

Internet Appendix to

## **IQ and Stock Market Participation**\*

Mark Grinblatt  
UCLA Anderson School of Management

Matti Keloharju  
Aalto University and CEPR

Juhani Linnainmaa  
University of Chicago Booth School of Business

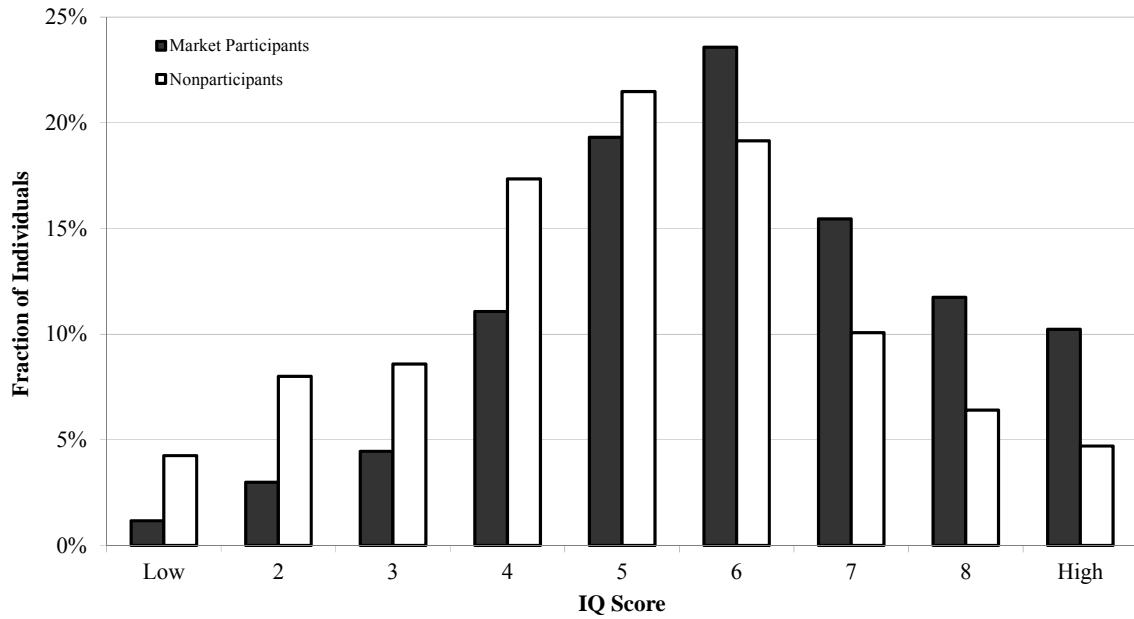
This internet appendix provides additional results and robustness analyses that are not provided in the published text.

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**Figure IA.1. Alternative version of Figure 1 using the narrow definition of stock market participation.**

**Table IA.I**  
**An Alternative Version of Table I**  
**Using the Narrow Definition of Stock Market Participation**

Panel B. Mean socioeconomic characteristics by stock market participation			
	All	Stock Market Participant	
		No	Yes
IQ	5.25	5.02	5.97
Education			
Basic	21.6%	22.4%	19.3%
Vocational	42.6%	43.2%	40.9%
Matricular	18.8%	18.8%	19.0%
University	16.9%	15.7%	20.8%
Ordinary income, EUR	22,642	20,214	30,341
Ordinary income, log-growth	11.8%	11.8%	12.0%
Wealth			
Taxable home wealth > 0	37.7%	32.0%	55.5%
Taxable forest wealth > 0	1.3%	1.0%	2.2%
Taxable foreign wealth > 0	0.0%	0.0%	0.1%
Taxable private equity > 0	2.6%	2.1%	4.1%
Taxable net worth, EUR	11,193	3,036	37,051
Other demographics			
Swedish	7.0%	6.7%	8.1%
Married	29.6%	27.6%	35.7%
Cohabiter	6.5%	6.8%	5.4%
Kids	29.8%	28.8%	33.0%
Occupation			
Entrepreneur	2.8%	2.7%	3.0%
Farmer	0.9%	0.7%	1.4%
Finance professional	0.7%	0.4%	1.8%
Unemployed	8.6%	10.3%	3.1%
Number of observations	158,044	120,143	37,901

Panel C. Mean socioeconomic characteristics by IQ score										
	IQ score									All
	1	2	3	4	5	6	7	8	9	
Stock market participant	8.0%	10.5%	14.1%	16.8%	22.1%	28.0%	32.6%	36.6%	40.7%	24.0%
Education										
Basic	23.8%	23.6%	23.2%	22.9%	22.0%	21.2%	20.2%	19.5%	18.6%	21.6%
Vocational	47.5%	46.5%	45.9%	44.4%	43.1%	41.7%	40.3%	39.0%	37.2%	42.6%
Matricular	14.1%	15.1%	16.0%	17.3%	18.4%	19.6%	20.9%	22.1%	24.0%	18.8%
University	14.6%	14.8%	14.9%	15.3%	16.5%	17.5%	18.6%	19.5%	20.2%	16.9%
Ordinary income, EUR	16,062	17,666	18,427	19,640	21,413	23,874	26,171	28,191	31,707	22,642
Ordinary income, log-growth	7.1%	7.4%	8.3%	11.0%	11.5%	13.3%	13.4%	14.3%	16.1%	11.8%
Wealth										
Taxable home wealth > 0	27.9%	31.4%	34.0%	34.8%	37.6%	40.1%	40.8%	42.1%	42.8%	37.7%
Taxable forest wealth > 0	1.2%	1.4%	1.2%	1.3%	1.3%	1.2%	1.2%	1.3%	1.4%	1.3%
Taxable foreign wealth > 0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
Taxable private equity > 0	1.8%	2.1%	2.3%	2.4%	2.4%	2.8%	3.0%	3.0%	3.3%	2.6%
Taxable net worth, EUR	3,627	4,655	7,393	6,730	9,231	9,575	12,019	16,340	43,619	11,193
Other demographics										
Swedish	6.6%	7.4%	10.0%	5.9%	6.7%	6.9%	6.5%	6.9%	8.4%	7.0%
Married	22.5%	25.7%	25.8%	27.0%	29.3%	31.7%	32.0%	34.0%	33.2%	29.6%
Cohabiter	10.1%	10.0%	9.4%	8.0%	6.8%	5.3%	4.3%	3.7%	2.8%	6.5%
Kids	29.7%	32.0%	31.7%	30.5%	30.2%	29.8%	28.3%	28.5%	26.6%	29.8%
Occupation										
Entrepreneur	3.2%	3.6%	3.2%	2.9%	2.7%	2.6%	2.4%	2.5%	2.6%	2.8%
Farmer	1.1%	1.1%	1.2%	0.9%	1.0%	0.8%	0.7%	0.7%	0.7%	0.9%
Finance professional	0.0%	0.1%	0.0%	0.2%	0.6%	0.9%	1.2%	1.7%	1.6%	0.7%
Unemployed	22.4%	16.7%	13.8%	11.3%	8.3%	6.0%	4.2%	3.4%	2.2%	8.6%
Number of observations	5,552	10,749	12,002	25,040	33,124	31,943	17,958	12,145	9,531	158,044

**Table IA.II**  
**An Alternative Version of Table II**  
**Using the Narrow Definition of Stock Market Participation**

Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.086	37.48	0.024
Lowest	-0.683	-23.00	-0.176			
2	-0.572	-23.86	-0.155			
3	-0.439	-19.28	-0.126			
4	-0.360	-19.92	-0.107			
5	-0.251	-14.64	-0.077			
6	-0.139	-8.17	-0.045			
7	-0.072	-4.06	-0.024			
8	-0.028	-1.44	-0.009			
<i>Education</i>						
Basic	-0.006	-5.02	-0.002	-0.006	-5.08	-0.002
Vocational	-0.016	-13.42	-0.005	-0.016	-13.28	-0.005
Matricular	0.000	-0.06	0.000	0.000	-0.18	0.000
<i>Ordinary income decile</i>						
No income	-0.285	-8.61	-0.087	-0.286	-8.62	-0.071
Lowest	-0.365	-17.38	-0.111	-0.366	-17.36	-0.090
2	-0.450	-20.58	-0.133	-0.450	-20.58	-0.108
3	-0.458	-21.72	-0.135	-0.459	-21.72	-0.109
4	-0.522	-29.54	-0.151	-0.524	-29.44	-0.122
5	-0.541	-28.99	-0.155	-0.543	-29.11	-0.125
6	-0.476	-24.68	-0.139	-0.476	-24.73	-0.113
7	-0.389	-23.76	-0.117	-0.387	-23.63	-0.095
8	-0.285	-16.38	-0.089	-0.283	-16.30	-0.072
9	-0.147	-9.04	-0.047	-0.144	-8.88	-0.039
Income log-growth rate	0.023	2.94	0.008	0.023	2.93	0.007
<i>Wealth dummies by wealth type</i>						
Housing	0.193	17.27	0.065	0.193	17.36	0.056
Forest	-0.068	-1.46	-0.022	-0.068	-1.47	-0.019
Private equity	-0.070	-3.05	-0.023	-0.070	-3.06	-0.019
Foreign assets excluding equity	0.378	1.72	0.138	0.379	1.73	0.123
<i>Net worth decile</i>						
No net worth	-1.548	-52.65	-0.552	-1.546	-52.34	-0.518
Lowest	-0.865	-24.09	-0.209	-0.861	-23.85	-0.162
2	-0.683	-19.66	-0.179	-0.681	-19.49	-0.140
3	-0.735	-23.02	-0.188	-0.734	-22.90	-0.147
4	-0.768	-22.48	-0.194	-0.766	-22.38	-0.151
5	-0.785	-24.28	-0.197	-0.784	-24.14	-0.153
6	-0.717	-22.60	-0.185	-0.716	-22.42	-0.145
7	-0.676	-20.25	-0.178	-0.675	-20.14	-0.139
8	-0.568	-17.69	-0.156	-0.568	-17.63	-0.124
9	-0.394	-12.53	-0.116	-0.392	-12.43	-0.093
<i>Other demographics</i>						
Swedish speaker	0.028	1.30	0.010	0.027	1.24	0.008
Married	0.010	0.65	0.003	0.010	0.64	0.003
Cohabitor	0.017	0.73	0.006	0.015	0.65	0.004
Kids	-0.099	-6.36	-0.033	-0.098	-6.29	-0.027
<i>Occupation</i>						
Entrepreneur	-0.053	-2.20	-0.018	-0.056	-2.29	-0.015
Farmer	-0.110	-1.89	-0.036	-0.111	-1.90	-0.030
Finance professional	0.386	9.25	0.141	0.386	9.23	0.125
Unemployed	-0.344	-19.23	-0.105	-0.347	-19.38	-0.086
Cohort fixed effects	Yes			Yes		
Baseline probability			0.278			0.203
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	1,522.9					
Pseudo R <sup>2</sup>	0.1848			0.1843		
N	158,044			158,044		

**Table IA.III**  
**An Alternative Version of Table III**  
**Using the Narrow Definition of Stock Market Participation**

Panel A. Ordinary income in top 10% of the distribution						
Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.051	7.31	0.020
Lowest	-0.364	-2.32	-0.143			
2	-0.646	-6.25	-0.245			
3	-0.338	-4.13	-0.133			
4	-0.238	-4.76	-0.094			
5	-0.132	-3.30	-0.053			
6	-0.031	-0.77	-0.012			
7	-0.046	-1.15	-0.018			
8	-0.010	-0.26	-0.004			
<i>Education</i>						
Basic	-0.004	-1.40	-0.001	-0.004	-1.39	-0.001
Vocational	-0.014	-5.53	-0.005	-0.014	-5.50	-0.005
Matricular	0.001	0.23	0.000	0.001	0.28	0.001
Income log-growth rate	0.036	0.90	0.014	0.030	0.74	0.012
<i>Wealth dummies by wealth type</i>						
Housing	0.220	9.04	0.088	0.220	9.03	0.088
Forest	0.006	0.06	0.002	0.006	0.06	0.002
Private equity	-0.012	-0.24	-0.005	-0.016	-0.32	-0.006
Foreign assets excluding equity	0.507	1.53	0.191	0.515	1.49	0.197
<i>Net worth decile</i>						
No net worth	-1.225	-26.53	-0.456	-1.218	-26.49	-0.457
Lowest	-0.880	-10.67	-0.319	-0.873	-10.56	-0.308
2	-0.687	-8.44	-0.260	-0.690	-8.43	-0.255
3	-0.733	-9.92	-0.275	-0.729	-9.87	-0.268
4	-0.806	-10.39	-0.299	-0.796	-10.28	-0.288
5	-0.761	-10.89	-0.285	-0.755	-10.85	-0.276
6	-0.662	-9.31	-0.252	-0.656	-9.23	-0.245
7	-0.609	-8.06	-0.234	-0.602	-7.95	-0.227
8	-0.503	-8.17	-0.196	-0.498	-8.08	-0.191
9	-0.352	-6.25	-0.139	-0.347	-6.15	-0.136
<i>Other demographics</i>						
Swedish speaker	0.060	1.34	0.024	0.054	1.18	0.021
Married	-0.033	-0.86	-0.013	-0.031	-0.81	-0.012
Cohabitor	0.047	0.75	0.019	0.041	0.66	0.017
Kids	-0.106	-3.01	-0.042	-0.105	-2.98	-0.042
<i>Occupation</i>						
Entrepreneur	-0.058	-1.13	-0.023	-0.077	-1.54	-0.031
Farmer	-0.086	-0.61	-0.034	-0.093	-0.65	-0.037
Finance professional	0.288	5.37	0.112	0.291	5.46	0.115
Unemployed	-0.240	-0.95	-0.095	-0.243	-0.97	-0.096
Cohort fixed effects	Yes			Yes		
Baseline probability				0.524		
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	82.3					
Pseudo R <sup>2</sup>	0.0991			0.0977		
N	15,413			15,413		

