

Internet Appendix to “Is Household Diversification Increasing in Wealth? Norwegian Evidence.”

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Introduction

This Internet Appendix contains supplementary analysis to the analysis in the paper.

1 Literature

2 Market and Data

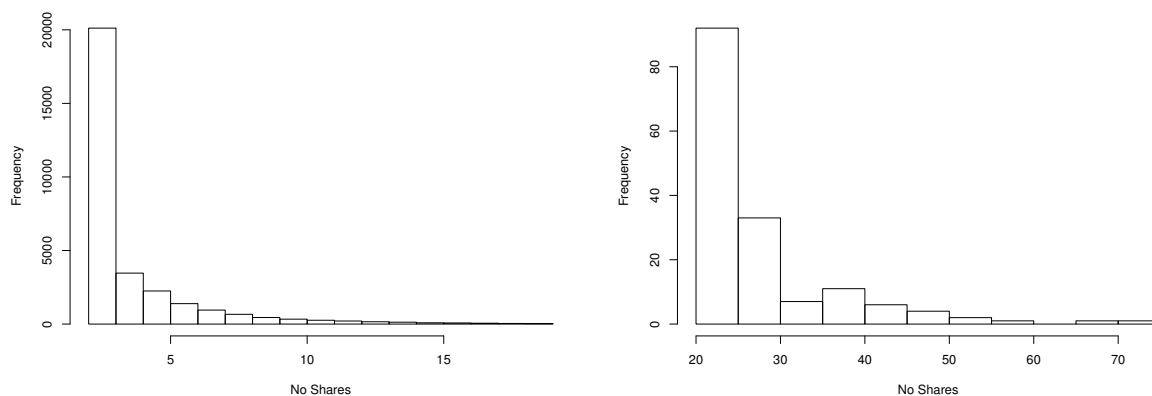
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3 How diversified are individual equity owners?

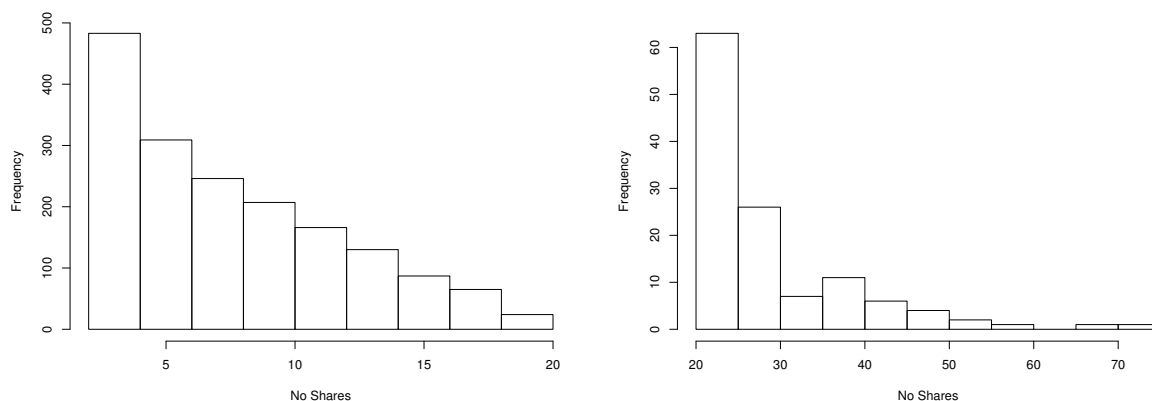
In this internet appendix we complement the figure from 1997 with corresponding figures for the years 1989 and 1998.

Figure IA.1 Number of shares in households' portfolios - 1989

Panel A: All households



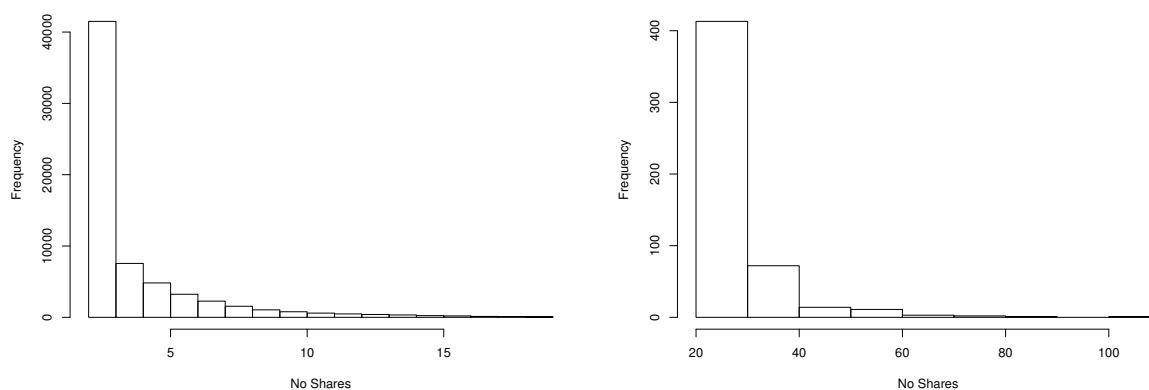
Panel B: Households with wealth > 1 million



