

Is there wealth stability across generations in the US?

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A study published in *Contemporary Economic Policy* that analyzed U.S. data found that a substantial portion of grandparents with the lowest proportions of wealth in 1984–1989 are likely to have grandchildren

who end up in the lowest wealth stratum in 2015–2017. Likewise, grandparents in the highest proportions of wealth are likely to have grandchildren in the highest wealth stratum.

Also, grandparental linkages in household portfolio components—risky assets, safe assets, and non-financial assets—are strongly positively correlated with the asset components of younger generations.

The analysis also found that Black individuals tend to be less invested in risky assets, even after adjusting for the intergenerational transfers of wealth from [grandparents](#) and parents.

"My decompositions of net wealth into risky, safe, and non-financial assets illuminate different policy pathways to benefit the total net wealth of younger households, including Black households," said corresponding author Jermaine Toney, of Rutgers University.

More information: Jermaine Toney, Is there wealth stability across generations in the U.S.? Evidence from panel study, 1984–2017, *Contemporary Economic Policy* (2022). [DOI: 10.1111/coep.12581](https://doi.org/10.1111/coep.12581)

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