

# Wealth disparities by household type in Europe

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**Motivation and research questions.** Wealth inequality is increasingly important in both academic and policy discourses not least because, distinctively from income, wealth allows for consumption smoothing, crisis buffering, and the intergenerational transmission of resources and social status (Killewald et al., 2017; Pfeffer & Waitkus, 2021). These issues are crucial in the Euro-area context, where, over the last decade, house prices have increased by around 60% (EUROSTAT, 2025). The basic units of analysis for the study of wealth are households, and these are defined by their composition (including single-occupant, couple, dual-parent, single-parent, and extended), but their association with wealth has not received much research attention. Across Europe, household types have diversified over recent decades, where the predominance of dual-parent living arrangements has given way to living alone, in single-parent, or multigenerational households among young people (Fokkema & Liefbroer, 2008; Schwanitz & Mulder, 2015). Shifts in the prevalence of different household types may go hand in hand with changes in the distribution of wealth. Household types differ in characteristics that are commonly associated with wealth, such as the age composition of their members. Moreover, different household structures may lead to differential wealth accumulation through systematic differences in income and the pooling of resources. Rising housing prices are also widening the divide between owners and non-owners, who tend to sort into different household arrangements. At present, we lack a comprehensive account of disparities in household wealth and its components (housing, real and financial assets, and debt) across household types; or the extent to which such disparities can be explained by compositional and structural differences. Therefore, in this work, we ask:

- *How do wealth portfolios differ across household types within broad age groups?*
- *What explains differences in wealth across household types within broad age groups?*

We contribute to the literature by providing the first account of wealth differences across a variety of living arrangements by age group (18–35; 36–59; and 60+). We also net out compositional differences in characteristics that are related to wealth and its accumulation. Our results shed light on the potential consequences of the diversification of living arrangements for wealth inequality in Europe.

**Theoretical and empirical background.** Two mechanisms may explain wealth disparities across household types. First, household types differ in factors associated with wealth and its components, commonly age and gender composition (Bover, 2010). Second, different household types could lead to differential wealth accumulation over time due to structural inequalities. For example, households with single adults tend to accumulate less wealth relative to coresidential partner households, due to couples' ability to combine incomes, transfers, and inheritances (Morelli et al., 2022), as well as tax benefits for married couples in many countries (see Lersch et al., 2021, for Germany). Empirically, wealth differences across household types have been highlighted mainly with respect to the living arrangements of children, notably by comparing dual-parent to

single-parent households (Lersch et al., 2021; Morelli et al., 2022). Studies of older adults' households have found declines in housing wealth upon widowhood (Kapelle & Van Winkle, 2024). Beyond this research, very little is known about wealth differences across the range of household types, including living alone, as a couple with or without children, or in extended families. However, we know that income differs greatly by household type (McLanahan & Percheski, 2008; Muszynska & Wedrowska, 2020), and this necessarily has an impact on savings and wealth (Balestra & Oehler, 2023). The ongoing diversification of living arrangements in Europe warrants an investigation of wealth portfolios by household type. We estimate wealth disparities across household types, and study the extent to which compositional characteristics—as well as intergenerational transfers and inheritances—can help explain such disparities.

**Data and Method.** We rely on the latest data from the Household Finance and Consumption Survey (HFCS). This is a repeated cross-section survey administered by the European Central Bank that collects household-level data on wealth, income, and consumption. The data was collected in 2021 across 22 countries in the Euro area. Given its focus on finances, the survey reports detailed information on wealth and all of its components, alongside household composition and socio-demographic characteristics of the household members, and the receipt of intergenerational transfers (large gifts) or inheritances. Our analytic sample consists of 38,371 households across 10 countries with available information on all the variables of interest. These are Austria, Belgium, Germany, France, Greece, Italy, the Netherlands, Portugal, Slovenia, and Slovakia. We analyse gross wealth as our main variable of interest, as a more appropriate measure of socio-economic resources than net worth (Dräger et al., 2023). We also look separately at the four components of wealth, namely real and financial assets, housing equity, and non-housing debt (Pfeffer & Waitkus, 2021). Since our interest lies in wealth as a marker of economic status and intergenerational transmission of resources, we do not adjust for household size and assume perfect economies of scale (Rapp, 2025). For comparison, we also provide analyses of equivalised wealth. We compare wealth across five household types: single-person (31% of the sample), couple only (34%), couple with children aged 0–18 (21%), single-parent with children aged 0–18 (4%), and extended family (10%), which includes couples and singles living with adult children, grandchildren, siblings, and/or other relatives. Other living arrangements (e.g. flatmates) had negligible sample sizes (<500) and were thus excluded.

