

Wealth Inequality: Opportunity or Unfairness?*

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Abstract

This paper presents evidence of a new propagation mechanism for wealth inequality, based on differential responses, by education, to greater inequality at the start of economic life. It is motivated by a novel positive cross-country relation between wealth inequality and perceptions of opportunity and fairness, which holds only for the more educated. Using unique administrative micro data and a quasi-field experiment of exogenous allocation of households, the paper finds that exposure to a greater top 10% wealth share at the start of economic life in the country leads only the more educated placed in locations with above-median wealth mobility to attain higher wealth levels and position in the cohort-specific wealth distribution later on. Underlying this effect is greater participation in risky financial and real assets and in self-employment, with no evidence for a labor income, unemployment risk, or human capital investment channel. This differential response is robust to controlling for initial exposure to fixed or other time-varying local features, including income inequality, and consistent with self-fulfilling responses of the more educated to perceived opportunities, without evidence of imitation or learning from those at the top.

JEL classification: G5, E21, E44, D31, D1.

Keywords: Household finance, wealth inequality, propagation of inequality, education, opportunity, refugees.

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1 Introduction

Exposure to wealth inequality and to its considerable skewness in favor of the wealthier population segment provides a signal to individuals who are about to launch their economic life regarding the outcome but leaves interpretation of this signal open. Some participants may interpret an unequal and heavily skewed wealth distribution as an opportunity to reach considerable wealth levels, while others may view it as indicating an unfair process where the cards are stacked in favor of a few "take-all" winners. The motivational implications of these interpretations can be very different: a perception of opportunity may motivate actions to reach high positions in the wealth distribution, while a perception of unfairness may lead to inactivity or actions to limit exposure to risks. Such differential responses may in turn boost the chances of the former to reach the upper part of the wealth distribution, leaving the latter group behind. The resulting placement can validate and reinforce perceptions of fairness or unfairness and also exacerbate the divergence in wealth outcomes over a long horizon.

Important recent work on wealth inequality has shown that those who are wealthier tend to earn persistently higher rates of return on wealth, both expected ([Bach, Calvet, and Sodini, 2020](#)) and actual, even across generations ([Fagereng, Guiso, Malacrino, and Pistaferri, 2020](#)). The finding that those who are ahead in terms of wealth tend to run faster than those behind suggests one channel through which wealth inequality tends to propagate itself. Our paper asks if there is an additional mechanism that propagates wealth inequality and social polarization. Specifically, our paper provides evidence that exogenous exposure to greater local wealth inequality at the launch of economic life in the country, even under similar initial resources of the exposed, motivates college-educated people into taking greater risks and achieving higher wealth levels and positions 10-20 years later, while failing to trigger analogous actions by others, who at best try to avoid running into financial trouble. Such divergence in reactions to inequality exposure under similar initial conditions and in areas with considerable wealth mobility can provide an additional propagating mechanism, leading to further widening of wealth disparities, validation of divergent interpretations of inequality as opportunity or unfairness, and ultimately to social polarization. Our paper tests for the presence of such a propagation mechanism and studies its sources and implications.

The starting point of our analysis is the discovery of a novel pattern of cross-country correlations

between wealth inequality and perceptions of opportunity or injustice, that differs between those with at least some college education and the rest, and that is not observed for income inequality. Using two data sources (OECD and Eurobarometer), we observe that, in countries where a greater share of household wealth is held by the top 10% of the wealth distribution, a greater share of people tend to respond that they perceive equal opportunity for all and that, by and large, people get what they deserve. When we split the sample by educational attainment, however, we find that this positive correlation between inequality and perceptions of equal opportunity and of fairness is present only for those with at least some college education, and not for their less educated compatriots.

Understanding the nature of this relation and its implications presents a number of challenges. First, there may be unobserved factors about the institutions and structure of some countries that happen to generate greater wealth inequality and at the same time make the more educated people happier about opportunities and fairness, without inequality itself influencing perceptions directly. Second, the observed pattern of correlations between wealth inequality and perceptions may be the result of differential ability of the two education groups to sort into desirable locations. The better educated may have been more successful in sorting into the geographies (environments, institutions, markets) that generate higher inequality and greater opportunities for them, while little such sorting has been possible for the less educated. Third, the educated may have had significant influence on creating the institutional and policy structures that give rise to greater wealth inequality and opportunities for them, and are thus more likely to defend them on the basis of fairness than the less educated, especially when they are seen to generate greater wealth inequality. Or, in highly unequal societies the wealthy have dramatically greater opportunities to become educated and thus to regard the system as fair and open. Further, and perhaps most importantly, it is possible that there is a dynamic element linking wealth inequality, wealth outcomes, perceptions of opportunity and perceptions of fairness. Perceptions of opportunity can inspire actions, resulting in wealth outcomes that validate or revise these perceptions, and also create perceptions regarding fairness. In turn, these can inspire further action or inaction and further outcomes and perceptions, pushing the educated to the top and leaving the less educated behind.

Motivated by this novel pattern of correlations we uncovered and the challenges in interpretation, the paper asks whether and how exposure to local wealth inequality, at the launch of one's economic life in the country and under similar initial resources, tends to influence economic and financial be-

havior and outcomes, including the position in the wealth distribution, in the medium to longer term. It then investigates whether the answer systematically differs between college-educated individuals and the rest.

In order to address the conceptual and econometric challenges posed by such a question, the paper considers a unique, quasi-random field "experiment" of exogenous placement of refugees to different geographical areas upon arrival, focusing on those refugees who had no resources and thus no choice but to accept the apartment assigned to them in the first instance. We study systematic effects of exogenous exposure to different wealth inequality levels in the assigned municipality upon refugee arrival on economic and financial behavior and outcomes ten to twenty years later. We are able to control for aggregate conditions at the time of arrival and at the time behavior is observed, fixed common environmental factors in the municipality of arrival, a set of time-varying features of the initial municipality, its degree of wealth mobility, as well as cultural origins and household characteristics of the refugees. We study the refugees' medium to longer term responses to an environment created by others (the host country and initial municipality) and to which they had to adjust. The data allow us to test for sorting of refugees with certain educational or other characteristics into areas with a particular wealth inequality profile. While most of the refugees had completed their education at the time of entry, those who were too young to do so were facing similar financial conditions after being placed in an apartment.

We find that initial exposure to a greater top 10% share leads to greater wealth levels and cohort-specific wealth percentiles for the more educated refugees in the municipalities exhibiting above-median wealth mobility, while failing to trigger similar effects on wealth outcomes for educated refugees in less mobile municipalities; or for the less educated, regardless of the degree of mobility. We define as "high-mobility" municipalities those that, around the time of initial entry, exhibited below-median probability of the richest to stay at the top.¹ A positive effect of initial exposure to wealth inequality is found on participation in risky financial and real assets and on occupational choice into self-employment, but not on household income, unemployment risk later in life, or investment in human capital. The effect of exposure to wealth inequality is robust to controlling for mean income, mean wealth, and income inequality in the municipality of placement at the time of arrival;

¹Specifically, we split municipalities according to the share of households who were in the top 10% of the municipality's wealth distribution right before the allocation of refugees started in 1986, and who were also in the top 10% of the wealth distribution after the allocation of refugees was completed in 1992.

and for the share of educated people among the wealthiest 10% in the municipality, as a proxy for role model effects. Our findings do not support an imitation or learning mechanism, whereby exposure to greater wealth inequality guides the subsequent choices of refugees. They are consistent with more educated refugees successfully responding to greater perceived opportunities under greater wealth inequality and making choices that confirm these perceptions and propagate inequality.

This interpretation is consistent with, and further amplifies recent literature on greater pessimism of the less educated regarding stock, housing, and self-employment returns, as well as on their more limited ability to generate high returns. On the former, [Kuhnen and Miu \(2017\)](#) and [Das, Kuhnen, and Nagel \(2019\)](#) use experimental data and survey data from nearly forty years of the Michigan Survey of Consumers, respectively, and find that individuals with lower socioeconomic status (SES), in terms of education level and income rank within year-age groups, tend to have significantly lower subjective return expectations.² They note that such pessimism may perpetuate their disadvantaged financial position by limiting their investment opportunity set, and they conjecture that this could also discourage them from starting a new business. On the second issue, a close positive correlation between educational attainment and returns on net wealth and on each of its main sub-components is found by [Girshina \(2019\)](#) in Swedish data and by [Fagereng, Guiso, Holm, and Pistaferri \(2020\)](#) using data from Norway, while [Barth, Papageorge, and Thom \(2020\)](#) find a positive relation between educational attainment and retirement wealth among US households.

We view our findings as consistent with a multi-pronged approach to addressing the propagation mechanism we uncover, aimed at improving perception of opportunities among the less educated, financial knowledge and ability to handle existing risky investment products, as well as design of securities that help overcome biases, as illustrated in [Calvet, Celerier, Sodini, and Vallee \(2021\)](#). Whether an extension of mandatory education could be added to this arsenal depends on the outcome of the ongoing debate on an exogenous role of education on returns.³

Our work relates to various strands of literature. One link is to the recent literature on the importance of asset returns for wealth inequality. [Benhabib, Bisin, and Zhu \(2011\)](#) showed that idiosyncratic rates of return govern the right tail of the wealth distribution, rather than income risk.

²They argue that these account for a large part of the total effect of the SES variables on the decisions to participate in stocks and in homeownership, with estimates of up to 47% and 25%, respectively.

³There is debate as to whether educational attainment has an exogenous effect on returns ([Girshina, 2019](#)) or it is jointly determined with returns by innate ability ([Fagereng et al., 2020](#)), consistent with recent evidence on the importance of genetic markers ([Barth et al., 2020](#)).

Gabaix, Lasry, Lions, and Moll (2016) showed that persistently high returns can generate distributions with a fat right tail. The link between higher wealth level and higher returns was documented empirically by Bach et al. (2020), Fagereng et al. (2020), and Benhabib, Bisin, and Luo (2019) using Swedish, Norwegian, and US data, respectively. The importance of a link between investment in financial education and expected returns for wealth inequality was modeled by Lusardi, Mitchell, and Michaud (2017).

A separate strand highlights the importance of exposure to macroeconomic conditions for subsequent behavior. Malmendier and Nagel (2011) demonstrate the link between stock return experiences and subsequent stock market participation, Malmendier, Tate, and Yan (2011) and Bernile, Bhagwat, and Rau (2017) show that early-life experiences of CEOs influence their corporate financial policies and risk taking, respectively. Giuliano and Spilimbergo (2013) show that individuals who experienced a recession when they were young tend to believe that success in life depends more on luck than effort, and they are more likely to favor redistribution and to vote for left-wing parties. Kuhn and Miu (2017) and Das et al. (2019) focus instead on the exposure to current macroeconomic conditions and to their variations over the business cycle.

The inequality propagation mechanism presented in this paper is established controlling for income inequality. Recent literature has considered the role of exposure to *income* inequality, and its consequences for consumption and borrowing behavior. Georgarakos, Haliassos, and Pasini (2014) find that self-reported perception of lower income than the average among peers makes people more likely to borrow and to worsen their financial indicators. Bertrand and Morse (2016) show that exposure to higher income levels at the 90th or 80th percentile of the local income distribution leads to higher consumption among the non-rich and higher bankruptcy rates. Roth (2021) shows that insolvency is positively related to the level of top incomes in different reference groups (municipality, workplace, age group, immediate neighborhood). Agarwal, Mikhed, and Scholnick (2019) consider exposure to lottery wins in the same zip code and find higher subsequent borrowing and bankruptcies, while Kuhn, Kooreman, Soetevent, and Kapteyn (2011) document higher consumption among neighbors of zip code lottery winners. More broadly, the paper links to the fast growing literature on peer effects on financial behavior, recently surveyed in Gomes, Haliassos, and Ramadorai (2020) and in Kuchler and Stroebel (2021).

Our findings on differential financial response of the more educated to wealth inequality in ar-

eas with high wealth mobility parallel features of models of motivated beliefs (Bénabou and Tirole, 2006), originally built for work behavior and income inequality: some individuals perceive successes of others as signs of a fair world, use those as motivating drivers for their own efforts, and interpret their own successes as ratifying their beliefs. There is strong recent evidence in support of the relevance of the own position for assessing income distributions. Fisman, Kuziemko, and Vannutelli (2020) conduct an experimental study and find that subjects express preferences for income distributions by paying particular attention to incomes at the top of the distribution and to those adjacent to theirs. Hvidberg, Kreiner, and Stantcheva (2020) find a positive relation between an individual's current income position and the tendency to view income inequality within the reference groups as fair, along with evidence pointing to a causal link.

Finally, the quasi-random experiment of refugee allocation has been fruitfully used in other papers for very different purposes.⁴

Section 2 presents the cross-country correlations between wealth inequality and perceptions of opportunity or fairness. Section 3 describes relevant features of the refugee allocation program and of the data, and Section 4 sets up the estimation model. Section 5 presents the benchmark estimates, while Section 6 explores the mechanism through which exposure to wealth inequality operates. Section 7 concludes.

2 Wealth Inequality and Perceptions

We begin our analysis by establishing a novel relation between wealth inequality, measured by the share of total household wealth held by those in the top 10% of the wealth distribution, and perceptions of opportunities or unfairness in the population.⁵ Figure I plots the wealth share of the top 10% in each European Union country against the proportion of the corresponding population that agrees with the statement:

⁴Edin, Fredriksson, and Åslund (2003) study the consequences of living in enclaves for labor market outcomes. Åslund and Fredriksson (2009) study peer effects in welfare use among refugees, Åslund, Edin, Fredriksson, and Grönqvist (2011) focus on the extent to which immigrant school performance is affected by the characteristics of neighborhoods in which they grew up, while Haliassos, Jansson, and Karabulut (2020) study financial literacy externalities from neighbors with business or economics education.

⁵The data on wealth inequality are from the OECD wealth distribution database, which reports the most recent available data (for most countries, this refers to 2014-15). The data on perceptions are derived from the Eurobarometer Survey fielded in December 2017 (Eurobarometer, 2018).

"I have equal opportunities for getting ahead in life, like everyone else."

We see evidence of a positive association, with people in more unequal countries being more likely to agree with the presence of equal opportunities for getting ahead in life (see also Table O.A.1). Figure II presents the observed association separately for the two subsamples of respondents in each country, namely those who have had at least some years of college education and those without any college education. Looking at the cross-country relation, we see that the association between greater wealth inequality and more widespread perception of equal opportunities comes entirely from the more educated subsample. It actually has a statistically insignificant slope when looking at the less educated part of the population across countries.⁶

How is wealth inequality related to perception of fairness of outcomes? Figures III and IV plot the top 10% share of household wealth against the percentage of the total population and of each of the two educational subsamples, respectively, who agree with the statement:

"I believe that, by and large, people get what they deserve."

As we compare countries with lower and higher shares of total household wealth accruing to the top 10% of the wealth distribution, we find that for the overall population, the observed association is positive, but when we split the samples into those with at least some college education and those without any, we find that the positive association holds for the more educated group, while their less educated compatriots exhibit a statistically insignificant association, actually estimated to be negative.

All in all, those who live in countries with greater shares of household wealth accruing to the top of the distribution and have at least some college education are also more likely to perceive equality of opportunities and fairness of outcomes, while those who live in the same countries but have no college education do not exhibit a similar tendency.

Interestingly, we do not find a similar pattern of relations between income inequality and perceptions of opportunities and of fairness. Figure V shows that greater income inequality, measured by

⁶Differences by education group persist to a large extent even if we consider a measure of wealth inequality more sensitive to inequality at the middle of the wealth distribution, namely the Gini coefficient. Figures O.A.1 and O.A.2 exhibit, respectively, a positive association between the Gini coefficient on household wealth and the share of the overall population that perceives equality of opportunity for getting ahead in life, a greater positive slope for the more educated subsample, and a much less tight and only marginally positive association for those without any college education.

the Palma ratio,⁷ bears no statistically significant relation to the share of people in different countries who perceive equal opportunities for getting ahead in life as being open to all. This is also true when we split the sample by educational attainment (Figure VI). The lack of a significant relation with income inequality carries over to perceptions of fairness. Figures VII and VIII show that, across countries, income inequality is not significantly related to the population share of those who agree that people get what they deserve, even when we distinguish between those who have received at least some college education and those who did not. This suggests that the novel observed relation between wealth inequality and perceptions of opportunity or fairness is worthy of investigation in its own right and not a mere derivative of how people perceive income inequality.

In trying to uncover the sources and nature of the relation between the top 10% wealth share and perceptions of opportunity and fairness, it would be interesting to look at wealth outcomes for the different education groups, as perceptions may be related to those. Data on the evolution of wealth shares by education over a longer horizon and across countries are not readily available, to the best of our knowledge. Such tracking is possible with the US survey of Consumer Finances and Financial Accounts, and Figure O.A.7 shows that, between 1990 and 2020, the share of household wealth held by households whose financial respondent had at least a college degree grew at the expense of every other education category, but especially of those without any college education.

Disentangling the relation between wealth inequality and perceptions of opportunity and fairness introduces various challenges for the empirical implementation. First, there may be unobserved heterogeneity, in the sense of unobserved institutional and environmental factors generating both greater wealth inequality in some localities and responses in outcomes and perceptions among the more educated, without inequality itself influencing perceptions directly. Second, the observed pattern of correlations may be partly the result of sorting. Third, the educated may have had greater involvement and responsibility in creating the institutional and policy structures that gave rise to greater wealth inequality, and are thus more capable to use them and likely to defend them as fair, especially if they generate greater inequality. Fourth, the educational composition of a country's population may itself be a result of the degree of wealth inequality observed in the country. Our analysis exploits the exogenous allocation of destitute refugees to areas whose local inequality they could not

⁷The Palma ratio is defined as the share of household income accruing to the top 10% of the income distribution, normalized by the share of income accruing to the bottom 40% of the income distribution.

have anticipated and prepared for, at a time that was - by definition - the launch of their career in their new country. It explores the influence of allocation to an area with greater top 10% wealth share on behavior and outcomes over the medium to longer run, with implications for the dynamic element in the relation.

3 The Natural Experiment and the Data

3.1 Important features of the refugee allocation program

We exploit a unique natural experiment: a Swedish policy of exogenously allocating refugees to apartments shortly after they obtained the residence permit, in response to congestion arising from self allocation of refugees in major cities in the past.⁸ The experiment was implemented between 1985 and 1994, but most strictly between 1987 and 1991, the period of entry on which we are focusing. Participation of Sweden's municipalities in the program was extensive, with 277 out of 284 municipalities participating. The Swedish Immigration Board was authorized to allocate refugees who moved to Sweden for reasons other than family reunification to apartments, as these were becoming available. Using STATIV data, described in section 3.2, we are able to identify precisely the refugees, among migrants to Sweden in the relevant period, who were not being reunited with family members, had limited resources, and therefore little choice but to reside in the apartment allocated by the municipal officers. We are also able to observe any subsequent movements of these refugees to other areas for a period of about 20 years after the initial placement.

Our causal analysis relies on the assumption that, given the observed characteristics of the refugees, the wealth inequality to which they were exposed at the municipality of initial placement is independent of unobserved refugee characteristics that influence the probability of taking specific actions or experiencing specific individual outcomes ten to twenty years later in life.

The way in which the placement program assigned refugees to particular apartments is important for the validity of this identification assumption. Did the Board have information additional to what we observe in the data when allocating refugees to apartments? Importantly, no personal interviews were conducted, and our data include all refugee information available to the Immigration Board when deciding the initial allocation of refugees. According to the process narratives, the

⁸For further details about this policy experiment, used in another context, see [Edin et al. \(2003\)](#) pp. 333-335.

Board mainly based its decision on the random arrival of available apartments, but may have also taken into consideration the language spoken by the refugees, their marital status in view of the limited availability of smaller apartments, and their education level ([Åslund and Fredriksson, 2009](#); [Åslund et al., 2011](#)). All three factors are included in our data. Specifically, we control for the country of origin and year of arrival of the refugee, the refugee's education level, marital status, household size, and number of children, in addition to other observable characteristics relevant for financial behavior. The Board also asked refugees to declare their location preferences, and these were not recorded in the data. However, as other studies based on this data have noted, personal preferences of refugees are unlikely to have played an important role in the allocation decision for at least three reasons. First, the program was implemented specifically because the unrestricted free choice of refugees resulted in extreme congestion in major metropolitan cities. Second, the initial refugee allocation generated by the Immigration Board was different from the previous migrant concentration. Finally, about 75 percent of refugees had moved from the place of their initial placement by the year 1999. This move occurred despite the fact that their immediate relocation was essentially precluded by their limited means and short-term benefits, such as language classes; and that they ended up spending an average of 5.4 years in their parish of initial allocation and 8.7 years in their initial municipality.

As a further check of possible sorting, we regress our key measure of wealth inequality (the share of the top 10 percent in total household wealth at the time of refugee arrival) in the initial municipality on characteristics of the refugees observable to municipal officers. As seen in [Table O.A.2](#), we include gender, marital status, household size, having children, educational attainment, and age group controls, as well as municipality, country of origin, and arrival year fixed effects. The measure of exposure to wealth inequality at the time of arrival is independent of initial refugee household characteristics observable to municipal officers, including those they might have reportedly taken into account.

Since we find considerable differences when we split our sample by educational attainment, into those with at least some college education and the rest, we also check the distributions of our measure of wealth inequality for the two refugee subsamples. As [Table I](#) shows, the two educational groups faced very similar distributions of our measure of wealth inequality.

Finally, as we describe in detail in [section 4](#), we also include in our model controls for specific

time-varying conditions in the municipality of initial placement, as well as for time-invariant factors through fixed effects, and we estimate the effect of initial exposure to wealth inequality net of those conditions.

3.2 The data

We employ two datasets from Statistics Sweden, LINDA and STATIV. The period of interest spans the main years of operation of the immigration allocation program, 1987-1991, to the last year in the period 1999-2007 in which Sweden imposed the wealth tax and was collecting detailed financial data to compute taxable net wealth. This combination of two datasets allows us not only to observe a significant number of refugee households but also to identify those who had little possibility or prospect to not accept the offer of an apartment made by the immigration authorities, at least in the first instance. The advantage of using administrative data collected for the purpose of taxing net wealth is the high quality of reporting, both of the amounts of taxable assets and of debt that could be set off against assets in order to reduce the wealth tax liability. The data are not reported by households themselves, but by the relevant Swedish institutions.

LINDA provides data on an annual sample of 300,000 households (about 3% of the Swedish population), which may include immigrants, and an additional sample of 200,000 immigrant individuals, representing about 20% of all immigrants. Importantly, the data include detailed demographic and financial characteristics, but also precise locational information over the entire period, tracking any relocations. The extensive financial data come from the data collected for purposes of wealth taxation and refer to the period 1999-2007 only. Given that we look at refugees with very limited means at the time of arrival, focusing on their medium to longer run financial profile and outcomes is relevant.

STATIV provides extensive data on immigrants, collected from a variety of Swedish registers. Particularly relevant for us are data on reasons for immigration, allowing us to distinguish between refugee and labor immigrants. Even within refugee immigrants, we are able to focus on refugees who were admitted for humanitarian reasons and with insufficient resources, and thus had little choice as to whether to accept the apartment offered to them by the immigration authorities, coupled with opportunities for integrating in Sweden (e.g., through language classes). Specifically, we are able to exclude refugees who have come to Sweden for reasons related to work, family ties, studies, other reasons, as well as those with sufficient living supplies. We also exclude those refugee households

who first appear in LINDA with an adult member previously residing in Sweden or holding Swedish citizenship. As an extra step, we only consider immigrant households that first appear in LINDA in the year of immigration or in the immediately following year.

We also make sure that, for households included in the final sample, we can observe both the initial location and the full set of locations in the 1999-2007 period, as well as the year of arrival and the country of origin.

After taking all these steps to avoid misclassifying immigrants, we end up with a final sample of about 5,074 refugee immigrants per observation year (i.e., in the period 1999-2007). More than half of our refugee sample entered Sweden in 1988 or 1989, and relatively few entered in 1991, with all remaining refugees in the sample arriving in 1987 or 1990. Iran was the country of origin for the largest group of refugees (about 28% of the sample), but other relatively large groups came from Chile (about 12%), Iraq and Lebanon (about 8% each).

