

Online Appendix

Online appendix to the paper “Heterogeneity of the Carnegie Effect” by Bø, Halvorsen and Thoresen.

Appendix A Supplementary Descriptions of the Matching

Table A.1 Estimation results for the propensity score model

	Coefficient	SE	t-stat
IHS wage income	0.05775732	0.08675596	0.66574464
IHS capital income	-0.01055478	0.01101855	-0.95790928
IHS financial wealth	-0.01737318	0.00911196	-1.9066353
IHS debt	0.00661384	0.00595895	1.1099001
IHS housing wealth	-0.01317716	0.01506108	-0.87491429
IHS vacation housing wealth	0.0114481	0.0180978	0.63256878
IHS business income	0.01211806	0.01804051	0.67171387
Male	-0.0254993	0.05344273	-0.47713314
Houshold size	0.52489326	0.0212478	24.70342
Male*houshold size	-0.05336354	0.03031655	-1.7602119
Wage equals zero	0.32576475	0.49060876	0.66400109
High school level	0.11309554	0.01648964	6.8585807
University level	0.19648301	0.01935776	10.150091
High school level, father	0.13540653	0.01563611	8.6598601
High school level, mother	0.11964009	0.01583148	7.5571014
University level, father	0.2339455	0.0249892	9.3618653

University level, mother	0.23599478	0.0301865	7.8178908
Age 18 ¹	-0.5803663	0.36446883	-1.592362
Age 19	-0.56785204	0.32974836	-1.7220769
Age 20	-0.47849569	0.21352928	-2.2408903
Age 21	-0.51482639	0.19152064	-2.6880987
Age 22	-0.46271669	0.1723335	-2.6850071
Age 23	-0.49327005	0.16183223	-3.0480334
Age 24	-0.43792887	0.15264697	-2.8688999
Age 25	-0.3954188	0.14554272	-2.7168572
Age 26	-0.37589285	0.1417312	-2.6521532
Age 27	-0.37219411	0.13946241	-2.6687774
Age 28	-0.31420526	0.13723344	-2.2895677
Age 29	-0.31469012	0.13637643	-2.307511
Age 30	-0.29683455	0.135565	-2.1896105
Age 31	-0.23526218	0.13466231	-1.7470529
Age 32	-0.2465028	0.13484787	-1.8280066
Age 33	-0.16308231	0.13407569	-1.2163452
Age 34	-0.10346526	0.13383785	-.77306434
Age 35	-0.06673497	0.13384462	-.49860028
Age 36	-0.00525675	0.13360028	-.03934682
Age 37	0.0468992	0.13358922	.35107021
Age 38	0.08816704	0.13336558	.66109291
Age 39	0.20739561	0.13258089	1.5642949
Age 40	0.27411172	0.13215192	2.0742167
Age 41	0.3450105	0.13154373	2.6227818

Age 42	0.42866905	0.13090057	3.2747685
Age 43	0.46646804	0.13055215	3.57304
Age 44	0.52975855	0.13022746	4.0679481
Age 45	0.61541742	0.12960246	4.7485012
Age 46	0.67434015	0.12936525	5.2126838
Age 47	0.74077448	0.12917534	5.7346431
Age 48	0.78964122	0.12889055	6.1264478
Age 49	0.84143404	0.12867388	6.5392763
Age 50	0.87913685	0.12845974	6.8436762
Age 51	0.8878363	0.1285462	6.9067486
Age 52	0.92890688	0.12813817	7.2492599
Age 53	0.91002506	0.12826663	7.0947919
Age 54	0.91555701	0.12844208	7.1281702
Age 55	0.92308772	0.12875624	7.1692658
Age 56	0.85702169	0.12980515	6.6023703
Age 57	0.83888271	0.13036788	6.4347345
Age 58	0.7623384	0.13166177	5.7901274
Age 59	0.6945882	0.13261846	5.2374926
Age 60	0.62237641	0.1336111	4.6581191
Age 61 ²	0.50170661	0.1191943	4.2091494
IHS prev wage income	-0.01323282	0.01347239	-0.98221797
IHS prev business income	-0.00473796	0.00997229	-.475112
IHS prev capital income	0.03973227	0.01153058	3.4458174
One dependent child	-0.04279281	0.01814424	-2.3584794
Two dependent children	-0.08254181	0.02019291	-4.0876626