Panel B. Net worth in top 10% of the distribution						
Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.090	6.78	0.025
Lowest	-0.741	-3.94	-0.232			
2	-0.606	-4.31	-0.182			
3	-0.445	-3.81	-0.126			
4	-0.488	-4.70	-0.140			
5	-0.238	-2.54	-0.062			
6	-0.143	-1.56	-0.036			
7	-0.158	-1.71	-0.039			
8	-0.007	-0.06	-0.002			
<i>Education</i>						
Basic	-0.002	-0.35	0.000	-0.002	-0.41	-0.001
Vocational	-0.023	-5.29	-0.005	-0.023	-5.27	-0.006
Matricular	0.002	0.29	0.001	0.002	0.30	0.001
<i>Ordinary income decile</i>						
No income	0.004	0.03	0.001	0.004	0.03	0.001
Lowest	0.156	1.24	0.033	0.150	1.19	0.040
2	-0.186	-1.52	-0.047	-0.185	-1.51	-0.055
3	-0.124	-1.16	-0.030	-0.122	-1.14	-0.036
4	-0.176	-1.65	-0.044	-0.172	-1.61	-0.051
5	-0.198	-1.94	-0.050	-0.205	-2.02	-0.062
6	-0.212	-2.01	-0.054	-0.211	-2.00	-0.063
7	-0.146	-1.39	-0.036	-0.150	-1.44	-0.044
8	-0.049	-0.53	-0.012	-0.045	-0.49	-0.013
9	-0.004	-0.06	-0.001	-0.002	-0.02	-0.001
Income log-growth rate	-0.042	-1.05	-0.010	-0.040	-1.01	-0.011
<i>Wealth dummies by wealth type</i>						
Housing	-0.037	-0.40	-0.008	-0.039	-0.42	-0.011
Forest	0.102	0.90	0.023	0.098	0.87	0.027
Private equity	-0.056	-0.69	-0.013	-0.055	-0.68	-0.016
Foreign assets excluding equity	-0.377	-1.01	-0.104	-0.352	-0.93	-0.112
<i>Other demographics</i>						
Swedish speaker	0.104	1.58	0.023	0.109	1.65	0.029
Married	0.044	0.52	0.010	0.048	0.56	0.013
Cohabitor	0.123	0.94	0.027	0.129	0.98	0.034
Kids	-0.238	-2.77	-0.056	-0.243	-2.81	-0.068
<i>Occupation</i>						
Entrepreneur	-0.013	-0.11	-0.003	-0.010	-0.09	-0.003
Farmer	-0.352	-2.79	-0.093	-0.351	-2.78	-0.109
Finance professional	0.442	2.40	0.081	0.450	2.44	0.103
Unemployed	0.037	0.21	0.008	0.036	0.21	0.010
Cohort fixed effects	Yes			Yes		
Baseline probability			0.852			0.801
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	51.0					
Pseudo R <sup>2</sup>	0.1123			0.1107		
N	3,857			3,857		



**Table IA.IV**  
**An Alternative Version of Table IV**  
**Using the Narrow Definition of Stock Market Participation**

Panel A. Decomposition estimates for IQ 1 versus IQ 9 individuals		
	Decomposition	
	Estimate, %	z-value
Education	17.9%	45.8
Income	15.0%	45.4
Asset class ownership	2.3%	18.9
Wealth	20.9%	107.5
Demographics	0.6%	4.5
Profession and unemployment	5.1%	27.2
Cohort	1.1%	4.2
Unexplained	37.0%	
IQ=1 participation rate	8.0%	
IQ=9 participation rate	40.7%	
Difference in participation rates	32.7%	
Panel B. Decomposition estimates for IQ 2 versus IQ 8 Individuals		
	Decomposition	
	Estimate, %	z-value
Education	16.9%	44.2
Income	16.5%	45.1
Asset class ownership	2.1%	18.8
Wealth	18.4%	108.4
Demographics	0.6%	4.9
Profession and unemployment	4.5%	27.2
Cohort	1.2%	4.6
Unexplained	39.8%	
IQ=2 participation rate	10.5%	
IQ=8 participation rate	36.6%	
Difference in participation rates	26.1%	

**Table IA.V**  
**An Alternative Version of Table V**  
**Using the Narrow Definition of Stock Market Participation**

Independent Variables	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>	0.256	5.51	0.048
<i>Education</i>			
Basic	0.003	0.39	0.001
Vocational	-0.021	-2.69	-0.004
Matricular	0.003	0.33	0.000
<i>Ordinary income decile</i>			
No income	0.191	1.01	0.036
Lowest	0.613	2.75	0.115
2	-0.110	-0.54	-0.021
3	-0.019	-0.11	-0.004
4	-0.027	-0.17	-0.005
5	-0.240	-1.67	-0.045
6	0.030	0.22	0.006
7	-0.150	-1.33	-0.028
8	-0.162	-1.49	-0.030
9	-0.128	-1.24	-0.024
Income log-growth rate	0.013	0.30	0.002
<i>Wealth dummies by wealth type</i>			
Housing	-0.093	-0.84	-0.017
Forest	-1.066	-1.82	-0.200
Private equity	-0.170	-0.71	-0.032
Foreign assets excluding equity			
<i>Net worth decile</i>			
No net worth	-1.873	-10.37	-0.352
Lowest	-1.135	-3.63	-0.213
2	-0.860	-2.74	-0.162
3	-0.945	-3.52	-0.178
4	-0.990	-3.66	-0.186
5	-0.987	-3.87	-0.185
6	-0.891	-3.65	-0.167
7	-0.688	-3.17	-0.129
8	-0.475	-2.19	-0.089
9	-0.422	-2.08	-0.079
<i>Other demographics</i>			
Swedish speaker	0.182	1.78	0.034
Married	-0.093	-0.34	-0.017
Cohabitor	0.079	0.13	0.015
Kids	-0.264	-0.52	-0.050
<i>Occupation</i>			
Entrepreneur	-0.124	-0.42	-0.023
Farmer	0.336	0.57	0.063
Finance professional	0.177	0.23	0.033
Unemployed	-0.436	-2.35	-0.082
1 <sup>st</sup> stage control variable	-0.195	-3.88	0.229
Cohort fixed effects	Yes		
Baseline probability			0.110
Pseudo R <sup>2</sup>	0.2689		
N	3,992		

**Table IA.VI**  
**An Alternative Version of Table VI**  
**Using the Narrow Definition of Stock Market Participation**

Independent Variables	IQ Dummy Specification		Linear IQ Specification	
	Coefficients	z-values	Coefficients	z-values
<i>IQ stanine</i>			0.114	3.87
Lowest	-0.860	-2.09		
2	-0.803	-2.34		
3	-0.255	-0.91		
4	-0.481	-2.06		
5	-0.302	-1.40		
6	0.097	0.47		
7	-0.111	-0.51		
8	0.148	0.61		
<i>Education</i>				
Basic	-0.007	-0.52	-0.007	-0.50
Vocational	-0.049	-3.73	-0.049	-3.77
Matricular	0.000	-0.01	-0.001	-0.06
<i>Ordinary income decile</i>				
No income	0.765	2.23	0.752	2.22
Lowest	1.257	3.31	1.208	3.20
2	0.006	0.02	-0.025	-0.07
3	0.333	1.17	0.317	1.13
4	0.244	0.96	0.244	0.96
5	0.109	0.48	0.109	0.48
6	0.330	1.51	0.321	1.48
7	0.019	0.10	0.006	0.03
8	-0.085	-0.48	-0.088	-0.49
9	-0.028	-0.17	-0.038	-0.23
Income log-growth rate	0.101	1.32	0.099	1.30
<i>Wealth dummies by wealth type</i>				
Housing	-1.309	-1.28	-1.380	-1.37
Forest	-0.298	-0.65	-0.323	-0.71
Private equity	-3.181	-9.89	-3.152	-9.88
Foreign assets excluding equity				
<i>Net worth decile</i>				
No net worth	-2.010	-4.07	-2.036	-4.13
Lowest	-1.324	-2.84	-1.283	-2.76
2	-1.682	-3.46	-1.671	-3.44
3	-1.214	-2.68	-1.217	-2.71
4	-1.646	-3.92	-1.618	-3.87
5	-1.359	-3.33	-1.365	-3.37
6	-1.158	-3.07	-1.161	-3.09
7	-0.769	-1.96	-0.764	-1.96
8	-0.508	-1.37	-0.524	-1.42
9	0.229	1.16	0.240	1.23
<i>Other demographics</i>				
Swedish speaker				
Married	0.406	0.96	0.322	0.77
Cohabitor	1.230	1.30	1.024	1.10
Kids	-1.033	-1.28	-0.903	-1.14
<i>Occupation</i>				
Entrepreneur	-0.570	-1.15	-0.511	-1.05
Farmer	0.203	0.23	0.311	0.36
Finance professional	0.431	0.41	0.442	0.43
Unemployed	-0.810	-2.82	-0.806	-2.83
Cohort fixed effects	Yes		Yes	
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	24.4			
N	3,766		3,766	

**Table IA.VII**  
**An Alternative Version of Table VII Panel C**  
**Using the Narrow Definition of Stock Market Participation**

Panel A. Probit regression of the decision to own mutual funds						
Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.047	11.82	0.013
Lowest	-0.363	-4.35	-0.095			
2	-0.388	-6.80	-0.100			
3	-0.323	-6.36	-0.086			
4	-0.198	-6.24	-0.056			
5	-0.187	-7.11	-0.053			
6	-0.110	-4.26	-0.032			
7	-0.081	-2.81	-0.024			
8	-0.051	-1.77	-0.015			
<i>Education</i>						
Basic	0.001	0.58	0.000	0.001	0.56	0.000
Vocational	-0.002	-1.60	-0.001	-0.002	-1.63	-0.001
Matricular	0.000	0.23	0.000	0.000	0.17	0.000
<i>Ordinary income decile</i>						
No income	-0.229	-3.51	-0.064	-0.228	-3.50	-0.056
Lowest	-0.371	-9.04	-0.099	-0.371	-9.04	-0.087
2	-0.345	-8.09	-0.093	-0.345	-8.10	-0.082
3	-0.300	-7.09	-0.082	-0.300	-7.11	-0.073
4	-0.371	-8.82	-0.099	-0.373	-8.87	-0.087
5	-0.301	-7.95	-0.082	-0.302	-8.00	-0.073
6	-0.261	-7.58	-0.073	-0.263	-7.55	-0.065
7	-0.213	-6.33	-0.060	-0.214	-6.37	-0.054
8	-0.151	-4.95	-0.044	-0.151	-4.96	-0.039
9	-0.123	-4.69	-0.036	-0.122	-4.65	-0.032
Income log-growth rate	0.016	0.98	0.005	0.016	1.00	0.004
<i>Wealth dummies by wealth type</i>						
Housing	-0.081	-4.13	-0.025	-0.081	-4.15	-0.022
Forest	-0.090	-1.05	-0.027	-0.091	-1.05	-0.024
Private equity	-0.020	-0.56	-0.006	-0.020	-0.57	-0.006
Foreign assets excluding equity	-0.062	-0.21	-0.018	-0.057	-0.19	-0.015
<i>Net worth decile</i>						
No net worth	-0.970	-31.96	-0.285	-0.968	-31.93	-0.257
Lowest	-0.046	-1.01	-0.014	-0.046	-0.99	-0.012
2	-0.365	-9.03	-0.097	-0.364	-9.01	-0.085
3	-0.216	-5.53	-0.061	-0.215	-5.49	-0.054
4	-0.295	-6.94	-0.080	-0.294	-6.92	-0.071
5	-0.358	-8.35	-0.095	-0.357	-8.31	-0.084
6	-0.364	-8.69	-0.097	-0.364	-8.69	-0.085
7	-0.449	-11.30	-0.115	-0.448	-11.32	-0.101
8	-0.313	-7.49	-0.085	-0.313	-7.47	-0.075
9	-0.222	-6.29	-0.063	-0.221	-6.26	-0.055
<i>Other demographics</i>						
Swedish speaker	0.219	7.39	0.071	0.217	7.30	0.064
Married	0.020	0.75	0.006	0.020	0.74	0.005
Cohabitor	0.056	1.19	0.017	0.054	1.14	0.015
Kids	-0.189	-6.23	-0.056	-0.188	-6.20	-0.050
<i>Occupation</i>						
Entrepreneur	-1.513	-14.88	-0.231	-1.513	-14.89	-0.195
Farmer	-0.549	-5.12	-0.132	-0.550	-5.11	-0.115
Finance professional	0.330	6.53	0.111	0.330	6.51	0.102
Unemployed	-0.115	-2.22	-0.034	-0.116	-2.24	-0.030
Cohort fixed effects	Yes			Yes		
Baseline probability			0.230			0.192
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	144.4					
Pseudo R <sup>2</sup>	0.0926			0.0924		
N	37,901			37,901		

Panel B. Negative binomial regression of the number of stocks held						
Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.038	13.47	0.094
Lowest	-0.274	-5.44	-0.657			
2	-0.284	-7.99	-0.678			
3	-0.280	-9.88	-0.669			
4	-0.159	-8.38	-0.403			
5	-0.118	-6.66	-0.306			
6	-0.052	-2.99	-0.138			
7	-0.059	-2.73	-0.155			
8	-0.016	-0.86	-0.042			
<i>Education</i>						
Basic	-0.003	-2.69	-0.011	-0.004	-3.30	-0.010
Vocational	-0.007	-6.54	-0.018	-0.007	-6.22	-0.017
Matricular	-0.002	-1.07	-0.005	-0.002	-1.14	-0.005
<i>Ordinary income decile</i>						
No income	-0.022	-0.50	-0.057	-0.020	-0.46	-0.049
Lowest	-0.130	-5.60	-0.338	-0.130	-5.58	-0.308
2	-0.180	-8.14	-0.459	-0.181	-8.17	-0.420
3	-0.203	-8.86	-0.511	-0.204	-8.91	-0.470
4	-0.244	-11.75	-0.604	-0.248	-11.93	-0.559
5	-0.247	-10.67	-0.610	-0.250	-10.77	-0.565
6	-0.256	-11.06	-0.631	-0.259	-11.17	-0.584
7	-0.194	-8.61	-0.491	-0.195	-8.70	-0.452
8	-0.132	-6.95	-0.345	-0.132	-6.93	-0.316
9	-0.107	-6.62	-0.283	-0.106	-6.53	-0.257
Income log-growth rate	0.013	1.18	0.035	0.014	1.26	0.034
<i>Wealth dummies by wealth type</i>						
Housing	-0.036	-2.94	-0.102	-0.038	-3.04	-0.095
Forest	-0.024	-0.51	-0.064	-0.024	-0.50	-0.059
Private equity	0.060	1.95	0.170	0.060	1.95	0.155
Foreign assets excluding equity	0.089	0.60	0.265	0.101	0.67	0.266
<i>Net worth decile</i>						
No net worth	-1.025	-47.22	-2.861	-1.024	-46.78	-2.618
Lowest	-1.071	-32.77	-1.875	-1.070	-32.56	-1.717
2	-1.013	-36.57	-1.828	-1.012	-36.33	-1.674
3	-0.834	-34.30	-1.609	-0.833	-33.94	-1.473
4	-0.722	-24.28	-1.455	-0.722	-24.08	-1.333
5	-0.703	-25.04	-1.427	-0.702	-24.73	-1.307
6	-0.627	-24.97	-1.315	-0.628	-24.82	-1.205
7	-0.635	-21.92	-1.329	-0.634	-21.71	-1.217
8	-0.511	-18.78	-1.126	-0.510	-18.77	-1.032
9	-0.394	-15.63	-0.915	-0.394	-15.50	-0.838
<i>Other demographics</i>						
Swedish speaker	0.058	2.88	0.160	0.055	2.70	0.140
Married	-0.047	-2.56	-0.128	-0.047	-2.57	-0.117
Cohabitor	0.017	0.61	0.045	0.014	0.51	0.035
Kids	-0.083	-4.30	-0.228	-0.084	-4.36	-0.208
<i>Occupation</i>						
Entrepreneur	-0.045	-1.64	-0.120	-0.046	-1.70	-0.114
Farmer	-0.063	-0.96	-0.169	-0.065	-1.00	-0.159
Finance professional	0.213	6.55	0.650	0.216	6.63	0.602
Unemployed	0.020	0.65	0.057	0.019	0.62	0.049
Cohort fixed effects	Yes			Yes		
Baseline number of stocks			2.737			2.508
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	217.8					
N	37,901			37,901		

**Table IA.VIII**  
**An Alternative Version of Table II Using a Different Definition of Stock Market Participation**  
 An Individual Is Defined as a Stock Market Participant If He Purchased Stock between 1995 and 2002.

Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.096	38.15	0.024
Lowest	-0.757	-22.33	-0.172			
2	-0.617	-25.45	-0.150			
3	-0.539	-23.87	-0.136			
4	-0.410	-22.91	-0.110			
5	-0.278	-17.48	-0.079			
6	-0.148	-9.39	-0.044			
7	-0.080	-4.21	-0.024			
8	-0.036	-2.05	-0.011			
<i>Education</i>						
Basic	-0.009	-8.90	-0.003	-0.009	-8.98	-0.002
Vocational	-0.016	-17.06	-0.005	-0.016	-16.74	-0.004
Matricular	-0.001	-0.46	0.000	-0.001	-0.62	0.000
<i>Ordinary income decile</i>						
No income	-0.484	-12.49	-0.127	-0.484	-12.49	-0.096
Lowest	-0.573	-26.19	-0.150	-0.574	-26.25	-0.114
2	-0.656	-30.82	-0.167	-0.656	-30.76	-0.125
3	-0.654	-28.72	-0.166	-0.656	-28.86	-0.125
4	-0.744	-34.28	-0.183	-0.747	-34.37	-0.137
5	-0.780	-40.27	-0.189	-0.783	-40.61	-0.142
6	-0.689	-34.28	-0.173	-0.691	-34.42	-0.130
7	-0.597	-33.10	-0.155	-0.597	-33.07	-0.117
8	-0.441	-27.38	-0.121	-0.439	-27.28	-0.092
9	-0.235	-14.90	-0.069	-0.232	-14.77	-0.053
Income log-growth rate	0.019	2.05	0.006	0.020	2.08	0.005
<i>Wealth dummies by wealth type</i>						
Housing	0.197	16.97	0.063	0.198	17.09	0.051
Forest	-0.004	-0.07	-0.001	-0.004	-0.07	-0.001
Private equity	0.008	0.34	0.003	0.007	0.33	0.002
Foreign assets excluding equity	0.392	1.79	0.138	0.394	1.78	0.118
<i>Net worth decile</i>						
No net worth	-1.355	-46.24	-0.477	-1.352	-45.97	-0.426
Lowest	-0.775	-22.30	-0.178	-0.771	-22.05	-0.131
2	-0.823	-22.26	-0.185	-0.821	-22.13	-0.135
3	-0.712	-21.42	-0.169	-0.711	-21.34	-0.125
4	-0.728	-21.09	-0.171	-0.727	-21.11	-0.126
5	-0.750	-20.94	-0.174	-0.747	-20.83	-0.128
6	-0.706	-21.14	-0.168	-0.704	-21.08	-0.124
7	-0.682	-19.47	-0.164	-0.681	-19.41	-0.121
8	-0.602	-17.80	-0.150	-0.602	-17.76	-0.112
9	-0.428	-13.46	-0.115	-0.426	-13.39	-0.087
<i>Other demographics</i>						
Swedish speaker	-0.008	-0.41	-0.002	-0.011	-0.55	-0.003
Married	-0.021	-1.36	-0.007	-0.021	-1.33	-0.005
Cohabitor	0.012	0.55	0.004	0.010	0.43	0.002
Kids	-0.091	-5.75	-0.028	-0.091	-5.68	-0.023
<i>Occupation</i>						
Entrepreneur	-0.001	-0.05	0.000	-0.004	-0.17	-0.001
Farmer	-0.075	-1.31	-0.023	-0.076	-1.34	-0.019
Finance professional	0.673	15.46	0.248	0.675	15.39	0.219
Unemployed	-0.243	-13.87	-0.071	-0.247	-14.08	-0.056
Cohort fixed effects	Yes			Yes		
Baseline probability			0.247			0.170
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	1,648.3					
Pseudo R <sup>2</sup>	0.187			0.186		
N	158,044			158,044		

**Table IA.IX**  
**Alternative Versions of Table II That Omit Various Blocks of Regressors**  
 Panel A Omits Education Variables; Panel B Omits Wealth Variables;  
 Panel C Omits Income Variables; and Panel D Omits IQ Variables.

Independent Variables	Panel A. Education variables omitted					
	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.107	44.34	0.034
Lowest	-0.835	-28.00	-0.245			
2	-0.697	-30.82	-0.215			
3	-0.590	-24.79	-0.189			
4	-0.468	-24.76	-0.156			
5	-0.342	-19.61	-0.119			
6	-0.211	-12.03	-0.076			
7	-0.119	-6.78	-0.044			
8	-0.046	-2.59	-0.017			
<i>Education</i>						
Basic						
Vocational						
Matricular						
<i>Ordinary income decile</i>						
No income	-0.361	-11.05	-0.125	-0.362	-11.06	-0.100
Lowest	-0.512	-24.95	-0.173	-0.512	-24.97	-0.138
2	-0.584	-29.16	-0.194	-0.584	-29.19	-0.153
3	-0.591	-31.36	-0.196	-0.593	-31.55	-0.155
4	-0.662	-39.24	-0.216	-0.664	-39.30	-0.169
5	-0.675	-36.65	-0.219	-0.676	-36.78	-0.171
6	-0.595	-32.38	-0.197	-0.596	-32.44	-0.156
7	-0.493	-29.81	-0.168	-0.493	-29.70	-0.134
8	-0.377	-21.94	-0.132	-0.375	-21.92	-0.106
9	-0.204	-12.62	-0.074	-0.202	-12.47	-0.060
Income log-growth rate	0.041	5.44	0.015	0.041	5.43	0.013
<i>Wealth dummies by wealth type</i>						
Housing	0.104	8.22	0.039	0.105	8.29	0.034
Forest	-0.086	-1.89	-0.032	-0.086	-1.90	-0.026
Private equity	-0.171	-7.56	-0.062	-0.172	-7.58	-0.051
Foreign assets excluding equity	0.326	1.37	0.127	0.329	1.39	0.114
<i>Net worth decile</i>						
No net worth	-1.705	-52.17	-0.605	-1.704	-51.89	-0.591
Lowest	-0.273	-6.95	-0.097	-0.271	-6.87	-0.078
2	-0.454	-12.09	-0.153	-0.453	-12.03	-0.121
3	-0.635	-17.91	-0.202	-0.634	-17.85	-0.156
4	-0.743	-20.85	-0.228	-0.743	-20.82	-0.174
5	-0.785	-22.82	-0.238	-0.784	-22.73	-0.180
6	-0.756	-21.92	-0.231	-0.756	-21.79	-0.176
7	-0.721	-20.18	-0.223	-0.721	-20.11	-0.171
8	-0.617	-18.01	-0.198	-0.617	-18.00	-0.153
9	-0.430	-13.35	-0.146	-0.430	-13.28	-0.116
<i>Other demographics</i>						
Swedish speaker	0.137	4.86	0.052	0.135	4.80	0.044
Married	0.011	0.71	0.004	0.011	0.73	0.004
Cohabitor	0.017	0.72	0.006	0.016	0.66	0.005
Kids	-0.182	-10.90	-0.067	-0.182	-10.84	-0.056
<i>Occupation</i>						
Entrepreneur	-0.244	-9.35	-0.087	-0.246	-9.41	-0.072
Farmer	-0.301	-5.27	-0.106	-0.301	-5.28	-0.085
Finance professional	0.491	10.40	0.193	0.492	10.39	0.177
Unemployed	-0.371	-22.42	-0.130	-0.373	-22.52	-0.105
Cohort fixed effects	Yes			Yes		
Baseline probability			0.362			0.249
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	2,040.7					
Pseudo R <sup>2</sup>	0.200			0.200		
N	158,044			158,044		

Panel B. Wealth variables omitted						
Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.102	45.59	0.033
Lowest	-0.807	-29.90	-0.245			
2	-0.674	-31.11	-0.214			
3	-0.558	-25.90	-0.185			
4	-0.449	-25.16	-0.154			
5	-0.328	-18.81	-0.116			
6	-0.207	-12.61	-0.075			
7	-0.118	-7.41	-0.044			
8	-0.055	-3.03	-0.021			
<i>Education</i>						
Basic	-0.008	-7.86	-0.003	-0.008	-7.91	-0.003
Vocational	-0.015	-12.78	-0.006	-0.015	-12.70	-0.005
Matricular	0.001	0.43	0.000	0.001	0.32	0.000
<i>Ordinary income decile</i>						
No income	-0.384	-11.82	-0.135	-0.384	-11.83	-0.110
Lowest	-0.538	-25.44	-0.184	-0.538	-25.42	-0.149
2	-0.624	-31.93	-0.209	-0.624	-31.92	-0.167
3	-0.616	-31.10	-0.207	-0.617	-31.11	-0.166
4	-0.677	-41.74	-0.224	-0.678	-41.67	-0.179
5	-0.680	-41.76	-0.225	-0.681	-41.78	-0.179
6	-0.602	-35.36	-0.203	-0.602	-35.28	-0.163
7	-0.491	-32.75	-0.170	-0.490	-32.63	-0.138
8	-0.388	-25.78	-0.138	-0.386	-25.67	-0.112
9	-0.212	-15.33	-0.078	-0.210	-15.10	-0.065
Income log-growth rate	0.019	2.57	0.007	0.019	2.58	0.006
<i>Wealth dummies by wealth type</i>						
Housing						
Forest						
Private equity						
Foreign assets excluding equity						
<i>Net worth decile</i>						
No net worth						
Lowest						
2						
3						
4						
5						
6						
7						
8						
9						
<i>Other demographics</i>						
Swedish speaker	0.234	11.68	0.091	0.232	11.58	0.080
Married	0.042	2.94	0.016	0.043	2.94	0.014
Cohabitor	-0.001	-0.04	0.000	-0.002	-0.09	-0.001
Kids	-0.093	-5.78	-0.035	-0.093	-5.74	-0.030
<i>Occupation</i>						
Entrepreneur	-0.115	-4.94	-0.043	-0.117	-5.00	-0.037
Farmer	0.426	11.37	0.168	0.425	11.36	0.154
Finance professional	0.431	10.72	0.170	0.432	10.68	0.157
Unemployed	-0.422	-25.68	-0.148	-0.424	-25.81	-0.121
Cohort fixed effects	Yes			Yes		
Baseline probability			0.374			0.263
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	2,173.1					
Pseudo R <sup>2</sup>	0.096			0.096		
N	158,044			158,044		



Panel C. Income variables omitted						
Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.109	50.65	0.034
Lowest	-0.840	-29.23	-0.243			
2	-0.708	-33.33	-0.216			
3	-0.588	-26.35	-0.187			
4	-0.461	-27.89	-0.153			
5	-0.330	-19.92	-0.114			
6	-0.192	-11.55	-0.069			
7	-0.100	-5.87	-0.037			
8	-0.033	-1.78	-0.012			
<i>Education</i>						
Basic	-0.009	-8.24	-0.004	-0.010	-8.28	-0.003
Vocational	-0.019	-16.94	-0.007	-0.019	-16.79	-0.006
Matricular	-0.004	-2.35	-0.002	-0.005	-2.37	-0.001
<i>Ordinary income decile</i>						
No income						
Lowest						
2						
3						
4						
5						
6						
7						
8						
9						
Income log-growth rate						
<i>Wealth dummies by wealth type</i>						
Housing	0.216	19.24	0.081	0.217	19.37	0.070
Forest	-0.082	-1.76	-0.030	-0.081	-1.75	-0.025
Private equity	-0.182	-7.91	-0.065	-0.182	-7.93	-0.054
Foreign assets excluding equity	0.306	1.24	0.119	0.309	1.27	0.107
<i>Net worth decile</i>						
No net worth	-1.639	-50.20	-0.587	-1.636	-49.91	-0.570
Lowest	-0.233	-5.93	-0.083	-0.229	-5.82	-0.067
2	-0.425	-11.83	-0.144	-0.423	-11.72	-0.114
3	-0.605	-17.73	-0.193	-0.603	-17.61	-0.150
4	-0.717	-20.61	-0.220	-0.715	-20.55	-0.169
5	-0.752	-22.75	-0.228	-0.749	-22.58	-0.175
6	-0.729	-21.74	-0.223	-0.728	-21.54	-0.171
7	-0.690	-19.65	-0.214	-0.689	-19.56	-0.165
8	-0.578	-16.68	-0.186	-0.578	-16.64	-0.146
9	-0.398	-12.49	-0.136	-0.397	-12.38	-0.108
<i>Other demographics</i>						
Swedish speaker	0.142	6.97	0.054	0.139	6.85	0.046
Married	0.060	3.88	0.022	0.060	3.88	0.019
Cohabitor	0.021	0.92	0.008	0.020	0.83	0.006
Kids	-0.118	-7.23	-0.044	-0.117	-7.18	-0.036
<i>Occupation</i>						
Entrepreneur	-0.233	-8.82	-0.083	-0.235	-8.90	-0.068
Farmer	-0.233	-4.16	-0.083	-0.234	-4.19	-0.068
Finance professional	0.591	12.74	0.232	0.592	12.71	0.216
Unemployed	-0.436	-27.32	-0.149	-0.440	-27.48	-0.120
Cohort fixed effects	Yes			Yes		
Baseline probability			0.357			0.248
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	2,779.3					
Pseudo R <sup>2</sup>	0.200			0.200		
N	158,044			158,044		

Panel D. IQ variables omitted			
Independent Variables	Coefficients	z-values	Marginal Effects
<i>Education</i>			
Basic	-0.009	-7.68	-0.003
Vocational	-0.017	-16.36	-0.006
Matricular	0.000	-0.01	0.000
<i>Ordinary income decile</i>			
No income	-0.412	-12.62	-0.112
Lowest	-0.565	-27.59	-0.149
2	-0.640	-31.05	-0.165
3	-0.642	-32.07	-0.165
4	-0.719	-42.39	-0.179
5	-0.733	-40.52	-0.182
6	-0.643	-34.99	-0.165
7	-0.526	-31.29	-0.141
8	-0.395	-23.51	-0.111
9	-0.205	-12.77	-0.061
Income log-growth rate	0.038	5.08	0.012
<i>Wealth dummies by wealth type</i>			
Housing	0.154	13.80	0.049
Forest	-0.084	-1.84	-0.026
Private equity	-0.171	-7.56	-0.051
Foreign assets excluding equity	0.333	1.43	0.116
<i>Net worth decile</i>			
No net worth	-1.657	-49.27	-0.577
Lowest	-0.223	-5.61	-0.065
2	-0.411	-10.95	-0.112
3	-0.593	-17.04	-0.149
4	-0.701	-19.50	-0.168
5	-0.741	-22.03	-0.174
6	-0.716	-20.60	-0.170
7	-0.681	-19.10	-0.165
8	-0.579	-16.99	-0.147
9	-0.396	-12.18	-0.108
<i>Other demographics</i>			
Swedish speaker	0.145	7.67	0.048
Married	0.055	3.43	0.018
Cohabitor	0.016	0.66	0.005
Kids	-0.153	-9.15	-0.048
<i>Occupation</i>			
Entrepreneur	-0.256	-9.81	-0.074
Farmer	-0.201	-3.51	-0.059
Finance professional	0.476	10.11	0.171
Unemployed	-0.402	-24.85	-0.112
Cohort fixed effects	Yes		
Baseline probability			0.249
Pseudo R <sup>2</sup>	0.201		
N	158,044		