4 The Estimation Model

We study the effect of exposure to wealth inequality, $WINEQ_{m0}$, as reflected in the share of household wealth owned by the top 10% of the wealth distribution in the municipality of initial placement, m , at the time of the refugee's arrival, $0 \in [1987, 1988, 1989, 1990, 1991]$,⁹ on various outcomes observed about ten to twenty years later, at time $t \in [1999, 2000, \dots, 2007]$. These outcomes are, in turn, the level of net wealth, its ratio to labor income, the percentile of the net wealth distribution, the level of household labor income, and the probability of being unemployed in this later period. We also study the effect of exposure to wealth inequality at the launch of the refugee's economic life in Sweden on participation in various types of assets and debt in the 1999-2007 period. The behavior considered is relevant for generating net wealth and refers to stockholding, owning a business or practice (as indicated by self employment), homeownership, household debt, and its ratio to labor income. Each of these variables appear, in turn, as the dependent variable, Y_{ikm0t} , in our regressions, where i denotes the household, and k the country of origin of the household head:

$$Y_{ikm0t} = \alpha_1 \cdot X_{ikm0t} + \alpha_2 \cdot X_{m0} + \beta \cdot WINEQ_{m0} + \gamma_m + \gamma_k + \gamma_0 + \gamma_t + \epsilon_{ikm0t} \quad (1)$$

⁹We compute this top 10% wealth share from the full LINDA sample, by municipality and year of arrival. As this is taxable net wealth, it is bounded below by zero.

In estimating the impact of this early exposure to wealth inequality, β , we control for various observed characteristics of the household, X_{ikm0t} . These include the age category and gender of the household head, the occupational status (distinguishing between those who are employed, unemployed, retired, or students), the marital status, the household size and adult-children composition, as well as the educational attainment of the household head (less than high school, high school certificate, or at least some college education).

We introduce a municipality fixed effect, γ_m , to account for time-invariant institutional and other environmental features of the municipality where the refugee was initially placed, that may have been relevant for household choices and later outcomes (correlated effects).¹⁰ We are identifying the effect of exposure to wealth inequality from time variation of the wealth inequality measure over the range of years of initial settlement, 1987 to 1991. Figures IX to XIII give a visual impression of this time variation, when viewed in sequence. In robustness exercises, we also introduce controls for other time-varying features of the initial municipality, X_{m0} , with $0 \in [1987, \dots, 1991]$, namely average wealth, average household income, and income inequality, so as to avoid that our wealth inequality measure simply reflects such other potentially relevant factors that were also changing over the refugee arrival period.

In order to control for macroeconomic and other time varying aggregate factors, we include further time effects: for the arrival year of the refugee, γ_0 , and for the observation year of the endogenous variable, γ_t . Finally, we introduce a fixed effect for the country of origin, γ_k , to capture language and other cultural considerations that may systematically influence refugee outcomes and economic choices, as well as social and professional interactions.

We present OLS regression coefficients when the endogenous variable is continuous, and coefficients from linear probability models when we study participation or unemployment probabilities. As placement in the initial municipality was exogenous to the refugee and implemented by the immigration authorities, we do not need to instrument initial wealth inequality to isolate the causal effect of interest. For skewed continuous variables, such as wealth and income, that may also include zeros, we adopt the inverse hyperbolic sine (IHS) transformation, which admits an elasticity interpretation for coefficients. We correct standard errors through clustering at the initial municipality level. Our

¹⁰Sweden had 284 municipalities at the time of implementation of the program, of which 277 participated in the refugee allocation process. Subsequent antagonism within some municipalities resulted in the somewhat larger number of 290 observed today.

estimation allows wealth inequality in the initial municipality to influence subsequent outcomes and economic behavior through various channels other than those for which we explicitly control.

5 Effects of Exposure to Wealth Inequality

5.1 Effects on economic outcomes

In this section, we present our findings regarding the effect of initial exposure to local wealth inequality. We include municipality fixed effects to capture relevant features of the environment, and we identify the effects on various wealth and labor market outcomes observed about 10 to 20 years later (1999-2007) out of the variation in top 10% shares across the five arrival years (1987-91). This time variation for each municipality is depicted graphically in Figures IX-XIII by means of successive geographical heat maps of Sweden. We also include fixed effects for the refugee arrival year, outcome observation year, as well as country of origin.

In our estimations, we consider the full sample, as well as separate regressions on each of the two education subsamples.¹¹ We find no overall systematic effect of initial exposure to inequality on either the level of net wealth or on the wealth rank of the refugee household in the relevant year (1999-2007).¹² Interestingly, when we divide the population into the two education subsamples, we find a strongly statistically significant effect on the wealth level and percentile of those who had at least a college education, but no statistically significant effect in the less educated subsample (Tables II and III).

Do educated refugees respond more to particularly high levels of wealth concentration in the top 10% of the wealth distribution? In our data, the wealth concentration observed in different municipalities ranges from 31% to 76%. In unreported regressions, we have replaced the continuous measure of the top 10% wealth share with (three) quartiles of the size of this share. We find that initial exposure to wealth inequality registers significantly higher effects on the subsequent wealth level of refugees and on their position in the cohort-based wealth distribution when the top 10%

¹¹To compute the estimated effect of a one-standard-deviation change in the initial wealth inequality to which the refugee was exposed upon settlement, we need to multiply the coefficient estimate by 0.084, which represents this standard deviation of 8.4 percentage points. When the outcome variable is expressed in IHS, this represents a semi-elasticity.

¹²The wealth rank is the percentile in which the refugee household finds itself in the net wealth distribution among all sampled households in LINDA with the same birth year, regardless of the origin of the household head. Thus, it can be thought of as comparing the refugee household to all households in Sweden whose household head had the same age in the year of observation.

share takes values in the third or fourth quartiles, i.e., when it falls in the range between 54% and 76% in our data.

One may suspect that initial exposure to wealth inequality may influence labor market choices in an effort to boost labor income and to reduce unemployment risk, eventually allowing the more educated to build up higher levels of wealth and attain a higher percentile in the wealth distribution. However, our findings in Tables IV and V suggest that exposure to greater wealth inequality does not systematically result in higher labor income or lower probability of unemployment in the medium to longer term, even for the more educated population group. Indeed, we also find a significant positive effect of initial exposure to wealth inequality on the wealth-to-income ratio for the more educated group but not for those without any college education (Table VI).

5.2 Effects on household choices

If exposure to wealth inequality at the launch of their career does not influence households' potential for wealth accumulation through higher labor income or improved prospects of reducing the risk of unemployment, it can still influence the path of cash on hand through its influence on portfolio composition. Specifically, a household perceiving greater wealth inequality may be induced to undertake greater private risk through entrepreneurship, or self employment more generally. Indeed, Roussanov (2010) showed that investing in a private business would be an optimal response to status concerns, in an objective not just to keep up or catch up with the Joneses, but actually to "beat" them. Such a motive encourages one to engage in private risk, so as to get rich alone, if things do work out. This need not only apply to entrepreneurs but also to self-employed professionals, such as lawyers or medical doctors, who attempt to make it on their own. In our data, we observe self employment, as opposed to a breakdown between these two categories. Table VII reports estimates of the effect of exposure to wealth inequality on the likelihood to be self employed, for the overall population and for the education split, both with and without a control for the household's position in the wealth distribution at the observation time. Regardless of whether we control for current wealth quartile, we find a significant effect of initial exposure to wealth inequality on the probability of becoming self employed for the overall population. This effect, however, is traced to the subsample of those with at least some college education, while it is insignificant for those without any college education.

While trying to get richer than their peers can push people towards private risk, stockholding

opportunities are more widely accessible and do not require sizable investments, while opening up greater possibilities for risk diversification. Indeed, aggregate data for a number of financially developed countries, including Sweden and the US, show that stocks and mutual funds comprise a much bigger part of the portfolios of college graduates than of any other education category.¹³ Table VIII presents estimates of the effect of initial exposure to wealth inequality on the probability of exposed households to hold stocks in their portfolio later in life. Our estimates suggest that only those who had at least some college education and were exposed to greater wealth inequality in the municipality of their initial placement were systematically more likely to be holding stocks in the medium to longer run.

A home is an asset and an important component of wealth for most homeowners, but it can also be a source of status, in addition to the housing services it provides to the owners. Table IX reports estimates of the role that exposure to wealth inequality in the municipality of initial placement plays in homeownership observed in the medium to longer run. These estimates control for marital and occupational status, age, and household size, in addition to the full set of fixed effects. Estimates in even columns also control for one's position in the wealth distribution and for level of income. When we look at the overall sample, we find no significant systematic effect of the initial exposure to wealth inequality. When we split the sample, however, we find a strongly statistically significant effect of initial exposure on the probability of subsequent homeownership among those with at least some college education. By contrast, we find no systematic effect on the incidence of homeownership among those who were exposed to greater wealth inequality but did not have any college education.

For given level of assets, net wealth can also be boosted by keeping debt levels low. We have already seen in Table VI that greater exposure to wealth inequality leads to a higher wealth-to-income ratio for the more educated households. Table X presents our corresponding estimates for the debt-to-income ratio observed later in life. Interestingly, here we find that initial exposure to wealth inequality has an estimated positive (but insignificant) effect on the debt exposure of those with at least some college education, but it does have a statistically significant moderating effect on the debt exposure of those without any college education, controlling for household characteristics and the full array of fixed effects.

¹³Overall stock market participation among households is greater in Sweden than in the United States, and it is in fact the largest in the world.

Taken together, our estimates imply that exposure to greater wealth inequality at the launch of their career motivated those with at least some college education to take on more financial and real risk, while it failed to have a similar effect on those without any college education. The tendency of the latter to participate in risky financial or real assets appears to be unresponsive to the wealth inequality they experienced, but what does seem to respond systematically is the level of their debt exposure, measured by the debt-to-income ratio. For debt, we observe a mitigating effect. Since we also control for the contemporaneous position in the wealth distribution, these findings are consistent with the less educated trying to reduce the possibility of financial distress rather than taking advantage of wealth-generating opportunities.

6 Understanding the Mechanism

In this section, we describe various exercises with a view to sharpening our understanding of the underlying mechanism that links exposure to greater wealth inequality at the launch of the career in Sweden to the various outcomes we have described.

6.1 Is wealth inequality proxying for other municipality characteristics?

In our analysis, we have stressed the importance of exposure to wealth inequality in the municipality of initial placement, or more broadly at the launch of one's career in the country. Could it be that the share of household wealth going to the top 10% of the wealth distribution merely proxies for other key features of the initial municipality and it is these features that actually produce the observed effects? For example, refugee households may be responding to how wealthy municipality residents are on average, rather than to the concentration of household wealth at the top of the distribution. Or they may be responding to the level of average income in the municipality. Yet another possibility is that they are responding to income inequality and wealth inequality serves as a proxy for that.

Table [O.A.3](#) reports regression estimates that include, in addition to the usual controls and fixed effects, controls for mean wealth, mean income, and income inequality (measured by the share of total household income received by the top 10% of the income distribution) in the municipality of initial allocation (columns 1-3, respectively). The top panel refers to the (inverse hyperbolic sign of the) level of net wealth, while the bottom panel refers to the percentile of the refugee in the

wealth distribution during the years of observation of financial behavior (1999-2007). We see that the pattern of effects of exposure to wealth inequality is unaffected by inclusion of these additional controls. Indeed, none of the three additional controls are statistically significant for the better-educated subsample.¹⁴

Similarly, Table O.A.4 shows that our finding, that exposure to greater wealth inequality does not operate by influencing labor market outcomes, such as earnings levels attained and the likelihood of unemployment in the medium to longer run, is not an artifact of failing to account for these other features of the initial municipality, which actually turn out to be statistically insignificant.

Table O.A.5 examines robustness of our findings on risk taking in occupation (panel 1), financial assets (panel 2), and homeownership (panel 3). In all panels, we find the same pattern of effects of initial exposure to wealth inequality across the full sample and the two education subsamples, with initial wealth inequality encouraging all forms of risk taking only among the more educated refugee households. Moreover, the three additional controls turn out to be insignificant for self-employment and stockholding participation across all three samples considered. Exposure to greater initial income inequality shows up as discouraging homeownership among the less educated, while initial mean income has a statistically significant but quantitatively very small estimated effect. Taken together, these findings suggest that wealth inequality is not a mere proxy for the overall standing of the municipality in terms of wealth and income nor for its income inequality, and that its relevance for the more educated is robust.

Finally, Table O.A.6 examines robustness of our findings on the ratios of gross financial wealth to income (panel A) and of debt to income (panel B). The findings reported in panel A confirm that exposure to initial wealth inequality encourages subsequent attainment of higher wealth to income ratios only among the more educated. However, the bottom panel shows that our finding that the less educated tend to limit their debt exposure relative to their income when faced with greater initial wealth inequality, is not robust when we also control for mean income in the municipality of initial placement. Interestingly, this finding on (lack of) robustness is more in line with the overall picture our results paint for responses of the less educated to experiencing greater wealth inequality at the launch of their careers in the country, namely a lack of significant response.

¹⁴Initial mean income shows up as significant when initial wealth inequality does not play a systematic role, but higher initial mean income actually pushes in the opposite direction, discouraging wealth accumulation and lowering the subsequent position of the refugee household in the net wealth distribution.

6.2 Wealth inequality exposure and mobility

Our findings are consistent with more educated refugees interpreting wealth inequality at the initial municipality as suggesting opportunities for them to attain higher wealth levels. As our administrative data do not include elicited perceptions of refugees regarding opportunities to rise to the upper part of the wealth distribution, we cannot test directly for the presence of this link between exposure to wealth inequality and perceptions of opportunity. We therefore take an indirect approach, exploiting our ability to observe the actual degree of wealth mobility in the municipality of initial placement around the time of arrival.

More precisely, we compute the share of households who were in the top 10% of the municipality's wealth distribution right before the allocation of refugees started, i.e., in year 1986, and who were also in the top 10% of the wealth distribution right after the allocation of refugees was completed, in year 1992. We find that, across all municipalities, the median value of this share was about 67%. We then distinguish the municipalities of arrival into two groups: the "more mobile" ones, where the share of the initial wealthy in 1986 that remained in the top 10% of the distribution in 1992 was below the median of 67%; and the "less mobile", where this share was above the median. We rerun our benchmark estimations separately for these two sets of initial municipalities.

We find that our benchmark estimates (reported in Tables [O.A.7](#) to [O.A.10](#)) are in general robust in the group of municipalities where greater wealth mobility is observed around the arrival times of refugees, while exposure to greater wealth inequality does not generally contribute to better outcomes or more risk taking even among the more educated households in the less mobile municipalities.

Specifically, Table [O.A.7](#) reports that exposure to greater wealth inequality tends to lead to larger wealth levels and to attainment of higher percentiles in the cohort-based wealth distribution later in life, but this systematic link is present only for the more educated refugees that arrive in municipalities with greater mobility. By contrast, Table [O.A.8](#) not only confirms our benchmark finding that initial exposure to greater wealth inequality does not affect the subsequent level of earnings or the probability of unemployment, but it also shows that this finding has little to do with the degree of wealth mobility in the region.¹⁵

¹⁵We find one statistically significant coefficient, implying that better-educated refugees arriving in low-mobility regions with greater wealth inequality end up with lower probability of unemployment later on.

Table [O.A.9](#) shows that our benchmark findings on the positive role of exposure to wealth inequality for self employment, stockholding, and homeownership later in life are present only in the more mobile initial municipalities, consistent with opportunity playing a key role in activating these risky choices. Lastly, Table [O.A.10](#) shows that the effects of exposure found in our benchmark analysis on the financial wealth-to-income ratio and on the debt-to-income ratio are not present among those allocated to municipalities with more limited wealth mobility.

All in all, our sample split by the degree of wealth mobility in the initial municipality points to a more nuanced overall interpretation of our findings, but also one that is more consistent with the role of opportunity. Being exposed to greater wealth inequality at the start of their careers in areas exhibiting high wealth mobility tends to make educated households more likely to take on risks in the occupational, financial and real asset domain, and to attain higher wealth levels and higher positions in the cohort-specific wealth distribution. This can be viewed as evidence of a propagation mechanism, whereby exposure to greater wealth inequality and wealth mobility tends to lead to greater risk taking by educated people with access to higher returns, who end up with higher wealth levels and positions. In this sense, greater wealth mobility and inequality beget greater mobility and inequality, given the non-response of less educated households in the same areas and of all households in less mobile areas.

The non-response of the less educated when they are confronted with greater wealth inequality at the launch of their careers even in areas of high mobility raises the question of whether they fail to perceive existing opportunities or they are bound by constraints. We will provide some evidence in support of the idea that less educated people are likely to have greater difficulty observing opportunities and prospects for wealth mobility in general, compared to their more educated counterparts in section [6.6](#). To gain some understanding of whether the less educated respond in areas exhibiting higher mobility opportunities for them, we split municipalities based on the (above- or below-median) wealth mobility specifically of those without college education. In unreported regressions, we have found that the less educated in these areas are significantly more likely to enter into self employment, but no more or less likely to invest in risky financial or housing assets. Despite this greater tendency for self employment, though, their exposure to greater inequality does not lead to higher levels of subsequent wealth or positions in the cohort-specific wealth distribution. This suggests that even when mobility opportunities are available to the less educated, they fail to use them effectively

in order to boost their wealth level and ranking.

If the more educated are able to attain higher returns, then this could provide a plausible rationale both for the more limited response of the less educated to perceived opportunities and for their failure to turn any responses into success. Indeed, a number of recent studies find a positive link between educational attainment and returns. A close positive correlation between educational attainment and returns on net wealth and on each of its main sub-components is found by [Girshina \(2019\)](#) in Swedish data and by [Fagereng et al. \(2020\)](#) using data from Norway, while [Barth et al. \(2020\)](#) find a positive relation between educational attainment and retirement wealth among US households.

Is education an independent causal factor for higher returns among the more educated? The answer to this question is relevant for whether there is room for educational policy per se to improve opportunities for those who currently are, or would otherwise be less educated. Here views differ. [Girshina \(2019\)](#) uses three alternative instruments, namely family background and ability, within-siblings variation in educational attainment, and a reform of compulsory schooling to argue for a causal effect of education. [Fagereng et al. \(2020\)](#) employ an exogenous increase in schooling requirements from 7 to 9 years and show that, in their data, the correlation between educational attainment and returns disappears in IV estimation. They argue that the positive relation between education and returns reflects a correlation between innate wealth management ability and educational attainment, with the former being ultimately responsible for the higher returns to wealth and its components. [Barth et al. \(2020\)](#) find that average US household polygenic scores (predictive indices aggregating multiple genetic markers) robustly predict educational attainment as well as retirement wealth in the US Health and Retirement Survey. Higher polygenic score households are found to be more likely to invest in stocks and in private businesses.

The continuing debate on whether the level of educational attainment is an independent factor that generates opportunities for more profitable participation in risky assets and eventual wealth creation, or a joint outcome of innate abilities for wealth management is important for whether extensions in compulsory education are part of the arsenal to mitigate the source of propagation of wealth inequality that we find.

6.3 Investment in human capital

In refining our understanding of the link between being college educated and responding to greater wealth inequality in the ways we have found, it may be useful to distinguish between education obtained prior to arriving in Sweden and that obtained after being exposed to the initial municipality. In particular, we want to know whether such additions to human capital were causally linked to exposure to greater wealth inequality in the initial municipality.

Out of the 5,031 individuals we include in our sample, 1,261 (or 25% of the total) added at least one year of education between arrival and year 2000, the latter being the reference year we use for our education sample splits. At least half of those who pursued education after arrival were 25 years of age or younger when they arrived in Sweden.¹⁶ We run a regression to examine whether exposure to initial wealth inequality significantly influenced the number of years of schooling accomplished between individual arrival and year 2000, controlling for demographics and income at time of arrival, and for fixed effects of municipality, arrival year and of cultural factors proxied by country of origin.

Table O.A.11 reports our findings for the full sample and for a sample breakdown based on whether the household head had attained at least some college education by year 2000. Our estimates do not support a significant role of initial exposure to wealth inequality in determining the size of investment in human capital after arrival in Sweden. We conclude from this that the differential behavior we observe by education group is not in any significant way the result of human capital investment in response to exposure to initial wealth inequality, even though part of the sample had not completed their education by the time of arrival in the initial municipality.

6.4 A role model effect?

In this section we examine whether the effects of exposure to inequality on the educated refugees represent a role model effect. Specifically, we examine whether the share of those with at least some college education in the initial municipality's wealthiest 10% motivates the more educated refugees to emulate those successes as "role models".

Tables O.A.12 to O.A.15 introduce this share alongside the initial wealth inequality measure.

¹⁶The data include a few negative observations, which represent downgrading of educational qualifications after proper examination of their level by the Swedish authorities. We have set those to zero, as they do not represent investment in human capital.

We find that introduction of this additional control does not affect the sign or significance of initial wealth inequality found in our benchmark regressions. Wealth inequality in the initial municipality influences educated refugees in a similar way, even when we control for how successful educated people have been in general. In addition, the share of educated among the wealthiest does not have a significant effect on the subsequent level or rank of net wealth of either group of refugees.¹⁷ These results suggest that the presence (or absence) of role models does not seem to be the source of our exposure effects.

However, we do find evidence that exposure to a higher share of educated people among the top 10% of wealthy has a positive effect on stockholding participation among the more educated, and a mitigating effect on their debt-to-income ratio later in life. These findings provide some scope for learning from, or imitation of the rich to contribute to the actions taken by the more educated refugees. We investigate the possible role of learning or imitation more broadly in the next section.

6.5 Imitation and learning from the rich

It is possible that the tendency of the more educated to respond to greater inequality by being more likely to engage in self-employment, stockholding, and homeownership can be attributed, at least partly, to imitation or learning from the rich. Maybe the educated refugees responded to greater inequality in these ways because the prevalence of such practices was greater in municipalities with a higher share of total wealth owned by the top 10% of the distribution, and there was greater scope for the refugees to imitate or learn from them.

Tables [O.A.16](#) to [O.A.18](#) introduce, as additional control to our regressions regarding the tendency to undertake self employment, stockholding, and homeownership risk, the respective shares of the wealthiest 10% in the initial municipality who made each choice. We see that none of these shares is statistically significant, in the full sample or in either of the two subsamples, while our benchmark measure of wealth inequality retains its role for the more educated subsample.

We examine further if initial exposure to greater wealth inequality helped the refugees to avoid investment mistakes, such as under-diversification or sluggishness in rebalancing their portfolios. Table [O.A.19](#) reports estimates of the effect of greater initial exposure to wealth inequality on the

¹⁷The share of the more educated among the wealthy does not affect the subsequent earnings level, either, but it registers a mitigating effect on unemployment risk among the better educated.

extent of subsequent diversification and of portfolio adjustments. The former is proxied by the share of directly held stocks in the stock portfolio, while the latter follows [Calvet, Campbell, and Sodini \(2009\)](#) in considering the absolute change in the risky portfolio share since the previous period. As indicated in the Table, we find no evidence of such beneficial learning effects on the subsequent financial behavior of refugees.

These findings argue against pure imitation, emulation or learning being the driving forces behind the effects of exposure to wealth inequality on the choices made by the more educated refugees in later life. They are consistent, however, with the more educated interpreting greater wealth inequality as an opportunity to attain higher wealth levels and deciding to take on greater occupational and asset risks in an effort to attain them. They are also consistent with the educated doing so because they have a greater innate ability to manage risky assets and debt and to generate wealth, compared to the less educated. Finally, the lack of support for a learning effect from being exposed to greater wealth inequality per se does not necessarily imply that learning from others in general has no beneficial or motivating effect on financial behavior.

6.6 Observability of wealth inequality and mobility

Our findings highlight the responsiveness only of educated refugees to the top 10% wealth share at the time of entry and to the degree of wealth mobility in the municipality. Are there directly observable data or systematic links between observable features of the municipality, wealth inequality, and wealth mobility? Are there reasons to believe that educated refugees would have greater access to those or ability to infer inequality and opportunities relative to their less educated counterparts?

In Sweden, it is in fact possible to observe wealth levels in the municipality directly. There are public listings of wealth levels by name for those informed and interested to check. It is our conjecture that less educated refugees would be much less, if at all, in a position to know about and to use this resource. On the issue of systematic links between the objects of interest and more readily observable municipality characteristics, we present two sets of regression estimates in [Table O.A.20](#).

The first two columns present panel OLS regressions of the top 10% wealth share in the five years of refugee arrival on contemporaneous time-varying characteristics of the municipality, as well as on municipality fixed effects and (in column 2) time fixed effects. We see that a relatively small number of variables likely to be observable by arriving refugees correlate significantly with the time-varying

part of wealth inequality in the municipality and explain a large part of the variation. These are the shares of college graduates, homeowners, and stockholders, the average income, and house price inflation, together with macro conditions in the arrival year. While the number of new firms founded is positively correlated with wealth concentration at the top, greater shares of college graduates, of stockholders, and of homeowners are negatively related to wealth concentration. Those that are able to draw the link between wealth concentration and more widespread asset ownership and education are more likely to perceive local inequality.

