

Inheritance Flows in France

Using Estate and Gift Tax Data to Measure Long-Term Trends

François Geerolf

January 2026

Section 1

Motivation

“The return of inheritocracy”

The Economist

SubscribeThe Economist ProLog inMenu

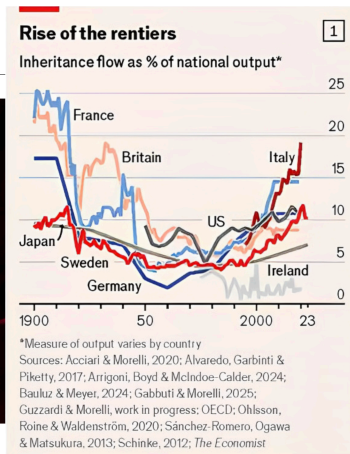
Weekly editionThe world in briefWorld Ahead 2026War in UkraineUnited StatesMiddle EastThe world economy

Leaders | The return of inheritocracy

Inheriting is becoming nearly as important as working

More wealth means more money for baby-boomers to pass on. That is dangerous for capitalism and society

Share



Capital in the 21st century

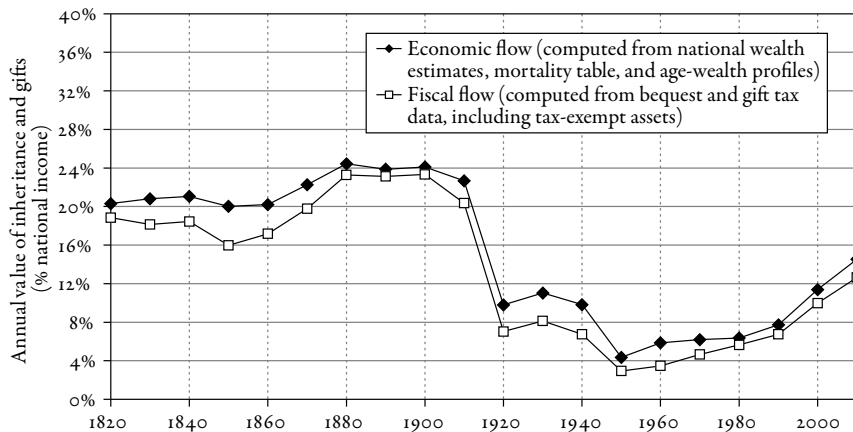


FIGURE 11.1. The annual inheritance flow as a fraction of national income, France, 1820–2010

The annual inheritance flow was about 20–25 percent of national income during the nineteenth century and until 1914; it then fell to less than 5 percent in the 1950s, and returned to about 15 percent in 2010.

Sources and series: see piketty.pse.ens.fr/capital21c.

