Wealth Gender Differences: the Changing Role of Explanatory Factors Over Time

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Paper Abstract: In this paper we set out to investigate the explanatory factors of that have contributed to changing wealth levels covering the period of the Great Recession. Given the large labor market changes, which have taken place during this time in Germany we expect the process of accumulating wealth to have changed. In particular, we investigate the role of labor supply (which has largely increased for women in the years considered), the portfolio composition, and changes in marital status. We find the increased participation of women in the labor market and particularly their occupation structure had an increasing role in wealth accumulation. We also find an important role of marital transitions particularly for those never married.

The changing role of explanatory factors has altered the wealth gap in Germany. Consequently, in the second part of the paper we extend the existing literature and investigate the changing gender wealth gap over time, which has resulted from these changes, both at the mean and across the wealth distribution.

We use micro data from the German Socio-Economic Panel (years 2002, 2007, 2012), which uniquely provides wealth information at the individual level. Preliminary results show that the mean wealth levels have been decreasing since 2002 for both women and men. However, while the decrease was similar for both men and women in the period 2002-2007, men lose more than women in 2007-2012, and the wealth gender gap shrank from 30,000€ to 27,000€, but this trend hides heterogeneities along the wealth distribution.