Three dependent children	-0.12766944	0.02786491	-4.5817284
Four or more dependent children	-0.20137954	0.05514382	-3.6518967
Square IHS wage income	-0.00245176	0.00384338	-0.63791788
Square IHS capital income	0.0003823	0.00078937	0.48431512
Square IHS financial wealth	0.00217822	0.00058767	3.7065169
Square IHS debt	-0.00108763	0.00044653	-2.4357512
Square IHS housing wealth	0.00136345	0.00117546	1.1599295
Square IHS vac. housing wealth	-0.00039329	0.00154473	-.25460087
Square IHS business inc.	-0.00077096	0.0015633	-.49315875
Square IHS previous wage income	0.00201542	0.00085136	2.367301
Square IHS previous business income	0.00040343	0.00081383	.49572025
Square IHS previous capital income	-0.00092692	0.00071314	-1.2997848
Constant	-6.045445	0.51317067	-11.780574
Matches	142,878		

Notes: Parameters represent the weighted results of logit estimation, weighted by the numbers of matches each year. Weights: 0.228, 0.220, 0.209, 0.182, 0.161.

¹The variable Age 18 fully predicts failure in three years. Matches/weights: 55,901/0, 0, 0.534, 0.466, 0

²The variable Age 61 fully predicts failure in one year. Matches/weights: 110,371/0, 0.285, 0.271, 0.236, 0.209

Table A.2 T-tests of differences between characteristics of recipients and nonrecipients

	Inheritors (mean)	Noninheritors (mean)	t-stat
IHS wage income	12.28	12.28	0.33
IHS capital income	7.291	7.290	-0.07
IHS financial wealth	10.49	10.50	0.21
IHS debt	8.838	8.834	-0.10
IHS housing wealth	6.752	6.758	0.08
IHS vacation housing wealth	1.667	1.678	0.30
IHS business income	0.7149	0.6990	-0.71
Male	0.4595	0.4608	0.28
Houshold size	1.773	1.772	-0.34
Male*Houshold size	0.8162	0.8172	0.10
Wage equals zero	0.0451	0.0445	-0.28
High school	0.4804	0.4809	0.10
University	0.3156	0.3167	0.31
High school father	0.3080	0.3072	-0.26
High school mother	0.2986	0.2973	-0.35
University father	0.1021	0.1018	-0.11
University mother	0.0594	0.0583	-0.58
Age	44.85	44.85	0.04
IHS previous wage income	14.12	14.13	0.62
IHS previous business income	1.569	1.539	-0.89
IHS previous capital income	9.055	9.057	0.13
Number children	0.7731	0.7682	-0.62

Matches	142,878
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Notes: The weighted values of observable characteristics for inheritors and noninheritors, as well as the t-statistic of a mean equality test, weighted by the numbers of matches each year. Weights: 0.228, 0.220, 0.209, 0.182, 0.161.

