

Fears of inter-generational tension between young and old are unfounded, according to a new study

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Researchers at the University of Birmingham say that social, economic and demographic factors are generally pushing UK families together, rather than driving them apart along generational lines.

Their key findings were:

- Instead of falling victim to inter-generational tensions, families are determined to support their own members financially.
- Some families are much better placed than others to provide help – reinforcing the gap between rich and poor.
- Most families still think the state has a fundamental role to play in offering support.
- There is little appetite for plans to fund social care by targeting pensioners.
- An alternative means of reducing [financial inequality](#) over the longer term could be to reform wealth taxation.

The study, led by the Centre on Household Assets and Savings Management at Birmingham, draws on the experience of 2,000 people and explores intergenerational relationships within families. It examines the giving and receiving of lifetime gifts – defined as gifts worth £500 or more.

The researchers found that 22% of British adults, that is, more than one

in five, had received one or more such large gifts from family members.

Crucially, such gifts were far more common, and much larger, within middle-class families, whose members could usually find the necessary funds from their existing income or savings.

By contrast, older members of working-class families were more likely to support younger generations by selling possessions or taking out loans themselves.

Middle-class families were more likely to finance education and housing, while working-class families were more likely to fund debt repayment and everyday expenses.

Professor Karen Rowlingson, who led the research said: 'We hear a lot about baby-boomers being well-off while younger generations are struggling to get out of debt.

'While there is certainly some justification for this view, it shouldn't distract our attention from the staggering inequalities that exist within generations.

'Our research shows families may be even more determined than previously to help their own members financially but that some are simply far better placed than others to do so.

'This dichotomy, with some easily able to provide support and others not, is entrenching the gap between rich and poor and reducing equality of opportunity for all.'

The study's authors argue that these and other disparities emphasise the need to view financial inequality in intra-generational rather than inter-generational terms.

The study suggests all social classes recognise that the provision of support is central to "what [family](#) is all about" – but all also believe the state has a major role to play.

Professor Rowlingson added: 'The prevailing view in some policymaking circles often seems to be that the only way to support the young is to penalise the elderly.'

'But the idea that the answer lies in cutting the benefits received by pensioners is typical of the tendency to view the problem exclusively in inter-generational terms.'

'Importantly, our research indicates there's little appetite for such measures across any demographic and recent political events appear to reinforce this finding.'

The researchers concluded there was a need for a more progressive system of wealth taxation targeting people on the basis of wealth rather than age.

Professor Rowlingson added: 'Inheritance tax, for example, could be reframed so that it's truly an inheritance tax rather than an estate tax, with unearned wealth taxed more similarly to earned income.'

'No changes to a tax system are likely to be universally popular, but at least these changes would have no immediate and concrete impact on people during their lifetimes.'

Public and policymaker debate has recently placed ever-greater focus on the threat of tensions arising from wealth being largely concentrated among older people.

Detailed in a new book published by Palgrave Macmillan, the research

stresses that families still expect the state to play a fundamental role in tackling financial inequality.

Professor Rowlingson said: 'According to our findings, certain policy pledges regarding the provision and funding of [social care](#) are very much at odds with public sentiment.'

Provided by University of Birmingham

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