Table O.A.20 also raises a subtler possibility, that links to our discussion on perceptions of opportunity by the less educated in section 6.2. We have found that the less educated refugees are unresponsive to the top 10% wealth share even in areas that were classified as exhibiting considerable mobility. Columns (3) and (4) of Table O.A.20 show regressions of the indicator of wealth mobility that we used to split the sample of municipalities into high- and low-mobility subsamples, on various municipality characteristics. This indicator of mobility and opportunity is the probability of a municipality resident who was not in the top 10% of wealthy in 1986, one year prior to the first arrivals, to be in the top 10% in 1992, after the entry of refugees in our sample was completed. Based on these estimates, the share of wealth held by the top 10% is a strong (negative) indicator of mobility in itself, while some further insights can be gained by observing the inflow of new firms, house price inflation and the share of college educated locals. All three such indicators are positively related with the proxy for wealth mobility that we used for the sample split.

Nevertheless, as numerous studies have found, cross-sectional heterogeneity is typically difficult to relate to a small number of systematic factors, and this is also true in the case of wealth mobility here, as indicated by the low R-squared values. Even if the less educated were somehow alerted to the importance of these factors, their mere observation would not be very informative about mobility opportunities. Inferring those is likely to require information gathering, e.g., from extensive discussions with informed local peers. One would expect less educated refugees to be much less able to collect and distill such information, and consequently to be less likely alerted to available opportunities than their more educated counterparts.

7 Conclusions

This paper is motivated by a novel pattern of positive correlations between the share of household wealth owned by the top 10% of the wealth distribution and perceptions of equality of opportunity and fairness. These are statistically significant only among those with at least some college education, but not among the less educated subsample across countries. Using a unique quasi-random field experiment, in the form of a refugee allocation program in Sweden over the period 1987-1991, and detailed data on refugee and other households over a horizon of about 20 years, the paper studies whether and how exposure to wealth inequality at the launch of one's economic life tends to influence economic and financial behavior and outcomes 10 to 20 years later, distinguishing between two education groups.

We find that those with at least some years in college tend to respond to this initial exposure by being more likely to choose self employment, to hold risky financial and real assets, and to reach higher levels of wealth and positions in the wealth distribution. By contrast, those less educated tend to be largely unresponsive to their initial exposure to wealth inequality in the aspects of economic and financial life we examine, except perhaps for reducing their debt levels and ratios over the medium and longer runs. In robustness analysis, we also find that wealth inequality is not a mere proxy for the overall standing of the municipality in terms of mean wealth and mean income nor for its income inequality.

Asymmetry in response is consistent with exposure to greater wealth inequality leading the more educated to perceive more opportunities, motivating them to take actions that result both in higher levels of wealth and confirmation of their perceptions. The link between inequality and opportunity is supported by our findings that the effects of wealth inequality exposure on the more educated are only present in municipalities that exhibited above-median mobility in the top 10% of the wealth distribution around the arrival time of refugees. Where mobility opportunities were more prevalent, the educated responded and were able to alter their choices of risky assets and occupation, ultimately securing higher levels and positions in the wealth distribution. Our findings do not support interpretations of exposure to inequality as operating through "role model" effects or through imitation or learning and thus contributing to the subsequent economic and financial choices of refugees.

What should we make of the failure to respond to greater wealth inequality? The successful

response of educated refugees in high-mobility areas suggests that their lack of response in low-mobility areas is likely to be explained by constraints to mobility rather than by lack of perception or ability. We find that the less educated fail to respond to wealth inequality in a similar manner, even in areas where mobility opportunities for the less educated are greater; and that inferring local mobility is likely to require significant information gathering and processing. Thus, our findings suggest that the lack of response by the less educated is likely attributable to a combination of more limited ability to earn higher returns through participation in risky assets and of greater difficulty in assessing local mobility opportunities due to informational requirements, possibly augmented by the greater pessimism associated with lower SES.

The differential reaction to wealth inequality at the launch of one's career in the country, which boosts the wealth level and position of the more educated in the areas of greater mobility but fails to trigger similar outcomes among the less educated, tends to widen wealth inequality, boost the representation of the more educated at the top of the wealth distribution, and reaffirm their financial and economic choices. This sets the stage for perpetuation of differential response to wealth inequality and for further propagation of wealth inequality and of the concomitant social polarization.

Our findings on differential responses to wealth inequality depending on educational attainment do not necessarily imply that there is a simple way to limit this source of propagation, e.g., by extending the mandatory minimum years of education. Although education is largely predetermined in our refugee sample and we have shown that it is not influenced by the initial exposure to wealth inequality, it need not be causal for higher returns, and some (though not all) recent studies argue that it is not. Taken together, our findings suggest instead that it is more promising to configure a multi-pronged approach, that improves perception of opportunities among the less educated, as well as their ability to generate higher returns through participation in risky assets, including ones that are suitably designed to limit behavioral biases and investment mistakes.

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Figure I: Beliefs in Opportunity and Wealth Inequality

This figure presents the cross-country correlations between wealth inequality, measured by the share of aggregate wealth held by the people who are in the top 10 percent of the wealth distribution, and proportion of the corresponding population that agrees with the statement: "I have equal opportunities for getting ahead in life, like everyone else". The pairwise correlation between perceptions and inequality is 0.52 (p-value=0.018). The data for the top 10 share for sampled countries are obtained from OECD Wealth Distribution Database. The information for Sweden comes from Lundberg and Waldenström (2018). The data on beliefs are derived from the Eurobarometer Survey fielded in December 2017 (Eurobarometer, 2018).

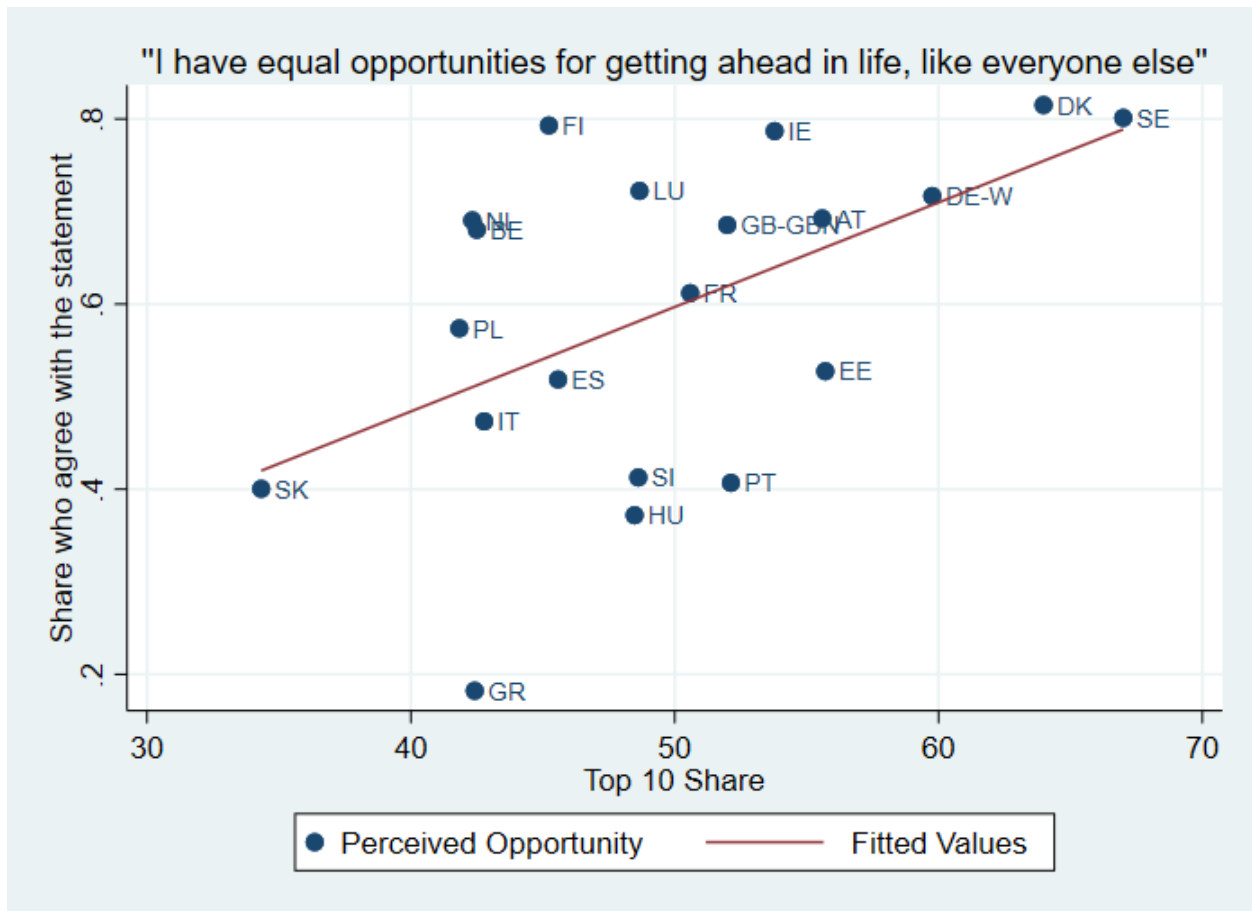


Figure II: Beliefs in Opportunity and Wealth Inequality by Education Level

This figure presents the cross-country correlations between wealth inequality, measured by the share of aggregate wealth held by the people who are in the top 10 percent of the wealth distribution, and proportion of the corresponding population that agrees with the statement: "I have equal opportunities for getting ahead in life, like everyone else" separately for the two subsamples of respondents in each country, namely those who have had at least some years of college education and those without any college education. The pairwise correlation between perceptions and inequality is 0.64 (p-value=0.002) and -0.21 (p-value=0.38) for college and high-school sample, respectively. The data for the top 10 share for sampled countries are obtained from OECD Wealth Distribution Database. The information for Sweden comes from Lundberg and Waldenström (2018). The data on beliefs are derived from the Eurobarometer Survey fielded in December 2017 (Eurobarometer, 2018).

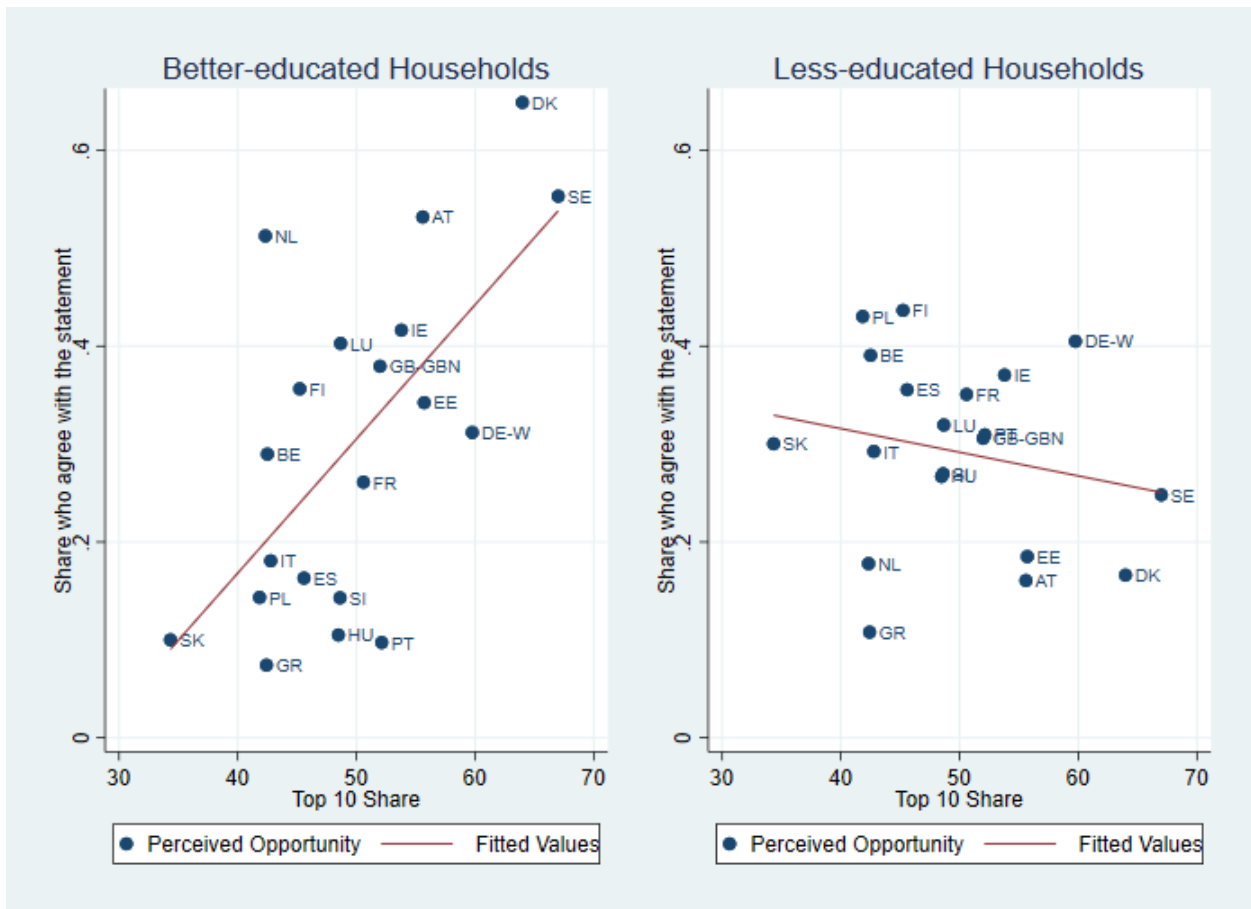


Figure III: Perceived Fairness and Wealth Inequality

This figure presents the cross-country correlations between wealth inequality, measured by the share of aggregate wealth held by the people who are in the top 10 percent of the wealth distribution, and proportion of the corresponding population that agrees with the statement: "I believe that, by and large, people get what they deserve.". The pairwise correlation between perceptions and inequality is 0.37 (p-value=0.11). The data for the top 10 share for sampled countries are obtained from OECD Wealth Distribution Database. The information for Sweden comes from Lundberg and Waldenström (2018). The data on beliefs are derived from the Eurobarometer Survey fielded in December 2017 (Eurobarometer, 2018).



Figure IV: Perceived Fairness and Wealth Inequality by Education Level

This figure presents the cross-country correlations between wealth inequality, measured by the share of aggregate wealth held by the people who are in the top 10 percent of the wealth distribution, and proportion of the corresponding population that agrees with the statement: "I believe that, by and large, people get what they deserve" separately for the two subsamples of respondents in each country, namely those who have had at least some years of college education and those without any college education. The pairwise correlation between perceptions and inequality is 0.55 (p-value=0.01) and -0.32 (p-value=0.18) for college and high-school sample, respectively. The data for the top 10 share for sampled countries are obtained from OECD Wealth Distribution Database. The information for Sweden comes from Lundberg and Waldenström (2018). The data on beliefs are derived from the Eurobarometer Survey fielded in December 2017 (Eurobarometer, 2018).

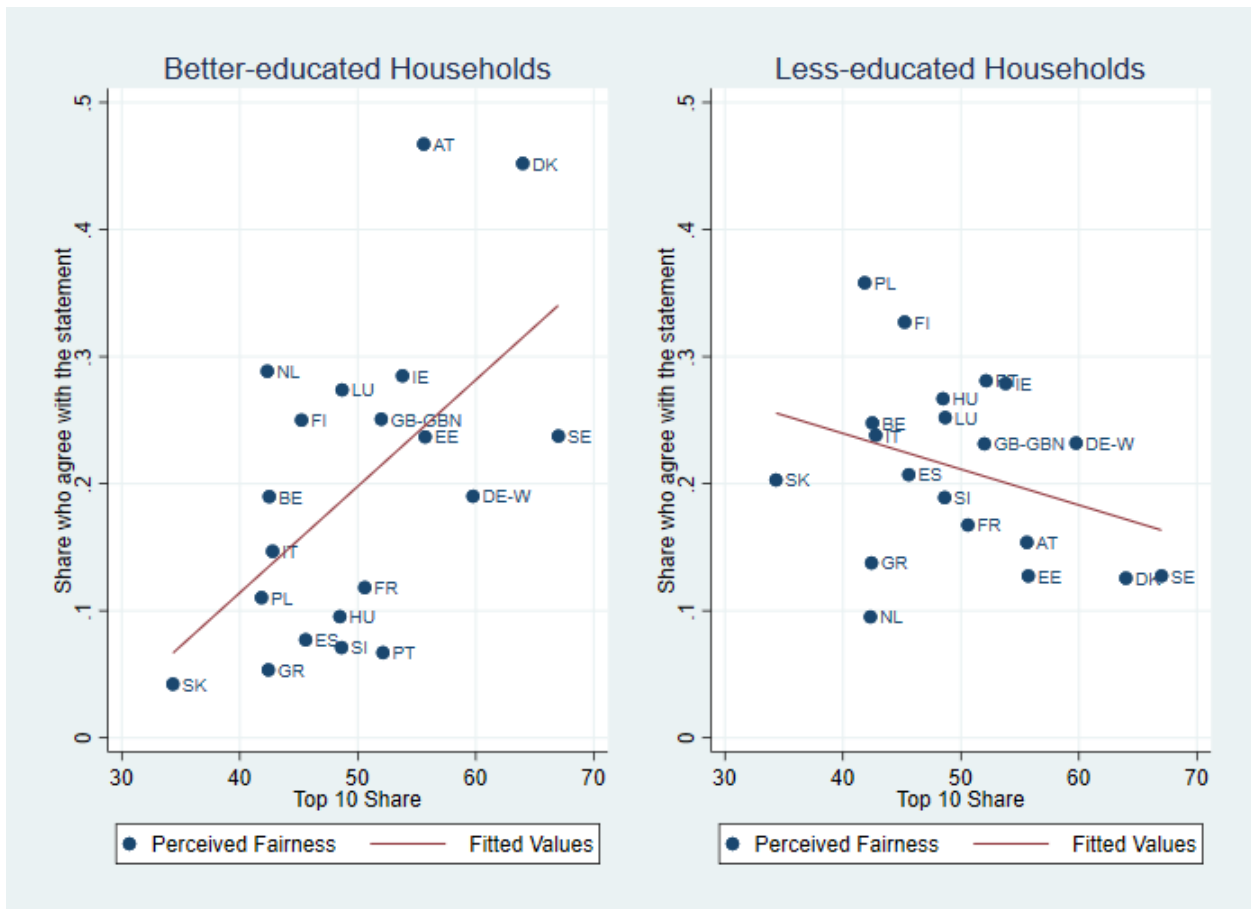


Figure V: Beliefs in Opportunity and Income Inequality

This figure presents the cross-country correlations between income inequality, measured by the share of aggregate disposable income received by the people who are in the top 10 percent of the disposable income distribution divided by the share of all income received by the 40 percent people with the lowest disposable income, and proportion of the corresponding population that agrees with the statement: "I have equal opportunities for getting ahead in life, like everyone else". The pairwise correlation between perceptions and inequality is -0.09 (p-value=0.72). The data for income inequality for sampled countries are obtained from OECD Income Distribution Database. The data on beliefs are derived from the Eurobarometer Survey fielded in December 2017 (Eurobarometer, 2018).

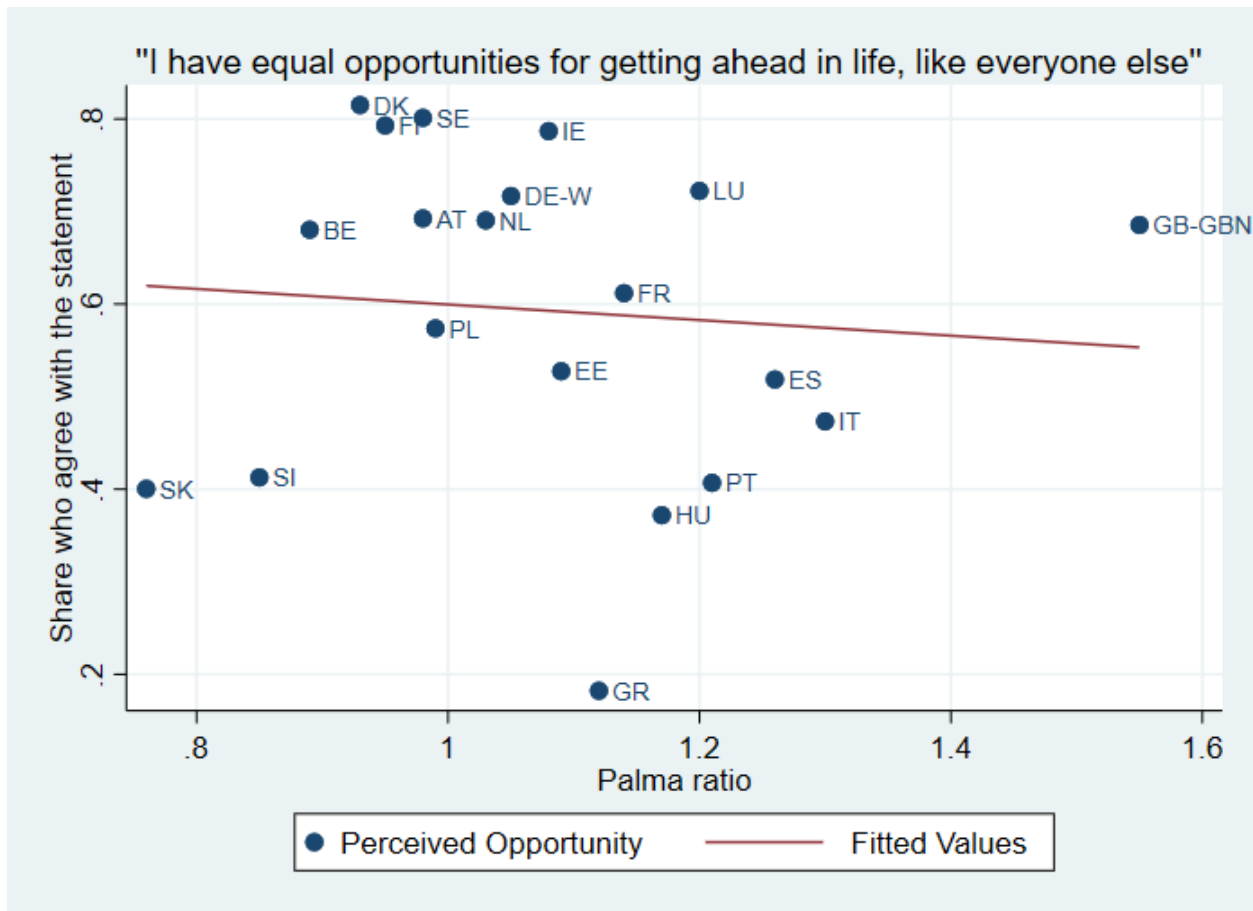


Figure VI: Beliefs in Opportunity and Income Inequality by Education Level

This figure presents the cross-country correlations between income inequality, measured by the share of aggregate disposable income received by the people who are in the top 10 percent of the disposable income distribution divided by the share of all income received by the 40 percent people with the lowest disposable income, and proportion of the corresponding population that agrees with the statement: "I have equal opportunities for getting ahead in life, like everyone else". The pairwise correlation between perceptions and inequality is -0.1 (p-value=0.68) and 0.02 (p-value=0.92) for college and high-school sample, respectively. The data for income inequality for sampled countries are obtained from OECD Income Distribution Database. The data on beliefs are derived from the Eurobarometer Survey fielded in December 2017 (Eurobarometer, 2018).