Appendix B Supplementary Results

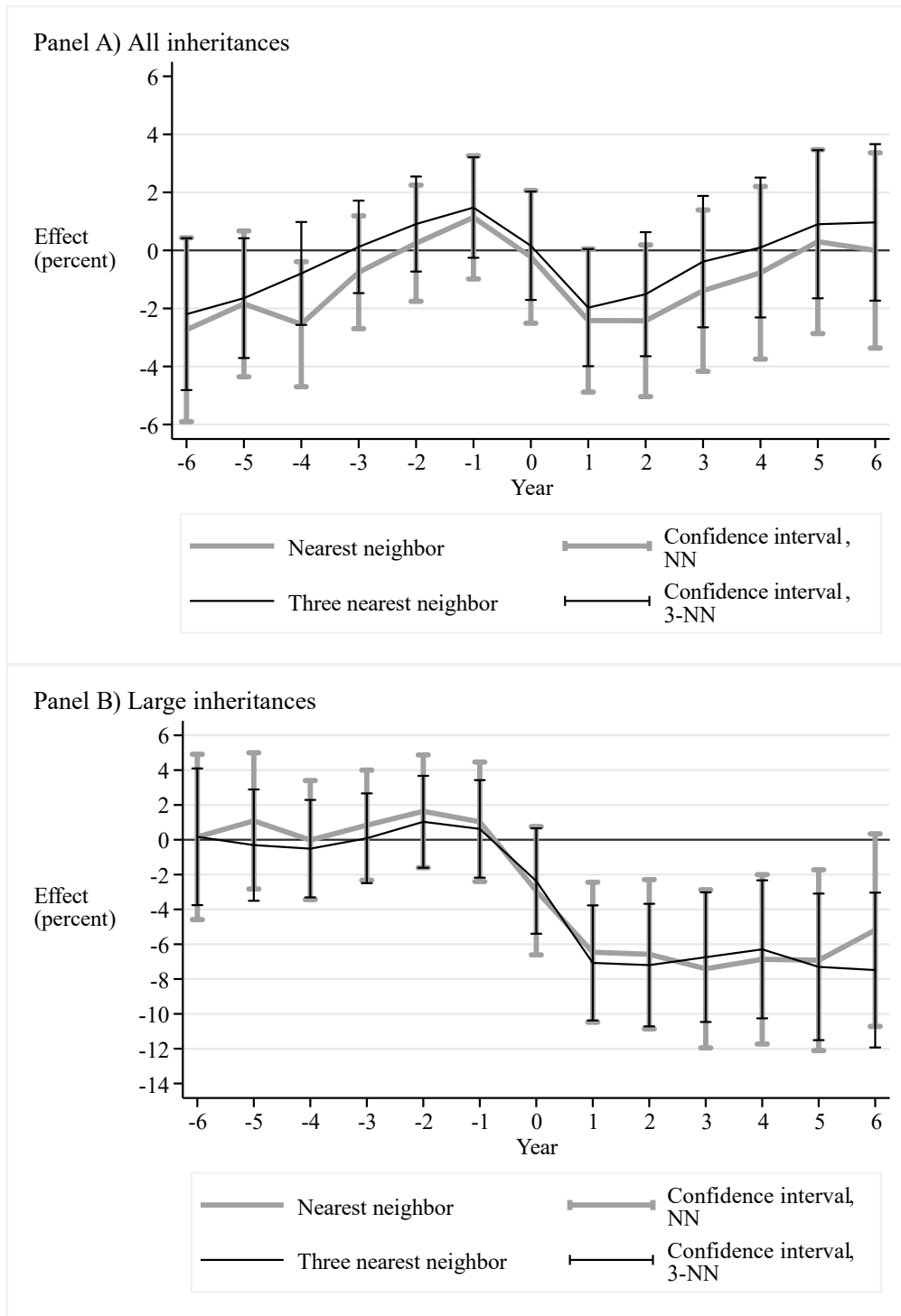


Figure B.1 Effect of inheritance on wage income, nearest and three-nearest neighbor matching

Notes: The average difference in IHS transformed wage between recipients and nonrecipients, and the 95 percent confidence interval. Maximum number of matches: Panel A) 142,878 (NN) and 142,629 (3-NN); Panel B) 51,595 (NN) and 51,474 (3-NN).

