

Factor Incomes in Global Value Chains: The Role of Intangibles

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Around 70 per cent of Australians reside in owner occupied housing. Recently ownership rates have begun to fall, especially for younger cohorts. Owner occupied housing generally represents the largest single asset in the household wealth portfolio and plays an important role in retirement planning and wealth accumulation. There is some anecdotal evidence that transfers from parents are an increasingly important mechanism to facilitate entry into homeownership. In this paper we consider transfers in the form of bequests and inter vivos gifts from parents, and their role of transfers in the wealth accumulation process and entry into first-time homeownership. The empirical analysis indicates that bequests and inter vivos transfers hasten entry into homeownership, potentially alleviating some important liquidity constraints faced by households.