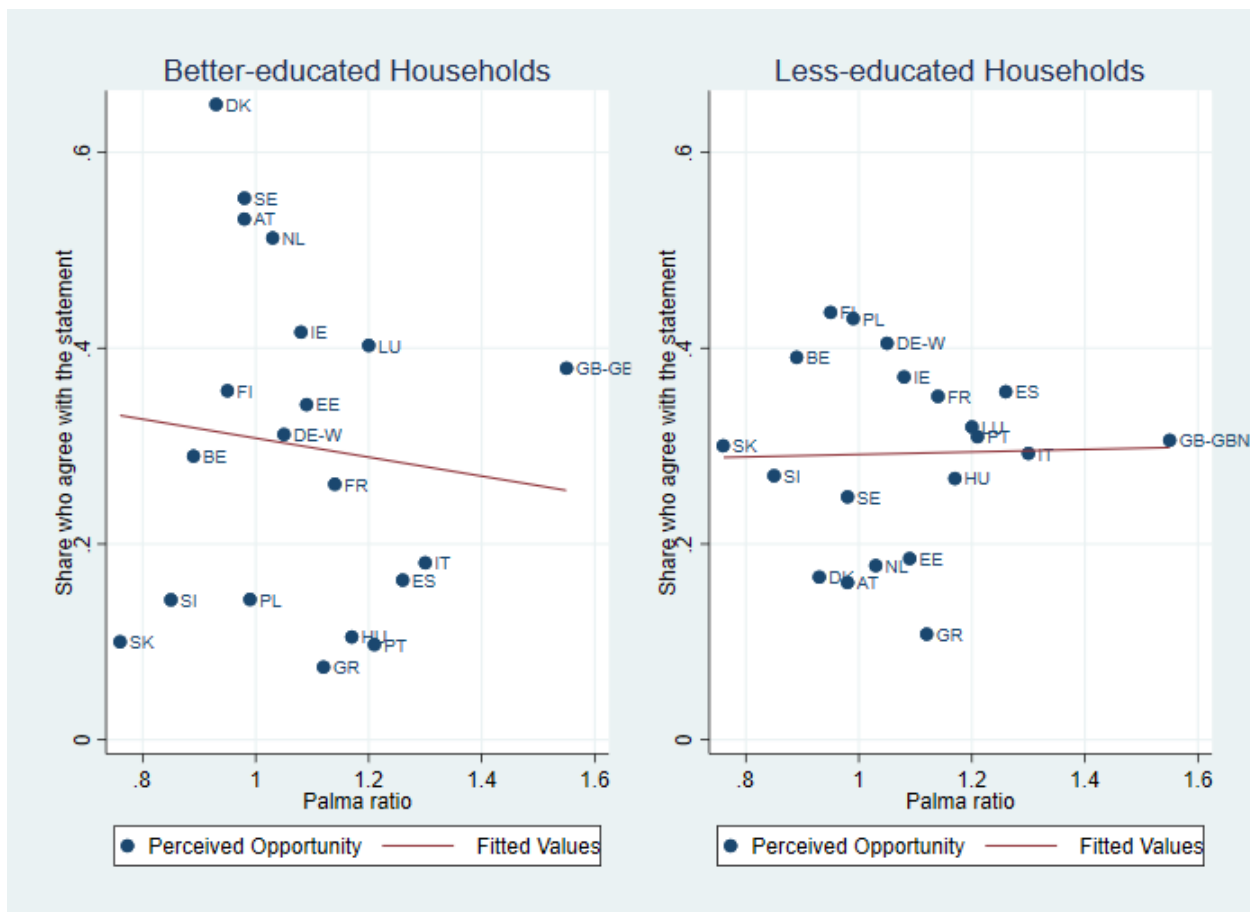


Figure VII: Perceived Fairness and Income Inequality

This figure presents the cross-country correlations between income inequality, measured by the share of aggregate disposable income received by the people who are in the top 10 percent of the disposable income distribution divided by the share of all income received by the 40 percent people with the lowest disposable income, and proportion of the corresponding population that agrees with the statement: "I believe that, by and large, people get what they deserve". The pairwise correlation between perceptions and inequality is 0.01 (p-value=0.96). The data for income inequality for sampled countries are obtained from OECD Income Distribution Database. The data on beliefs are derived from the Eurobarometer Survey fielded in December 2017 (Eurobarometer, 2018).

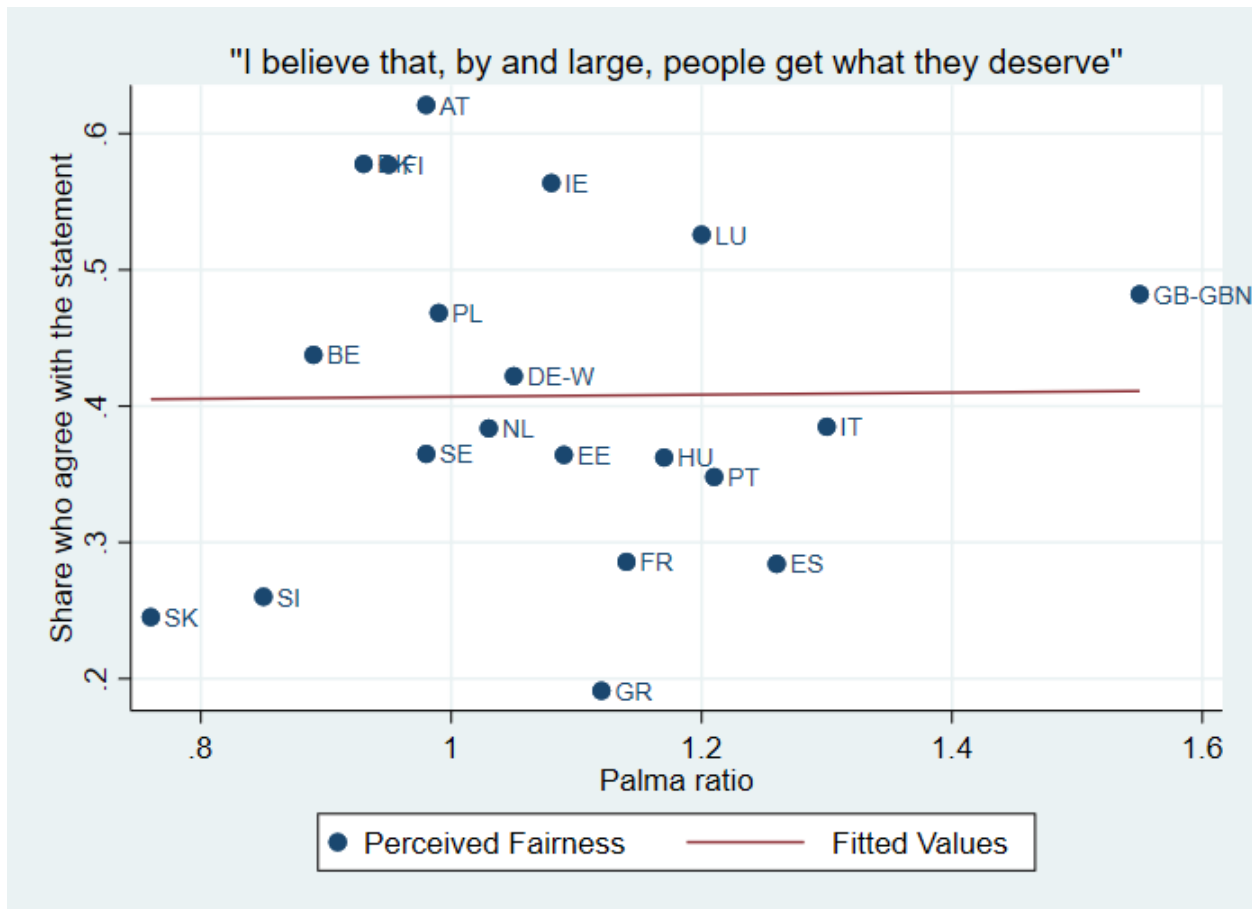


Figure VIII: Perceived Fairness and Income Inequality by Education Level

This figure presents the cross-country correlations between income inequality, measured by the share of aggregate disposable income received by the people who are in the top 10 percent of the disposable income distribution divided by the share of all income received by the 40 percent people with the lowest disposable income, and proportion of the corresponding population that agrees with the statement: "I believe that, by and large, people get what they deserve" separately for the two subsamples of respondents in each country, namely those who have had at least some years of college education and those without any college education. The pairwise correlation between perceptions and inequality is -0.07 ($p\text{-value}=0.78$) and 0.13 ($p\text{-value}=0.58$) for college and high-school sample, respectively. The data for income inequality for sampled countries are obtained from OECD Income Distribution Database. The data on beliefs are derived from the Eurobarometer Survey fielded in December 2017 (Eurobarometer, 2018).

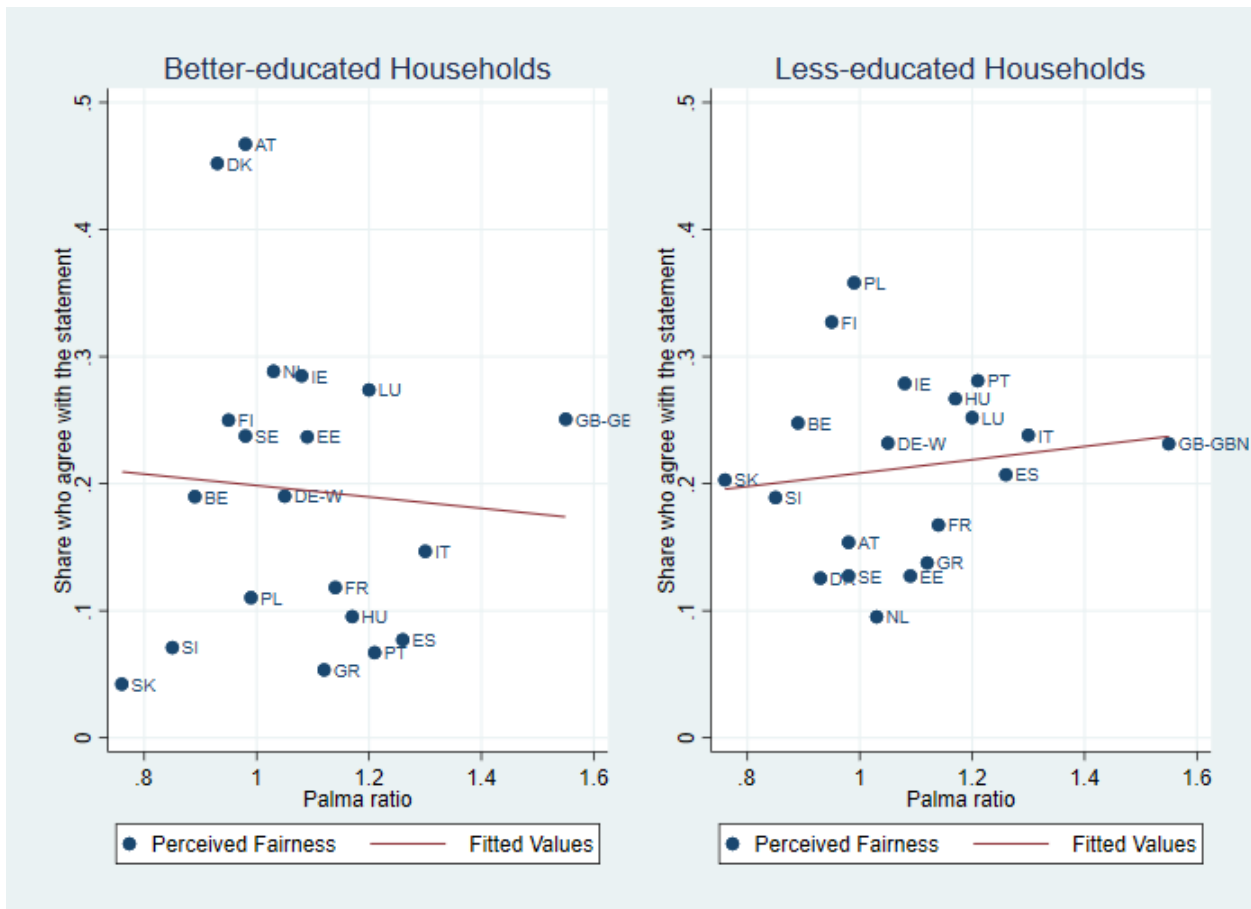


Figure IX: Wealth Inequality in Sweden: 1987

This figure depicts wealth inequality across Swedish municipalities in 1987. Wealth inequality is measured by the the share of aggregate taxable net wealth held by the people who are in the top 10 percent of the wealth distribution in a given municipality. The heatmap colors correspond to the level of wealth inequality in a given municipality where lighter colors refer to relatively lower levels of wealth inequality, and darker colors refer to relatively higher levels of wealth inequality. The numbers in the x- and y-axis represent the longitude and latitude coordinates, respectively.

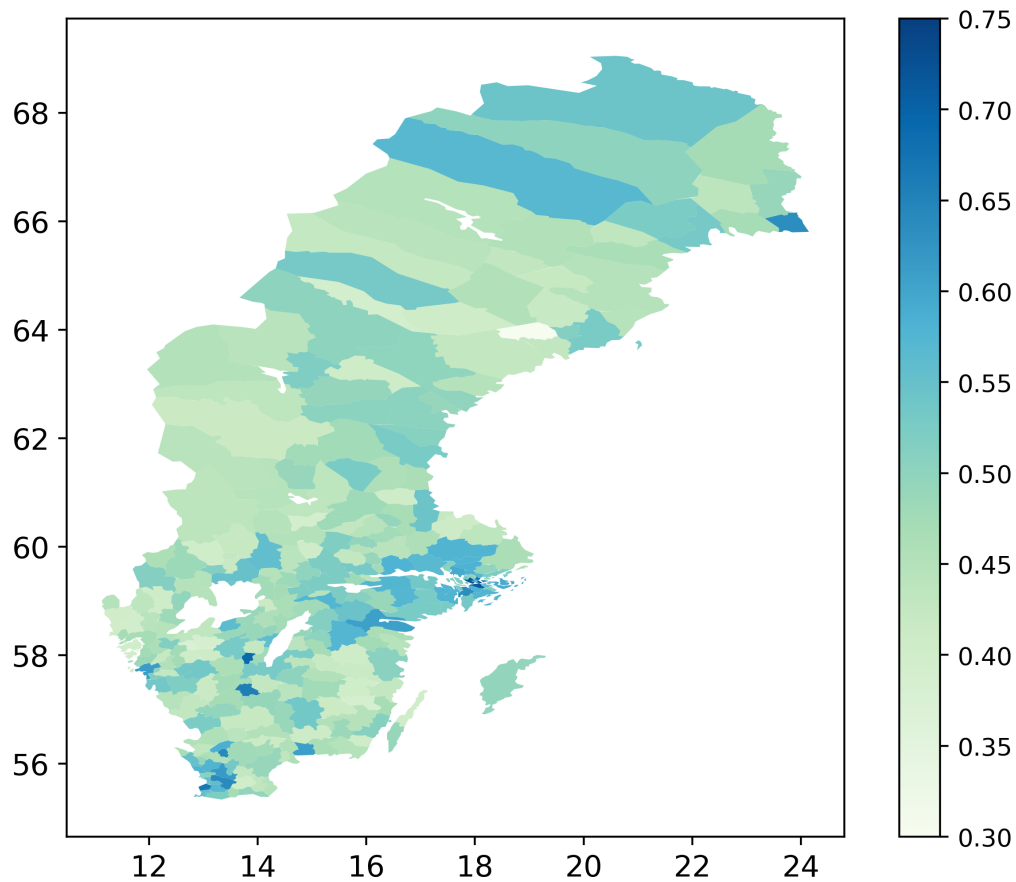


Figure X: Wealth Inequality in Sweden: 1988

This figure depicts wealth inequality across Swedish municipalities in 1988. Wealth inequality is measured by the the share of aggregate taxable net wealth held by the people who are in the top 10 percent of the wealth distribution in a given municipality. The heatmap colors correspond to the level of wealth inequality in a given municipality where lighter colors refer to relatively lower levels of wealth inequality, and darker colors refer to relatively higher levels of wealth inequality. The numbers in the x- and y-axis represent the longitude and latitude coordinates, respectively.

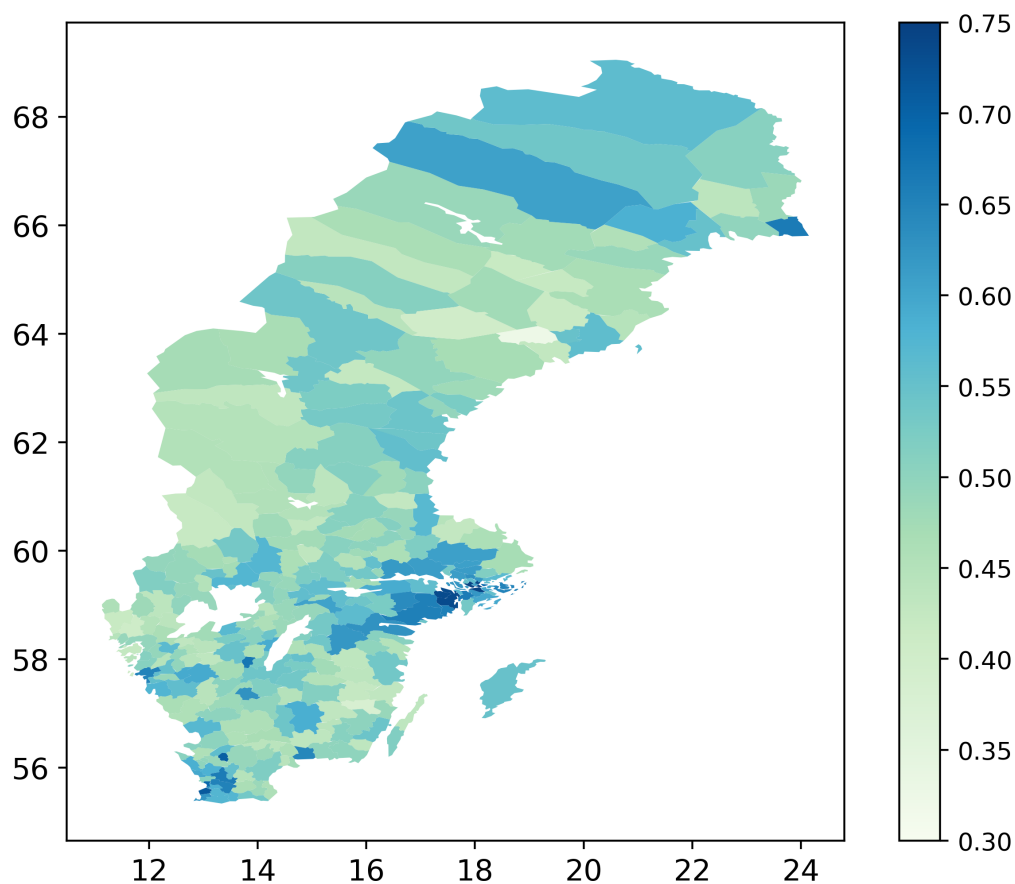


Figure XI: Wealth Inequality in Sweden: 1989

This figure depicts wealth inequality across Swedish municipalities in 1989. Wealth inequality is measured by the the share of aggregate taxable net wealth held by the people who are in the top 10 percent of the wealth distribution in a given municipality. The heatmap colors correspond to the level of wealth inequality in a given municipality where lighter colors refer to relatively lower levels of wealth inequality, and darker colors refer to relatively higher levels of wealth inequality. The numbers in the x- and y-axis represent the longitude and latitude coordinates, respectively.

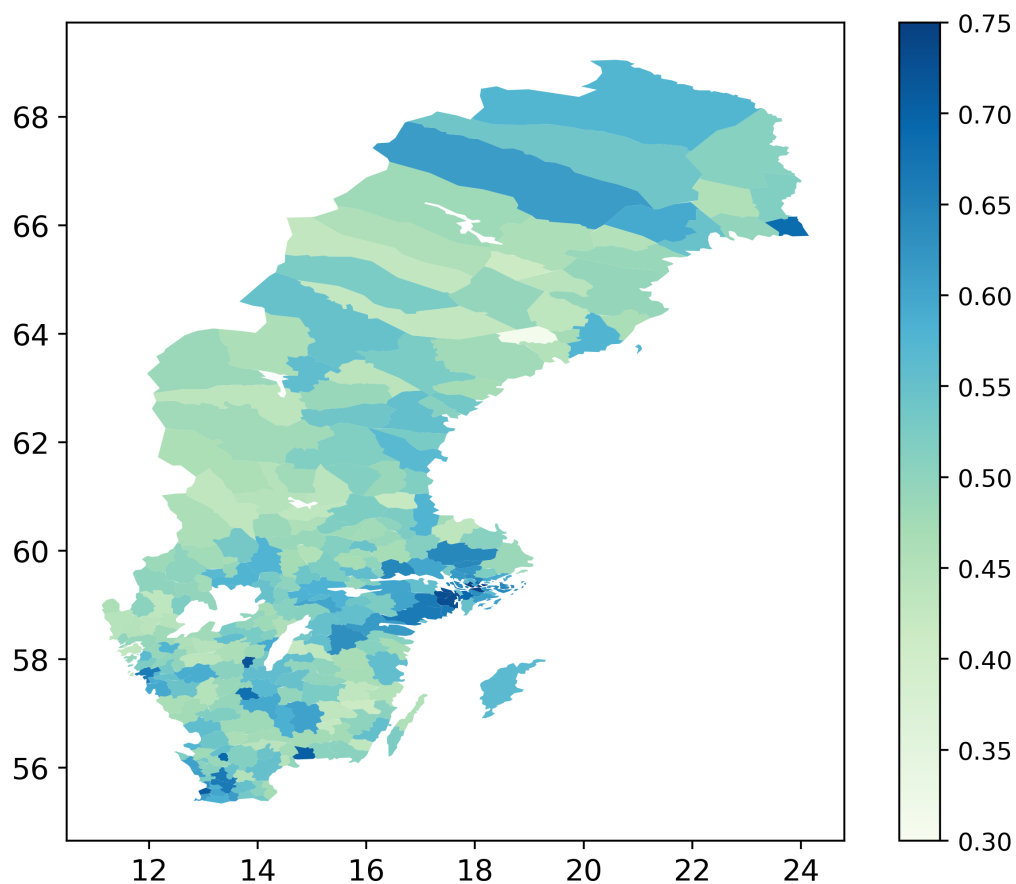


Figure XII: Wealth Inequality in Sweden: 1990

This figure depicts wealth inequality across Swedish municipalities in 1990. Wealth inequality is measured by the the share of aggregate taxable net wealth held by the people who are in the top 10 percent of the wealth distribution in a given municipality. The heatmap colors correspond to the level of wealth inequality in a given municipality where lighter colors refer to relatively lower levels of wealth inequality, and darker colors refer to relatively higher levels of wealth inequality. The numbers in the x- and y-axis represent the longitude and latitude coordinates, respectively.

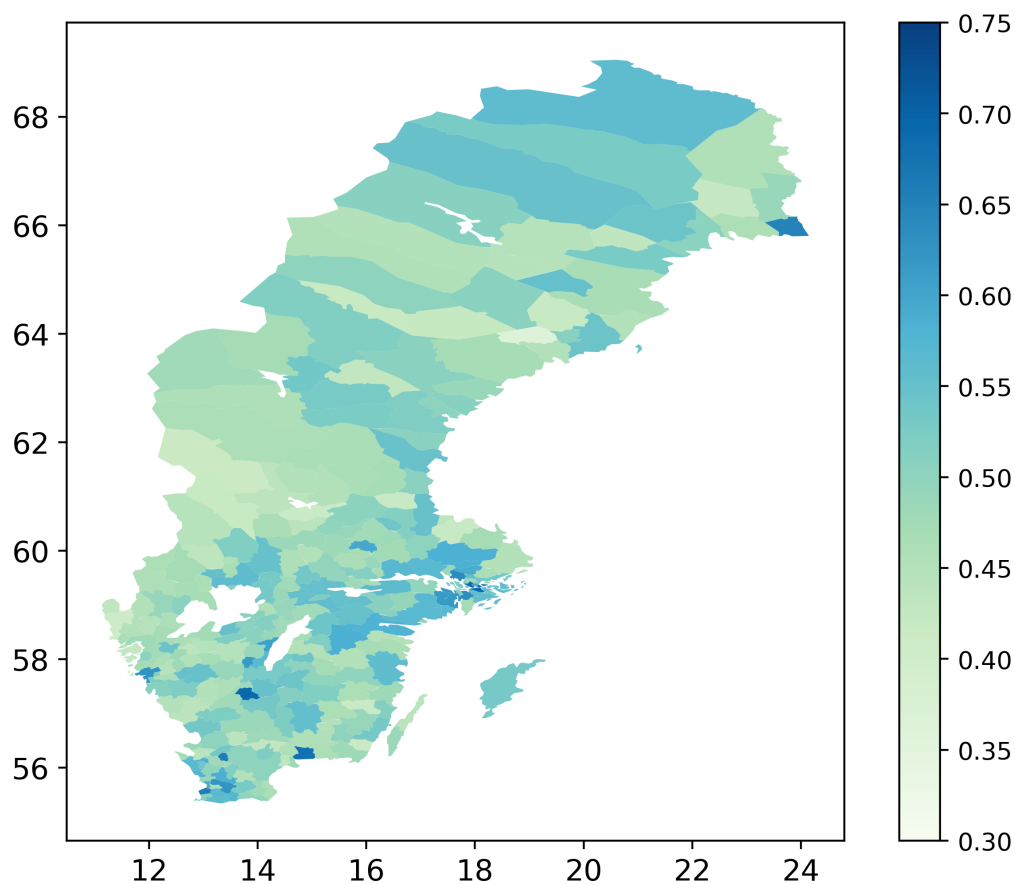


Figure XIII: Wealth Inequality in Sweden: 1991

This figure depicts wealth inequality across Swedish municipalities in 1991. Wealth inequality is measured by the the share of aggregate taxable net wealth held by the people who are in the top 10 percent of the wealth distribution in a given municipality. The heatmap colors correspond to the level of wealth inequality in a given municipality where lighter colors refer to relatively lower levels of wealth inequality, and darker colors refer to relatively higher levels of wealth inequality. The numbers in the x- and y-axis represent the longitude and latitude coordinates, respectively.