We split our sample into three age groups based on the age of the reference person (i.e., the main earner in the household): 18–35, 36–59, and 60+. We consider several characteristics which may explain variation in wealth across household types, and code indicators for age in years, gender, educational attainment, and immigrant status of the reference person; household gross income; and the past receipt of inheritances or large transfers, coded based on its value (in Euros): none; 10,000 to 50,000; 50,000 to 100,000; 100,000 to 200,000; 200,000 to 500,000; and more than 500,000.

Unadjusted distributions of household gross wealth and wealth components across household types—that is, not accounting for compositional differences—are compared to those obtained after a sequential reweighting approach, where households in each type are reweighted to have similar characteristics to those living alone. The weights are calculated as propensity scores, using logistic regressions of household types on all the relevant

characteristics described above. These are the probabilities of each household being classified as “living alone”. Weighted distributions are compared to the unadjusted ones. As a next step, we will use recentred influence function (RIF) regression and decomposition to understand median wealth differences across household types.

**Preliminary findings.** We begin by comparing the distribution of gross household wealth across household types, without adjusting for differences in the characteristics of households (Figure 1). Overall, across all 10 countries under study, couples (with or without children) have the highest wealth. Among households where the main earner is aged 36–59 or 60+, which represent 90% of our sample, couple with children and couple-only households have by far the highest median wealth, around €300,000. Medians hover below €200,000 for extended family households, and around €100,000 for single-parent and single-person households. For households where the main earner is aged 18–35, the order is changed. Couples with children have the highest median wealth (€175,000), followed by extended family households and couples only. Around half of single-parent households in this age group have zero gross wealth. When looking at the composition of wealth portfolios (Figure 2), housing equity clearly increases with age and is highest among couples. Single-person and single-parent households fare particularly poorly on real assets and housing equity, emphasizing great disparities in access to housing, especially among younger age groups. Within-country statistics show a broadly similar ordering of household types by wealth across the 10 countries examined. However, we find much starker disparities in wealth between couple and single-person households in Germany and Austria, compared to countries where the distribution is more equal across household types, such as Portugal and Slovakia.

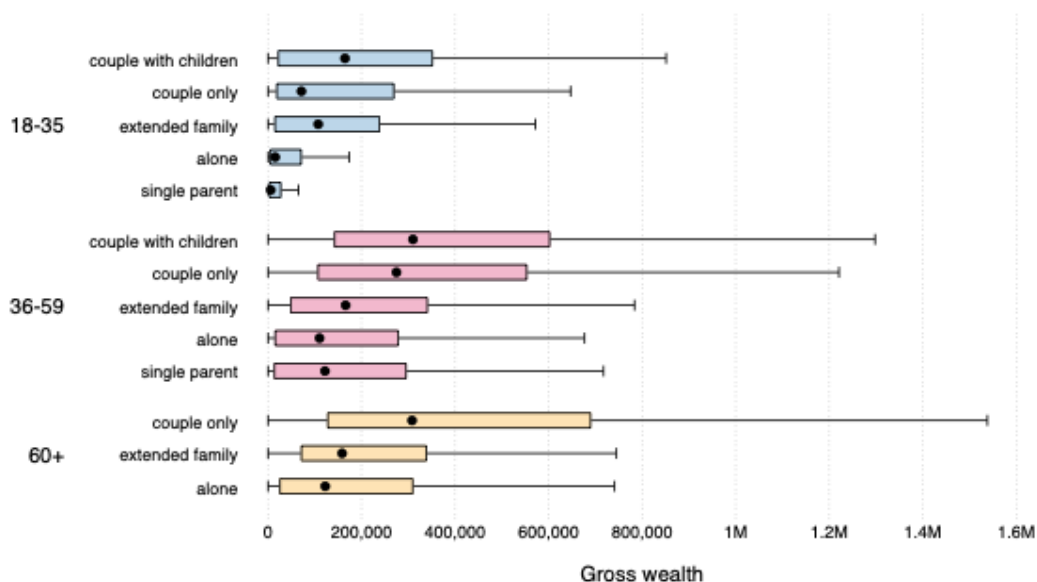
Household types differ across key characteristics associated with wealth. Couple-only households have the oldest age structure and the highest incomes (a median of €30,000 per year compared to the €15,000 of single-parent and extended-family households). They are the most likely to have ever received an inheritance and, conditional on receiving one, the most likely to have received amounts above €50,000. Single-parent households are the most likely to have a female reference person (78% vs 22% for couple households), while households with children (couple, single-parent, and extended family) are the most likely to be of immigrant origin. Table 1 compares unadjusted to adjusted differences in median gross wealth between household types and living alone, with and without equivalising for household size using the OECD scale (where children count as 0.5 adults).