**Table IA.X**  
**Alternative Version of Table II Estimated Using All Individuals in the Data**  
**Including Those without IQ Data. This Regression Omits IQ Variables.**

Independent Variables	All Investors			Males Only		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
Male	-0.048	-8.86	-0.017			
<i>Education</i>						
Basic	-0.011	-9.39	-0.004	-0.012	-9.64	-0.004
Vocational	-0.013	-11.71	-0.005	-0.014	-11.92	-0.005
Matricular	0.001	1.02	0.000	0.001	1.07	0.000
<i>Ordinary income decile</i>						
No income	-0.478	-29.65	-0.147	-0.382	-20.95	-0.122
Lowest	-0.780	-53.09	-0.220	-0.725	-47.27	-0.210
2	-0.826	-53.95	-0.229	-0.788	-49.64	-0.222
3	-0.690	-55.45	-0.200	-0.694	-45.60	-0.201
4	-0.581	-55.78	-0.175	-0.614	-51.29	-0.183
5	-0.567	-59.54	-0.171	-0.575	-53.50	-0.174
6	-0.516	-55.52	-0.158	-0.540	-48.27	-0.165
7	-0.430	-52.18	-0.135	-0.479	-44.81	-0.150
8	-0.338	-42.50	-0.109	-0.384	-41.39	-0.124
9	-0.212	-28.49	-0.071	-0.223	-26.54	-0.075
Income log-growth rate	0.030	8.42	0.011	0.050	10.39	0.017
<i>Wealth dummies by wealth type</i>						
Housing	-0.069	-6.40	-0.024	0.034	3.05	0.012
Forest	-0.148	-13.08	-0.050	-0.078	-4.73	-0.027
Private equity	-0.071	-8.19	-0.024	-0.078	-6.64	-0.027
Foreign assets excluding equity	0.239	2.62	0.088	0.132	1.34	0.048
<i>Net worth decile</i>						
No net worth	-1.951	-106.20	-0.630	-1.927	-98.98	-0.629
Lowest	-0.519	-31.05	-0.156	-0.525	-27.44	-0.160
2	-0.805	-47.76	-0.218	-0.880	-45.47	-0.234
3	-1.105	-69.01	-0.265	-1.087	-57.64	-0.265
4	-1.099	-63.78	-0.264	-1.061	-53.51	-0.261
5	-0.998	-64.71	-0.250	-0.941	-51.70	-0.243
6	-0.898	-55.77	-0.234	-0.844	-45.91	-0.227
7	-0.756	-50.10	-0.209	-0.724	-41.00	-0.204
8	-0.613	-48.13	-0.179	-0.587	-36.39	-0.174
9	-0.419	-35.26	-0.131	-0.396	-25.74	-0.126
<i>Other demographics</i>						
Swedish speaker	-0.004	-0.15	-0.001	-0.002	-0.08	-0.001
Married	-0.129	-16.62	-0.045	-0.002	-0.26	-0.001
Cohabitor	-0.085	-9.05	-0.029	-0.046	-3.51	-0.016
Kids	-0.035	-6.25	-0.012	-0.069	-8.78	-0.024
<i>Occupation</i>						
Entrepreneur	-0.124	-10.64	-0.042	-0.152	-11.26	-0.052
Farmer	-0.012	-0.60	-0.004	-0.075	-2.96	-0.026
Finance professional	0.352	17.20	0.132	0.412	13.81	0.157
Unemployed	-0.177	-24.09	-0.060	-0.220	-23.59	-0.074
Cohort fixed effects	Yes			Yes		
Baseline probability			0.306			0.311
Pseudo R <sup>2</sup>	0.231			0.250		
N	1,151,607			545,700		

Table IA.XI

## Alternative Versions of Table II with Different Versions of the Intelligence Score

Panel A Replaces the Composite Intelligence Score with Its ‘Logical Ability’ Subcomponent; Panel B Uses the ‘Verbal Ability’ Subcomponent; Panel C Uses the ‘Numerical Ability’ Subcomponent; and Panel D Includes All Three Subcomponents Simultaneously as Separate (Linear) Variables.

Independent Variables	Panel A. Logical ability					
	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>Logical ability stanine</i>				0.065	32.08	0.021
Lowest	-0.477	-17.95	-0.143			
2	-0.391	-16.42	-0.121			
3	-0.312	-14.48	-0.100			
4	-0.221	-10.66	-0.073			
5	-0.150	-8.19	-0.051			
6	-0.098	-5.11	-0.034			
7	-0.024	-1.20	-0.008			
8	-0.009	-0.40	-0.003			
<i>Education</i>						
Basic	-0.008	-6.62	-0.003	-0.008	-6.67	-0.002
Vocational	-0.016	-15.24	-0.006	-0.016	-15.17	-0.005
Matricular	0.000	-0.02	0.000	0.000	-0.13	0.000
<i>Ordinary income decile</i>						
No income	-0.379	-11.55	-0.119	-0.382	-11.63	-0.105
Lowest	-0.523	-26.08	-0.160	-0.526	-26.11	-0.140
2	-0.594	-29.37	-0.178	-0.597	-29.41	-0.155
3	-0.592	-29.70	-0.177	-0.595	-29.83	-0.155
4	-0.649	-38.73	-0.191	-0.652	-38.87	-0.166
5	-0.660	-36.97	-0.194	-0.662	-37.07	-0.168
6	-0.579	-31.93	-0.174	-0.581	-31.86	-0.152
7	-0.473	-28.31	-0.147	-0.474	-28.35	-0.129
8	-0.359	-21.28	-0.115	-0.359	-21.33	-0.102
9	-0.187	-11.66	-0.063	-0.187	-11.66	-0.056
Income log-growth rate	0.033	4.36	0.012	0.033	4.31	0.010
<i>Wealth dummies by wealth type</i>						
Housing	0.151	13.59	0.053	0.151	13.65	0.048
Forest	-0.079	-1.73	-0.027	-0.079	-1.73	-0.024
Private equity	-0.172	-7.56	-0.058	-0.172	-7.55	-0.051
Foreign assets excluding equity	0.316	1.35	0.118	0.320	1.37	0.111
<i>Net worth decile</i>						
No net worth	-1.644	-48.98	-0.587	-1.644	-48.92	-0.572
Lowest	-0.214	-5.38	-0.071	-0.213	-5.36	-0.063
2	-0.402	-10.81	-0.125	-0.403	-10.81	-0.110
3	-0.585	-16.78	-0.170	-0.585	-16.75	-0.147
4	-0.695	-19.26	-0.194	-0.696	-19.29	-0.166
5	-0.735	-21.78	-0.202	-0.733	-21.73	-0.172
6	-0.710	-20.39	-0.197	-0.710	-20.36	-0.169
7	-0.675	-18.68	-0.190	-0.675	-18.68	-0.163
8	-0.570	-16.57	-0.167	-0.571	-16.56	-0.144
9	-0.392	-12.05	-0.122	-0.392	-12.03	-0.107
<i>Other demographics</i>						
Swedish speaker	0.138	7.33	0.050	0.135	7.17	0.044
Married	0.036	2.26	0.013	0.036	2.24	0.011
Cohabitor	0.023	0.96	0.008	0.022	0.93	0.007
Kids	-0.147	-8.77	-0.051	-0.146	-8.73	-0.045
<i>Occupation</i>						
Entrepreneur	-0.246	-9.39	-0.080	-0.246	-9.39	-0.071
Farmer	-0.189	-3.32	-0.063	-0.189	-3.32	-0.056
Finance professional	0.468	9.95	0.178	0.471	9.98	0.168
Unemployed	-0.363	-22.40	-0.116	-0.364	-22.43	-0.102
Cohort fixed effects	Yes			Yes		
Baseline probability			0.305			0.248
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	1,160.9					
Pseudo R <sup>2</sup>	0.2061			0.2058		
N	158,044			158,044		

Panel B. Verbal ability						
Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>Verbal ability stanine</i>						
Lowest	-0.551	-19.91	-0.162	0.070	33.26	0.022
2	-0.446	-21.41	-0.136			
3	-0.395	-19.33	-0.123			
4	-0.283	-15.89	-0.092			
5	-0.215	-13.74	-0.071			
6	-0.107	-6.59	-0.037			
7	-0.063	-3.83	-0.022			
8	-0.005	-0.35	-0.002			
<i>Education</i>						
Basic	-0.007	-6.12	-0.002	-0.007	-6.14	-0.002
Vocational	-0.016	-14.72	-0.006	-0.016	-14.65	-0.005
Matricular	0.000	-0.01	0.000	0.000	-0.03	0.000
<i>Ordinary income decile</i>						
No income	-0.383	-11.59	-0.121	-0.379	-11.48	-0.104
Lowest	-0.523	-25.83	-0.161	-0.519	-25.68	-0.139
2	-0.589	-28.93	-0.178	-0.585	-28.81	-0.153
3	-0.585	-29.08	-0.177	-0.582	-28.91	-0.152
4	-0.634	-37.39	-0.189	-0.632	-37.26	-0.162
5	-0.641	-35.82	-0.191	-0.639	-35.90	-0.164
6	-0.558	-30.13	-0.170	-0.555	-30.12	-0.147
7	-0.456	-27.09	-0.143	-0.452	-26.90	-0.124
8	-0.343	-20.22	-0.111	-0.339	-20.01	-0.097
9	-0.177	-10.94	-0.060	-0.173	-10.70	-0.052
Income log-growth rate	0.028	3.80	0.010	0.029	3.84	0.009
<i>Wealth dummies by wealth type</i>						
Housing	0.152	13.90	0.054	0.153	13.92	0.049
Forest	-0.088	-1.93	-0.030	-0.087	-1.91	-0.027
Private equity	-0.173	-7.56	-0.058	-0.174	-7.58	-0.052
Foreign assets excluding equity	0.315	1.31	0.118	0.324	1.35	0.112
<i>Net worth decile</i>						
No net worth	-1.653	-50.04	-0.590	-1.652	-49.80	-0.575
Lowest	-0.225	-5.66	-0.074	-0.223	-5.61	-0.065
2	-0.416	-11.26	-0.130	-0.415	-11.20	-0.112
3	-0.597	-17.29	-0.174	-0.597	-17.21	-0.149
4	-0.706	-19.81	-0.197	-0.706	-19.77	-0.168
5	-0.745	-22.24	-0.205	-0.745	-22.13	-0.174
6	-0.720	-20.95	-0.200	-0.720	-20.86	-0.170
7	-0.681	-19.09	-0.193	-0.682	-19.08	-0.164
8	-0.580	-16.93	-0.170	-0.581	-16.88	-0.146
9	-0.398	-12.35	-0.125	-0.398	-12.31	-0.108
<i>Other demographics</i>						
Swedish speaker	0.166	8.46	0.060	0.165	8.44	0.055
Married	0.031	1.94	0.011	0.030	1.89	0.009
Cohabitor	0.028	1.20	0.010	0.027	1.12	0.008
Kids	-0.140	-8.41	-0.049	-0.139	-8.36	-0.043
<i>Occupation</i>						
Entrepreneur	-0.232	-8.77	-0.077	-0.234	-8.85	-0.068
Farmer	-0.192	-3.36	-0.064	-0.193	-3.37	-0.057
Finance professional	0.444	9.38	0.169	0.445	9.39	0.158
Unemployed	-0.351	-21.81	-0.113	-0.353	-21.91	-0.100
Cohort fixed effects	Yes			Yes		
Baseline probability			0.309			0.247
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	1,243.4					
Pseudo R <sup>2</sup>	0.2077			0.2073		
N	158,044			158,044		

Panel C. Numerical ability						
Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>Numerical ability stanine</i>				0.088	39.91	0.028
Lowest	-0.727	-25.35	-0.216			
2	-0.603	-24.16	-0.188			
3	-0.507	-25.13	-0.163			
4	-0.400	-20.57	-0.133			
5	-0.287	-15.57	-0.099			
6	-0.210	-12.12	-0.074			
7	-0.132	-7.24	-0.047			
8	-0.075	-3.93	-0.027			
<i>Education</i>						
Basic	-0.007	-5.84	-0.002	-0.007	-5.87	-0.002
Vocational	-0.016	-14.46	-0.006	-0.016	-14.39	-0.005
Matricular	0.000	-0.12	0.000	0.000	-0.19	0.000
<i>Ordinary income decile</i>						
No income	-0.356	-10.78	-0.121	-0.356	-10.79	-0.098
Lowest	-0.491	-24.62	-0.163	-0.491	-24.60	-0.132
2	-0.561	-27.99	-0.184	-0.561	-27.98	-0.147
3	-0.556	-27.60	-0.182	-0.556	-27.58	-0.146
4	-0.597	-35.05	-0.193	-0.598	-35.00	-0.155
5	-0.601	-33.36	-0.195	-0.602	-33.37	-0.156
6	-0.523	-28.41	-0.173	-0.523	-28.49	-0.139
7	-0.427	-25.42	-0.145	-0.426	-25.30	-0.117
8	-0.324	-19.11	-0.112	-0.321	-19.00	-0.092
9	-0.167	-10.44	-0.060	-0.165	-10.32	-0.049
Income log-growth rate	0.029	3.85	0.011	0.029	3.83	0.009
<i>Wealth dummies by wealth type</i>						
Housing	0.146	13.43	0.054	0.146	13.49	0.047
Forest	-0.088	-1.93	-0.032	-0.088	-1.93	-0.027
Private equity	-0.173	-7.49	-0.062	-0.173	-7.50	-0.051
Foreign assets excluding equity	0.320	1.35	0.124	0.313	1.32	0.108
<i>Net worth decile</i>						
No net worth	-1.634	-49.27	-0.586	-1.632	-49.21	-0.568
Lowest	-0.211	-5.33	-0.075	-0.210	-5.28	-0.061
2	-0.400	-10.85	-0.134	-0.400	-10.81	-0.108
3	-0.586	-16.88	-0.185	-0.585	-16.84	-0.146
4	-0.694	-19.36	-0.212	-0.694	-19.34	-0.165
5	-0.735	-21.92	-0.221	-0.734	-21.89	-0.172
6	-0.707	-20.48	-0.214	-0.706	-20.42	-0.167
7	-0.676	-18.89	-0.207	-0.675	-18.86	-0.162
8	-0.574	-16.69	-0.182	-0.574	-16.70	-0.144
9	-0.391	-12.08	-0.132	-0.391	-12.06	-0.106
<i>Other demographics</i>						
Swedish speaker	0.138	7.19	0.052	0.137	7.11	0.045
Married	0.028	1.78	0.011	0.028	1.77	0.009
Cohabitor	0.027	1.12	0.010	0.026	1.10	0.008
Kids	-0.141	-8.36	-0.051	-0.140	-8.34	-0.043
<i>Occupation</i>						
Entrepreneur	-0.232	-8.98	-0.082	-0.233	-9.00	-0.068
Farmer	-0.183	-3.20	-0.065	-0.183	-3.20	-0.054
Finance professional	0.430	9.11	0.168	0.428	9.05	0.152
Unemployed	-0.339	-21.12	-0.117	-0.341	-21.19	-0.096
Cohort fixed effects	Yes			Yes		
Baseline probability			0.348			0.246
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	1,611.1					
Pseudo R <sup>2</sup>	0.2113			0.2111		
N	158,044			158,044		

