PhD in Economics, Roma Tre University
Course Title: The Growing Relevance of Wealth and Inheritance **Instructor:** [Salvatore Morelli]
Duration: 10 hours. **Evaluation**: No evaluation

Course Description

This course examines the rising importance of wealth and inheritance in shaping economic outcomes, inequality, and public policy. Recent research shows that wealth accumulation and intergenerational transfers are becoming increasingly central to the understanding of modern economies. The course blends conceptual foundations, empirical analysis, and policy discussion. Students will engage with cutting-edge data sources, estimation techniques, and international comparative studies.

By the end of the course, students will be able to critically evaluate trends in wealth inequality, understand the dynamics behind wealth accumulation, and assess the challenges and opportunities for taxation policy.

Learning Objectives

Upon completing this course, students will:

- Understand and apply key conceptual frameworks related to wealth and its measurement.
- Analyze empirical trends in the composition and distribution of wealth globally.
- Master the methods used to measure wealth inequality and intergenerational transfers.
- Identify and model the drivers of wealth accumulation, including savings behavior, returns on capital, and inheritance.
- Evaluate the policy implications of changing patterns of wealth transfers and taxation.
- Acquire practical skills in using new international databases on aggregate wealth, wealth inequality, and estate, inheritance, and gift taxation.

Course Outline

1. The Meanings of Wealth: Concepts

- Definitions of wealth
- Theoretical foundations: life-cycle models, dynastic models.

2. The Measurement of Wealth Inequality: Main Data and Methods

- Survey data vs. administrative records vs. rich lists: strengths and limitations.
- Top wealth shares estimation (survey data, Pareto interpolation, mortality multiplier method, capitalization method).
- Distributional National Accounts (DINA) framework: an application to the Italian context deriving quarterly time series estimates of wealth distribution.

3. The Main Determinants of Wealth Accumulation: The Role of Savings, Rates of Returns, and Inheritance

- The interplay between savings, capital gains, and inheritance in wealth accumulation.
- The effect of inheritance on wealth inequality: an application to few rich countries using survey data.

4. The Growing Role of Inheritance: New Estimates of Bequest Flows Around the World and Implications for Policy

- Methods to estimate aggregate bequest flows: cross-sectional vs. longitudinal approaches.
- Recent empirical evidence on the size and distribution of inheritances.

5. A New Database on Estate, Inheritance, and Gift Taxation: Main Trends in Tax Policy and Implications for Tax Revenue

- Overview of the new international database on wealth transfer taxes.
- Trends in estate, inheritance, and gift taxation: rates, exemptions, bases.
- Estimating the elasticity of tax revenue to changes in tax rates: Empirical approach using Diff-in-diff methods and event studies.
- The debate on wealth taxation and its political economy.

Teaching Methods

- Lectures (with active discussion)
- Critical reading of academic papers and selected research topics

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Key References (indicative)

- Paolo Acciari, Facundo Alvaredo, Salvatore Morelli, The Concentration of Personal Wealth in Italy 1995–2016, *Journal of the European Economic Association*, Volume 22, Issue 3, June 2024, Pages 1228–1274, https://doi.org/10.1093/jeea/jvae002
- Alvaredo, F., Garbinti, B., and Piketty, T. (2017). "On the share of inheritance in aggregate wealth: Europe and the USA, 1900–2010." *Economica*.
- OECD (2021). *Inheritance Taxation in OECD Countries*.
- Salvatore Morelli, Brian Nolan, Juan Palomino, and Philippe Van Kerm, The Influence of Intergenerational Transfers on Wealth Inequality in Rich Countries, 2025, *Journal of Public Economics*, accepted
- Saez, E., and Zucman, G. (2019). *The Triumph of Injustice: How the Rich Dodge Taxes and How to Make Them Pay*. W. W. Norton.
- Zucman, G. (2019), Global Wealth Inequality, *Annual Review of Economics*, Volume 11

Additional readings will be assigned before or during the course based on specific topics.