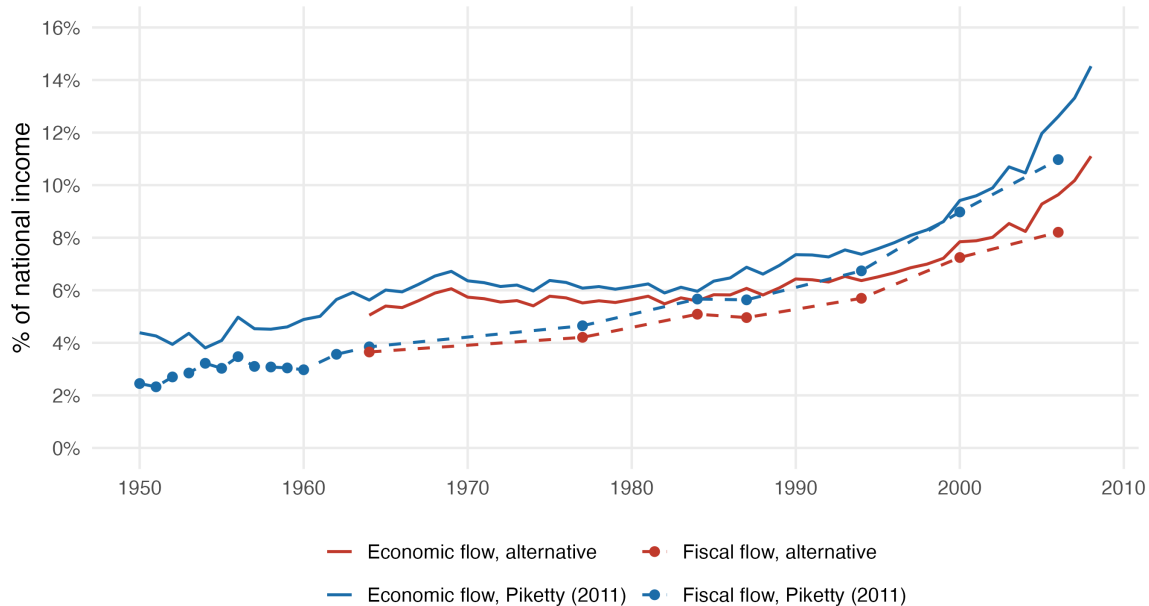
A figure that became a policy benchmark

- Piketty (2011): the annual flow of bequests and gifts in France is “close to 15%” of national income in 2008, up from less than 5% in the 1950s.
- Used in *Capital* (Piketty 2014, ch. 11), Piketty and Zucman (2015), and to compute the share of inherited wealth in total wealth (Alvaredo et al. 2017).
- Dherbécourt et al. (2021): “more than 15% of GDP, or 300 billion euros”.
- Concerns about the return of inherited wealth emphasize the importance of **accurately measuring** inheritance flows.

This paper

- Starts from the published series and replication files of Piketty (2011), **reproduced exactly**.
- Makes each adjustment to raw tax data **explicit**, and documents its effect step by step.
- Proposes alternative assumptions when they can be checked against official sources; sensitivity analysis otherwise.
- Approach of Auten and Splinter (2024) for U.S. top income shares: start from seminal tax-based estimates, show each adjustment, let readers combine assumptions.

Main result



Main result in numbers

- **2006** (last year with tax data): fiscal flow 8.2% instead of 11.0%; economic flow 9.6% instead of 12.6% of national income.
- **2008** (the year usually quoted): economic flow 11.1% instead of 14.5%.
- **Increase 1984–2006**: 3.1 points instead of 5.3 (fiscal), 4.0 instead of 6.6 (economic): about **40% smaller**.
- The U-shaped pattern and the rise since the 1950s are **confirmed**.
- About **four-fifths** of the difference comes from the treatment of **inter vivos gifts**.

Section 2

Measuring the inheritance flow

Two approaches

Fiscal flow: raw bequests and gifts from tax returns, upgraded for non-filers and tax-exempt assets

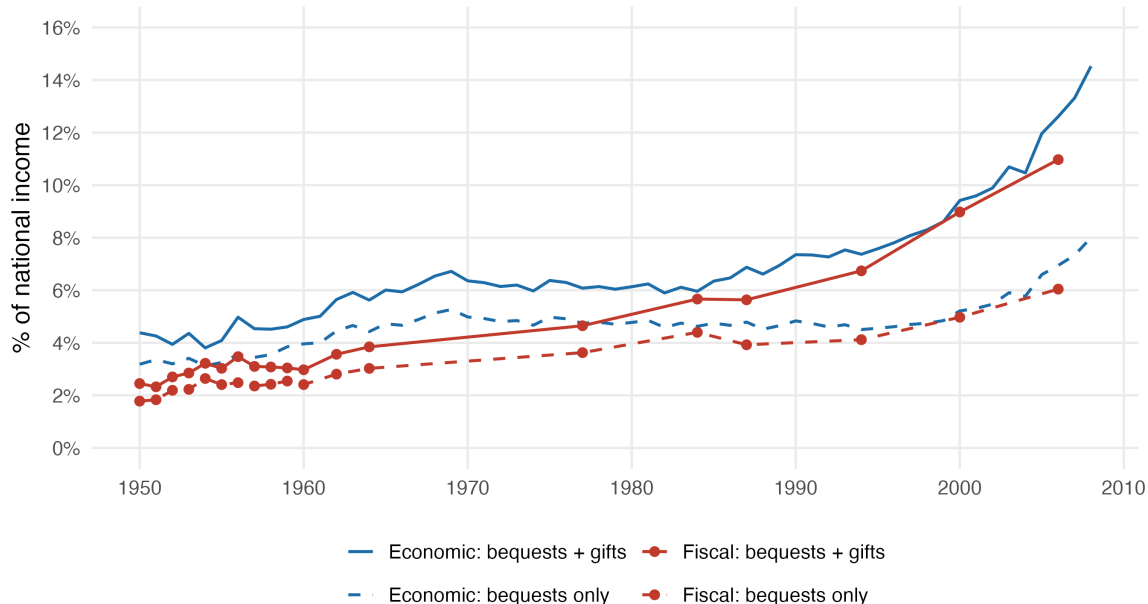
$$B_t^f = (B_t^{f0} + V_t^{f0}) u_t^{nf} u_t^{te} = B_t^{f0} u_t^{nf} u_t^{te} (1 + v_t), \quad v_t = V_t^{f0} / B_t^{f0}$$