Panel D. All ability subcomponents			
Independent Variables	Linear IQ Specification		Marginal Effects
	Coefficients	z-values	
<i>Ability type</i>			
Numerical	0.067	20.84	0.021
Logical	0.013	4.91	0.004
Verbal	0.022	7.83	0.007
<i>Education</i>			
Basic	-0.006	-5.61	-0.002
Vocational	-0.015	-14.09	-0.005
Matricular	0.000	-0.18	0.000
<i>Ordinary income decile</i>			
No income	-0.353	-10.68	-0.098
Lowest	-0.487	-24.40	-0.131
2	-0.554	-27.65	-0.146
3	-0.548	-27.20	-0.144
4	-0.586	-34.44	-0.152
5	-0.589	-32.97	-0.153
6	-0.511	-27.83	-0.137
7	-0.416	-24.73	-0.115
8	-0.314	-18.54	-0.090
9	-0.161	-10.04	-0.048
Income log-growth rate	0.027	3.59	0.008
<i>Wealth dummies by wealth type</i>			
Housing	0.147	13.58	0.047
Forest	-0.087	-1.91	-0.027
Private equity	-0.174	-7.52	-0.052
Foreign assets excluding equity	0.313	1.32	0.108
<i>Net worth decile</i>			
No net worth	-1.634	-49.41	-0.569
Lowest	-0.211	-5.32	-0.062
2	-0.402	-10.91	-0.109
3	-0.587	-16.89	-0.147
4	-0.697	-19.41	-0.165
5	-0.736	-21.91	-0.172
6	-0.709	-20.52	-0.167
7	-0.676	-18.84	-0.162
8	-0.574	-16.65	-0.144
9	-0.392	-12.10	-0.107
<i>Other demographics</i>			
Swedish speaker	0.143	7.41	0.047
Married	0.023	1.45	0.007
Cohabitor	0.029	1.19	0.009
Kids	-0.137	-8.20	-0.042
<i>Occupation</i>			
Entrepreneur	-0.230	-8.80	-0.067
Farmer	-0.182	-3.20	-0.054
Finance professional	0.429	9.05	0.152
Unemployed	-0.333	-20.64	-0.094
Cohort fixed effects	Yes		
Baseline probability			0.246
Pseudo R <sup>2</sup>	0.212		
N	158,044		

**Table IA.XII**  
**Alternative Versions of Table II Estimated from Age-Grouped Individuals**  
 Panel A Uses Individuals Born Between 1953 and 1969.  
 Panel B Uses Individuals Born Between 1970 and 1982.

Independent Variables	Panel A. 1953-1969 cohort					
	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.078	26.96	0.026
Lowest	-0.606	-16.64	-0.189			
2	-0.522	-16.79	-0.168			
3	-0.394	-12.91	-0.132			
4	-0.312	-11.49	-0.107			
5	-0.203	-7.81	-0.072			
6	-0.110	-4.12	-0.040			
7	-0.080	-2.85	-0.029			
8	-0.024	-0.74	-0.009			
<i>Education</i>						
Basic	-0.006	-3.63	-0.002	-0.006	-3.68	-0.002
Vocational	-0.014	-9.42	-0.005	-0.014	-9.37	-0.005
Matricular	0.004	1.68	0.002	0.004	1.74	0.001
<i>Ordinary income decile</i>						
No income	-0.379	-7.08	-0.128	-0.375	-6.98	-0.109
Lowest	-0.544	-13.91	-0.176	-0.543	-13.92	-0.149
2	-0.699	-21.57	-0.216	-0.699	-21.61	-0.182
3	-0.560	-19.42	-0.181	-0.559	-19.42	-0.154
4	-0.567	-23.60	-0.185	-0.567	-23.55	-0.157
5	-0.552	-24.81	-0.181	-0.551	-24.85	-0.155
6	-0.483	-23.24	-0.162	-0.481	-23.05	-0.139
7	-0.404	-18.96	-0.139	-0.399	-18.74	-0.119
8	-0.320	-16.34	-0.112	-0.314	-16.14	-0.096
9	-0.180	-10.15	-0.065	-0.174	-9.90	-0.055
Income log-growth rate	-0.011	-0.71	-0.004	-0.010	-0.65	-0.003
<i>Wealth dummies by wealth type</i>						
Housing	0.222	18.76	0.082	0.223	18.85	0.073
Forest	-0.041	-0.76	-0.015	-0.044	-0.81	-0.014
Private equity	-0.086	-3.48	-0.031	-0.086	-3.47	-0.028
Foreign assets excluding equity	0.400	1.34	0.156	0.409	1.38	0.150
<i>Net worth decile</i>						
No net worth	-1.478	-41.40	-0.537	-1.475	-41.03	-0.513
Lowest	-0.742	-14.20	-0.222	-0.739	-14.11	-0.185
2	-0.650	-14.19	-0.202	-0.647	-14.04	-0.169
3	-0.800	-18.78	-0.236	-0.798	-18.63	-0.195
4	-0.791	-17.29	-0.234	-0.789	-17.19	-0.194
5	-0.818	-21.37	-0.240	-0.815	-21.17	-0.199
6	-0.756	-18.01	-0.227	-0.755	-17.87	-0.189
7	-0.690	-16.40	-0.213	-0.689	-16.31	-0.178
8	-0.569	-13.65	-0.183	-0.569	-13.59	-0.155
9	-0.387	-10.69	-0.131	-0.386	-10.62	-0.113
<i>Other demographics</i>						
Swedish speaker	0.098	3.43	0.037	0.097	3.37	0.033
Married	0.034	1.75	0.013	0.035	1.77	0.011
Cohabitor	0.070	2.52	0.026	0.069	2.49	0.023
Kids	-0.120	-6.18	-0.044	-0.119	-6.15	-0.039
<i>Occupation</i>						
Entrepreneur	-0.129	-4.50	-0.047	-0.131	-4.57	-0.042
Farmer	-0.158	-2.37	-0.057	-0.156	-2.34	-0.049
Finance professional	0.328	6.02	0.127	0.329	6.02	0.118
Unemployed	-0.271	-10.76	-0.095	-0.272	-10.79	-0.084
Cohort fixed effects	Yes			Yes		
Baseline probability			0.350			0.271
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	835.7					
Pseudo R <sup>2</sup>	0.1897			0.1892		
N	75,410			75,410		



Panel B. 1970-1982 cohort						
Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.098	29.72	0.029
Lowest	-0.805	-16.74	-0.213			
2	-0.610	-18.03	-0.176			
3	-0.535	-17.08	-0.159			
4	-0.397	-17.22	-0.124			
5	-0.298	-13.81	-0.096			
6	-0.170	-8.88	-0.057			
7	-0.062	-2.91	-0.022			
8	-0.014	-0.63	-0.005			
<i>Education</i>						
Basic	-0.007	-4.65	-0.003	-0.007	-4.64	-0.002
Vocational	-0.016	-11.56	-0.006	-0.016	-11.49	-0.005
Matricular	-0.002	-1.09	-0.001	-0.002	-1.15	-0.001
<i>Ordinary income decile</i>						
No income	-0.400	-7.31	-0.126	-0.399	-7.33	-0.102
Lowest	-0.545	-16.39	-0.171	-0.544	-16.35	-0.139
2	-0.586	-16.55	-0.180	-0.583	-16.50	-0.145
3	-0.607	-17.59	-0.186	-0.606	-17.56	-0.150
4	-0.647	-19.94	-0.194	-0.647	-19.88	-0.156
5	-0.669	-18.31	-0.198	-0.669	-18.28	-0.158
6	-0.587	-16.13	-0.177	-0.585	-16.11	-0.142
7	-0.482	-14.39	-0.150	-0.480	-14.34	-0.121
8	-0.351	-10.09	-0.113	-0.347	-10.01	-0.092
9	-0.156	-4.87	-0.053	-0.153	-4.78	-0.043
Income log-growth rate	0.042	4.65	0.015	0.041	4.68	0.012
<i>Wealth dummies by wealth type</i>						
Housing	0.058	3.07	0.021	0.059	3.10	0.018
Forest	-0.219	-2.47	-0.073	-0.214	-2.42	-0.059
Private equity	-0.343	-7.76	-0.110	-0.343	-7.77	-0.090
Foreign assets excluding equity	0.152	0.28	0.056	0.144	0.26	0.046
<i>Net worth decile</i>						
No net worth	-1.906	-31.87	-0.656	-1.903	-31.96	-0.654
Lowest	-0.025	-0.39	-0.009	-0.022	-0.34	-0.006
2	-0.307	-4.93	-0.099	-0.305	-4.91	-0.081
3	-0.472	-7.43	-0.145	-0.471	-7.44	-0.116
4	-0.662	-10.84	-0.188	-0.660	-10.85	-0.149
5	-0.670	-9.74	-0.190	-0.669	-9.77	-0.150
6	-0.680	-11.21	-0.192	-0.679	-11.21	-0.151
7	-0.680	-10.22	-0.192	-0.681	-10.25	-0.151
8	-0.610	-9.01	-0.177	-0.611	-9.08	-0.140
9	-0.432	-6.06	-0.134	-0.429	-6.05	-0.107
<i>Other demographics</i>						
Swedish speaker	0.185	8.63	0.068	0.181	8.44	0.057
Married	0.014	0.68	0.005	0.015	0.69	0.004
Cohabitor	-0.049	-1.20	-0.017	-0.050	-1.23	-0.015
Kids	-0.184	-6.64	-0.062	-0.185	-6.69	-0.053
<i>Occupation</i>						
Entrepreneur	-0.426	-8.12	-0.132	-0.429	-8.14	-0.108
Farmer	-0.244	-2.28	-0.080	-0.248	-2.32	-0.067
Finance professional	0.628	8.12	0.242	0.628	8.16	0.224
Unemployed	-0.341	-14.92	-0.111	-0.346	-15.16	-0.092
Cohort fixed effects	Yes			Yes		
Baseline probability			0.310			0.225
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	971.4					
Pseudo R <sup>2</sup>	0.2458			0.2453		
N	82,634			82,634		

**Table IA.XIII**  
**Alternative Versions of Table II When Years Prior to 2000 Define Stock Market Participation**  
 An Individual's Stock Market Participation Status Is Based on End-of-1998 (Panel A) or  
 End-of-1999 (Panel B) Holdings. (The Tables in the Paper Use End-of-2000 Holdings.) Panel C  
 Uses End-of-2000 Holdings but Does Not Count Nokia towards Stock Market Participation.

Independent Variables	Panel A. End-of-1998 participation					
	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.112	41.72	0.026
Lowest	-0.883	-23.90	-0.190			
2	-0.746	-27.93	-0.172			
3	-0.643	-27.31	-0.156			
4	-0.503	-24.61	-0.131			
5	-0.373	-19.44	-0.102			
6	-0.233	-12.97	-0.068			
7	-0.146	-7.96	-0.044			
8	-0.061	-3.30	-0.019			
<i>Education</i>						
Basic	-0.008	-6.39	-0.003	-0.008	-6.40	-0.002
Vocational	-0.017	-14.35	-0.005	-0.017	-14.05	-0.004
Matricular	-0.001	-0.62	0.000	-0.002	-0.68	0.000
<i>Ordinary income decile</i>						
No income	-0.202	-7.11	-0.060	-0.203	-7.15	-0.043
Lowest	-0.314	-11.60	-0.090	-0.316	-11.64	-0.064
2	-0.394	-16.02	-0.111	-0.395	-16.09	-0.078
3	-0.383	-16.80	-0.108	-0.384	-16.89	-0.076
4	-0.414	-18.75	-0.116	-0.416	-18.86	-0.081
5	-0.495	-24.16	-0.135	-0.497	-24.41	-0.094
6	-0.468	-22.02	-0.128	-0.469	-22.07	-0.090
7	-0.388	-18.31	-0.110	-0.388	-18.35	-0.077
8	-0.306	-17.23	-0.089	-0.305	-17.22	-0.063
9	-0.164	-8.83	-0.050	-0.162	-8.76	-0.036
Income log-growth rate						
<i>Wealth dummies by wealth type</i>						
Housing	0.109	8.04	0.035	0.109	8.08	0.026
Forest	0.000	0.01	0.000	0.001	0.02	0.000
Private equity	-0.021	-0.79	-0.006	-0.021	-0.79	-0.005
Foreign assets excluding equity	0.405	1.14	0.144	0.417	1.17	0.118
<i>Net worth decile</i>						
No net worth	-1.500	-44.15	-0.528	-1.499	-44.14	-0.459
Lowest	-0.580	-15.11	-0.147	-0.578	-15.06	-0.099
2	-0.849	-21.41	-0.191	-0.848	-21.43	-0.125
3	-0.605	-17.07	-0.151	-0.604	-17.03	-0.102
4	-0.634	-18.74	-0.157	-0.633	-18.73	-0.105
5	-0.649	-21.25	-0.160	-0.648	-21.16	-0.107
6	-0.675	-19.36	-0.164	-0.673	-19.31	-0.110
7	-0.685	-20.63	-0.166	-0.684	-20.60	-0.111
8	-0.605	-17.34	-0.152	-0.605	-17.32	-0.102
9	-0.411	-12.75	-0.112	-0.411	-12.73	-0.078
<i>Other demographics</i>						
Swedish speaker	0.159	9.58	0.053	0.156	9.38	0.039
Married	0.028	1.45	0.009	0.029	1.51	0.007
Cohabitor	0.007	0.23	0.002	0.006	0.20	0.001
Kids	-0.098	-5.08	-0.031	-0.099	-5.12	-0.023
<i>Occupation</i>						
Entrepreneur	-0.077	-2.67	-0.024	-0.078	-2.70	-0.018
Farmer	-0.090	-1.51	-0.028	-0.091	-1.53	-0.020
Finance professional	0.489	12.36	0.176	0.490	12.34	0.143
Unemployed						
Cohort fixed effects	Yes			Yes		
Baseline probability			0.250			0.151
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	1,834.9					
Pseudo R <sup>2</sup>	0.174			0.174		
N	145,031			145,031		