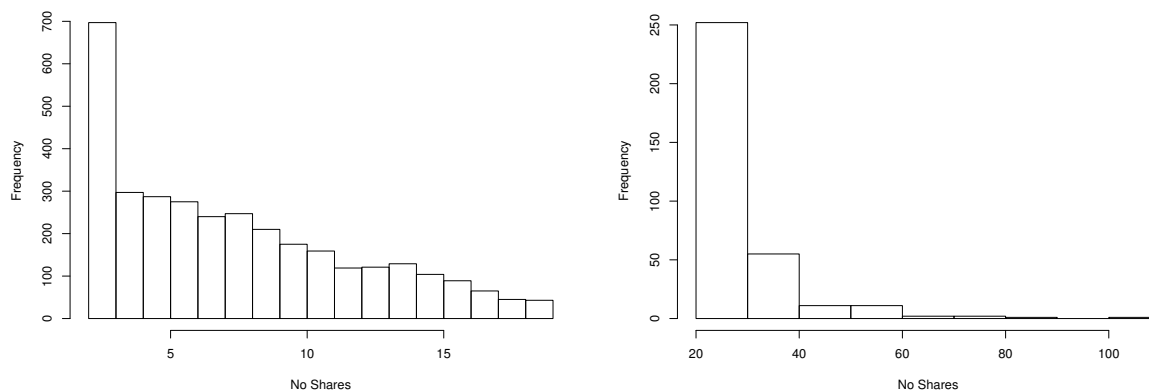
Histograms describing the distribution of number of shares in individual portfolios. Illustrated separately for number of shares below 20 (left-hand plot) and the upper tail, of number of shares above or equal 20 (right-hand plot). Data for all households at the OSE in December 1989. The figures in panel A uses all individuals, and the figures in panel B uses individuals with portfolio wealth above 1 million NOK.

Figure IA.2 Number of shares in households' portfolios - 1998

Panel A: All households



Panel B: Households with wealth > 1 million



Histograms describing the distribution of number of shares in individual portfolios. Illustrated separately for number of shares below 20 (left-hand plot) and the upper tail, of number of shares above or equal 20 (right-hand plot). Data for all households at the OSE in December 1998. The figures in panel A uses all individuals, and the figures in panel B uses individuals with portfolio wealth above 1 million NOK.

4 Is diversification increasing in wealth?

Table IA.1 contains detailed regressions summarized in figure 5 in the paper.

Table IA.1 Regression slopes over time. 1989–2007.

Panel A:

	<i>Dependent variable:</i>						
	1989	1990	1991	No Shares 1992	1993	1994	1995
ln(Wealth)	1.065*** (0.010)	1.376*** (0.012)	0.990*** (0.010)	0.884*** (0.008)	1.010*** (0.009)	0.968*** (0.008)	0.950*** (0.008)
Constant	-8.469*** (0.115)	-11.920*** (0.138)	-7.161*** (0.112)	-5.540*** (0.090)	-7.602*** (0.097)	-7.227*** (0.096)	-7.000*** (0.094)
Observations	30,814	29,961	29,248	34,404	36,564	37,847	40,637
Adjusted R ²	0.273	0.308	0.254	0.246	0.278	0.262	0.249

Note:

*p<0.1; **p<0.05; ***p<0.01

Panel B

	<i>Dependent variable:</i>					
	1996	1997	1998	No Shares 1999	2000	2001
ln(Wealth)	1.049*** (0.008)	1.211*** (0.009)	1.223*** (0.008)	1.235*** (0.008)	1.189*** (0.007)	1.064*** (0.006)
Constant	-8.229*** (0.095)	-10.212*** (0.103)	-9.998*** (0.094)	-10.649*** (0.096)	-9.902*** (0.088)	-8.241*** (0.072)
Observations	45,859	54,577	65,861	64,574	76,542	91,983
Adjusted R ²	0.268	0.266	0.256	0.267	0.248	0.236

Note:

*p<0.1; **p<0.05; ***p<0.01

Panel C

	<i>Dependent variable:</i>					
	2002	2003	2004	No Shares 2005	2006	2007
ln(Wealth)	0.923*** (0.006)	0.995*** (0.006)	1.007*** (0.006)	1.028*** (0.006)	1.085*** (0.007)	1.052*** (0.007)
Constant	-6.239*** (0.065)	-7.555*** (0.070)	-7.844*** (0.073)	-8.454*** (0.078)	-9.290*** (0.085)	-8.816*** (0.085)
Observations	95,386	88,889	91,913	92,902	95,340	97,788
Adjusted R ²	0.201	0.228	0.220	0.216	0.203	0.187

Note:

*p<0.1; **p<0.05; ***p<0.01

Annual regressions No Shares = $a + b \ln \text{Wealth} + \varepsilon$, complementing figure in the paper, which only shows coefficient estimates of b in the regression. Regressions are run on data for december of each year. The regression uses data for all households.

5 Robustness