Economic flow: national wealth, mortality, relative wealth of decedents

$$\frac{B_t}{Y_t} = \mu_t (1 + v_t) m_t \beta_t$$

- Described as “two fully independent estimates of the inheritance flow”.
- But they share the **same gift-bequest ratio** v_t , and μ_t comes from **estate tax returns** (age-wealth profiles of decedents).

Bequests only vs. bequests + gifts



French estate tax data: rich in the long run, sparse today

- Universal estate tax since 1791: an exceptional **historical** record (Piketty et al. 2006).
- For the **recent period**, much sparser and harder to interpret:
 - ▶ filing threshold since 1956: returns for about **two-thirds** of decedents in 2006;
 - ▶ only **six benchmark samples** (DMTG) of 3,000–5,000 returns: 1977, 1984, 1987, 1994, 2000, 2006;
 - ▶ **nothing published since 2006**: 2008 and later figures are extrapolations;
 - ▶ gift-bequest ratio observed in a **handful of years**.

From raw tax data to 11% of national income (2006)

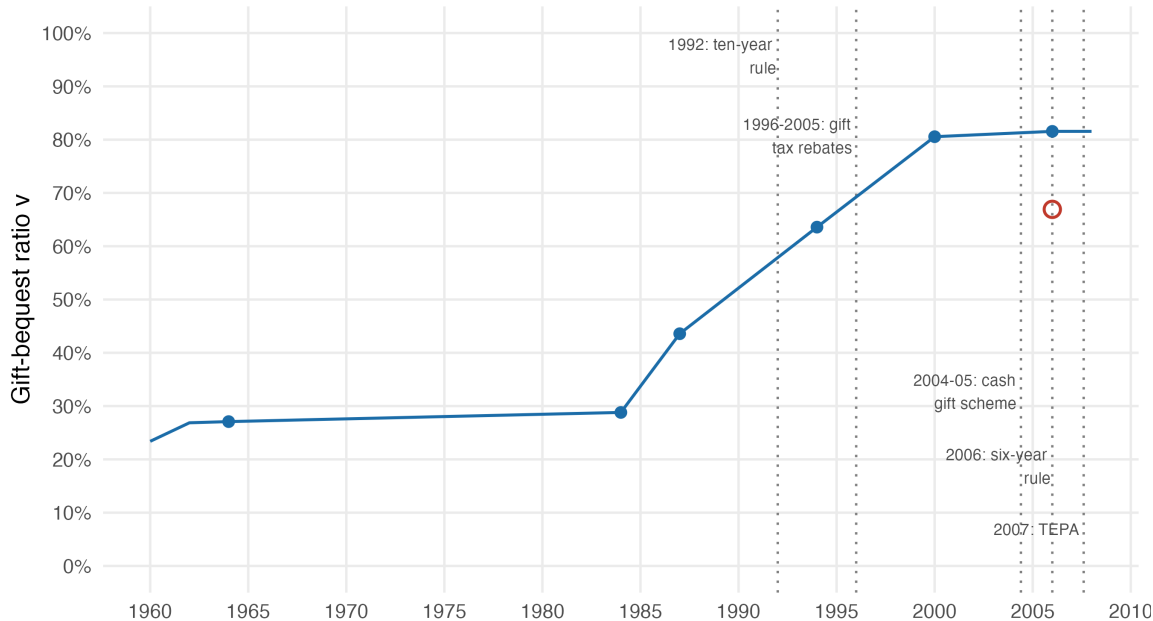
Component	Bn euros	% nat. income
Raw bequests (estate tax returns)	58.9	3.7
Raw gifts (gift tax returns)	48.0	3.0
of which 1/3 of 2004-05 cash-gift scheme	8.6	0.5
+ Non-filers (bequests + gifts)	8.4	0.5
+ Tax-exempt assets, bequests	31.9	2.0
+ Tax-exempt assets, gifts	26.1	1.6
Fiscal inheritance flow	173.3	11.0

