans Family, Female, White UK, Unemployed, social housing)

Impact of financial exchanges

Help getting on housing ladder

We were renting at the time and I think we would have tried to save up for a deposit but we did the wedding first ... it made a huge difference, it meant that we could buy a house earlier than we would have anticipated, and it meant we became home owners and got onto the property ladder very young, I think I was only 22 (Baby Boomer, Jacobs Family, Female, Black Caribbean, Manager, Home owner)

Well without that [financial help] I would be living in a rented property somewhere now and just keep paying. It [getting on housing ladder] wouldn't have happened (Baby Boomer, Kapoor Family, Male, Indian, Self-employed, Home owner)

Well she probably would have been struggling. And I made it easier for them to buy a house. (Older Generation, Sharma Family, Male, Indian, Manager, Home owner).

Investing in children's education

...I pay for my son [university living costs]...his maintenance loan just covers his accommodation, so he's got no money left, really. So I pay for his food each week, and I pay his mobile phone...(Baby Boomer, Edwards Family, Female, White UK, Office Manager, Home owner)

They [parents] encouraged me to stay on [at university] and they effectively subsidised my living at home rent free (Baby Boomer, Bennett Family, Male, White UK, Teacher, Home owner)

And I remember, I used to write the cheques for my dad, and I can remember thinking, 'Foreign holiday [laughter], a very good foreign holiday,' When I stopped doing it, it was fantastic. .. it was an investment [paying daughter's school fees] I think. (Baby Boomer, Allen Family, Female, White UK, Consultant, Home owner)

Concluding thoughts

- Nature of family/inter-generational relations and attitudes to financial support is central part of the study
- The nature of family support, family structures and practices have been evolving over time
- In policy terms, families expected to do far more to support individual member but is this fair/consistent with their *attitudes and behaviour*?
- What does this mean for families who *do not* (i.e. conflict) or *cannot* (i.e. income/wealth inequality) offer financial support?
- What does this mean for modern-day families and policy in a period of growing risk and uncertainty?