Panel B. End-of-1999 participation						
Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.083	38.32	0.023
Lowest	-0.669	-23.65	-0.175			
2	-0.565	-24.52	-0.155			
3	-0.451	-21.11	-0.130			
4	-0.366	-18.67	-0.109			
5	-0.265	-16.63	-0.082			
6	-0.163	-8.90	-0.052			
7	-0.103	-5.96	-0.034			
8	-0.050	-2.45	-0.017			
<i>Education</i>						
Basic	-0.005	-2.98	-0.002	-0.005	-3.05	-0.001
Vocational	-0.017	-11.53	-0.006	-0.017	-11.47	-0.005
Matricular	0.001	0.57	0.000	0.001	0.45	0.000
<i>Ordinary income decile</i>						
No income	-0.397	-13.62	-0.118	-0.397	-13.62	-0.094
Lowest	-0.420	-17.07	-0.126	-0.420	-17.15	-0.101
2	-0.473	-21.76	-0.140	-0.474	-21.83	-0.112
3	-0.406	-17.09	-0.123	-0.408	-17.13	-0.098
4	-0.455	-22.84	-0.135	-0.456	-22.94	-0.108
5	-0.510	-26.44	-0.149	-0.511	-26.40	-0.118
6	-0.471	-24.36	-0.139	-0.471	-24.42	-0.111
7	-0.360	-19.44	-0.110	-0.359	-19.50	-0.089
8	-0.284	-15.81	-0.089	-0.282	-15.77	-0.072
9	-0.169	-9.95	-0.055	-0.167	-9.90	-0.044
Income log-growth rate						
<i>Wealth dummies by wealth type</i>						
Housing	0.111	8.02	0.038	0.111	8.04	0.032
Forest	-0.174	-3.46	-0.056	-0.174	-3.46	-0.045
Private equity	-0.184	-6.77	-0.059	-0.184	-6.77	-0.048
Foreign assets excluding equity	-0.019	-0.09	-0.006	-0.012	-0.06	-0.003
<i>Net worth decile</i>						
No net worth	-1.833	-50.11	-0.639	-1.831	-50.05	-0.612
Lowest	-0.854	-21.35	-0.209	-0.851	-21.28	-0.159
2	-0.890	-23.30	-0.214	-0.889	-23.22	-0.163
3	-0.652	-17.43	-0.174	-0.651	-17.43	-0.135
4	-0.838	-23.81	-0.207	-0.837	-23.72	-0.158
5	-0.862	-23.25	-0.210	-0.861	-23.19	-0.160
6	-0.847	-22.32	-0.208	-0.846	-22.34	-0.159
7	-0.749	-19.93	-0.192	-0.747	-19.84	-0.148
8	-0.621	-17.13	-0.168	-0.620	-17.12	-0.131
9	-0.396	-12.11	-0.117	-0.395	-12.06	-0.093
<i>Other demographics</i>						
Swedish speaker	0.114	4.41	0.040	0.113	4.36	0.033
Married	0.012	0.87	0.004	0.013	0.89	0.004
Cohabitor	-0.017	-0.76	-0.006	-0.018	-0.81	-0.005
Kids	-0.063	-3.89	-0.021	-0.063	-3.88	-0.017
<i>Occupation</i>						
Entrepreneur	-0.098	-3.71	-0.032	-0.099	-3.76	-0.027
Farmer	-0.136	-2.32	-0.044	-0.136	-2.32	-0.036
Finance professional	0.409	9.48	0.151	0.409	9.48	0.133
Unemployed	-0.305	-17.08	-0.095	-0.307	-17.24	-0.077
Cohort fixed effects	Yes			Yes		
Baseline probability			0.281			0.201
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	1,511.7					
Pseudo R <sup>2</sup>	0.213			0.213		
N	153,178			153,178		

Panel C. End-of-2000 Participation (Nokia holdings excluded)						
Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.088	40.75	0.028
Lowest	-0.703	-24.31	-0.203			
2	-0.575	-26.71	-0.174			
3	-0.472	-20.99	-0.149			
4	-0.366	-21.04	-0.119			
5	-0.262	-15.30	-0.088			
6	-0.152	-8.84	-0.053			
7	-0.076	-4.39	-0.027			
8	-0.027	-1.45	-0.010			
<i>Education</i>						
Basic	-0.006	-5.65	-0.002	-0.006	-5.71	-0.002
Vocational	-0.015	-14.42	-0.005	-0.015	-14.32	-0.005
Matricular	0.000	-0.02	0.000	0.000	-0.15	0.000
<i>Ordinary income decile</i>						
No income	-0.356	-10.80	-0.117	-0.357	-10.80	-0.098
Lowest	-0.495	-24.57	-0.159	-0.495	-24.55	-0.132
2	-0.555	-27.75	-0.176	-0.555	-27.73	-0.144
3	-0.548	-26.64	-0.174	-0.549	-26.68	-0.143
4	-0.584	-34.23	-0.183	-0.586	-34.10	-0.151
5	-0.591	-32.90	-0.185	-0.593	-32.93	-0.152
6	-0.511	-27.72	-0.164	-0.511	-27.74	-0.135
7	-0.418	-24.76	-0.138	-0.417	-24.65	-0.114
8	-0.316	-18.20	-0.107	-0.313	-18.13	-0.089
9	-0.159	-9.83	-0.056	-0.156	-9.64	-0.047
Income log-growth rate	0.025	3.28	0.009	0.025	3.28	0.008
<i>Wealth dummies by wealth type</i>						
Housing	0.148	13.66	0.054	0.149	13.74	0.047
Forest	-0.085	-1.89	-0.030	-0.085	-1.89	-0.026
Private equity	-0.173	-7.67	-0.060	-0.173	-7.69	-0.051
Foreign assets excluding equity	0.340	1.44	0.130	0.342	1.46	0.118
<i>Net worth decile</i>						
No net worth	-1.617	-49.79	-0.581	-1.615	-49.53	-0.561
Lowest	-0.190	-4.85	-0.065	-0.187	-4.76	-0.055
2	-0.391	-10.83	-0.127	-0.390	-10.74	-0.105
3	-0.567	-16.48	-0.174	-0.566	-16.41	-0.141
4	-0.679	-19.34	-0.200	-0.679	-19.29	-0.161
5	-0.725	-21.89	-0.210	-0.723	-21.74	-0.168
6	-0.696	-21.02	-0.204	-0.695	-20.86	-0.163
7	-0.663	-19.05	-0.196	-0.662	-18.97	-0.158
8	-0.558	-16.32	-0.172	-0.558	-16.30	-0.140
9	-0.384	-11.84	-0.125	-0.383	-11.76	-0.104
<i>Other demographics</i>						
Swedish speaker	0.145	7.64	0.054	0.143	7.53	0.046
Married	0.024	1.51	0.009	0.024	1.50	0.007
Cohabitor	0.032	1.38	0.012	0.030	1.30	0.010
Kids	-0.138	-8.30	-0.049	-0.137	-8.25	-0.042
<i>Occupation</i>						
Entrepreneur	-0.231	-8.74	-0.079	-0.233	-8.81	-0.067
Farmer	-0.166	-2.95	-0.058	-0.167	-2.97	-0.049
Finance professional	0.447	9.58	0.172	0.448	9.55	0.158
Unemployed	-0.329	-19.99	-0.110	-0.332	-20.10	-0.093
Cohort fixed effects	Yes			Yes		
Baseline probability			0.328			0.242
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	1,816.2					
Pseudo R <sup>2</sup>	0.209			0.209		
N	158,044			158,044		

**Table IA.XIV**  
**Alternative Version of Table II That Replaces IQ Dummy Variables**  
**with Their Average Values from Each Subject's Zip Code and Cohort**

Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.131	6.91	0.041
Lowest	-1.010	-3.45	-0.364			
2	-0.779	-3.19	-0.281			
3	-0.738	-3.25	-0.267			
4	-0.289	-1.41	-0.104			
5	-0.242	-1.19	-0.087			
6	0.070	0.34	0.025			
7	-0.070	-0.32	-0.025			
8	0.052	0.25	0.019			
<i>Education</i>						
Basic	-0.002	-1.54	-0.001	-0.003	-1.74	-0.001
Vocational	-0.013	-9.96	-0.005	-0.013	-9.24	-0.004
Matricular	0.002	1.19	0.001	0.001	0.45	0.000
<i>Ordinary income decile</i>						
No income	-0.410	-12.59	-0.133	-0.410	-12.58	-0.112
Lowest	-0.562	-27.44	-0.177	-0.562	-27.40	-0.148
2	-0.636	-30.84	-0.196	-0.636	-30.85	-0.164
3	-0.638	-31.69	-0.197	-0.639	-31.67	-0.164
4	-0.713	-41.94	-0.215	-0.714	-41.83	-0.179
5	-0.728	-40.16	-0.219	-0.728	-40.22	-0.181
6	-0.638	-34.78	-0.197	-0.638	-34.74	-0.164
7	-0.522	-31.08	-0.167	-0.522	-31.08	-0.140
8	-0.392	-23.31	-0.130	-0.392	-23.29	-0.110
9	-0.203	-12.66	-0.070	-0.202	-12.63	-0.060
Income log-growth rate	0.038	5.06	0.014	0.038	5.07	0.012
<i>Wealth dummies by wealth type</i>						
Housing	0.156	14.16	0.057	0.156	14.07	0.050
Forest	-0.082	-1.80	-0.029	-0.083	-1.81	-0.025
Private equity	-0.172	-7.59	-0.060	-0.172	-7.58	-0.051
Foreign assets excluding equity	0.337	1.45	0.129	0.334	1.44	0.117
<i>Net Worth decile</i>						
No net worth	-1.658	-49.37	-0.593	-1.658	-49.34	-0.577
Lowest	-0.225	-5.66	-0.077	-0.224	-5.63	-0.066
2	-0.415	-11.05	-0.134	-0.414	-11.04	-0.113
3	-0.595	-17.09	-0.181	-0.594	-17.09	-0.149
4	-0.704	-19.59	-0.205	-0.704	-19.59	-0.168
5	-0.742	-22.12	-0.213	-0.742	-22.12	-0.174
6	-0.718	-20.68	-0.208	-0.717	-20.64	-0.170
7	-0.683	-19.17	-0.201	-0.683	-19.20	-0.165
8	-0.581	-17.06	-0.177	-0.581	-17.05	-0.147
9	-0.397	-12.19	-0.129	-0.397	-12.20	-0.109
<i>Other demographics</i>						
Swedish speaker	0.159	8.63	0.059	0.153	8.20	0.051
Married	0.053	3.31	0.019	0.053	3.30	0.017
Cohabitor	0.016	0.66	0.006	0.015	0.64	0.005
Kids	-0.153	-9.11	-0.054	-0.154	-9.18	-0.048
<i>Occupation</i>						
Entrepreneur	-0.254	-9.77	-0.086	-0.255	-9.77	-0.074
Farmer	-0.194	-3.40	-0.067	-0.196	-3.44	-0.058
Finance professional	0.474	10.08	0.183	0.474	10.08	0.170
Unemployed	-0.399	-24.80	-0.132	-0.399	-24.79	-0.112
Cohort fixed effects	Yes			Yes		
Baseline probability			0.327			0.249
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	80.1					
Pseudo R <sup>2</sup>	0.201			0.201		
N	158,044			158,044		

**Table IA.XV**  
**Alternative Versions of Table II Using Different Definitions of Stock Market Participation**  
 An Individual Is Defined as a Stock Market Participant in Panel A Only If He Holds Mutual Funds (i.e., Direct Stock Ownership Does Not Count). An Individual Is a Stock Market Participant in Panel B If He Owns Mutual Funds or at Least Two Different Individual Stocks.

Independent Variables	Panel A. Mutual funds only					
	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.066	24.06	0.008
Lowest	-0.545	-13.95	-0.058			
2	-0.436	-14.05	-0.050			
3	-0.421	-13.72	-0.049			
4	-0.269	-12.10	-0.035			
5	-0.212	-10.24	-0.029			
6	-0.126	-6.37	-0.018			
7	-0.074	-3.53	-0.011			
8	-0.032	-1.50	-0.005			
<i>Education</i>						
Basic	-0.002	-2.37	0.000	-0.003	-2.42	0.000
Vocational	-0.006	-7.02	-0.001	-0.006	-6.98	-0.001
Matricular	0.001	0.47	0.000	0.000	0.34	0.000
<i>Ordinary income decile</i>						
No income	-0.340	-7.45	-0.042	-0.339	-7.44	-0.031
Lowest	-0.559	-20.26	-0.064	-0.559	-20.29	-0.046
2	-0.551	-19.82	-0.063	-0.551	-19.78	-0.045
3	-0.513	-18.06	-0.060	-0.514	-18.12	-0.043
4	-0.517	-21.22	-0.061	-0.519	-21.33	-0.044
5	-0.473	-19.68	-0.057	-0.475	-19.73	-0.041
6	-0.400	-17.20	-0.050	-0.401	-17.20	-0.036
7	-0.313	-13.63	-0.041	-0.312	-13.68	-0.030
8	-0.239	-10.57	-0.033	-0.237	-10.54	-0.024
9	-0.137	-6.65	-0.020	-0.135	-6.53	-0.014
Income log-growth rate	0.026	2.49	0.004	0.026	2.50	0.003
<i>Wealth dummies by wealth type</i>						
Housing	-0.045	-2.93	-0.007	-0.044	-2.92	-0.005
Forest	-0.121	-1.74	-0.017	-0.119	-1.72	-0.013
Private equity	-0.211	-8.01	-0.029	-0.212	-8.05	-0.021
Foreign assets excluding equity	-0.120	-0.46	-0.017	-0.117	-0.46	-0.012
<i>Net worth decile</i>						
No net worth	-1.305	-44.06	-0.305	-1.303	-43.93	-0.249
Lowest	0.375	11.02	0.074	0.378	11.06	0.058
2	-0.074	-2.33	-0.011	-0.072	-2.26	-0.008
3	-0.168	-5.25	-0.024	-0.167	-5.19	-0.017
4	-0.326	-9.26	-0.041	-0.324	-9.22	-0.030
5	-0.391	-11.07	-0.047	-0.389	-10.98	-0.034
6	-0.436	-11.97	-0.051	-0.435	-11.88	-0.036
7	-0.482	-13.70	-0.055	-0.480	-13.66	-0.039
8	-0.371	-9.82	-0.045	-0.370	-9.80	-0.033
9	-0.254	-7.67	-0.034	-0.253	-7.61	-0.024
<i>Other demographics</i>						
Swedish speaker	0.309	17.99	0.058	0.306	17.88	0.044
Married	0.035	1.83	0.006	0.035	1.83	0.004
Cohabitor	0.051	1.55	0.008	0.050	1.51	0.006
Kids	-0.213	-9.03	-0.032	-0.212	-9.01	-0.023
<i>Occupation</i>						
Entrepreneur	-1.557	-19.00	-0.091	-1.559	-19.01	-0.063
Farmer	-0.500	-6.08	-0.055	-0.503	-6.11	-0.039
Finance professional	0.395	8.24	0.079	0.396	8.22	0.062
Unemployed	-0.208	-9.19	-0.029	-0.210	-9.31	-0.021
Cohort fixed effects	Yes			Yes		
Baseline probability			0.086			0.058
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	607.9					
Pseudo R <sup>2</sup>	0.205			0.204		
N	158,044			158,044		

