E-bulletin Summer 2015
This e-briefing is from the Centre on Household Assets and Savings Management (CHASM) at the University of Birmingham to keep you informed of our latest activities.

News

Staff changes
From 1st August, Karen Rowlingson, Director of CHASM since its launch in 2010, will be taking up a new role at The University of Birmingham as the Director of Research and Knowledge Transfer for the College of Social Sciences. Therefore, she will become Deputy Director of CHASM, with Andy Lymer, Professor of Accounting and Taxation, becoming the Director. This change in leadership was discussed at CHASM’s recent annual advisory board meeting, along with a review of CHASM’s mission, and it was agreed that CHASM would very much continue its current direction, building on its success over the past five years.

Ten reasons why people should pay inheritance tax
Inheritance Tax is one of the most unpopular taxes, with half of the public wanting it abolished entirely, and most of the rest wanting it reduced. At the recent TEDX event at the University of Birmingham, CHASM's Karen Rowlingson, gave a presentation on 'Ten Reasons Why People Should Pay Inheritance Tax'. This talk challenged views and assumptions around this topic. For example, we know from public attitudes surveys, that people under-estimate the scale of wealth inequality in the UK while at the same time over-estimating the amount of money raised by Inheritance Tax.

You can watch Karen Rowlingson’s TEDX talk here

University of Birmingham Masterclass
Members of CHASM Andy Lymer and Lee Gregory are running two masterclasses this Autumn which are designed to allow secondary school students to experience what learning is like at a Russell Group university. The topics include ‘Taxing Our Wealth – Do We Have It Right?’ which will explore issues of wealth equality in Britain today and ‘What future for young people? Youth policy after the 2015 election’ which will explore the level of support offered to young people as they transition from childhood to adulthood in a nation under austerity. Click here for more information on the University of Birmingham masterclasses.
Current Research

Responsible lending and borrowing
We held a conference for 100 delegates on ‘ Reform of the UK financial services sector: promoting stability, ethics and financial inclusion ’ with the Financial Conduct Authority, FinCris, AHRC and Warwick Business School on Wednesday 17th June 2015. Speakers included: Mick McAteer, Director, Financial Inclusion Centre and Non-Executive Director, Financial Conduct Authority; Philip Augar, Author; Philippa Foster Back, Institute of Business Ethics; Fergus Harradence, HM Treasury; Dr Thomas Huertas, EY; Mark Lyonette, Association of British Credit Unions Ltd (ABCUL) and Cornerstone Mutual Services; Ed Mayo, Co-operatives UK; Nitin Mehta, CFA Institute; John Vella, University of Oxford; Martin Wolf, FT and a confirmed speaker from the Banking Standards Review Council. The event was chaired by Rt Hon David Davis MP.

For more information on this project, please visit.

Leverhulme Trust - Mind the (Housing) Wealth Gap
The final event of the Mind the (Housing) Wealth Gap project took place on Thursday 11 June 2015 at the British Academy in London. At the event we outlined our key findings from the project which are also presented here.

The key theme of this Leverhulme funded study is inter-generational gifts and how these influence family relationships. Recently, there has been a particular focus on the baby boom generation and the fact that they appear to have a disproportionate amount of wealth. The implication is that this generation, who are about to retire if they have not already done so, will not only be a ‘burden’ on younger generations but a particularly ‘unfair burden’ as they have greater means to support themselves than other groups. Some, commentators, have gone so far as to call on the baby boom generation to give some of this wealth (back) to younger generations.

Our study took a mixed methods approach. The survey data showed that a minority of the population had ever received lifetime gifts (worth at least £500). In 2014, one in five (22 per cent) of the population said they had ever received such a gift. The most common type of gift was cash to spend, followed by paying for a wedding/special occasion, buying/maintaining a property and buying a car. This figure was lower than in 2004, when a similar survey was undertaken, possibly reflecting the impact of the recession in reducing the amount available within families to give such gifts. Gifts are much more likely to be received by middle class people than those from working class backgrounds. Fewer people report giving than receiving gifts - only 19 per cent in 2014. Those in the baby-boom generation (and older) were much more likely to report giving such gifts. There was also a class gradient again here. Lifetime gifts overwhelmingly flow down generations rather than up or horizontally. Very few people receive gifts from children or siblings.
Our research was part of a broader project focusing on housing so we explored the nature of lifetime gifts in relation to housing and uncovered a number of examples. For example, some people received help in the form of a deposit to purchase their first home or a subsequent home purchase. Others received help which enabled them to invest in a second home or in some type of home improvement/maintenance or on a housing related debt (i.e. council tax, rent arrears). Other forms of financial support towards the cost of housing took place when supporting family members to meet the cost of university accommodation or at the start of the young person’s working life. This often took the form of in-kind support, where the recipient would be told that they would not have to pay rent in the parental home during their time at college or university. Gifts were not just focused on housing, of course. Cash help, for example, tended to be given for a particular purpose (for example to help with the costs of a young person’s education, a car or a deposit on a home) or to mark a birthday, the end of exams, the birth of children or a wedding or to mark an anniversary.

There were also several examples, in our qualitative work, of financial help to tackle problem debt. This was often provided discreetly, with only the donor and the recipient knowing or a small group of family members working together to help. People were not always keen to ask for help when in debt and some did not want other family members to know about the difficulties they were in.

We are currently working on a book which will incorporate the findings from all parts of our empirical work and we hope it will be published in 2016.

Publications

Our 2015 CHASM Annual report outlining our research and activities is available to access here

New briefing papers

CHASM BP 8-2015 [PDF]

*Responsible Banking Ordinances for the UK: Making banking competition a 'race to the top'* Carl Packman

All our briefing papers are available on the CHASM website

Feedback

If you would like to find out more information on CHASM please visit our website

Keep up to date with the latest news, research and events happening at CHASM by joining our mailing list by contacting chasm@contacts.bham.ac.uk

Should you wish to unsubscribe please send an e-mail with 'unsubscribe' in the title to chasm@contacts.bham.ac.uk

Best wishes,

The CHASM Team

www.birmingham.ac.uk/chasm
https://twitter.com/UoBCHASM