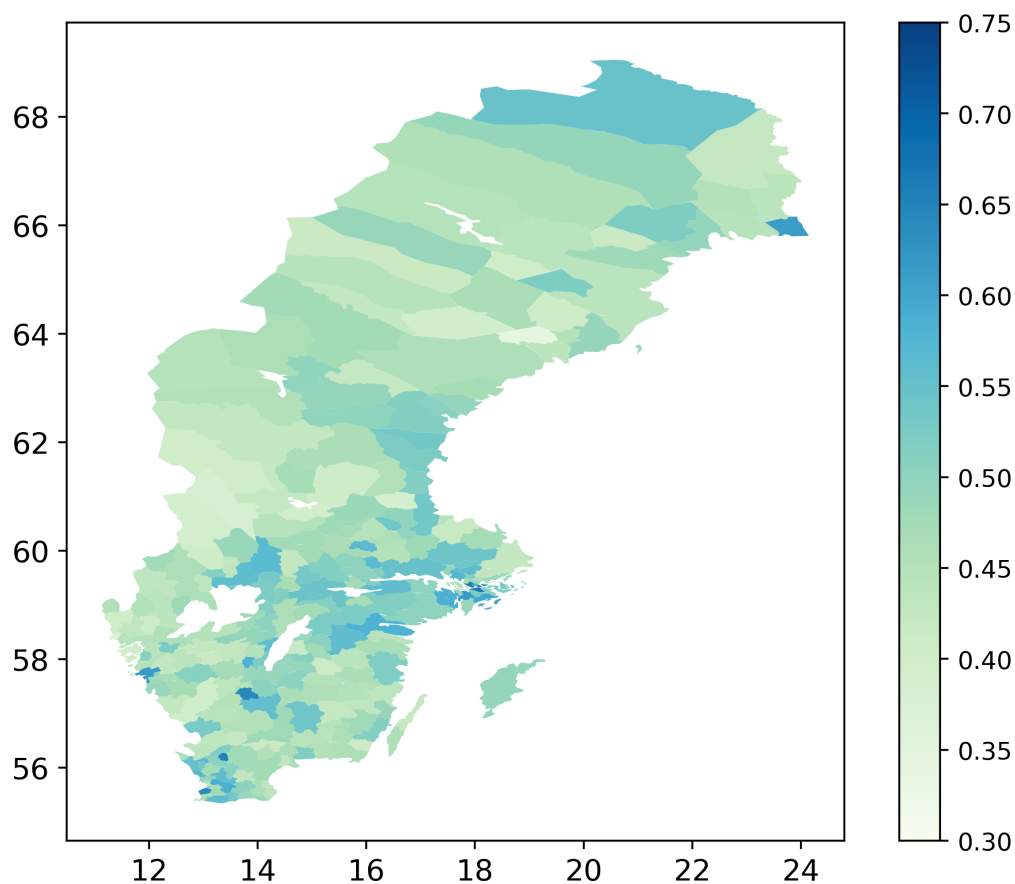


Table I: Summary Statistics

This table presents summary statistics for the variables employed in the empirical analysis. The sample consists of 5,074 refugee immigrant households for the time period between 1999 and 2007. Panel A reports the mean, standard deviation, and number of observations for the outcome variables defined at the household level. Panel B reports the mean, standard deviation, and number of observations for the initial municipality characteristics observed between 1987 and 1991. Better-educated Sample includes refugee immigrants with at least some college education, while Less-educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. For variable definitions, see Online Appendix A.

	Full Sample			Better-educated Sample			Less-educated Sample		
	Mean	SD	Obs	Mean	SD	Obs	Mean	SD	Obs
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>Panel A: Outcome Variables</i>									
Net Wealth Level	62,199.6	752,410.2	47,104	117,672.6	1,164,493	14,388	37,806.8	465,632.9	32,715
Net Wealth Rank	30.91	21.68	46,844	30.75	24.74	14,298	30.98	20.19	32,545
(IHS of) Earnings	12.96	0.563	47,104	13.08	0.577	14,388	12.91	0.549	32,715
Unemployed	0.327	0.469	47,104	0.269	0.443	14,388	0.353	0.478	32,715
Self-Employed	0.103	0.305	47,104	0.105	0.306	14,388	0.103	0.304	32,715
Financial Risk Taking	0.357	0.479	47,104	0.497	0.500	14,388	0.295	0.456	32,715
Homeownership	0.266	0.442	47,104	0.357	0.479	14,388	0.227	0.418	32,715
Wealth to Income Ratio	0.214	0.496	45,601	0.310	0.585	14,127	0.171	0.443	31,474
Debt to Income Ratio	0.707	1.295	45,601	0.827	1.364	14,127	0.653	1.259	31,474
<i>Panel B: Initial Municipality Control</i>									
Initial Wealth Inequality	0.550	0.084	45,898	0.551	0.082	13,918	0.550	0.084	31,979
Initial Rich College Share	0.297	0.104	45,898	0.302	0.109	13,918	0.295	0.101	31,979
Initial Mean Wealth (in 100s)	2314.7	635.2	45,898	2325.9	672.6	13,918	2309.9	618.2	31,979
Initial Income Inequality	0.263	0.024	45,898	0.264	0.023	13,918	0.263	0.023	31,979
Initial Mean Income (in 100s)	2408.7	367.8	45,898	2412.6	399.3	13,918	2407.1	353.2	31,979

Table II: Exposure to Wealth Inequality and Net Wealth

This table presents coefficient estimates from OLS regressions of household net wealth. In all regressions, we control for household characteristics, arrival-year fixed effects, country-of-origin fixed effects, time-year fixed effects, and neighborhood fixed effects defined at the municipality level. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and net wealth in the period 1999-2007. Better-educated Sample includes refugee immigrants with at least some college education, while Less-educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	(IHS of) Net Wealth		
	Full Sample	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	3.254 (0.51)	31.755** (2.49)	-2.851 (-0.44)
Age 30-45	0.818** (2.06)	1.524 (1.50)	0.860** (2.04)
Age 45-60	2.653*** (5.36)	5.553*** (4.57)	1.683*** (3.38)
Age 60-75	3.896*** (5.63)	7.026*** (4.29)	2.738*** (3.96)
Male	-0.856*** (-3.44)	-1.018* (-1.76)	-0.828*** (-2.88)
Student	-2.117*** (-5.48)	-2.189*** (-3.12)	-1.272*** (-2.71)
Retired	0.509 (1.14)	0.571 (0.70)	0.833* (1.87)
Employee	1.116*** (5.26)	0.298 (0.61)	1.410*** (5.63)
Married	1.727*** (6.02)	1.574*** (2.78)	1.602*** (4.98)
Nbr of adults	-1.557*** (-10.92)	-1.785*** (-5.10)	-1.277*** (-7.33)
Nbr of children	-0.065 (-0.55)	-0.010 (-0.04)	-0.043 (-0.32)
High school	0.357 (1.21)		
College	-0.044 (-0.12)		
(IHS of) Income	3.528*** (14.82)	4.945*** (10.57)	2.610*** (8.59)
Constant	-54.286*** (-12.76)	-94.960*** (-11.49)	-37.211*** (-7.49)
Observations	40,794	12,364	28,429
R-squared	0.1541	0.2658	0.1432
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes

Table III: Exposure to Wealth Inequality and Net Wealth Percentile

This table presents coefficient estimates from OLS regressions of household net wealth. In all regressions, we control for household characteristics, arrival-year fixed effects, country-of-origin fixed effects, time-year fixed effects, and neighborhood fixed effects defined at the municipality level. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and net wealth in the period 1999-2007. Better-educated Sample includes refugee immigrants with at least some college education, while Less-educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	Net Wealth Percentile		
	Full Sample	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	5.222 (0.39)	83.230*** (2.92)	-10.550 (-0.82)
Age 30-45	-8.732*** (-7.48)	-1.946 (-0.71)	-9.510*** (-8.29)
Age 45-60	-12.622*** (-9.47)	0.698 (0.22)	-16.204*** (-12.66)
Age 60-75	-22.871*** (-14.02)	-8.447** (-2.27)	-26.687*** (-17.48)
Male	-1.675*** (-3.18)	-1.668 (-1.40)	-1.601*** (-2.77)
Student	-6.032*** (-7.00)	-6.030*** (-3.77)	-3.130*** (-3.00)
Retired	-1.654* (-1.95)	-0.112 (-0.06)	-1.136 (-1.46)
Employee	1.503*** (3.42)	0.309 (0.34)	1.972*** (4.11)
Married	3.132*** (5.50)	3.273*** (2.86)	2.527*** (4.03)
Nbr of adults	-3.304*** (-10.53)	-3.966*** (-5.08)	-2.488*** (-7.76)
Nbr of children	-0.091 (-0.42)	-0.267 (-0.53)	0.084 (0.37)
High school	0.297 (0.56)		
College	-1.893** (-2.58)		
(IHS of) Income	7.187*** (12.00)	11.582*** (9.43)	4.259*** (7.05)
Constant	-54.184*** (-5.49)	-179.243*** (-8.75)	-1.956 (-0.19)
Observations	40,579	12,300	28,278
R-squared	0.1606	0.2490	0.1967
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes
Country-of-Origin FE	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes

Table IV: Exposure to Wealth Inequality and Labor Income

This table presents coefficient estimates from OLS regressions of household labor income. In all regressions, we control for household characteristics, arrival-year fixed effects, country-of-origin fixed effects, time-year fixed effects, and neighborhood fixed effects defined at the municipality level. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and labor income in the period 1999-2007. We condition on having positive earnings. Better-educated Sample includes refugee immigrants with at least some college education, while Less-educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	(IHS of) Earnings		
	Full Sample	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	-0.003 (-0.01)	0.049 (0.09)	0.042 (0.10)
Age 30-45	0.257*** (7.35)	0.323*** (4.00)	0.209*** (5.25)
Age 45-60	0.172*** (4.82)	0.244*** (2.91)	0.106** (2.45)
Age 60-75	-0.108** (-2.35)	0.004 (0.05)	-0.226*** (-4.20)
Male	0.065*** (3.85)	0.059** (2.36)	0.083*** (3.75)
Student	-0.584*** (-11.02)	-0.599*** (-8.48)	-0.474*** (-7.19)
Retired	-0.037 (-1.59)	-0.212*** (-4.66)	-0.026 (-1.02)
Employee	0.514*** (37.04)	0.628*** (22.11)	0.445*** (27.04)
Married	0.242*** (13.54)	0.224*** (7.32)	0.237*** (10.53)
Nbr of adults	0.270*** (35.71)	0.238*** (16.88)	0.282*** (32.56)
Nbr of children	-0.011 (-1.38)	0.019 (1.37)	-0.022** (-2.03)
High school	0.178*** (9.79)		
College	0.340*** (14.70)		
Constant	11.251*** (58.97)	11.262*** (31.44)	11.412*** (48.08)
Observations	39,568	12,164	27,404
R-squared	0.4322	0.5356	0.3942
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes

Table V: Exposure to Wealth Inequality and Unemployment

This table presents coefficient estimates from linear probability model regressions of employment status. In all regressions, we control for household characteristics, arrival-year fixed effects, country-of-origin fixed effects, time-year fixed effects, and neighborhood fixed effects defined at the municipality level. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and employment status in the period 1999-2007. Better-educated Sample includes refugee immigrants with at least some college education, while Less-educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	Unemployment		
	Full Sample	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	-0.182 (-0.74)	-0.372 (-0.80)	0.003 (0.01)
Age 30-45	0.091*** (5.10)	0.115*** (3.43)	0.081*** (4.04)
Age 45-60	0.112*** (5.58)	0.181*** (4.85)	0.080*** (3.51)
Age 60-75	-0.023 (-1.02)	0.124*** (2.81)	-0.080*** (-2.89)
Male	-0.030*** (-2.96)	0.012 (0.71)	-0.044*** (-3.57)
Married	-0.072*** (-7.79)	-0.126*** (-6.05)	-0.050*** (-4.63)
Nbr of adults	-0.030*** (-6.56)	-0.011 (-1.02)	-0.036*** (-6.47)
Nbr of children	-0.005 (-1.18)	-0.009 (-1.04)	-0.005 (-1.10)
High school	-0.007 (-0.58)		
College	-0.085*** (-5.99)		
Constant	0.685*** (5.09)	0.776*** (2.86)	0.635*** (4.25)
Observations	40,794	12,364	28,429
R-squared	0.1087	0.1666	0.1200
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes

Table VI: Exposure to Wealth Inequality and Wealth-to-Income Ratio

This table presents coefficient estimates from OLS regressions of financial wealth to income ratio. In all regressions, we control for household characteristics, arrival-year fixed effects, country-of-origin fixed effects, time-year fixed effects, and neighborhood fixed effects defined at the municipality level. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and wealth to income ratio in the period 1999-2007. Better-educated Sample includes refugee immigrants with at least some college education, while Less-educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	Financial Wealth-to-Income Ratio		
	Full Sample	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	0.021 (0.07)	1.664** (2.37)	-0.463 (-1.44)
Age 30-45	0.035* (1.95)	-0.009 (-0.14)	0.057*** (3.75)
Age 45-60	0.030 (1.52)	0.022 (0.32)	0.029* (1.67)
Age 60-75	0.003 (0.11)	-0.029 (-0.33)	0.019 (0.69)
Male	-0.015 (-1.13)	0.045 (1.53)	-0.035*** (-2.71)
Student	0.081*** (2.98)	0.143** (2.39)	0.048* (1.76)
Retired	-0.044** (-2.25)	-0.049 (-1.03)	-0.038** (-2.03)
Employee	0.046*** (4.64)	0.010 (0.49)	0.058*** (5.24)
Married	0.018* (1.66)	-0.021 (-0.80)	0.026** (2.15)
Nbr of adults	-0.001 (-0.18)	0.002 (0.11)	0.002 (0.30)
Nbr of children	-0.001 (-0.14)	0.002 (0.14)	-0.004 (-1.08)
High school	0.035*** (3.14)		
College	0.126*** (7.98)		
Constant	-0.150 (-0.91)	-1.198*** (-3.15)	0.207 (1.14)
Observations	39,568	12,164	27,404
R-squared	0.1064	0.1738	0.1086
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes

Table VII: Exposure to Wealth Inequality and Self-Employment

This table presents coefficient estimates from linear probability model regressions of being self-employed. In all regressions, we control for household characteristics, arrival-year fixed effects, country-of-origin fixed effects, time-year fixed effects, and neighborhood fixed effects defined at the municipality level. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and self-employment in the period 1999-2007. Better-educated Sample includes refugee immigrants with at least some college education, while Less-educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	Self-Employment					
	Full Sample		Better-educated		Less-educated	
	(1)	(2)	(3)	(4)	(5)	(6)
Initial Wealth Inequality	0.370** (2.39)	0.364** (2.40)	0.758*** (2.92)	0.642** (2.50)	0.235 (1.19)	0.256 (1.33)
Age 30-45	0.035*** (3.35)	0.038*** (3.58)	0.033** (2.05)	0.038** (2.26)	0.034*** (2.61)	0.036*** (2.85)
Age 45-60	0.009 (0.79)	0.014 (1.22)	0.040** (2.01)	0.041* (1.96)	-0.006 (-0.44)	0.002 (0.14)
Age 60-75	-0.068*** (-5.35)	-0.050*** (-4.03)	0.001 (0.05)	0.014 (0.54)	-0.098*** (-6.28)	-0.076*** (-4.95)
Male	-0.029*** (-3.26)	-0.030*** (-3.41)	-0.042** (-2.28)	-0.041** (-2.28)	-0.026*** (-2.75)	-0.027*** (-3.05)
Married	0.054*** (7.46)	0.048*** (6.74)	0.054*** (3.61)	0.047*** (3.25)	0.051*** (6.40)	0.045*** (5.86)
Nbr of adults	0.064*** (11.26)	0.066*** (12.07)	0.050*** (5.74)	0.053*** (6.23)	0.067*** (9.93)	0.068*** (10.64)
Nbr of children	0.016*** (4.57)	0.019*** (5.37)	0.027*** (3.66)	0.029*** (4.06)	0.012*** (3.18)	0.015*** (3.88)
High school	0.017** (2.00)	0.011 (1.37)				
College	0.021** (2.12)	0.008 (0.78)				
(IHS of) Income	-0.094*** (-9.43)	-0.118*** (-11.80)	-0.078*** (-5.39)	-0.101*** (-6.47)	-0.098*** (-7.20)	-0.120*** (-9.08)
Constant	0.796*** (5.64)	1.193*** (8.33)	0.353 (1.39)	0.799*** (2.94)	0.918*** (4.72)	1.280*** (6.70)
Observations	40,794	40,794	12,364	12,364	28,429	28,429
R-squared	0.1251	0.1427	0.1971	0.2100	0.1467	0.1647
Clustering	Ini Muni	Ini Muni	Ini Muni	Ini Muni	Ini Muni	Ini Muni
Household Wealth Quartiles	No	Yes	No	Yes	No	Yes
Arrival-year FE	Yes	Yes	Yes	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes	Yes	Yes	Yes

Table VIII: Exposure to Wealth Inequality and Financial Risk Taking

This table presents coefficient estimates from linear probability model regressions of participation in the stock market. In all regressions, we control for household characteristics, arrival-year fixed effects, country-of-origin fixed effects, time-year fixed effects, and neighborhood fixed effects defined at the municipality level. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and financial behavior in the period 1999-2007. Better-educated Sample includes refugee immigrants with at least some college education, while Less-educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	Probability of Stock Market Participation					
	Full Sample		Better-educated		Less-educated	
	(1)	(2)	(3)	(4)	(5)	(6)
Initial Wealth Inequality	-0.082 (-0.32)	-0.107 (-0.46)	1.014** (2.25)	0.830* (1.90)	-0.527 (-1.55)	-0.494 (-1.58)
Age 30-45	-0.041** (-2.11)	-0.042** (-2.21)	-0.037 (-0.72)	-0.036 (-0.70)	-0.041* (-1.86)	-0.044** (-2.05)
Age 45-60	-0.070*** (-3.78)	-0.073*** (-4.06)	-0.033 (-0.64)	-0.044 (-0.85)	-0.089*** (-4.16)	-0.088*** (-4.17)
Age 60-75	-0.129*** (-5.26)	-0.126*** (-5.08)	-0.072 (-1.13)	-0.080 (-1.24)	-0.164*** (-5.93)	-0.151*** (-5.69)
Male	-0.045*** (-4.19)	-0.043*** (-4.02)	-0.015 (-0.69)	-0.011 (-0.52)	-0.053*** (-4.37)	-0.052*** (-4.42)
Student	0.024 (1.41)	0.022 (1.35)	0.023 (0.72)	0.027 (0.85)	0.056*** (2.61)	0.046** (2.20)
Retired	-0.040*** (-2.63)	-0.038*** (-2.61)	-0.084** (-2.50)	-0.076** (-2.22)	-0.036** (-2.08)	-0.038** (-2.36)
Employee	0.071*** (8.36)	0.061*** (7.26)	0.082*** (4.93)	0.079*** (4.85)	0.068*** (7.01)	0.055*** (5.83)
Married	0.043*** (3.59)	0.032*** (2.73)	0.042* (1.85)	0.033 (1.49)	0.039*** (2.91)	0.028** (2.14)
Nbr of adults	-0.012* (-1.87)	-0.007 (-1.11)	-0.018 (-1.36)	-0.012 (-0.90)	-0.006 (-0.73)	-0.002 (-0.32)
Nbr of children	-0.008* (-1.81)	-0.005 (-1.17)	-0.003 (-0.22)	-0.000 (-0.00)	-0.010** (-2.11)	-0.007 (-1.48)
High school	0.061*** (5.19)	0.055*** (4.76)				
College	0.163*** (10.36)	0.152*** (9.65)				
(IHS of) Income	0.229*** (20.65)	0.199*** (18.50)	0.239*** (12.02)	0.212*** (10.17)	0.217*** (17.34)	0.189*** (16.01)
Constant	-2.781*** (-15.45)		-3.556*** (-11.33)	-2.990*** (-9.31)	-2.284*** (-10.27)	-1.776*** (-8.33)
Observation	40,794	40,794	12,364	12,364	28,429	28,429
R-squared	0.2300	0.2487	0.2916	0.3009	0.2040	0.2274
Clustering	Ini Muni	Ini Muni	Ini Muni	Ini Muni	Ini Muni	Ini Muni
Household Wealth Quartiles	No	Yes	No	Yes	No	Yes
Arrival-year FE	Yes	Yes	Yes	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes	Yes	Yes	Yes

Table IX: Exposure to Wealth Inequality and Homeownership

This table presents coefficient estimates from linear probability model regressions of homeownership. In all regressions, we control for household characteristics, arrival-year fixed effects, country-of-origin fixed effects, time-year fixed effects, and neighborhood fixed effects defined at the municipality level. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and homeownership in the period 1999-2007. Better-educated Sample includes refugee immigrants with at least some college education, while Less-educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	Probability of Homeownership					
	Full Sample		Better-educated		Less-educated	
	(1)	(2)	(3)	(4)	(5)	(6)
Initial Wealth Inequality	0.174 (0.70)	0.194 (0.91)	1.203*** (2.91)	1.081*** (2.64)	-0.103 (-0.35)	0.032 (0.13)
Age 30-45	0.007 (0.42)	0.010 (0.60)	0.047 (1.35)	0.053 (1.43)	0.002 (0.09)	0.006 (0.39)
Age 45-60	-0.024 (-1.25)	0.013 (0.72)	0.024 (0.60)	0.083* (1.96)	-0.035 (-1.57)	-0.005 (-0.27)
Age 60-75	-0.071** (-2.41)	-0.006 (-0.20)	-0.058 (-1.01)	0.037 (0.64)	-0.076** (-2.57)	-0.017 (-0.63)
Male	0.005 (0.54)	-0.008 (-0.83)	-0.027 (-1.16)	-0.029 (-1.35)	0.027** (2.26)	0.007 (0.64)
Student	-0.006 (-0.48)	-0.071*** (-4.98)	-0.018 (-0.78)	-0.088*** (-3.58)	0.029 (1.61)	-0.028 (-1.56)
Retired	0.008 (0.47)	0.005 (0.37)	-0.007 (-0.19)	0.011 (0.38)	0.013 (0.70)	0.013 (0.80)
Employee	0.081*** (8.42)	0.054*** (6.19)	0.072*** (3.80)	0.049*** (2.63)	0.078*** (7.33)	0.051*** (5.37)
Married	0.082*** (7.57)	0.073*** (7.15)	0.112*** (4.37)	0.105*** (4.52)	0.067*** (5.78)	0.057*** (5.16)
Nbr of adults	-0.016*** (-2.61)	-0.033*** (-6.13)	-0.022* (-1.75)	-0.037*** (-3.26)	-0.012** (-2.01)	-0.030*** (-5.35)
Nbr of children	-0.018*** (-4.47)	-0.012*** (-3.52)	-0.024** (-2.51)	-0.019** (-2.17)	-0.013*** (-2.79)	-0.009** (-2.06)
High school	0.022** (2.09)	0.006 (0.65)				
College	0.067*** (5.01)	-0.005 (-0.39)				
(IHS of) Income	0.211*** (21.31)	0.147*** (16.20)	0.234*** (11.79)	0.183*** (9.72)	0.185*** (14.65)	0.117*** (10.42)
Constant	-2.815*** (-15.72)	-1.996*** (-12.42)	-3.808*** (-12.58)	-3.159*** (-10.18)	-2.246*** (-10.32)	-1.439*** (-7.84)
Observation	40,794	40,794	12,364	12,364	28,429	28,429
R-squared	0.2472	0.3588	0.3459	0.4200	0.2233	0.3556
Clustering	Ini Muni	Ini Muni	Ini Muni	Ini Muni	Ini Muni	Ini Muni
Household Wealth Quartiles	No	Yes	No	Yes	No	Yes
Arrival-year FE	Yes	Yes	Yes	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes
Time-Year FE	Yes	Yes	Yes	Yes	Yes	Yes

Table X: Exposure to Wealth Inequality and Debt-to-Income Ratio

This table presents coefficient estimates from OLS regressions of debt to income ratio. In all regressions, we control for household characteristics, arrival-year fixed effects, country-of-origin fixed effects, time-year fixed effects, and neighborhood fixed effects defined at the municipality level. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and debt to income ratio in the period 1999-2007. Better-educated Sample includes refugee immigrants with at least some college education, while Less-educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	Debt-to-Income Ratio					
	Full Sample		Better-educated		Less-educated	
	(1)	(2)	(3)	(4)	(5)	(6)
Initial Wealth Inequality	-0.295 (-0.48)	-0.403 (-0.72)	3.505*** (3.59)	1.294 (1.33)	-1.702** (-2.24)	-1.256* (-1.87)
Age 30-45	0.187*** (3.86)	0.110*** (2.98)	0.338*** (4.41)	0.180*** (2.67)	0.159*** (2.62)	0.096** (2.03)
Age 45-60	0.026 (0.48)	-0.035 (-0.76)	0.163** (2.02)	-0.066 (-0.82)	0.018 (0.26)	0.008 (0.14)
Age 60-75	-0.264*** (-4.21)	-0.201*** (-3.84)	-0.201* (-1.84)	-0.287*** (-2.78)	-0.220*** (-2.75)	-0.120* (-1.74)
Male	-0.014 (-0.46)	-0.024 (-0.94)	-0.083 (-1.38)	-0.077 (-1.48)	0.025 (0.77)	0.003 (0.09)
Student	0.199*** (3.22)	0.244*** (4.09)	0.112 (1.51)	0.162** (2.04)	0.341*** (3.73)	0.324*** (3.65)
Retired	0.014 (0.31)	0.006 (0.16)	0.007 (0.07)	0.063 (0.83)	-0.012 (-0.26)	-0.029 (-0.70)
Employee	0.169*** (7.30)	-0.021 (-1.10)	0.183*** (3.88)	-0.058 (-1.31)	0.147*** (5.49)	-0.012 (-0.51)
Married	0.104*** (3.02)	-0.029 (-0.98)	0.186** (2.59)	0.015 (0.27)	0.061 (1.58)	-0.043 (-1.27)
Nbr of adults	0.077*** (4.55)	0.034** (2.45)	0.077* (1.84)	0.044 (1.32)	0.065*** (3.93)	0.020 (1.41)
Nbr of children	0.065*** (5.42)	0.045*** (4.22)	0.067** (2.25)	0.033 (1.46)	0.065*** (5.11)	0.051*** (4.57)
High school	0.006 (0.16)	-0.044 (-1.37)				
College	0.094** (2.16)	-0.040 (-1.15)				
Constant	-0.067 (-0.19)	1.608*** (5.08)	-2.783*** (-5.05)	0.960** (2.23)	0.960** (2.23)	2.053*** (5.49)
Observations	39,568	34,600	12,164	27,404	27,404	23,962
R-squared	0.1116	0.2529	0.1924	0.1122	0.1122	0.2372
Clustering	Ini Muni	Ini Muni	Ini Muni	Ini Muni	Ini Muni	Ini Muni
Household Wealth Quartiles	No	Yes	No	Yes	No	Yes
Arrival-year	Yes	Yes	Yes	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes	Yes	Yes	Yes

Appendix for Online Publication

“Wealth Inequality: Opportunity or Unfairness?”