- The adjusted flow is about **three times** the raw bequest flow.

Section 3

Gifts

Gift tax reforms and the benchmark years



Main reforms

Period	Measure
1992	“Ten-year rule”: gifts made more than ten years before are no longer recalled
1996–2005	Rebates on gift tax (30% in 1998–2001, 50% in 2003–2005)
June 2004–Dec. 2005	Temporary exemption of cash gifts: €25.8bn in 18 months
2006	Recall period reduced from ten to six years
2007	TEPA law: higher allowances, permanent exemption for family cash gifts
2011–2012	Recall period back to ten, then fifteen years

- Benchmark years 1994, 2000 and 2006 all fall in periods of **new or temporary incentives**.

(1) The 2006 benchmark

- Gift flow for 2006 = regular gifts (€39.4bn) + “the average yearly 2004–2006 flow under the special cash-gifts regime (8.6 billions)”.
- But the scheme ran from **1 June 2004 to 31 December 2005** (Conseil des prélèvements obligatoires 2008): no such gifts in 2006.
- Through the constant v_t , this flow is propagated to 2007 and 2008.
- Excluding it: $v_{2006} = 67\%$ instead of 82% (as noted in the data appendix of Piketty (2010)).
- Effect: fiscal flow 11.0% $\rightarrow$ 10.1%; economic flow 12.6% $\rightarrow$ 11.6%.

Gifts as anticipated bequests

- Tax incentives bring transfers **forward**: gifts rise now, bequests fall only later.
- During the transition, gifts + bequests **exceed** their steady-state level.
- Piketty (2010) recognizes “a little bit of overshooting in the rise of gifts since the 1980s (possibly due to tax incentives)”.
- The data cannot separate tax incentives from longer life expectancy: v_t is only observed in years when incentives were in place.
- Not corrected in the alternative estimates; bound in the sensitivity analysis (v held at its 1987 level).