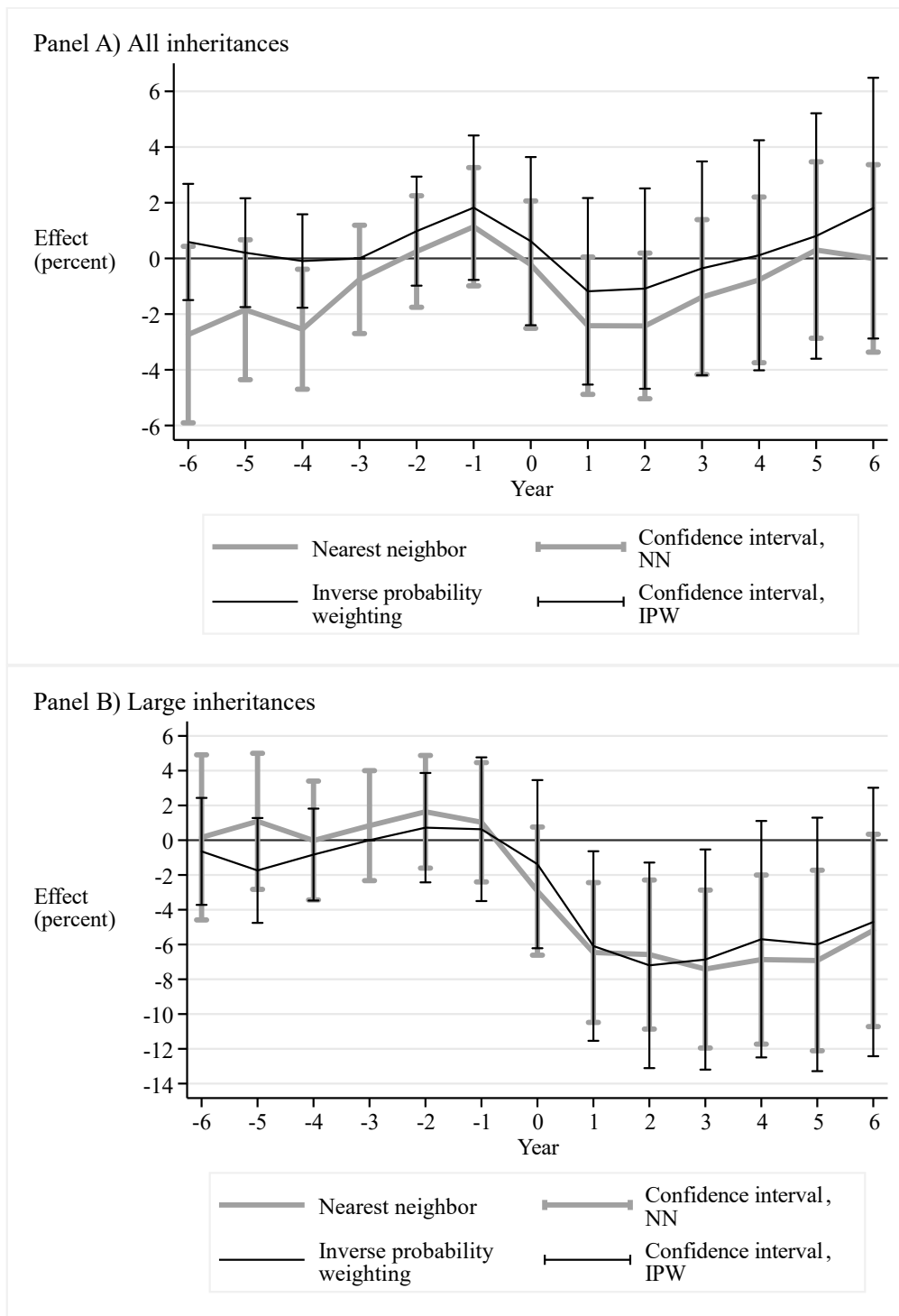


Figure B.2 Effect of inheritance on wage income, nearest neighbor matching and inverse probability weighting

Notes: The average difference in IHS transformed wage between recipients and nonrecipients, and the 95 percent confidence interval. Maximum number of matches: Panel A) 142,878 (NN) and 148,114 (3-NN); Panel B) 51,595 (NN) and 53,612 (3-NN).