Panel B. Mutual funds or two different individual stocks						
Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.092	34.29	0.020
Lowest	-0.733	-21.37	-0.141			
2	-0.604	-24.60	-0.125			
3	-0.535	-21.35	-0.115			
4	-0.389	-19.96	-0.090			
5	-0.278	-15.05	-0.068			
6	-0.161	-8.87	-0.042			
7	-0.092	-4.95	-0.025			
8	-0.035	-1.90	-0.010			
<i>Education</i>						
Basic	-0.008	-7.06	-0.002	-0.008	-7.09	-0.002
Vocational	-0.014	-14.00	-0.004	-0.014	-13.79	-0.003
Matricular	-0.001	-0.62	0.000	-0.001	-0.71	0.000
<i>Ordinary income decile</i>						
No income	-0.335	-9.58	-0.081	-0.335	-9.59	-0.059
Lowest	-0.539	-23.55	-0.122	-0.540	-23.58	-0.089
2	-0.597	-25.44	-0.132	-0.597	-25.37	-0.096
3	-0.601	-27.05	-0.133	-0.602	-27.18	-0.096
4	-0.633	-31.91	-0.138	-0.635	-32.05	-0.100
5	-0.633	-32.84	-0.138	-0.636	-33.02	-0.100
6	-0.571	-28.51	-0.128	-0.573	-28.51	-0.093
7	-0.470	-23.78	-0.110	-0.469	-23.79	-0.080
8	-0.346	-17.96	-0.085	-0.343	-17.96	-0.062
9	-0.189	-10.30	-0.049	-0.186	-10.12	-0.037
Income log-growth rate	0.035	4.07	0.010	0.035	4.11	0.008
<i>Wealth dummies by wealth type</i>						
Housing	0.052	4.38	0.015	0.052	4.43	0.011
Forest	-0.052	-1.04	-0.014	-0.052	-1.04	-0.011
Private equity	-0.153	-6.46	-0.040	-0.153	-6.49	-0.030
Foreign assets excluding equity	0.392	1.53	0.126	0.394	1.56	0.103
<i>Net worth decile</i>						
No net worth	-1.754	-54.16	-0.582	-1.752	-54.10	-0.519
Lowest	-0.287	-7.05	-0.071	-0.285	-6.99	-0.052
2	-0.596	-16.42	-0.126	-0.594	-16.35	-0.090
3	-0.583	-16.94	-0.124	-0.582	-16.90	-0.089
4	-0.708	-20.45	-0.141	-0.708	-20.44	-0.100
5	-0.778	-22.28	-0.150	-0.776	-22.17	-0.106
6	-0.786	-23.75	-0.151	-0.785	-23.64	-0.106
7	-0.772	-22.14	-0.149	-0.771	-22.15	-0.105
8	-0.643	-20.24	-0.133	-0.643	-20.28	-0.095
9	-0.443	-14.15	-0.101	-0.442	-14.09	-0.074
<i>Other demographics</i>						
Swedish speaker	0.228	13.90	0.069	0.225	13.76	0.053
Married	0.014	0.80	0.004	0.014	0.81	0.003
Cohabitor	0.059	2.14	0.017	0.057	2.05	0.012
Kids	-0.196	-9.56	-0.053	-0.195	-9.52	-0.040
<i>Occupation</i>						
Entrepreneur	-0.385	-11.67	-0.090	-0.388	-11.72	-0.067
Farmer	-0.257	-3.99	-0.064	-0.258	-4.02	-0.048
Finance professional	0.547	12.10	0.183	0.549	12.10	0.152
Unemployed	-0.283	-14.00	-0.071	-0.286	-14.16	-0.053
Cohort fixed effects	Yes			Yes		
Baseline probability			0.198			0.132
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	1,399.3					
Pseudo R <sup>2</sup>	0.234			0.234		
N	158,044			158,044		

**Table IA.XVI**  
**Alternative Version of Table II That Excludes Individuals**  
**Who Received Employer Stock or Options as Compensation**

Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>				0.088	39.29	0.026
Lowest	-0.686	-23.08	-0.190			
2	-0.558	-24.85	-0.163			
3	-0.460	-19.46	-0.140			
4	-0.359	-19.46	-0.113			
5	-0.251	-13.89	-0.082			
6	-0.143	-7.85	-0.048			
7	-0.070	-3.82	-0.024			
8	-0.017	-0.90	-0.006			
<i>Education</i>						
Basic	-0.007	-5.61	-0.002	-0.007	-5.67	-0.002
Vocational	-0.015	-13.66	-0.005	-0.016	-13.55	-0.005
Matricular	0.000	-0.12	0.000	0.000	-0.24	0.000
<i>Ordinary income decile</i>						
No income	-0.324	-9.25	-0.104	-0.325	-9.26	-0.086
Lowest	-0.431	-20.89	-0.136	-0.432	-20.88	-0.112
2	-0.495	-23.93	-0.154	-0.495	-23.93	-0.126
3	-0.489	-23.31	-0.152	-0.490	-23.36	-0.125
4	-0.532	-29.03	-0.164	-0.534	-28.97	-0.134
5	-0.536	-28.73	-0.165	-0.537	-28.82	-0.134
6	-0.461	-25.12	-0.145	-0.461	-25.16	-0.119
7	-0.375	-20.38	-0.121	-0.374	-20.31	-0.099
8	-0.289	-15.27	-0.095	-0.286	-15.22	-0.078
9	-0.155	-8.83	-0.053	-0.152	-8.66	-0.044
Income log-growth rate	0.029	3.73	0.010	0.028	3.70	0.009
<i>Wealth dummies by wealth type</i>						
Housing	0.143	12.62	0.051	0.143	12.71	0.044
Forest	-0.103	-2.20	-0.035	-0.103	-2.20	-0.030
Private equity	-0.179	-7.31	-0.060	-0.179	-7.34	-0.050
Foreign assets excluding equity	0.414	1.72	0.157	0.415	1.74	0.142
<i>Net worth decile</i>						
No net worth	-1.636	-48.50	-0.585	-1.635	-48.39	-0.563
Lowest	-0.192	-4.91	-0.064	-0.190	-4.85	-0.053
2	-0.381	-10.45	-0.120	-0.381	-10.41	-0.098
3	-0.579	-16.42	-0.170	-0.579	-16.41	-0.137
4	-0.672	-18.57	-0.190	-0.671	-18.56	-0.151
5	-0.731	-21.75	-0.202	-0.729	-21.70	-0.160
6	-0.706	-20.16	-0.197	-0.706	-20.06	-0.156
7	-0.670	-18.45	-0.190	-0.671	-18.43	-0.151
8	-0.561	-16.09	-0.166	-0.561	-16.11	-0.133
9	-0.386	-11.78	-0.121	-0.386	-11.75	-0.099
<i>Other demographics</i>						
Swedish speaker	0.164	8.44	0.059	0.162	8.36	0.051
Married	0.029	1.78	0.010	0.029	1.78	0.009
Cohabitor	0.034	1.37	0.012	0.032	1.30	0.010
Kids	-0.130	-7.57	-0.045	-0.129	-7.54	-0.038
<i>Occupation</i>						
Entrepreneur	-0.208	-8.00	-0.069	-0.210	-8.06	-0.058
Farmer	-0.163	-2.83	-0.055	-0.164	-2.85	-0.046
Finance professional	0.468	9.30	0.178	0.468	9.27	0.162
Unemployed	-0.324	-20.16	-0.105	-0.326	-20.26	-0.088
Cohort fixed effects	Yes			Yes		
Baseline probability			0.308			0.226
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	1,710.0					
Pseudo R <sup>2</sup>	0.202			0.202		
N	149,408			149,408		



**Table IA.XVII**  
**Alternative Versions of Table II Using Different Samples**

Panel A Uses a Sample of Sisters of the Study's Male Subjects. Panel B Uses a Sample of Brothers of the Study's Male Subjects. In Both Panels, Brothers' IQ Scores Replace Own IQ Scores.

Independent Variables	Panel A. Sisters of male subjects					
	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>Brother's IQ stanine</i>				0.070	4.75	0.015
Lowest	-0.780	-3.31	-0.147			
2	-0.337	-2.01	-0.080			
3	-0.551	-4.00	-0.117			
4	-0.341	-2.62	-0.081			
5	-0.315	-2.61	-0.076			
6	-0.185	-1.52	-0.047			
7	-0.092	-0.72	-0.025			
8	-0.187	-1.47	-0.048			
<i>Education</i>						
Basic	-0.019	-1.90	-0.005	-0.019	-1.87	-0.004
Vocational	-0.032	-3.24	-0.009	-0.031	-3.22	-0.007
Matricular	-0.015	-1.41	-0.004	-0.015	-1.38	-0.003
<i>Ordinary income decile</i>						
No income	-0.082	-0.43	-0.022	-0.091	-0.47	-0.019
Lowest	-0.048	-0.24	-0.013	-0.061	-0.31	-0.013
2	-0.119	-0.70	-0.031	-0.111	-0.66	-0.023
3	0.019	0.12	0.005	0.024	0.15	0.005
4	-0.015	-0.11	-0.004	-0.009	-0.06	-0.002
5	-0.153	-1.13	-0.040	-0.147	-1.08	-0.030
6	-0.098	-0.81	-0.027	-0.093	-0.75	-0.019
7	-0.070	-0.58	-0.019	-0.072	-0.60	-0.015
8	-0.171	-1.49	-0.045	-0.169	-1.45	-0.034
9	-0.103	-0.83	-0.028	-0.102	-0.83	-0.021
Income log-growth rate	0.023	0.52	0.007	0.021	0.48	0.005
<i>Wealth dummies by wealth type</i>						
Housing	-0.540	-3.49	-0.121	-0.531	-3.42	-0.088
Forest						
Private equity	-0.334	-1.12	-0.080	-0.323	-1.09	-0.058
Foreign assets excluding equity						
<i>Net worth decile</i>						
No net worth	-2.490	-14.09	-0.787	-2.486	-14.15	-0.775
Lowest	0.348	1.00	0.110	0.359	1.03	0.093
2						
3	0.084	0.26	0.024	0.075	0.24	0.017
4	-0.195	-0.70	-0.050	-0.201	-0.73	-0.039
5	-0.402	-1.58	-0.093	-0.413	-1.64	-0.070
6	-0.161	-0.63	-0.042	-0.166	-0.65	-0.033
7	-0.246	-1.01	-0.062	-0.257	-1.05	-0.048
8	-0.483	-2.47	-0.108	-0.493	-2.52	-0.080
9	-0.652	-3.27	-0.134	-0.658	-3.30	-0.097
<i>Other demographics</i>						
Swedish speaker	0.062	0.67	0.018	0.060	0.64	0.013
Married	-0.242	-1.17	-0.061	-0.237	-1.13	-0.045
Cohabitor	0.018	0.05	0.005	0.002	0.01	0.000
Kids	-0.028	-0.17	-0.008	-0.023	-0.13	-0.005
<i>Occupation</i>						
Entrepreneur						
Farmer						
Finance professional						
Unemployed	-0.232	-2.10	-0.059	-0.234	-2.11	-0.045
Cohort fixed effects	Yes			Yes		
Baseline probability			0.199			0.134
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	32.2					
Pseudo R <sup>2</sup>	0.355			0.354		
N	4,358			4,358		

Panel B. Brothers of male subjects						
Independent Variables	IQ Dummy Specification			Linear IQ Specification		
	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>Brother's IQ stanine</i>				0.081	4.92	0.020
Lowest	-0.265	-1.25	-0.063			
2	-0.565	-3.11	-0.115			
3	-0.257	-1.63	-0.061			
4	-0.299	-2.41	-0.070			
5	-0.108	-0.90	-0.028			
6	0.007	0.06	0.002			
7	0.201	1.54	0.059			
8	0.067	0.50	0.019			
<i>Education</i>						
Basic	-0.010	-1.29	-0.003	-0.010	-1.21	-0.002
Vocational	-0.027	-3.74	-0.007	-0.027	-3.76	-0.007
Matricular	-0.003	-0.35	-0.001	-0.003	-0.33	-0.001
<i>Ordinary income decile</i>						
No income	0.344	1.65	0.105	0.321	1.52	0.090
Lowest	0.433	1.66	0.137	0.440	1.66	0.130
2	-0.025	-0.13	-0.007	-0.054	-0.29	-0.013
3	-0.031	-0.19	-0.008	-0.040	-0.25	-0.010
4	-0.033	-0.21	-0.009	-0.028	-0.18	-0.007
5	-0.050	-0.40	-0.013	-0.052	-0.41	-0.012
6	0.035	0.27	0.009	0.039	0.30	0.010
7	-0.076	-0.71	-0.020	-0.074	-0.70	-0.018
8	-0.108	-0.94	-0.028	-0.096	-0.84	-0.023
9	-0.137	-1.28	-0.035	-0.145	-1.36	-0.034
Income log-growth rate	0.070	1.51	0.019	0.066	1.40	0.016
<i>Wealth dummies by wealth type</i>						
Housing	-0.352	-2.52	-0.083	-0.360	-2.59	-0.076
Forest						
Private equity	-0.808	-2.79	-0.145	-0.814	-2.85	-0.128
Foreign assets excluding equity						
<i>Net worth decile</i>						
No net worth	-2.293	-11.66	-0.744	-2.284	-11.66	-0.734
Lowest	0.542	1.16	0.178	0.506	1.10	0.153
2	1.038	2.02	0.372	0.987	1.92	0.337
3	0.037	0.13	0.010	0.074	0.26	0.019
4	0.275	0.76	0.083	0.294	0.81	0.082
5	0.156	0.55	0.045	0.161	0.58	0.043
6	-0.220	-0.78	-0.054	-0.190	-0.68	-0.043
7	-0.298	-1.17	-0.070	-0.288	-1.14	-0.061
8	-0.346	-1.44	-0.080	-0.319	-1.35	-0.067
9	-0.559	-2.39	-0.116	-0.553	-2.36	-0.102
<i>Other demographics</i>						
Swedish speaker	0.342	3.09	0.103	0.341	3.10	0.095
Married	-0.014	-0.06	-0.004	-0.003	-0.01	-0.001
Cohabitor	0.295	0.61	0.090	0.302	0.62	0.085
Kids	-0.391	-0.91	-0.088	-0.394	-0.93	-0.079
<i>Occupation</i>						
Entrepreneur						
Farmer						
Finance professional	1.122	1.98	0.406	1.121	1.97	0.392
Unemployed	-0.650	-5.05	-0.133	-0.635	-4.88	-0.117
Cohort fixed effects	Yes			Yes		
Baseline probability			0.189			0.162
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	38.4					
Pseudo R <sup>2</sup>	0.385			0.382		
N	3,992			3,992		