Michael Haliassos, Thomas Jansson, and Yigitcan Karabulut

December 30, 2021

Abstract

This Online Appendix includes tables referred to, but not included, in the main body of the paper *Wealth Inequality: Opportunity or Unfairness?* by Michael Haliassos, Thomas Jansson, and Yigitcan Karabulut, that provide robustness checks and additional findings.

A. Variable Definitions

Outcome Variables:

- *(IHS) of Net Wealth* is the (inverse hyperbolic sine) of the sum of all financial assets (direct and indirect stocks, bonds, cash) and real assets (value of primary residence and other real estate holdings) net of household debt (mortgage loans and consumer debt) at the time of observation (1999-2007). This variable is measured at the household level.
- *Net Wealth Rank* is the net wealth percentile rank of a sampled household in her birth cohort-year distribution across all sampled households in the LINDA database for which wealth information is available.
- *(IHS) of Labor Income* refers to (the inverse hyperbolic sine of) the broad income definition that includes labor income, income from entrepreneurship, and employment related transfers. This variable is measured at the household level.
- *Unemployment* is an indicator variable that takes the value 1 if the sampled household is unemployed, and 0 otherwise.
- *Financial Wealth-to-Income Ratio* refers to the ratio of financial (i.e., direct and indirect stocks, bonds, cash) assets to labor income. This variable is measured at the household level.
- *Self-Employment* is an indicator variable that takes the value 1 if the sampled household is self-employed and 0 otherwise.
- *Financial Risk Taking* is an indicator variable that takes the value 1 if the sampled household holds directly or indirectly stocks, and 0 otherwise.
- *Homeownership* is an indicator variable that takes the value 1 if the sampled household holds own her primary residence, and 0 otherwise.
- *Debt-to-Income Ratio* refers to the ratio of household debt (i.e., mortgage loans and consumer debt) to labor income. This variable is measured at the household level.
- *Underdiversification* is proxied by the share of directly held stocks in the equity portfolio.
- *Portfolio inertia* is measured in terms of the absolute value of the changes in the (logarithm of the) risky share of a household's portfolio, $|\ln w_{h,t} - \ln w_{h,t-1}|$.

Control Variables:

- *Initial Wealth Inequality* refers to the share of net taxable wealth held by the people who are in the top 10 percent of the wealth distribution in the initial municipality of placement in the year of refugee entry (between 1987 and 1991). By definition, this variable can take a value between 0 and 1.
- *Initial Mean Wealth* is the Swedish Krona value of the mean net taxable wealth in the initial municipality of placement in the entry year (between 1987 and 1991). The values are in 100's of SEK.
- *Initial Income Inequality* refers to the share of disposable income held by the people who are in the top 10% of the income distribution in the initial municipality of placement in the refugee entry year (between 1987 and 1991). By definition, this variable can take a value between 0 and 1.

- *Initial Mean Income* is the Swedish Krona value of the mean disposable income in the initial municipality of placement between 1987 and 1991. The values are in 100's of SEK.
- *Initial Rich College* is the share of households who attended college and are in the top 10 percent of the wealth distribution in the initial municipality of placement in the year of refugee entry (between 1987 and 1991).
- *Initial Rich Self-Employed* is the share of households who are self-employed and are in the top 10 percent of the wealth distribution in the initial municipality of placement in the year of refugee entry (between 1987 and 1991).
- *Initial Rich Stockholder* is the share of households who are stockholders (proxied by receiving dividend income) and are in the top 10 percent of the wealth distribution in the initial municipality of placement in the year of refugee entry (between 1987 and 1991).
- *Initial Rich Homeowner* is the share of households who are homeowners (proxied by paying property taxes) and are in the top 10 percent of the wealth distribution in the initial municipality of placement in the year of refugee entry (between 1987 and 1991).
- *Share of self-employed* is the share of households who are self employed in the initial municipality of placement in the year of refugee entry (between 1987 and 1991).
- *Share of homeowners* is the share of households who are homeowners (proxied by paying property taxes) in the initial municipality of placement in the year of refugee entry (between 1987 and 1991).
- *Share of stockholder* is the share of households who are stockholders (proxied by receiving dividend income) in the initial municipality of placement in the year of refugee entry (between 1987 and 1991).
- *Share of college* is the share of households who attended college in the initial municipality of placement in the year of refugee entry (between 1987 and 1991).
- *Age 18-30* takes the value of 1 if the household head is between 18 and 30, and 0 otherwise. This group serves as the reference group.
- *Age 30-45* takes the value of 1 if the household head is between 30 and 45, and 0 otherwise.
- *Age 45-60* takes the value of 1 if the household head is between 45 and 60, and 0 otherwise.
- *Age 60-75* takes the value of 1 if the household head is between 60 and 75, and 0 otherwise.
- *Male* takes the value of 1 if the household head is male, and 0 otherwise
- *Unemployed* takes the value 1 if the household head receives unemployment benefits, and 0 otherwise.
- *Retired* takes the value 1 if the household head receives pension income, and 0 otherwise.
- *Employed* takes the value 1 if the household head receives labor income, and 0 otherwise.
- *Student* takes the value 1 if the household head has student status, and 0 otherwise.
- *Married* takes the value 1 if the household head is married, and 0 otherwise.
- *Number of adults* is the number of household members of age > 18.
- *Number of children* is the number of household members of age < 18.
- *High school* takes the value of 1 if the household head graduated from high school, and 0 otherwise.
- *College* takes the value of 1 if the household head has attended college, and 0 otherwise.
- *(IHS) of Income* refers to (the inverse hyperbolic sine of) the disposable income at the household level.

B. Supplementary Tables and Figures

This section contains the supplementary tables and figures with prefix "O.A." referred to in the text.

Table O.A.1: Beliefs in Opportunity and Fairness and Inequality in Europe

This table reports measures of beliefs in opportunity and fairness and inequality in European countries. The belief in opportunity is measured as the proportion of the corresponding population that agrees with the statement: "I believe that, by and large, people get what they deserve." The belief in fairness is measured as the proportion of the corresponding population that agrees with the statement: "I believe that, by and large, people get what they deserve". The top 10 Wealth share corresponds to the share of aggregate wealth held by the people who are in the top 10 percent of the wealth distribution. Palma Ratio is the share of aggregate disposable income received by the people who are in the top 10 percent of the disposable income distribution divided by the share of all income received by the 40 percent people with the lowest disposable income. The data for wealth (income) inequality for sampled countries are obtained from OECD Wealth (Income) Distribution Database. The data on beliefs are derived from the Eurobarometer Survey fielded in December 2017 (Eurobarometer, 2018.)

Code	Country	Belief in Opportunity	Belief in Fairness	Top 10 Wealth Share	Palma Ratio
(1)	(2)	(3)	(4)	(5)	(6)
DK	Denmark	81.50%	57.76%	63.98	0.93
SE	Sweden	80.12%	36.49%	67	0.98
FI	Finland	79.30%	57.71%	45.23	0.95
IE	Ireland	78.69%	56.37%	53.79	1.08
LU	Luxembourg	72.22%	52.58%	48.67	1.2
DE-W	Germany (West)	71.67%	42.21%	59.76	1.05
MT	Malta	71.65%	45.28%	n/a	n/a
GB-NIR	Northern Ireland	71.15%	58.03%	n/a	n/a
AT	Austria	69.25%	62.10%	55.59	0.98
NL	Netherlands	69.04%	38.37%	42.33	1.03
GB-GBN	Great Britain	68.54%	48.21%	51.99	1.55
BE	Belgium	68.03%	43.76%	42.5	0.89
FR	France	61.18%	28.57%	50.59	1.14
DE-E	Germany (East)	58.15%	27.96%	n/a	n/a
PL	Poland	57.37%	46.84%	41.84	0.99
EE	Estonia	52.74%	36.42%	55.71	1.09
ES	Spain	51.86%	28.42%	45.58	1.26
LT	Lithuania	51.83%	31.00%	n/a	n/a
LV	Latvia	50.80%	22.10%	n/a	n/a
CZ	Czech Republic	47.51%	40.66%	n/a	n/a
IT	Italy	47.33%	38.48%	42.78	1.3
SI	Slovenia	41.27%	26.01%	48.62	0.85
PT	Portugal	40.68%	34.80%	52.13	1.21
SK	Slovakia	40.04%	24.52%	34.33	0.76
RO	Romania	37.91%	33.23%	n/a	n/a
HU	Hungary	37.19%	36.22%	48.48	1.17
BG	Bulgaria	33.17%	27.31%	n/a	n/a
HR	Croatia	29.58%	24.54%	n/a	n/a
CY	Cyprus	29.48%	20.52%	n/a	n/a
GR	Greece	18.22%	19.11%	42.42	1.12

Table O.A.2: Sorting Regressions: Wealth Inequality in the Municipality and Household Characteristics at the Time of Allocation

This table presents coefficient estimates from OLS regressions of wealth inequality in the initial municipality of allocation. Wealth inequality is measured by the share of aggregate wealth held by the people who are in the top 10 percent of the wealth distribution. In all regressions, we control for household characteristics (defined at the time of arrival), Arrival-year fixed effects, Country-of-origin fixed effects, Time-year fixed effects, and neighborhood fixed effects defined at the municipality level. In column (1) and (2), standard errors are clustered at the parish and municipality level, respectively, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	Initial Wealth Inequality	
	(1)	(2)
Male	0.001 (1.41)	0.001 (1.43)
Married	0.001 (1.12)	0.001 (1.05)
Household size	-0.000 (-0.92)	-0.000 (-0.83)
Has children	0.001 (1.29)	0.001 (1.31)
College and more	-0.001 (-1.23)	-0.001 (-1.32)
High school	-0.000 (-0.34)	-0.000 (-0.35)
Age 30-45	-0.001 (-1.51)	-0.001 (-1.40)
Age 45-	-0.000 (-0.25)	-0.000 (-0.27)
Constant	0.462*** (50.65)	0.462*** (47.58)
Observations	5,074	5,074
R-squared	0.9415	0.9415
Clustering	Ini Parish	Ini Muni
Arrival-year FE	Yes	Yes
Country-of-origin FE	Yes	Yes
Municipality FE	Yes	Yes

Table O.A.3: Exposure to Wealth Inequality and Net Wealth - Controlling for Mean Wealth, Mean Income, and Income Inequality in the Initial Municipality

This table presents coefficient estimates from OLS regressions of household net wealth. In all regressions, we control for household characteristics, Arrival-year fixed effects, Country-of-origin fixed effects, Time-year fixed effects, and neighborhood fixed effects defined at the municipality level. We also control for mean net wealth, mean income, and income inequality in the initial municipality of allocation. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and net wealth in the period 1999-2007. Better-Educated Sample includes refugee immigrants with at least some college education, while Less-Educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

Panel A: (IHS of) Net Wealth			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	-0.419 (-0.06)	31.957*** (2.36)	-7.528 (-1.12)
Initial Mean Net Wealth	0.001 (1.02)	0.002 (1.33)	0.000 (0.24)
Initial Income Inequality	-23.926 (-0.85)	17.437 (0.31)	-35.100 (-1.00)
Initial Mean Income	-0.005** (-2.55)	-0.001 (-0.31)	-0.008*** (-3.30)
Panel B: Net Wealth Rank			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	-0.752 (-0.05)	88.048*** (2.86)	-19.541 (-1.46)
Initial Mean Net Wealth	0.001 (0.41)	0.002 (0.62)	0.000 (0.25)
Initial Income Inequality	-54.872 (-1.01)	130.610 (1.06)	-125.156* (-1.92)
Initial Mean Income	-0.008** (-2.07)	0.001 (0.11)	-0.014*** (-3.01)
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes
Household Controls	Yes	Yes	Yes

Table O.A.4: Exposure to Wealth Inequality and Labor Market Outcomes - Controlling for Mean Wealth, Mean Income, and Income Inequality in the Initial Municipality

This table presents coefficient estimates from OLS regressions of household labor market outcomes. In all regressions, we control for household characteristics, Arrival-year fixed effects, Country-of-origin fixed effects, Time-year fixed effects, and neighborhood fixed effects defined at the municipality level. We also control for mean net wealth, mean income, and income inequality in the initial municipality of allocation. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and labor market outcomes in the period 1999-2007. Better-Educated Sample includes refugee immigrants with at least some college education, while Less-Educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

Panel A: Earnings			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	-0.042 (-0.13)	0.299 (0.52)	-0.090 (-0.22)
Initial Mean Net Wealth	0.000 (0.85)	-0.000 (-0.05)	0.000 (0.92)
Initial Income Inequality	-0.237 (-0.13)	4.278 (1.31)	-2.125 (-0.94)
Initial Mean Income	-0.000 (-0.42)	0.000 (0.81)	-0.000 (-1.00)
Panel B: Unemployment			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	-0.125 (-0.49)	-0.412 (-0.88)	0.096 (0.33)
Initial Mean Net Wealth	-0.000 (-0.69)	-0.000 (-0.41)	-0.000 (-0.11)
Initial Income Inequality	-0.053 (-0.05)	-0.294 (-0.15)	0.715 (0.51)
Initial Mean Income	0.000 (1.09)	-0.000 (-0.25)	0.000 (1.60)
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes
Household Controls	Yes	Yes	Yes

Table O.A.5: Exposure to Wealth Inequality and Risk Taking - Controlling for Mean Wealth, Mean Income, and Income Inequality in the Initial Municipality

This table presents coefficient estimates from linear probability model regressions of household risk taking measures. In all regressions, we control for household characteristics, Arrival-year fixed effects, Country-of-origin fixed effects, Time-year fixed effects, and neighborhood fixed effects defined at the municipality level. We also control for mean net wealth, mean income, and income inequality in the initial municipality of allocation. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and household economic outcomes in the period 1999-2007. Better-Educated Sample includes refugee immigrants with at least some college education, while Less-Educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

Panel A: Self-employment			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	0.352** (2.20)	0.573** (2.06)	0.277 (1.38)
Initial Mean Net Wealth	-0.000 (-0.49)	0.000 (0.38)	-0.000 (-1.19)
Initial Income Inequality	-0.948 (-1.28)	-1.136 (-0.70)	-0.531 (-0.64)
Initial Mean Income	0.000 (0.04)	-0.000 (-0.67)	0.000 (0.35)
Panel B: Financial Risk Taking			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	-0.103 (-0.44)	0.802* (1.71)	-0.438 (-1.43)
Initial Mean Net Wealth	0.000 (1.26)	0.000** (2.07)	-0.000 (-0.29)
Initial Income Inequality	0.393 (0.30)	0.716 (0.28)	0.549 (0.36)
Initial Mean Income	0.000 (0.04)	-0.000 (-0.78)	0.000 (0.88)
Panel C: Housing			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	0.076 (0.35)	1.173*** (2.82)	-0.144 (-0.59)
Initial Mean Net Wealth	-0.000 (-0.36)	-0.000 (-1.10)	0.000 (0.10)
Initial Income Inequality	-1.380 (-1.53)	2.894 (1.40)	-2.870** (-2.54)
Initial Mean Income	-0.000** (-2.40)	0.000 (0.36)	-0.000*** (-3.42)
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes
Household Controls	Yes	Yes	Yes

Table O.A.6: Exposure to Inequality and Financial Ratios - Controlling for Mean Wealth, Mean Income, and Income Inequality in the Initial Municipality

This table presents coefficient estimates from OLS regressions of household financial ratios. In all regressions, we control for household characteristics, Arrival-year fixed effects, Country-of-origin fixed effects, Time-year fixed effects, and neighborhood fixed effects defined at the municipality level. We also control for mean net wealth, mean income, and income inequality in the initial municipality of allocation. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and household economic outcomes in the period 1999-2007. Better-Educated Sample includes refugee immigrants with at least some college education, while Less-Educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

Panel A: Financial Wealth-Income Ratio			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	-0.067 (-0.22)	1.693** (2.27)	-0.545 (-1.65)
Initial Mean Net Wealth	0.000 (0.82)	0.000 (0.91)	-0.000 (-0.00)
Initial Income Inequality	-1.227 (-1.11)	0.145 (0.05)	-1.758 (-1.18)
Initial Mean Income	-0.000 (-1.19)	-0.000 (-0.18)	-0.000 (-1.07)
Panel B: Debt-Income Ratio			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	-0.241 (-0.42)	0.935 (0.89)	-0.961 (-1.40)
Initial Mean Net Wealth	-0.000 (-0.65)	-0.000 (-0.80)	0.000 (0.01)
Initial Income Inequality	-0.844 (-0.30)	-6.500 (-1.31)	0.588 (0.15)
Initial Mean Income	0.000 (1.44)	-0.000 (-0.42)	0.001** (2.31)
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes
Household Controls	Yes	Yes	Yes

Table O.A.7: Exposure to Wealth Inequality and Net Wealth by Regional Wealth Mobility

This table presents coefficient estimates from OLS regressions of household net wealth for two subsamples based on the wealth mobility of the municipalities. In particular, we compute the share of households in the top 10 percent of the wealth distribution in each municipality right before the refugee placement, in year 1986, who were also in the top 10 percent of the wealth distribution in the first year after the arrival and allocation of refugees, namely 1992. We find that, across all municipalities, the median value of this share was about 67 percent. We then distinguish the municipalities of arrival into two groups: the "High Wealth Mobility Regions", that exhibited shares below the median; and the "Low Wealth Mobility Regions", where the share of the initial wealthy that remained in the top 10 percent of the distribution in 1992 was above 67 percent. In all regressions, we control for household characteristics, Arrival-year fixed effects, Country-of-origin fixed effects, Time-year fixed effects, and neighborhood fixed effects defined at the municipality level. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and net wealth in the period 1999-2007. Better-Educated Sample includes refugee immigrants with at least some college education, while Less-Educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	High Wealth Mobility Regions			Low Wealth Mobility Regions		
Panel A: (IHS of) Net Wealth						
	Full	Better-educated	Less-educated	Full	Better-educated	Less-educated
	(1)	(2)	(3)	(4)	(5)	(6)
Initial Wealth Inequality	13.049 (1.50)	50.105*** (3.38)	4.619 (0.52)	-8.327 (-1.13)	-0.095 (-0.01)	-8.660 (-1.00)
Panel B: Net Wealth Rank						
	Full	Better-educated	Less-educated	Full	Better-educated	Less-educated
	(1)	(2)	(3)	(4)	(5)	(6)
Initial Wealth Inequality	22.141 (1.18)	120.492*** (3.30)	0.259 (0.01)	-17.123 (-1.12)	15.151 (0.46)	-18.808 (-1.07)
Clustering	Ini Muni	Ini Muni	Ini Muni	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes	Yes	Yes	Yes
Household Controls	Yes	Yes	Yes	Yes	Yes	Yes

Table O.A.8: Exposure to Wealth Inequality and Labor Market Outcomes by Regional Wealth Mobility

This table presents coefficient estimates from OLS regressions of household labor market outcomes for two subsamples based on the wealth mobility of the municipalities. In particular, we compute the share of households in the top 10 percent of the wealth distribution in each municipality right before the refugee placement, in year 1986, who were also in the top 10 percent of the wealth distribution in the first year after the arrival and allocation of refugees, namely 1992. We find that, across all municipalities, the median value of this share was about 67 percent. We then distinguish the municipalities of arrival into two groups: the "High Wealth Mobility Regions", that exhibited shares below the median; and the "Low Wealth Mobility Regions", where the share of the initial wealthy that remained in the top 10 percent of the distribution in 1992 was above 67 percent. In all regressions, we control for household characteristics, Arrival-year fixed effects, Country-of-origin fixed effects, Time-year fixed effects, and neighborhood fixed effects defined at the municipality level. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and labor market outcomes in the period 1999-2007. Better-Educated Sample includes refugee immigrants with at least some college education, while Less-Educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	High Wealth Mobility Regions			Low Wealth Mobility Regions		
	Panel A: Earnings					
	Full	Better-educated	Less-educated	Full	Better-educated	Less-educated
	(1)	(2)	(3)	(4)	(5)	(6)
Initial Wealth Inequality	-0.038 (-0.10)	0.078 (0.13)	0.246 (0.45)	0.087 (0.15)	-0.105 (-0.10)	-0.088 (-0.13)
	Panel B: Unemployment					
	Full	Better-educated	Less-educated	Full	Better-educated	Less-educated
	(1)	(2)	(3)	(4)	(5)	(6)
Initial Wealth Inequality	-0.034 (-0.12)	0.282 (0.51)	0.005 (0.01)	-0.520 (-1.33)	-1.271** (-2.26)	-0.204 (-0.45)
Clustering	Ini Muni	Ini Muni	Ini Muni	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes	Yes	Yes	Yes
Household Controls	Yes	Yes	Yes	Yes	Yes	Yes

Table O.A.9: Exposure to Wealth Inequality and Risk Taking by Regional Wealth Mobility