Table B.1 Effect of inheritance on intensive margin hours of work

	All inheritances		Above mean	
			inheritances ¹	
	Est.	SE	Est.	SE
5 years before	0.0266	0.1021	-0.1684	0.1485
4 years before	-0.0323	0.0798	-0.0047	0.1183
3 years before ²	0.0158	0.0671	-0.0279	0.1021
2 years before	-0.0414	0.0668	-0.0199	0.1025
1 year before	-0.0151	0.0668	0.0717	0.1030
Year of receipt	-0.1902**	0.0663	0.0025	0.1034
1 year after	-0.1239	0.0669	-0.0991	0.1030
2 years after	-0.1455*	0.0663	-0.0147	0.1026
3 years after	-0.1343	0.0743	0.1339	0.1182
4 years after	-0.0113	0.0902	0.0622	0.1458
5 years after	-0.0602	0.1270	0.0894	0.2076
No of matches ³	26,192		10,252	

¹ Inheritances larger than NOK 300,000 (US\$1=NOK7.55).

² Year of matching.

³ Maximum number of matches, that is, from the year of matching until one year after receipt.

* $p < 0.05$ ** $p < 0.01$

Figure B.3 shows the result of matching inheritors without heirs with inheritors with heirs. As in our main specification, we use nearest-neighbor propensity score matching. The variables used in the propensity score matching are the same as used in our main specification, see Section III.B., except that we here obviously cannot use the number of children. There are fewer observations in this matching than when using noninheritors as control. The caliper is thus set to 0.001 instead of the previous 0.00001, as otherwise we would be left with very few matches.

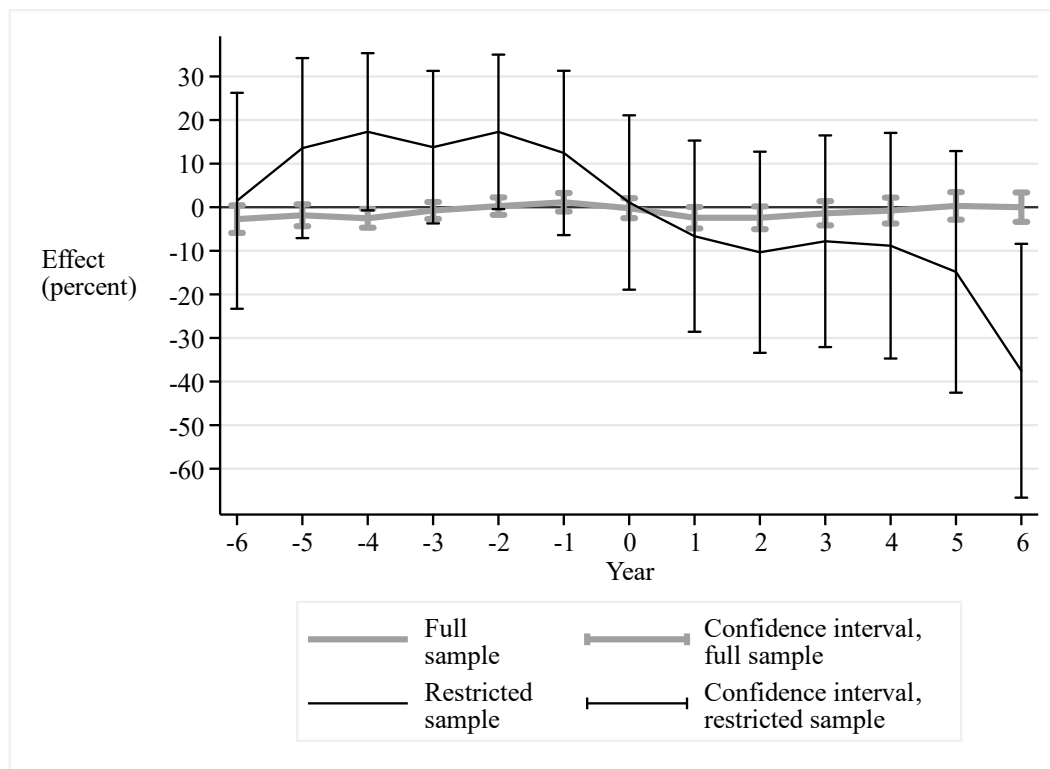


Figure B.3 Effect of inheritance on wage income, matching inheritors with and without heirs

Notes: The average difference in IHS transformed wage between recipients without and with heirs, and the 95 percent confidence interval. Maximum number of matches: 5,093 (all) and 1,961 (restricted).