

Abstract for “Decomposing Household Wealth Portfolios across Countries: An Age-old Question?”

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Using harmonized wealth data and a novel decomposition approach, we show that cohort effects exist in the income profiles of asset and debt portfolios for a sample of European countries, the U.S. and Canada. We find that younger households' participation decisions in financial assets are more responsive to their income than older households. Additionally, younger households' participation decisions respond more to the institutional setting than mature households. We investigate why identical households in different countries invest differently and find that less financially developed and economically open countries favor investment in housing. There is also a link between mortgage use and the typical mortgage characteristics of each country. These findings have important implications for policy setting during times of financial unease, indicating a scope for policies which promote participation for young household and indicating which institutional features could be manipulated.