This table presents coefficient estimates from linear probability model regressions of household risk taking measures for two subsamples based on the wealth mobility of the municipalities. In particular, we compute the share of households in the top 10 percent of the wealth distribution in each municipality right before the refugee placement, in year 1986, who were also in the top 10 percent of the wealth distribution in the first year after the arrival and allocation of refugees, namely 1992. We find that, across all municipalities, the median value of this share was about 67 percent. We then distinguish the municipalities of arrival into two groups: the "High Wealth Mobility Regions", that exhibited shares below the median; and the "Low Wealth Mobility Regions", where the share of the initial wealthy that remained in the top 10 percent of the distribution in 1992 was above 67 percent. In all regressions, we control for household characteristics, Arrival-year fixed effects, Country-of-origin fixed effects, Time-year fixed effects, and neighborhood fixed effects defined at the municipality level. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and household economic outcomes in the period 1999-2007. Better-Educated Sample includes refugee immigrants with at least some college education, while Less-Educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	High Wealth Mobility Regions			Low Wealth Mobility Regions		
	Full	Better-educated	Less-educated	Full	Better-educated	Less-educated
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: Self-employment						
Initial Wealth Inequality	0.382*	0.672*	0.188	0.316	0.619	0.217
	(1.80)	(1.88)	(0.75)	(1.38)	(1.50)	(0.71)
Panel B: Financial Risk Taking						
	Full	Better-educated	Less-educated	Full	Better-educated	Less-educated
	(1)	(2)	(3)	(4)	(5)	(6)
Initial Wealth Inequality	0.102	1.269**	-0.442	-0.348	-0.154	-0.402
	(0.32)	(2.35)	(-0.97)	(-1.09)	(-0.23)	(-0.91)
Panel C: Housing						
	Full	Better-educated	Less-educated	Full	Better-educated	Less-educated
	(1)	(2)	(3)	(4)	(5)	(6)
Initial Wealth Inequality	0.457*	1.568***	0.291	-0.116	0.382	-0.254
	(1.82)	(3.22)	(1.02)	(-0.34)	(0.63)	(-0.67)
Clustering	Ini Muni	Ini Muni	Ini Muni	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes	Yes	Yes	Yes
Household Controls	Yes	Yes	Yes	Yes	Yes	Yes

Table O.A.10: Exposure to Wealth Inequality and Financial Ratios by Regional Wealth Mobility

This table presents coefficient estimates from OLS regressions of household financial ratios for two subsamples based on the wealth mobility of the municipalities. In particular, we compute the share of households in the top 10 percent of the wealth distribution in each municipality right before the refugee placement, in year 1986, who were also in the top 10 percent of the wealth distribution in the first year after the arrival and allocation of refugees, namely 1992. We find that, across all municipalities, the median value of this share was about 67 percent. We then distinguish the municipalities of arrival into two groups: the "High Wealth Mobility Regions", that exhibited shares below the median; and the "Low Wealth Mobility Regions", where the share of the initial wealthy that remained in the top 10 percent of the distribution in 1992 was above 67 percent. In all regressions, we control for household characteristics, Arrival-year fixed effects, Country-of-origin fixed effects, Time-year fixed effects, and neighborhood fixed effects defined at the municipality level. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and household economic outcomes in the period 1999-2007. Better-Educated Sample includes refugee immigrants with at least some college education, while Less-Educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	High Wealth Mobility Regions			Low Wealth Mobility Regions		
	Panel A: Financial Wealth-Income Ratio					
	Full	Better-educated	Less-educated	Full	Better-educated	Less-educated
	(1)	(2)	(3)	(4)	(5)	(6)
Initial Wealth Inequality	0.469 (1.25)	2.543*** (2.85)	-0.284 (-0.75)	-0.720 (-1.63)	-0.313 (-0.30)	-0.709 (-1.36)
	Panel B: Debt-Income Ratio					
	Full	Better-educated	Less-educated	Full	Better-educated	Less-educated
	(1)	(2)	(3)	(4)	(5)	(6)
Initial Wealth Inequality	-0.422 (-0.68)	1.308 (0.99)	-1.408* (-1.96)	-0.234 (-0.22)	1.862 (1.07)	-1.044 (-0.86)
Clustering	Ini Muni	Ini Muni	Ini Muni	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes	Yes	Yes	Yes
Household Controls	Yes	Yes	Yes	Yes	Yes	Yes

Table O.A.11: Exposure to Wealth Inequality and Changes in Education

This table presents coefficient estimates from OLS regressions of investments in human capital. The dependent variable is the changes in years of schooling between year 2000 and year of arrival to Sweden. In all regressions, we control for household characteristics, Arrival-year fixed effects, Country-of-origin fixed effects, and neighborhood fixed effects defined at the municipality level. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. Better-Educated Sample includes refugee immigrants with at least some college education, while Less-Educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	Changes in Years of Schooling (as of 2000)		
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	-1.162 (-1.39)	-1.193 (-0.48)	-0.917 (-1.13)
Age 30-45	-1.147*** (-11.08)	-2.428*** (-11.63)	-0.771*** (-7.95)
Age 45-60	-1.595*** (-14.39)	-3.655*** (-16.94)	-0.867*** (-8.88)
Age 60-75	-1.698*** (-15.96)	-3.866*** (-16.66)	-0.993*** (-9.69)
Male	-0.054 (-1.05)	-0.157 (-1.26)	-0.021 (-0.43)
Married	-0.062 (-1.17)	-0.022 (-0.15)	-0.088 (-1.51)
Nbr of adults	-0.093*** (-2.90)	-0.158** (-2.10)	0.034 (1.00)
Nbr of children	-0.062*** (-3.08)	-0.098* (-1.74)	0.009 (-0.44)
Income	0.297*** (5.04)	0.358*** (3.07)	-0.019 (-0.34)
Constant	-3.223*** (-4.13)	-1.493 (-0.89)	1.227 (1.37)
Observations	5031	1542	3489
R-squared	0.1606	0.4062	0.1487
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FEs	Yes	Yes	Yes
Origin FEs	Yes	Yes	Yes
Municipality FEs	Yes	Yes	Yes

Table O.A.12: Exposure to Inequality and Net Wealth - Controlling for Share of Better-Educated among Wealthy in the Initial Municipality

This table presents coefficient estimates from OLS regressions of household net wealth. In all regressions, we control for household characteristics, Arrival-year fixed effects, Country-of-origin fixed effects, Time-year fixed effects, and neighborhood fixed effects defined at the municipality level. We also control for the share of college educated households in the top 10 percent of the wealth distribution in the initial municipality of allocation. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and household wealth in the period 1999-2007. Better-Educated Sample includes refugee immigrants with at least some college education, while Less-Educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

Panel A: (IHS of) Net Wealth			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	2.874 (0.43)	35.978*** (2.70)	-4.907 (-0.73)
Initial Rich College Share	-1.430 (-0.32)	15.439 (1.39)	-7.649 (-1.57)
Panel B: Net Wealth Rank			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	5.890 (0.43)	92.712*** (3.10)	-13.242 (-1.00)
Initial Rich College Share	2.523 (0.29)	34.788 (1.42)	-10.066 (-1.06)
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes
Household Controls	Yes	Yes	Yes

Table O.A.13: Exposure to Inequality and Labor Market Outcomes - Controlling for Share of Better-Educated among Wealthy in the Initial Municipality

This table presents coefficient estimates from OLS regressions of household labor market outcomes. In all regressions, we control for household characteristics, Arrival-year fixed effects, Country-of-origin fixed effects, Time-year fixed effects, and neighborhood fixed effects defined at the municipality level. We also control for the share of college educated households in the top 10 percent of the wealth distribution in the initial municipality of allocation. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and labor market outcomes in the period 1999-2007. Better-Educated Sample includes refugee immigrants with at least some college education, while Less-Educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

Panel A: Earnings			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	-0.018 (-0.05)	-0.089 (-0.16)	0.050 (0.12)
Initial Rich College Share	-0.058 (-0.18)	-0.511 (-0.94)	0.029 (0.07)
Panel B: Unemployment			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	-0.185 (-0.72)	-0.546 (-1.14)	0.090 (0.30)
Initial Rich College Share	-0.011 (-0.06)	-0.635* (-1.85)	0.320 (1.48)
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes
Household Controls	Yes	Yes	Yes

Table O.A.14: Exposure to Inequality and Risk Taking - Controlling for Share of Better-Educated among Wealthy in the Initial Municipality

This table presents coefficient estimates from linear probability model regressions of household risk taking measures. In all regressions, we control for household characteristics, Arrival-year fixed effects, Country-of-origin fixed effects, Time-year fixed effects, and neighborhood fixed effects defined at the municipality level. We also control for the share of college educated households in the top 10 percent of the wealth distribution in the initial municipality of allocation. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and household economic outcomes in the period 1999-2007. Better-Educated Sample includes refugee immigrants with at least some college education, while Less-Educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

Panel A: Self-employment			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	0.392** (2.50)	0.672** (2.59)	0.264 (1.33)
Initial Rich College Share	0.106 (0.85)	0.108 (0.38)	0.032 (0.22)
Panel B: Financial Risk Taking			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	-0.078 (-0.33)	1.095** (2.45)	-0.543* (-1.71)
Initial Rich College Share	0.110 (0.61)	0.966** (2.24)	-0.184 (-0.88)
Panel C: Housing			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	0.143 (0.65)	1.212*** (2.81)	-0.103 (-0.41)
Initial Rich College Share	-0.189 (-1.17)	0.474 (1.23)	-0.500*** (-2.67)
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes
Household Controls	Yes	Yes	Yes

Table O.A.15: Exposure to Inequality and Financial Ratios - Controlling for Share of Better-Educated among Wealthy in the Initial Municipality

This table presents coefficient estimates from linear probability model regressions of household financial ratios. In all regressions, we control for household characteristics, Arrival-year fixed effects, Country-of-origin fixed effects, Time-year fixed effects, and neighborhood fixed effects defined at the municipality level. We also control for the share of college educated households in the top 10 percent of the wealth distribution in the initial municipality of allocation. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and household financial ratios in the period 1999-2007. Better-Educated Sample includes refugee immigrants with at least some college education, while Less-Educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

Panel A: Financial Wealth-Income Ratio			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	0.041 (0.13)	1.714** (2.39)	-0.477 (-1.43)
Initial Rich College Share	0.079 (0.35)	0.186 (0.40)	-0.056 (-0.23)
Panel B: Debt-Income Ratio			
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	-0.612 (-1.10)	0.697 (0.73)	-1.352** (-1.97)
Initial Rich College Share	-0.810* (-1.91)	-2.194*** (-2.60)	-0.370 (-0.74)
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes
Household Controls	Yes	Yes	Yes

Table O.A.16: Exposure to Wealth Inequality and Self-Employment - Controlling for Share of Self-Employed among Wealthy in the Initial Municipality

This table presents coefficient estimates from linear probability model regressions of being self-employed. In all regressions, we control for household characteristics, Arrival-year fixed effects, Country-of-origin fixed effects, Time-year fixed effects, and neighborhood fixed effects defined at the municipality level. We also control for the share of self-employed households in the top 10 percent of the wealth distribution in the initial municipality of allocation. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and self-employment in the period 1999-2007. Better-Educated Sample includes refugee immigrants with at least some college education, while Less-Educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	Probability of Self-Employment		
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	0.370** (2.43)	0.751*** (2.70)	0.231 (1.22)
Initial Rich Self-Employed	0.035 (0.22)	0.504 (1.36)	-0.155 (-0.99)
Age 30-45	0.038*** (3.59)	0.038** (2.31)	0.036*** (2.84)
Age 45-60	0.014 (1.22)	0.041** (1.99)	0.002 (0.11)
Age 60-75	-0.050*** (-4.02)	0.014 (0.54)	-0.076*** (-5.00)
Male	-0.030*** (-3.42)	-0.041** (-2.29)	-0.027*** (-3.03)
Married	0.048*** (6.74)	0.046*** (3.17)	0.046*** (5.89)
Nbr of adults	0.066*** (12.07)	0.053*** (6.27)	0.068*** (10.66)
Nbr of children	0.019*** (5.37)	0.029*** (4.00)	0.015*** (3.85)
High school	0.011 (1.36)		
College and more	0.008 (0.77)		
Income	-0.118*** (-11.79)	-0.100*** (-6.37)	-0.120*** (-9.10)
Net Wealth Quartile 1	-0.073*** (-8.74)	-0.071*** (-5.34)	-0.065*** (-5.38)
Net Wealth Quartile 2	-0.100*** (-13.26)	-0.089*** (-7.00)	-0.100*** (-9.87)
Net Wealth Quartile 3	-0.120*** (-15.68)	-0.103*** (-7.84)	-0.121*** (-12.09)
Constant	1.185*** (8.06)	0.679** (2.29)	1.313*** (6.89)
Observations	40794	12364	28429
R-squared	0.1427	0.2111	0.1648
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes

Table O.A.17: Exposure to Wealth Inequality and Financial Risk Taking - Controlling for Share of Stockholders among Wealthy in the Initial Municipality

This table presents coefficient estimates from linear probability model regressions of participation in the stock market. In all regressions, we control for household characteristics, Arrival-year fixed effects, Country-of-origin fixed effects, Time-year fixed effects, and neighborhood fixed effects defined at the municipality level. We also control for the share of stockholders in the top 10 percent of the wealth distribution in the initial municipality of allocation. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and financial behavior in the period 1999-2007. Better-Educated Sample includes refugee immigrants with at least some college education, while Less-Educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	Probability of Stock Market Participation		
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	-0.113 (-0.49)	0.864* (1.96)	-0.507 (-1.62)
Initial Rich Stockholder	-0.092 (-0.81)	-0.274 (-1.16)	-0.098 (-0.74)
Age 30-45	-0.042** (-2.22)	-0.037 (-0.71)	-0.044** (-2.05)
Age 45-60	-0.073*** (-4.05)	-0.044 (-0.85)	-0.088*** (-4.17)
Age 60-75	-0.126*** (-5.09)	-0.082 (-1.26)	-0.151*** (-5.69)
Male	-0.043*** (-4.02)	-0.010 (-0.48)	-0.052*** (-4.44)
Student	0.022 (1.35)	0.026 (0.84)	0.046** (2.20)
Retired	-0.038*** (-2.62)	-0.078** (-2.27)	-0.038** (-2.37)
Employee	0.061*** (7.27)	0.080*** (4.89)	0.055*** (5.83)
Married	0.032*** (2.72)	0.032 (1.46)	0.028** (2.13)
Nbr of adults	-0.007 (-1.10)	-0.012 (-0.86)	-0.002 (-0.30)
Nbr of children	-0.005 (-1.16)	-0.000 (-0.04)	-0.007 (-1.46)
High school	0.055*** (4.73)		
College and more	0.152*** (9.62)		
Income	0.199*** (18.47)	0.211*** (10.02)	0.189*** (16.04)
Net Wealth Quartile 1	-0.151*** (-12.95)	-0.117*** (-6.94)	-0.157*** (-9.12)
Net Wealth Quartile 2	-0.174*** (-13.31)	-0.126*** (-5.43)	-0.190*** (-13.29)
Net Wealth Quartile 3	-0.171*** (-15.66)	-0.117*** (-4.63)	-0.190*** (-16.44)
Constant	-2.209*** (-11.84)	-2.944*** (-8.96)	-1.747*** (-8.08)
Observation	40794	12364	28429
R-squared	0.2487	0.3014	0.2275
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes

Table O.A.18: Exposure to Wealth Inequality and Homeownership - Controlling for Share of Homeowners among Wealthy in the Initial Municipality

This table presents coefficient estimates from linear probability model regressions of homeownership. In all regressions, we control for household characteristics, Arrival-year fixed effects, Country-of-origin fixed effects, Time-year fixed effects, and neighborhood fixed effects defined at the municipality level. We also control for the share of homeowners in the top 10 percent of the wealth distribution in the initial municipality of allocation. Standard errors are clustered at the municipality level, and corresponding t-statistics are reported in parentheses. We consider a sample of 5,074 refugee immigrant households and homeownership in the period 1999-2007. Better-Educated Sample includes refugee immigrants with at least some college education, while Less-Educated Sample consists of refugee immigrants with a high school degree or less at the time of arrival. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	Probability of Homeownership		
	Full	Better-educated	Less-educated
	(1)	(2)	(3)
Initial Wealth Inequality	0.286 (1.33)	1.133** (2.58)	0.183 (0.76)
Initial Rich Homeowner	0.216 (1.11)	0.130 (0.36)	0.336 (1.36)
Age 30-45	0.010 (0.61)	0.053 (1.43)	0.007 (0.41)
Age 45-60	0.013 (0.72)	0.083* (1.96)	-0.005 (-0.26)
Age 60-75	-0.006 (-0.20)	0.037 (0.63)	-0.016 (-0.61)
Male	-0.008 (-0.82)	-0.029 (-1.34)	0.007 (0.65)
Student	-0.071*** (-4.98)	-0.088*** (-3.59)	-0.029 (-1.57)
Retired	0.005 (0.37)	0.010 (0.37)	0.013 (0.82)
Employee	0.054*** (6.18)	0.049*** (2.62)	0.052*** (5.38)
Married	0.073*** (7.14)	0.105*** (4.52)	0.057*** (5.15)
Nbr of adults	-0.033*** (-6.13)	-0.037*** (-3.24)	-0.030*** (-5.35)
Nbr of children	-0.012*** (-3.50)	-0.018** (-2.16)	-0.008** (-2.06)
High school	0.006 (0.67)		
College and more	-0.005 (-0.40)		
Income	0.147*** (16.24)	0.183*** (9.72)	0.117*** (10.44)
Net Wealth Quartile 1	0.402*** (31.15)	0.340*** (17.42)	0.445*** (23.06)
Net Wealth Quartile 2	0.044*** (4.52)	0.050*** (3.30)	0.047*** (3.77)
Net Wealth Quartile 3	-0.016* (-1.85)	0.015 (1.03)	-0.024** (-2.40)
Constant	-2.245*** (-9.14)	-3.305*** (-6.40)	-1.830*** (-5.86)
Observation	40794	12364	28429
R-squared	0.3589	0.4200	0.3558
Clustering	Ini Muni	Ini Muni	Ini Muni
Arrival-year FE	Yes	Yes	Yes
Country-of-origin FE	Yes	Yes	Yes
Municipality FE	Yes	Yes	Yes
Time-year FE	Yes	Yes	Yes

Table O.A.20: Determinants of Wealth Inequality and Wealth Mobility

This table presents coefficient estimates from OLS regressions of local wealth inequality and wealth mobility, respectively. The dependent variable in (1) and (2) is the share of wealth held by the top 10 percent of the households in the municipality between 1987-1991 period. In (3) and (4), the dependent variable is the share of people who moved to top 10 percent of the wealth distribution in 1992 conditional on being in the bottom 90 percent in 1986. In (1) and (2), the control variables are defined over the same period as the outcome variable, while control variables in (3) and (4) refer to 1986 values. In (1) and (2), we control for municipality fixed effects. Standard errors are clustered at the municipality level in (1) and (2). In (3) and (4), the standard errors are robust to heteroscedasticity, and corresponding t-statistics are reported in parentheses. Statistical significance at the 10, 5, and 1 percent levels is indicated by *, **, and ***, respectively. For variable definitions, see Online Appendix A.

	Wealth Inequality		Wealth Mobility	
	(1)	(2)	(3)	(4)
New Firms Founded	0.148*** (6.09)	0.029 (1.19)	24.976*** (2.86)	23.157*** (2.62)
Firms Exited	-0.013 (-0.17)	0.016 (0.22)	4.365 (0.14)	0.331 (0.01)
Share of homeowners	-0.002*** (-2.83)	-0.000 (-0.28)	0.086 (1.11)	0.140 (1.41)
House price inflation	0.051*** (4.12)	0.029** (2.31)		
House price level			5.778** (2.09)	7.516** (2.48)
Share of stockholders	-0.002*** (-6.49)	-0.001** (-2.42)	0.020 (0.17)	0.039 (0.28)
Share of college	-0.008*** (-4.66)	-0.006*** (-2.95)	0.130 (1.32)	0.219** (1.97)
Average Income	0.048*** (4.10)	-0.076*** (-3.12)		-6.369 (-1.50)
Average Wealth	0.014 (1.10)	0.019 (1.56)		-0.432 (-0.20)
Unemployment rate	-0.097 (-1.58)	0.056 (0.79)		-3.726 (-0.25)
Share of wealth held by top 10			-37.325*** (-3.18)	-33.412*** (-2.63)
Constant	0.788*** (21.70)	0.882*** (14.48)	-4.323 (-0.17)	-17.144 (-0.63)
Observations	1415	1415	279	279
R-squared	0.8773	0.8940	0.1527	0.1616
Time FE	No	Yes	NA	NA
Municipality FE	Yes	Yes	NA	NA

Figure O.A.1: Beliefs in Opportunity and Wealth Inequality - Alternative Measure of Wealth Inequality

This figure presents the cross-country correlations between wealth inequality, measured by the wealth Gini coefficient, and proportion of the corresponding population that agrees with the statement: "I have equal opportunities for getting ahead in life, like everyone else". The pairwise correlation between perceptions and inequality is 0.87 (p-value=0.00). The data for the wealth Gini for sampled countries are obtained from Credit Suisse Global Wealth Databook 2018. The data on beliefs are derived from the Eurobarometer Survey fielded in December 2017 (Eurobarometer, 2018).

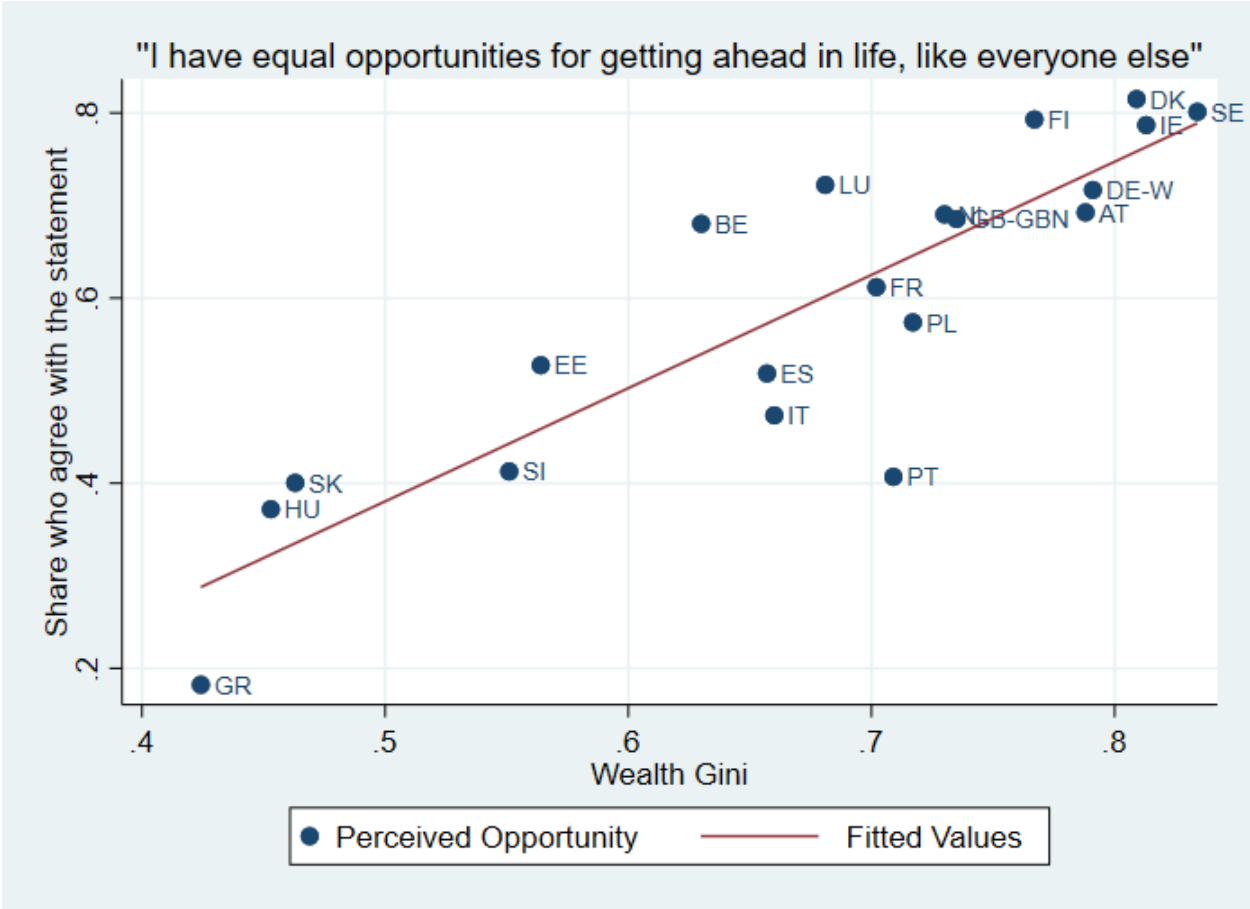


Figure O.A.2: Beliefs in Opportunity and Wealth Inequality by Education Level - Alternative Measure of Wealth Inequality

This figure presents the cross-country correlations between wealth inequality, measured by the wealth Gini coefficient, and proportion of the corresponding population that agrees with the statement: "I have equal opportunities for getting ahead in life, like everyone else" separately for the two subsamples of respondents in each country, namely those who have had at least some years of college education and those without any college education. The pairwise correlation between perceptions and inequality is 0.73 (p-value=0.00) and 0.27 (p-value=0.25) for college and high-school sample, respectively. The data for the wealth Gini for sampled countries are obtained from Credit Suisse Global Wealth Databook 2018. The data on beliefs are derived from the Eurobarometer Survey fielded in December 2017 (Eurobarometer, 2018).

