Comment on Alvaredo, Garbinti, Piketty (2017) "On the Share of Inheritance in Aggregate Wealth: Europe and the USA, 1900–2010"
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An influential 2021 policy report published by the French Council of Economic Advisors (Dherbécourt et al., 2021) asserts that inherited wealth now accounts for 60% of total wealth in France—compared to just 35% in the 1970s. This policy paper is based on an estimation of the share of inherited wealth in Alvaredo, Garbinti, and Piketty (2017), using a method which was already used for *Capital in the Twenty-First Century* (Piketty, 2014), as well as a handbook chapter by Piketty and Zucman (2015) and aims to support the claim that inherited wealth has now become a dominant force for wealth accumulation.

In this comment, I show that the estimates in these papers are strongly upward biased. First, they are based on an estimate of the current bequest share at 15% of GDP, following Piketty (2011), which is strongly overestimated as discussed in Geerolf, 2025. But the calculation of the share of inherited wealth in total wealth also deserves some independent developments, since they would also be biased even if the bequest share was not. Calculating the share of inherited wealth in aggregate wealth requires in fact some data which is simply not available. Computing this share using macroeconomic data requires some heroic assumptions which are simply not satisfied: looking at the flows over 30 years is arbitrary, as is the comparison of net saving flows to bequest flows. All these methodological choices lead to overestimate the level and the rise in the share of inheritance in aggregate wealth.

Why cumulate over 30 years?

The justification is not given in Alvaredo, Garbinti, Piketty (2017) though

Novel methodology

The formula is novel, and does not really give much justification…

Why compare net saving flows to gross bequest flows?

Moreover, it is not clear at all that net savings flows should be compared to gross bequest flows, as argued in Piketty.

Conclusion

It is fair to say that we do not know what the share of inheritance in aggregate wealth is, but it is probably still well below 50%, unlike what has been recently claimed by Thomas Piketty and his coauthors.

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