We find that socio-demographic characteristics, income, and inheritances explain some of the advantage of couple-only households (which tend to be older and more likely to have received large transfers), as well as the disadvantage of single-parent households (which are more likely to be younger, female-headed, and of immigrant origins). The advantage of couples with young children and the disadvantage of extended family households are not well explained by the covariates, pointing to unobserved and policy-level differences.

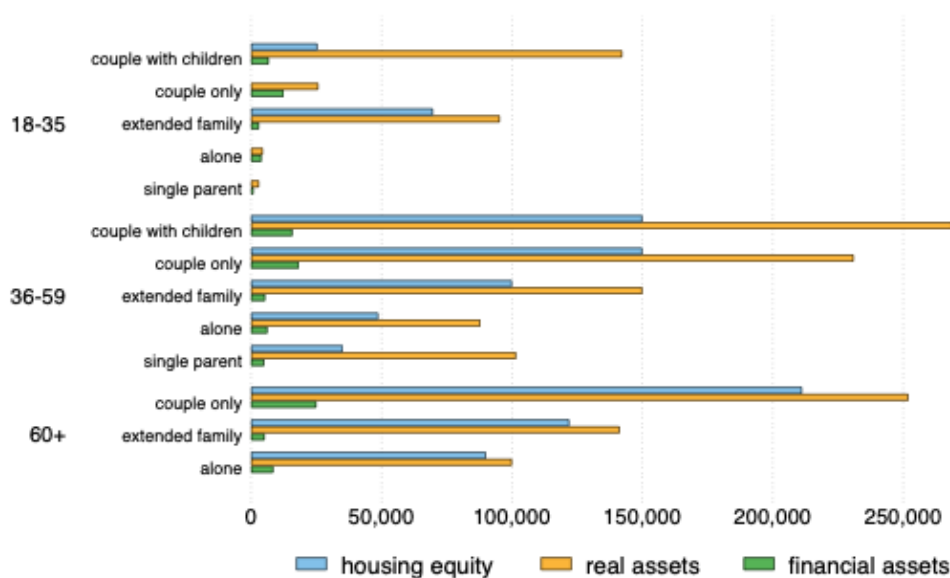
**Conclusions.** There are wide wealth gaps by household types that differ among older and younger generations in Europe. The increase in older adults living alone, jointly with the decline in co-residential couples among young adults may contribute to widen such gaps in the future. In line with previous research (Lersch et al., 2021), we find that single-parent households are wealth-disadvantaged, but we also find that this applies to those living alone and in extended families. The much greater wealth of couples is only partly explained by their

characteristics. For couples with children, the results suggest the selection of the already-wealthy into such arrangements, as well as the potential role of policy (e.g., housing and income taxation).

**Figure 1:** Unadjusted differences in household gross wealth by age group of reference person. Figure shows median, interquartile range, and adjacent values (excluding outliers).



**Figure 2:** Unadjusted differences in median household wealth components, by age group of reference person



**Table 1.** Difference in median gross wealth between each household type and living alone, unadjusted and reweighted for covariates<sup>a</sup> composition. Median wealth of solo-person households is 100,717 Euros.

	Unadjusted	Rewighted	Equivalised (OECD)	Equivalised and reweighted
Couple with children	+ 189,139	+ 192,982	+ 31,633	+ 30,435
Couple only	+ 180,441	+ 145,004	+ 86,722	+ 63,097
Extended family	+ 54,141	+ 56,419	- 20,271	- 18,051
Single parent	- 3,594	+ 7,881	- 43,091	- 34,247

<sup>a</sup> age, gender, educational attainment, immigrant status, income, and inheritances.

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