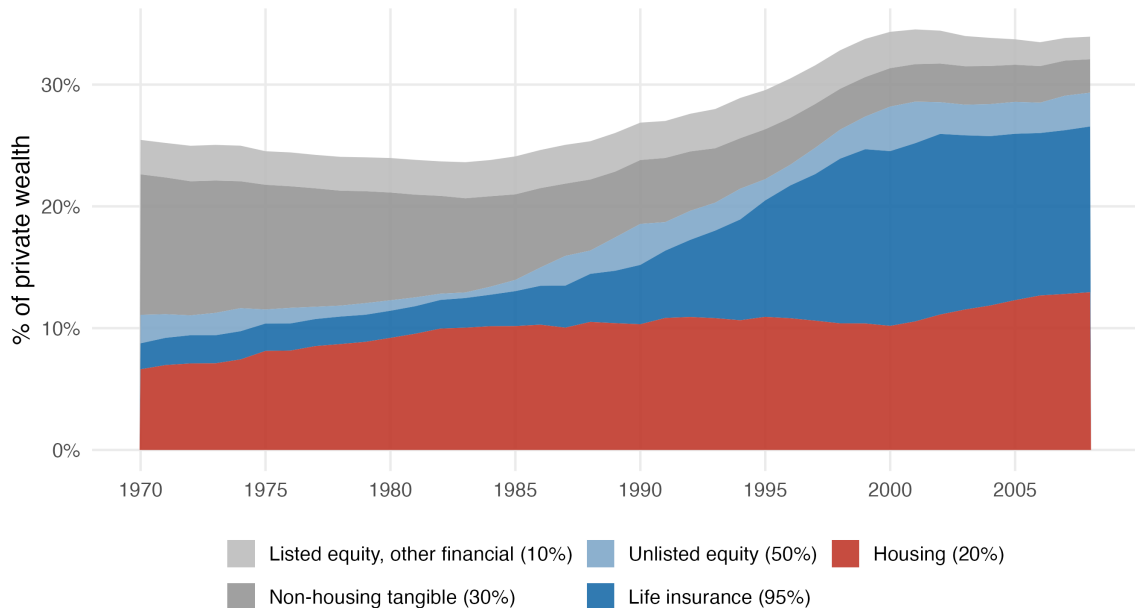
(2) Upgrading recorded gifts

- Recorded gifts receive the **same upgrade for tax-exempt assets** as bequests (+€26.1bn in 2006).
- But the main exempt asset, **life insurance**, is transmitted at death, not through gifts; gifts of real estate and *donations-partages* are recorded at full value in notarial deeds.
- Same issue in the economic flow: gifts = $v_t \times$ economic bequests, i.e. recorded gifts implicitly multiplied by **1.86** in 2006.
- Alternative: recorded gifts with the non-filer upgrade only.
- Effect: fiscal 10.1% $\rightarrow$ 8.7%; economic 11.6% $\rightarrow$ 9.6%.

Section 4

Bequests

Imputed tax-exempt assets



(3) Tax-exempt assets, non-filers, spouses

- **Housing (20% exempt)**: the 20% rebate on the principal residence (art. 764 bis CGI) applies only if the home is occupied by the surviving spouse or minor/protected children; the 1947–1973 construction exemption faded. Alternative: **10%**.
- **Life insurance (95% exempt)**: implies about €13bn transmitted in 2006, vs. €31–33bn of death benefits in 2011–2014 (Conseil supérieur du notariat 2026): if anything **too low**. Unchanged.
- **Non-filers**: factor 1.079 vs. 1.052 in Conseil des prélèvements obligatoires (2008). Small.
- **Spouses**: 17.9% of bequests in 2006 (Conseil des prélèvements obligatoires 2008), vs. “about 10%”; not intergenerational transfers. Sensitivity only.

Section 5

Results

The economic flow, 1984–2008

Factor	1984	2008	Log points
Wealth-income ratio	3.02	5.63	62
Gift factor $1 + v$	1.288	1.816	34
Relative wealth of decedents	1.121	1.226	9
Mortality rate m	1.37%	1.16%	-16
Economic flow	6.0%	14.5%	89

- The wealth-income ratio (house prices) and the gift factor account for the rise; 2008 is the **peak of the housing cycle**.

Step-by-step adjustments (% of national income)

Estimate	1984	1994	2000	2006	Δ 1984-2006
Fiscal: Piketty (2011)	5.7	6.7	9.0	11.0	5.3
(1) Excl. 2004-05 cash gifts	5.7	6.7	9.0	10.1	4.4
(2) + No exempt-asset upgrade on gifts	5.4	6.0	7.6	8.7	3.4
(3) + Housing exemption 10%	5.1	5.7	7.2	8.2	3.1
Economic: Piketty (2011)	6.0	7.4	9.4	12.6	6.6
(1) Excl. 2004-05 cash gifts	6.0	7.4	9.4	11.6	5.6
(2)-(3) Recorded gifts	5.6	6.4	7.8	9.6	4.0

Sensitivity analysis (% of national income, 2006)

Assumption	Fiscal 2006	Δ fiscal	Economic 2006	Δ economic
Piketty (2011)	11.0	5.3	12.6	6.6
Alternative	8.2	3.1	9.6	4.0
Housing exemption 5%	8.0	3.0	9.6	4.0
Housing exemption 20%	8.7	3.4	9.6	4.0
Incl. 2004-05 cash gifts	8.8	3.7	10.2	4.6
v held at 1987 level	7.3	2.2	8.7	3.1
Excl. spouses (10%)	7.7	3.0	8.9	3.8

- Across assumptions: **about 7–10%** of national income in 2006, vs. 11–13%.