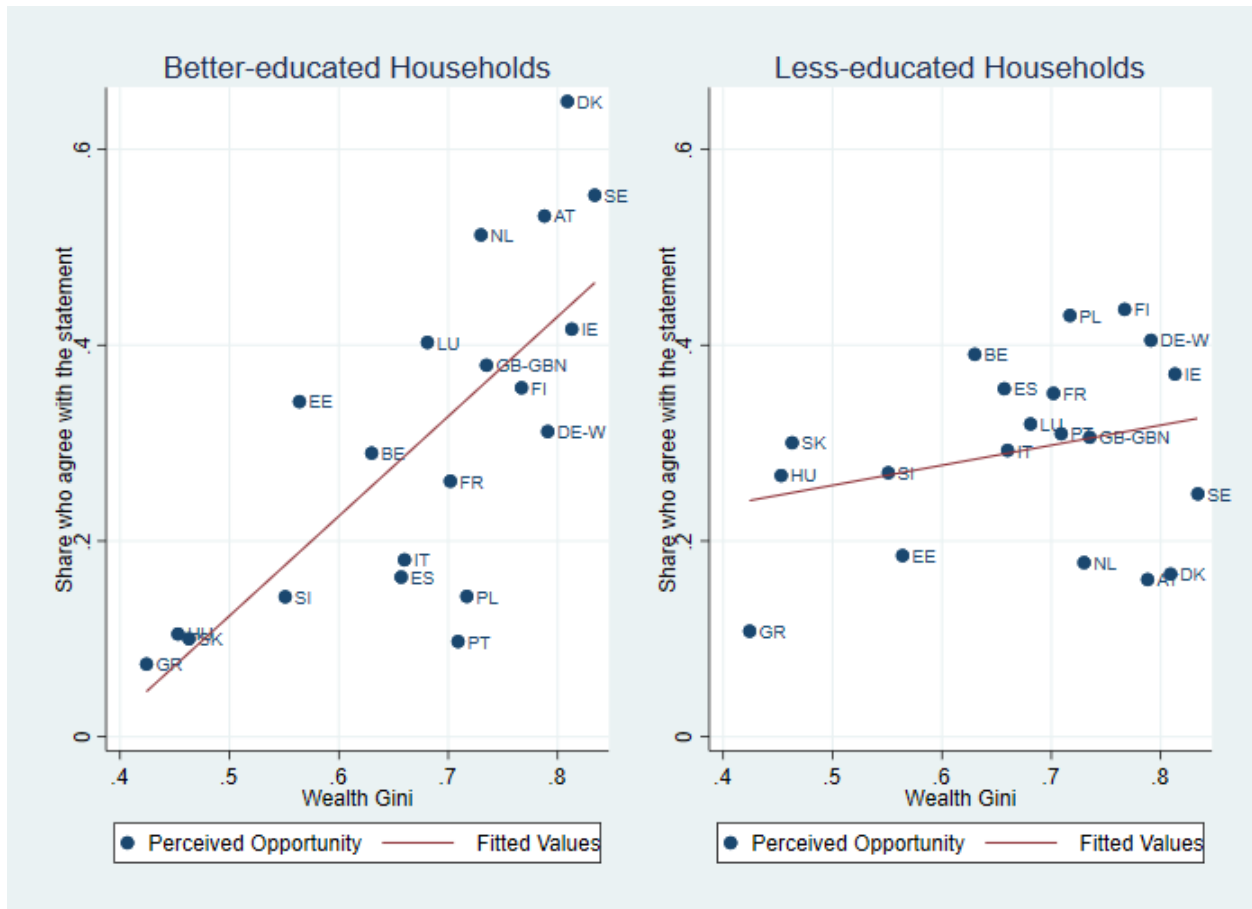


Figure O.A.3: Beliefs in Opportunity and Income Inequality - Alternative Measure of Income Inequality

This figure presents the cross-country correlations between income inequality, measured by the income Gini coefficient, and proportion of the corresponding population that agrees with the statement: "I have equal opportunities for getting ahead in life, like everyone else". The pairwise correlation between perceptions and inequality is -0.29 (p-value=0.21). The data for income inequality for sampled countries are obtained from OECD Income Distribution Database. The data on beliefs are derived from the Eurobarometer Survey fielded in December 2017 (Eurobarometer, 2018).

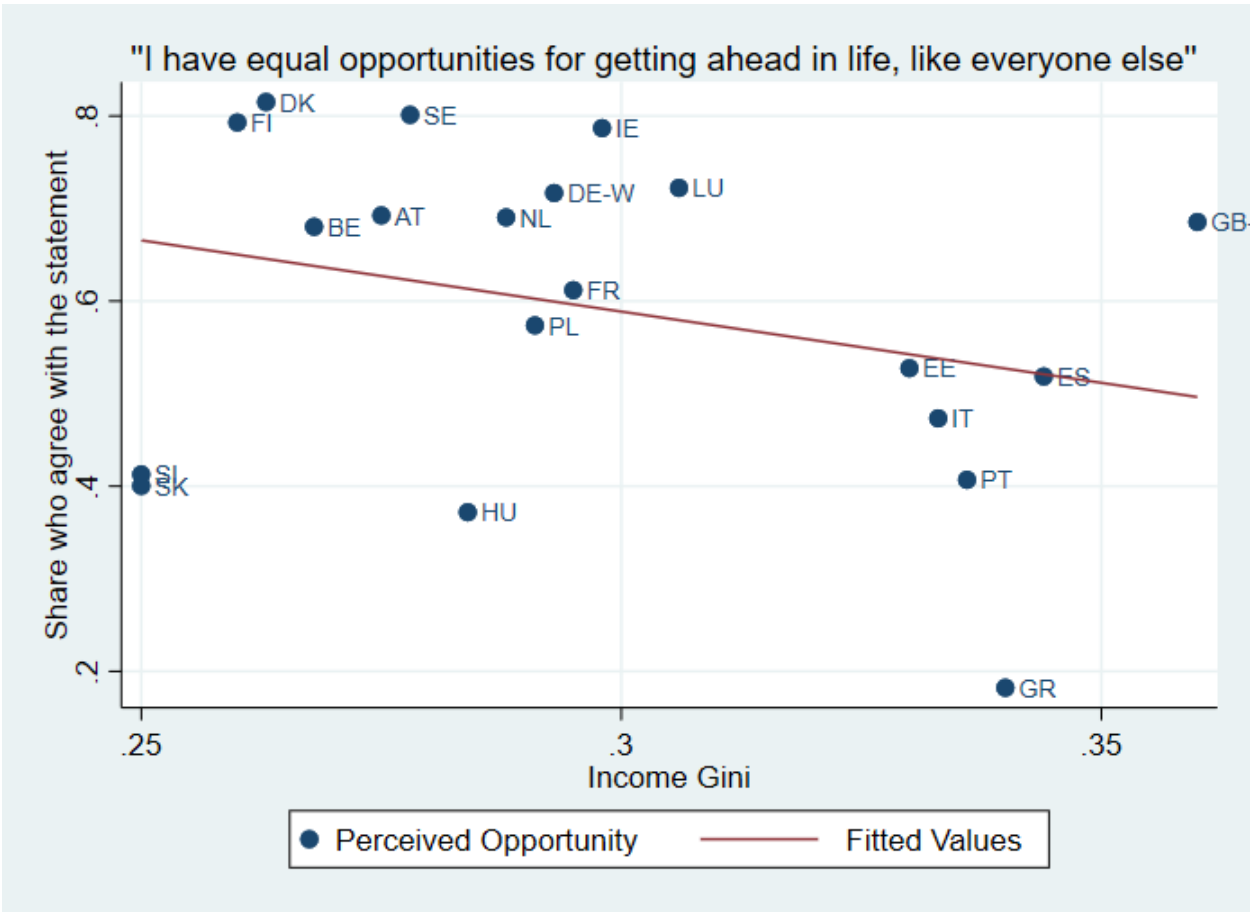


Figure O.A.4: Beliefs in Opportunity and Income Inequality by Education Level - Alternative Measure of Income Inequality

This figure presents the cross-country correlations between income inequality, measured by the income Gini coefficient, and proportion of the corresponding population that agrees with the statement: "I have equal opportunities for getting ahead in life, like everyone else". The data for income inequality for sampled countries are obtained from OECD Income Distribution Database. The pairwise correlation between perceptions and inequality is -0.24 (p-value=0.31) and -0.10 (p-value=0.66) for college and high-school sample, respectively. The data on beliefs are derived from the Eurobarometer Survey fielded in December 2017 (Eurobarometer, 2018).

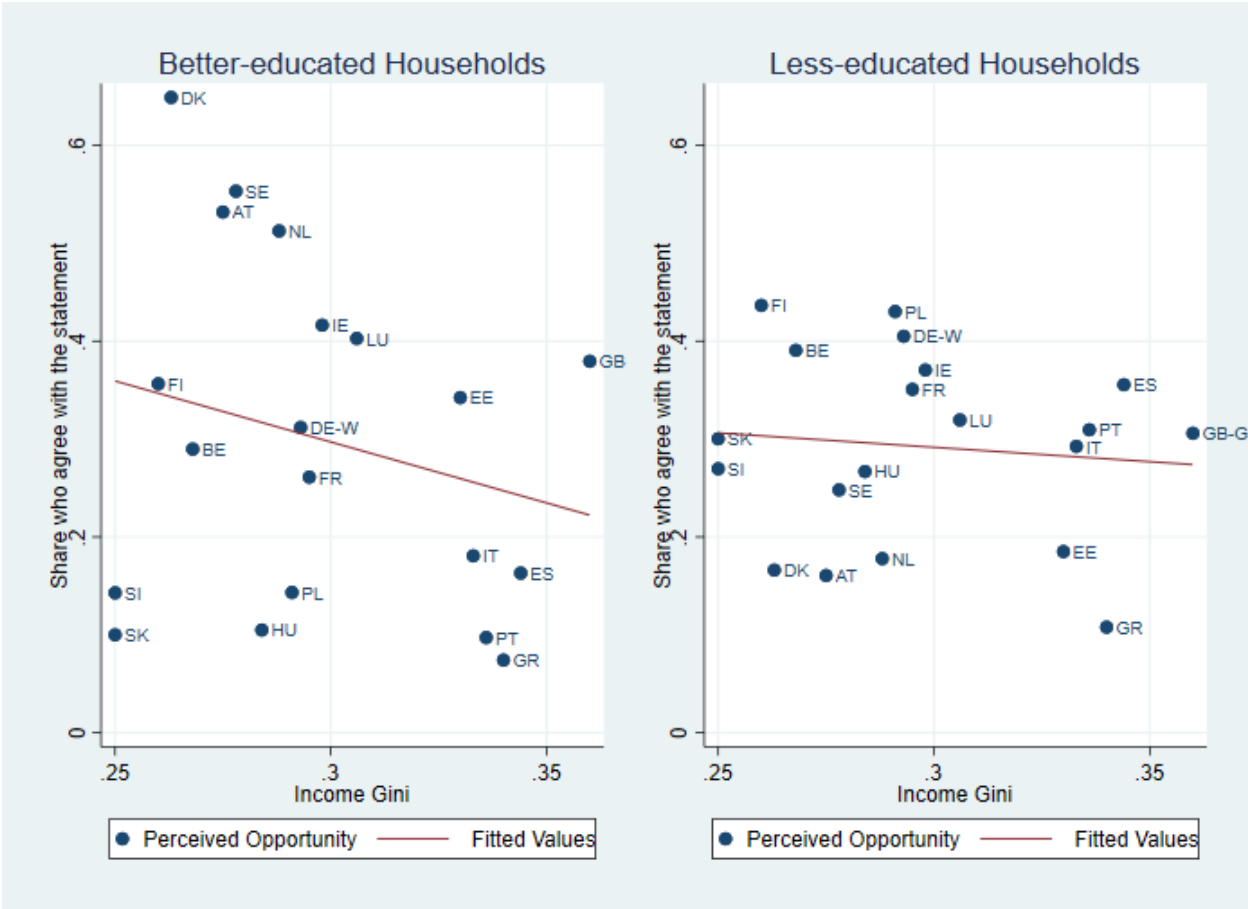


Figure O.A.5: Perceived Fairness and Income Inequality - Alternative Measure of Income Inequality

This figure presents the cross-country correlations between income inequality, measured by the income Gini coefficient, and proportion of the corresponding population that agrees with the statement: "I believe that, by and large, people get what they deserve". The pairwise correlation between perceptions and inequality is -0.19 (p-value=0.40). The data for income inequality for sampled countries are obtained from OECD Income Distribution Database. The data on beliefs are derived from the Eurobarometer Survey fielded in December 2017 (Eurobarometer, 2018).

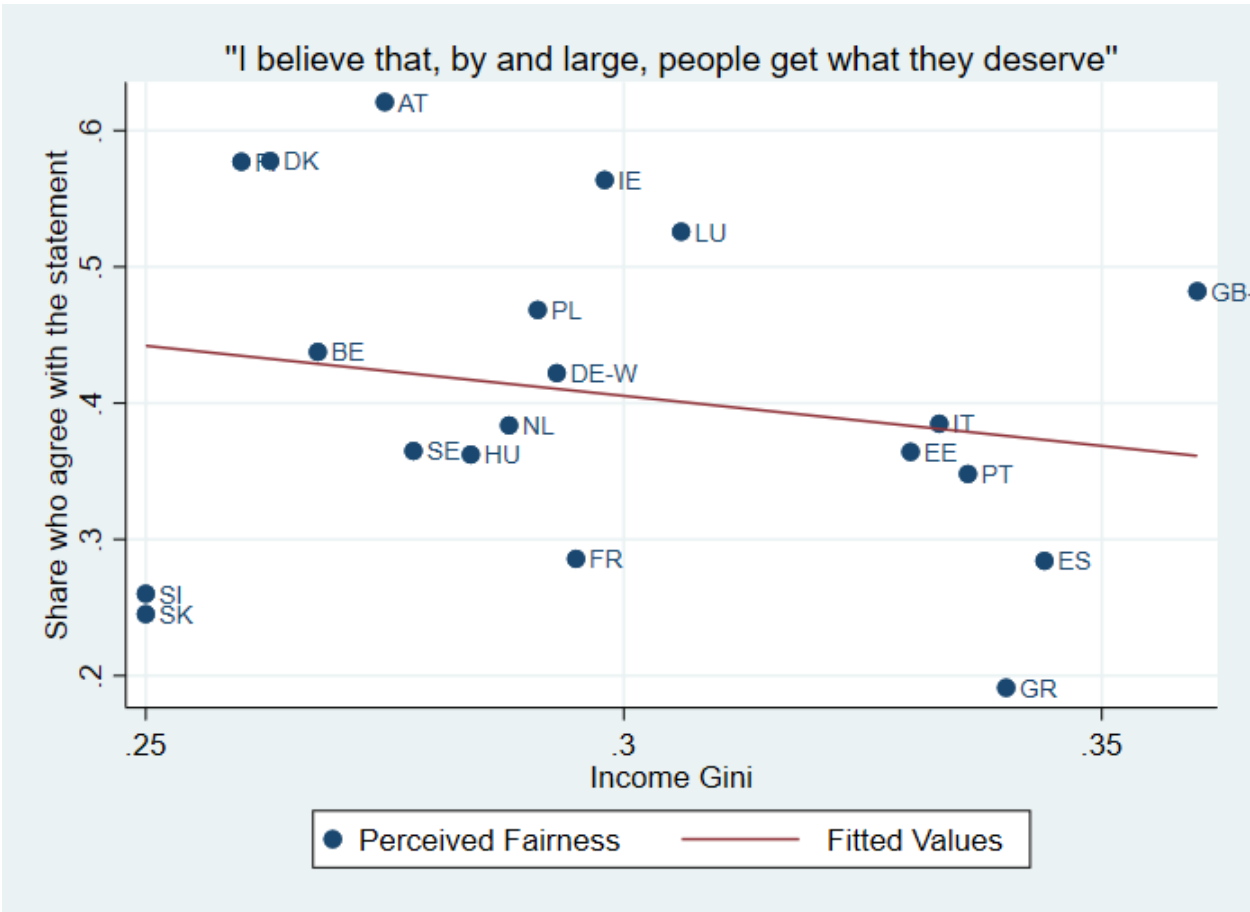


Figure O.A.6: Perceived Fairness and Income Inequality by Education Level - Alternative Measure of Income Inequality

This figure presents the cross-country correlations between income inequality, measured by the income Gini coefficient, and proportion of the corresponding population that agrees with the statement: "I believe that, by and large, people get what they deserve" separately for the two subsamples of respondents in each country, namely those who have had at least some years of college education and those without any college education. The data for income inequality for sampled countries are obtained from OECD Income Distribution Database. The pairwise correlation between perceptions and inequality is -0.21 (p-value=0.38) and -0.01 (p-value=0.95) for college and high-school sample, respectively. The data on beliefs are derived from the Eurobarometer Survey fielded in December 2017 (Eurobarometer, 2018).

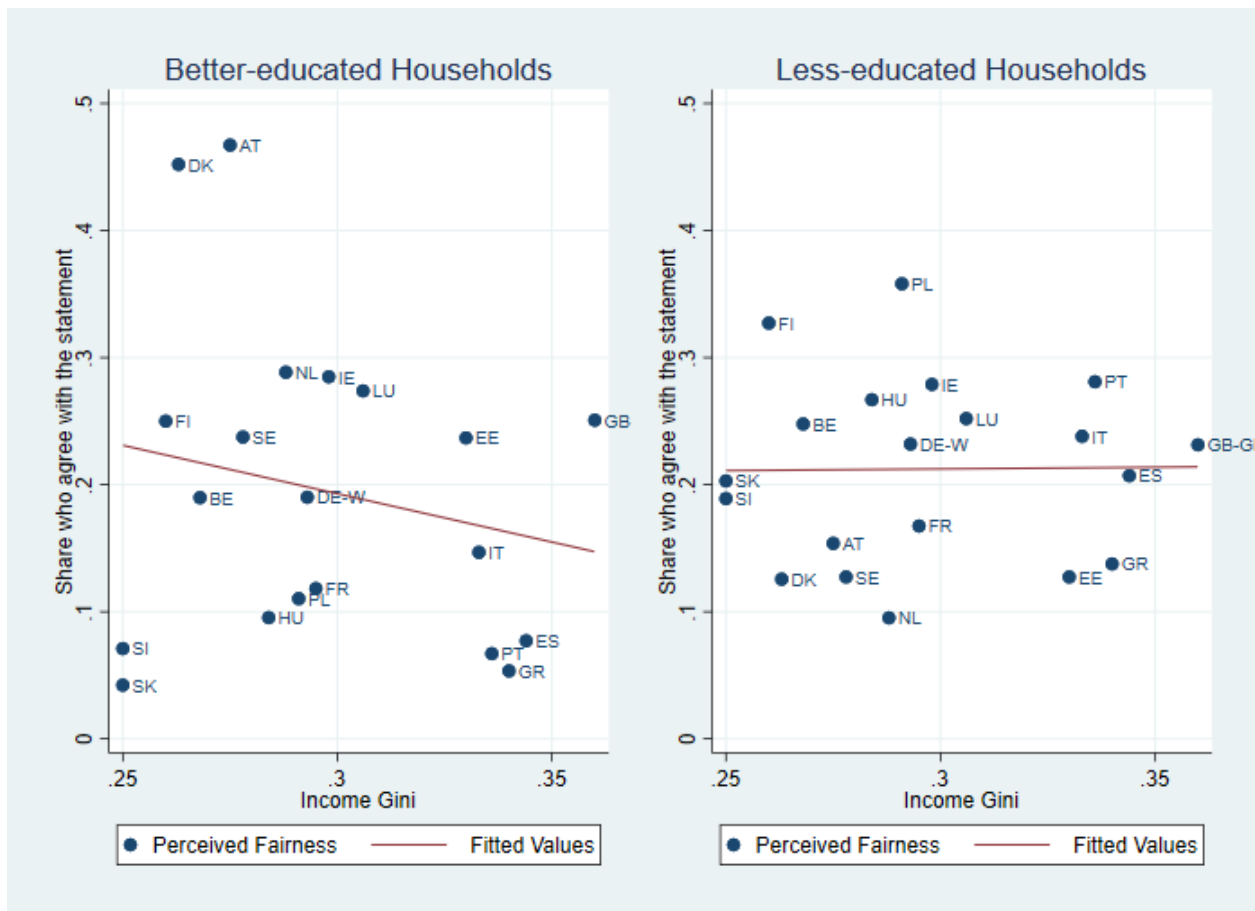
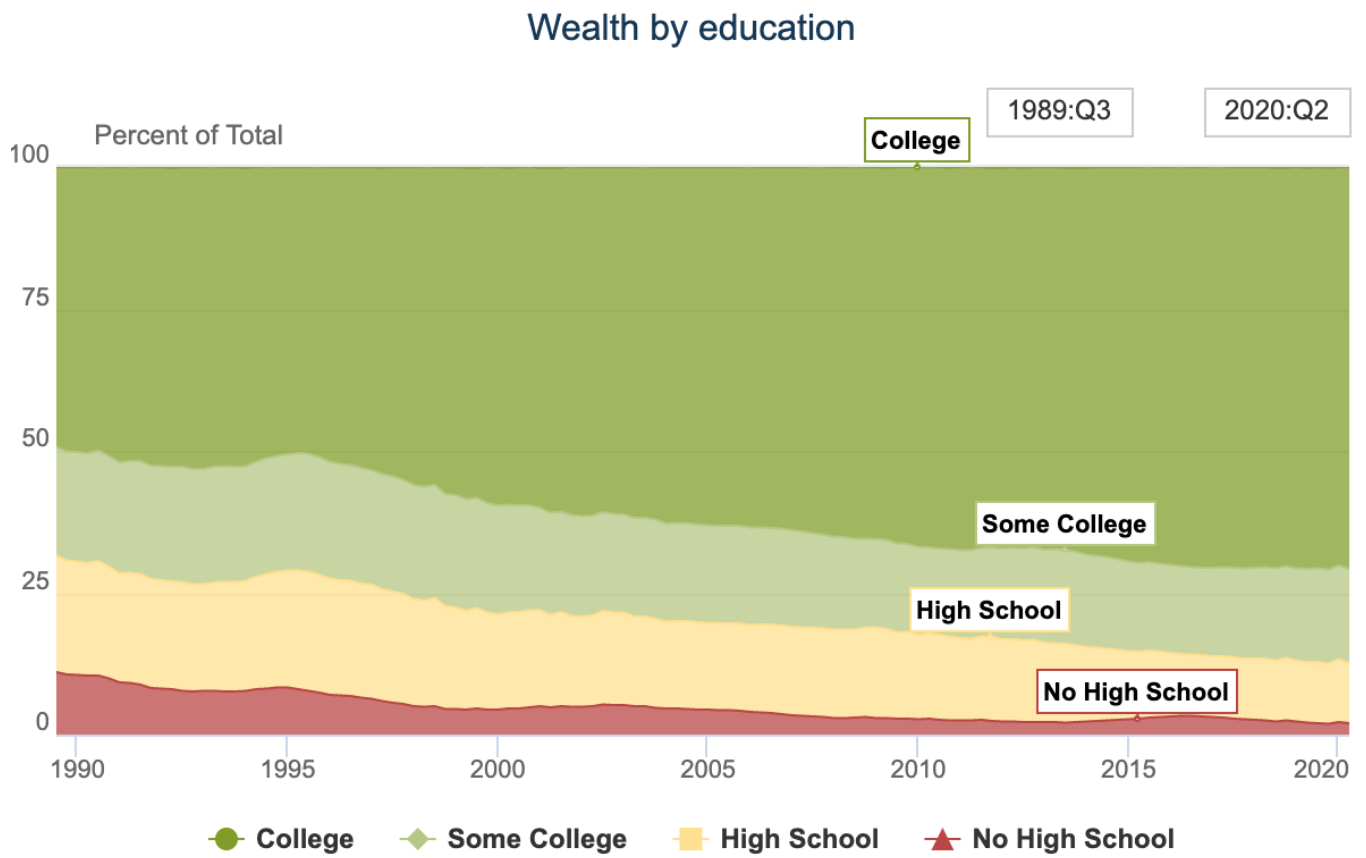


Figure O.A.7: Evolution of Wealth Shares by Education - U.S. 1989-2020



Source: Survey of Consumer Finances and Financial Accounts of the United States