Comparison with other sources

- **1977:** Laferrère (1990) implies $v = 49\%$ (vs. 28% interpolated): higher 1970s level, smaller increase.
- **Bequests in the 2010s:** €153bn in 2015 (Dherbécourt 2017); wealth at death €159bn in 2018 (Insee survey-based microsimulation, Cour des comptes (2024); Conseil supérieur du notariat (2026)).
- The **bequest component is consistent** across sources; totals of €300–400bn come from adding gifts and other components.
- Other countries (Germany, Italy) use the same framework: not independent checks.

Section 6

Conclusion

Conclusion

- Adjustments roughly **triple** raw reported bequests; they determine the level and much of the trend.
- Alternative estimates: **8–10%** of national income in 2006 rather than 11–13%; increase since the mid-1980s **about 40% smaller**.
- Most of the difference comes from **gifts**: benchmark years coinciding with temporary tax incentives, and the same upgrades as bequests.
- No benchmark data since 2006: annual statistics on bequests and gifts from notaries' and insurers' declarations (Dherbécourt et al. 2021) would settle these questions with data rather than assumptions.

References I

- Alvaredo, Facundo, Bertrand Garbinti, and Thomas Piketty. 2017. “On the Share of Inheritance in Aggregate Wealth: Europe and the USA, 1900–2010.” *Economica* 84 (334): 239–60. <https://doi.org/10.1111/ecca.12233>.
- Auten, Gerald, and David Splinter. 2024. “Income Inequality in the United States: Using Tax Data to Measure Long-Term Trends.” *Journal of Political Economy* 132 (7). <https://doi.org/10.1086/728741>.
- Conseil des prélèvements obligatoires. 2008. *La répartition des prélèvements obligatoires entre générations et la question de l'équité intergénérationnelle*. Cour des comptes.
- Conseil supérieur du notariat. 2026. *Étude « Grande transmission »*. Conseil supérieur du notariat.
- Cour des comptes. 2024. *Les droits de succession*. Cour des comptes.

References II

- Dherbécourt, Clément. 2017. *Peut-on éviter une société d'héritiers ?* Note d'analyse No. 51. France Stratégie.
- Dherbécourt, Clément, Gabrielle Fack, Camille Landais, and Stefanie Stantcheva. 2021. *Repenser l'héritage*. Les notes du conseil d'analyse économique No. 69. Conseil d'analyse économique.
- LaFerrère, Anne. 1990. *Successions et héritiers*. INSEE.
- Piketty, Thomas. 2010. *On the Long-Run Evolution of Inheritance: France 1820–2050*. Working Paper. Paris School of Economics.
- Piketty, Thomas. 2011. “On the Long-Run Evolution of Inheritance: France 1820–2050.” *The Quarterly Journal of Economics* 126 (3): 1071–131. <https://doi.org/10.1093/qje/qjr020>.

References III

- Piketty, Thomas. 2014. *Capital in the Twenty-First Century*. Harvard University Press.
- Piketty, Thomas, Gilles Postel-Vinay, and Jean-Laurent Rosenthal. 2006. “Wealth Concentration in a Developing Economy: Paris and France, 1807–1994.” *American Economic Review* 96 (1): 236–56.
- Piketty, Thomas, and Gabriel Zucman. 2015. “Wealth and Inheritance in the Long Run.” In *Handbook of Income Distribution*, edited by Anthony B. Atkinson and François Bourguignon, vol. 2. Elsevier. <https://doi.org/10.1016/B978-0-444-59429-7.00016-9>.