**Table IA.XVIII**  
**Alternative Version of Table VII Using the Linear-IQ Specification**

Panel A. Sharpe ratios						
Independent Variables	Sharpe Ratio					
	Coefficients			<i>t</i> -values		
	Stock Risk Premium / Fund Risk Premium			Stock Risk Premium / Fund Risk Premium		
	80%	100%	120%	80%	100%	120%
<i>IQ stanine</i>	0.001	0.001	0.002	5.68	7.24	8.56
Lowest						
2						
3						
4						
5						
6						
7						
8						
<i>Education</i>						
Basic	0.000	0.000	0.000	-2.02	-2.51	-2.93
Vocational	0.000	0.000	0.000	2.78	2.01	1.22
Matricular	0.000	0.000	0.000	-3.90	-4.39	-4.36
<i>Ordinary income decile</i>						
No income	0.004	0.008	0.012	1.71	3.23	4.60
Lowest	-0.004	0.000	0.004	-2.41	0.11	2.46
2	-0.002	0.002	0.005	-0.95	0.91	2.72
3	-0.002	0.000	0.003	-1.22	0.19	1.56
4	0.000	0.001	0.002	-0.32	0.60	1.49
5	0.001	0.001	0.002	0.41	0.94	1.47
6	0.001	0.002	0.003	1.15	1.67	2.14
7	0.001	0.002	0.003	1.14	1.78	2.36
8	0.000	0.000	0.001	-0.38	0.08	0.51
9	-0.001	-0.001	-0.001	-1.20	-0.84	-0.47
Income log-growth rate	0.002	0.002	0.003	3.14	3.74	4.13
<i>Wealth dummies by wealth type</i>						
Housing	-0.005	-0.004	-0.004	-6.70	-6.06	-5.15
Forest	0.005	0.006	0.007	1.56	1.90	2.16
Private equity	-0.001	0.000	0.001	-0.73	0.05	0.76
Foreign assets excluding equity	0.000	0.006	0.012	0.00	0.47	0.80
<i>Net worth decile</i>						
No net worth	-0.019	-0.022	-0.025	-13.18	-13.99	-14.36
Lowest	0.024	0.014	0.004	11.17	6.63	1.96
2	0.002	-0.005	-0.011	1.13	-2.41	-5.71
3	0.002	-0.003	-0.008	1.28	-1.44	-4.01
4	-0.003	-0.006	-0.010	-1.50	-3.61	-5.54
5	-0.004	-0.007	-0.010	-1.92	-3.51	-4.88
6	-0.009	-0.011	-0.014	-4.61	-5.73	-6.58
7	-0.011	-0.013	-0.015	-6.18	-6.94	-7.42
8	-0.008	-0.010	-0.012	-4.72	-5.62	-6.23
9	-0.005	-0.007	-0.008	-2.79	-3.45	-3.96
<i>Other demographics</i>						
Swedish speaker	0.016	0.014	0.013	10.97	10.63	9.99
Married	0.002	0.001	0.001	1.24	1.11	0.96
Cohabitor	0.000	0.000	-0.001	0.02	-0.20	-0.41
Kids	-0.004	-0.003	-0.002	-3.12	-2.41	-1.64
<i>Occupation</i>						
Entrepreneur	-0.024	-0.020	-0.016	-21.12	-15.52	-10.93
Farmer	-0.016	-0.014	-0.012	-4.39	-3.68	-2.96
Finance professional	0.005	0.005	0.005	1.90	1.95	1.94
Unemployed	0.002	0.002	0.002	1.38	1.13	0.84
Cohort fixed effects	Yes	Yes	Yes			
Adjusted R <sup>2</sup>	0.073	0.064	0.054			
N	44,592	44,592	44,592			

Panel B. Portfolio variance						
Independent Variables	Total	Stock Portfolio Variance		Total	Stock Portfolio Variance	
	Portfolio Volatility	$\log(\sigma^2)$	$\sigma^2$	Portfolio Volatility	$\log(\sigma^2)$	$\sigma^2$
<i>IQ stanine</i>	-0.005	-0.035	-0.008	-7.79	-13.54	-9.90
Lowest						
2						
3						
4						
5						
6						
7						
8						
<i>Education</i>						
Basic	0.001	0.003	0.001	2.35	3.22	2.19
Vocational	0.000	0.001	0.001	-1.43	1.42	1.56
Matricular	0.001	0.004	0.001	4.24	3.05	2.30
<i>Ordinary income decile</i>						
No income	-0.042	-0.206	-0.062	-4.55	-5.62	-4.81
Lowest	-0.019	-0.139	-0.056	-2.83	-4.98	-5.67
2	-0.021	-0.120	-0.050	-3.02	-4.71	-5.04
3	-0.013	-0.064	-0.031	-2.04	-2.72	-3.80
4	-0.013	-0.030	-0.025	-2.52	-1.41	-3.43
5	-0.012	0.005	-0.016	-2.58	0.25	-2.61
6	-0.014	-0.007	-0.017	-3.09	-0.44	-3.04
7	-0.016	-0.019	-0.021	-3.81	-1.15	-3.60
8	-0.005	-0.001	-0.010	-1.25	-0.06	-1.78
9	0.000	0.017	-0.002	-0.02	1.15	-0.34
Income log-growth rate	-0.008	-0.042	-0.009	-3.60	-4.63	-3.07
<i>Wealth dummies by wealth type</i>						
Housing	0.013	0.038	0.009	5.03	4.12	2.77
Forest	-0.015	-0.071	-0.012	-1.30	-1.64	-0.88
Private equity	0.001	-0.047	-0.009	0.24	-2.26	-1.38
Foreign assets excluding equity	-0.032	-0.169	-0.060	-0.95	-1.09	-1.92
<i>Net worth decile</i>						
No net worth	0.083	0.433	0.112	16.32	20.28	18.46
Lowest	-0.028	0.320	0.079	-4.04	9.42	7.59
2	0.025	0.369	0.086	3.76	13.96	10.62
3	0.007	0.216	0.036	1.18	8.70	4.80
4	0.022	0.212	0.046	3.75	8.32	6.15
5	0.023	0.208	0.042	3.77	7.79	5.57
6	0.035	0.223	0.047	4.95	8.12	5.30
7	0.041	0.244	0.049	6.38	8.98	6.24
8	0.029	0.176	0.031	4.92	6.92	4.53
9	0.018	0.110	0.020	2.88	4.23	2.70
<i>Other demographics</i>						
Swedish speaker	-0.051	-0.117	-0.037	-11.74	-6.69	-6.78
Married	-0.006	-0.021	-0.008	-1.27	-1.25	-1.40
Cohabitor	0.003	0.011	0.003	0.41	0.42	0.40
Kids	0.009	0.018	0.005	2.03	1.01	0.83
<i>Occupation</i>						
Entrepreneur	0.063	0.099	0.024	10.77	4.87	3.35
Farmer	0.037	0.098	0.018	2.73	1.77	1.14
Finance professional	-0.018	-0.080	-0.019	-1.97	-1.94	-1.58
Unemployed	0.002	0.041	0.019	0.26	1.57	2.15
Cohort fixed effects	Yes	Yes	Yes			
Adjusted R <sup>2</sup>	0.052	0.057	0.035			
N	44,592	36,359	36,359			

Panel C. Portfolio diversification								
Independent Variables	log( $\sigma_e^2$ )		Number of Stocks Held			Decision to Own Mutual Funds		
	Coefficients	z-values	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stantine</i>	-0.038	-14.25	0.043	-8.04	0.089	0.020	5.42	0.007
Lowest								
2								
3								
4								
5								
6								
7								
8								
<i>Education</i>								
Basic	0.004	3.32	-0.004	-3.22	-0.009	0.001	0.57	0.000
Vocational	0.002	1.83	-0.009	-6.78	-0.018	0.003	2.57	0.001
Matricular	0.004	3.01	-0.001	-0.44	-0.002	-0.001	-0.71	0.000
<i>Ordinary income decile</i>								
No income	-0.192	-5.09	0.002	0.05	0.004	-0.227	-3.93	-0.077
Lowest	-0.122	-4.26	-0.063	-2.47	-0.126	-0.430	-11.61	-0.139
2	-0.101	-3.75	-0.145	-6.07	-0.283	-0.358	-9.54	-0.118
3	-0.046	-1.89	-0.182	-6.91	-0.350	-0.291	-8.20	-0.097
4	-0.007	-0.30	-0.258	-11.43	-0.479	-0.264	-8.10	-0.089
5	0.026	1.38	-0.273	-10.37	-0.504	-0.181	-5.69	-0.062
6	0.014	0.80	-0.284	-11.75	-0.524	-0.140	-4.69	-0.049
7	-0.002	-0.09	-0.217	-9.23	-0.413	-0.127	-4.48	-0.044
8	0.014	0.88	-0.138	-6.85	-0.271	-0.109	-4.25	-0.038
9	0.029	1.98	-0.107	-6.65	-0.213	-0.091	-3.94	-0.032
Income log-growth rate	-0.042	-4.59	0.015	1.29	0.031	0.012	0.88	0.004
<i>Wealth dummies by wealth type</i>								
Housing	0.048	5.06	-0.008	-0.57	-0.016	-0.106	-6.27	-0.038
Forest	-0.059	-1.33	-0.028	-0.55	-0.056	-0.067	-0.84	-0.024
Private equity	-0.044	-2.10	0.091	2.86	0.196	-0.085	-2.59	-0.030
Foreign assets excluding equity	-0.161	-1.07	0.146	0.97	0.325	-0.165	-0.58	-0.057
<i>Net worth decile</i>								
No net worth	0.510	22.89	-1.090	-49.45	-2.289	-0.636	-21.50	-0.223
Lowest	0.385	11.01	-1.558	-44.77	-1.796	0.489	11.93	0.187
2	0.428	15.66	-1.236	-41.89	-1.573	0.004	0.12	0.002
3	0.257	10.19	-0.987	-35.10	-1.365	0.013	0.36	0.005
4	0.251	9.28	-0.824	-25.74	-1.209	-0.110	-2.77	-0.038
5	0.251	9.15	-0.793	-25.43	-1.176	-0.172	-4.47	-0.059
6	0.265	9.45	-0.682	-25.88	-1.057	-0.245	-6.29	-0.083
7	0.289	10.37	-0.679	-21.63	-1.055	-0.321	-8.38	-0.106
8	0.209	7.92	-0.546	-19.16	-0.897	-0.237	-5.65	-0.080
9	0.129	4.77	-0.418	-15.64	-0.725	-0.176	-5.06	-0.061
<i>Other demographics</i>								
Swedish speaker	-0.124	-7.03	-0.033	-1.50	-0.068	0.318	12.10	0.119
Married	-0.021	-1.27	-0.054	-2.94	-0.110	0.030	1.24	0.011
Cohabitor	0.009	0.35	0.013	0.45	0.027	0.044	1.11	0.016
Kids	0.027	1.52	-0.064	-3.43	-0.132	-0.173	-6.32	-0.061
<i>Occupation</i>								
Entrepreneur	0.121	5.91	0.080	2.94	0.171	-1.612	-19.09	-0.315
Farmer	0.134	2.40	-0.009	-0.14	-0.019	-0.592	-6.03	-0.177
Finance professional	-0.098	-2.37	0.235	6.74	0.547	0.249	5.44	0.093
Unemployed	0.044	1.66	-0.016	-0.47	-0.032	0.007	0.20	0.003
Cohort fixed effects	Yes		Yes			Yes		
Baseline no. of stocks / Prob.					2.071			0.321
Pseudo / Adjusted R <sup>2</sup>	0.069					0.081		
N	36,359		44,592			44,592		

Panel D. Systematic risk								
Independent Variables	Coefficients				<i>t</i> -values			
	$\log(\sigma_m^2)$	Beta	Size Rank	B/M Rank	$\log(\sigma_m^2)$	Beta	Size Rank	B/M Rank
<i>IQ stanine</i>	-0.026	-0.010	-0.004	0.005	-8.04	-8.19	-6.93	8.26
Lowest								
2								
3								
4								
5								
6								
7								
8								
<i>Education</i>								
Basic	0.003	0.001	0.000	-0.001	2.49	2.26	2.44	-1.64
Vocational	-0.002	0.000	0.000	0.001	-1.46	-0.96	-1.71	3.08
Matricular	0.003	0.001	0.000	-0.001	2.55	1.89	0.43	-3.94
<i>Ordinary income decile</i>								
No income	-0.325	-0.119	0.011	0.063	-6.57	-6.74	1.71	6.51
Lowest	-0.258	-0.099	0.024	0.054	-7.27	-8.01	5.93	7.84
2	-0.216	-0.088	0.025	0.052	-7.42	-8.50	5.76	7.75
3	-0.149	-0.064	0.024	0.043	-5.05	-5.99	5.42	6.82
4	-0.153	-0.069	0.020	0.035	-5.15	-6.39	4.70	5.88
5	-0.081	-0.041	0.025	0.021	-3.30	-4.61	6.26	4.00
6	-0.097	-0.048	0.020	0.024	-4.25	-5.72	4.65	5.08
7	-0.094	-0.043	0.020	0.022	-4.50	-5.65	6.17	4.90
8	-0.068	-0.030	0.012	0.013	-3.38	-4.07	3.69	3.08
9	-0.041	-0.015	0.007	0.006	-2.03	-1.98	2.03	1.72
Income log-growth rate	-0.055	-0.017	-0.003	0.008	-4.23	-4.04	-1.69	3.01
<i>Wealth dummies by wealth type</i>								
Housing	-0.005	-0.001	0.001	-0.001	-0.41	-0.27	0.30	-0.41
Forest	-0.134	-0.037	-0.009	0.038	-2.44	-1.97	-1.15	3.53
Private equity	-0.082	-0.020	-0.017	0.016	-2.70	-2.19	-3.36	2.85
Foreign assets excluding equity	-0.148	-0.043	-0.019	0.030	-0.72	-0.71	-0.62	0.81
<i>Net worth decile</i>								
No net worth	0.107	0.068	0.000	0.016	4.14	8.17	-0.06	3.50
Lowest	0.068	0.047	-0.010	0.035	1.57	3.27	-1.77	4.15
2	0.168	0.079	0.012	-0.017	5.08	6.97	2.70	-2.51
3	0.107	0.049	0.012	0.006	3.28	4.41	2.65	0.99
4	0.104	0.054	0.011	0.004	3.67	5.66	2.22	0.55
5	0.055	0.042	0.007	0.008	1.54	3.55	1.50	1.25
6	0.086	0.053	0.008	0.002	2.49	4.58	1.81	0.34
7	0.085	0.050	0.011	0.009	2.50	4.39	2.64	1.33
8	0.091	0.044	0.014	0.002	2.88	4.13	3.13	0.43
9	0.061	0.030	0.004	0.005	1.96	2.85	1.10	0.87
<i>Other demographics</i>								
Swedish speaker	-0.097	-0.045	0.006	0.016	-3.85	-5.56	1.74	2.86
Married	-0.023	-0.013	0.004	0.005	-0.98	-1.54	1.11	0.95
Cohabitor	0.012	0.003	-0.006	-0.002	0.34	0.26	-1.19	-0.28
Kids	-0.034	-0.009	0.002	0.008	-1.43	-1.03	0.52	1.62
<i>Occupation</i>								
Entrepreneur	-0.040	-0.007	0.002	0.006	-1.28	-0.65	0.44	0.96
Farmer	-0.212	-0.051	-0.057	0.049	-2.36	-1.69	-4.32	2.94
Finance professional	-0.016	0.005	-0.021	-0.003	-0.29	0.23	-3.37	-0.33
Unemployed	0.038	0.021	-0.002	-0.002	1.07	1.77	-0.37	-0.26
Cohort fixed effects	Yes	Yes	Yes	Yes				
Adjusted R <sup>2</sup>	0.017	0.019	0.024	0.036				
N	36,359	36,359	36,359	36,359				

**Table IA.XIX**  
**Alternative Version of Table VII That Restricts the Sample**  
**to the 10% Most Affluent Individuals Based on Income**

Panel A. Sharpe ratios						
Independent Variables	Sharpe Ratio					
	Coefficients			<i>t</i> -values		
	Stock Risk Premium / Fund Risk Premium			Stock Risk Premium / Fund Risk Premium		
	80%	100%	120%	80%	100%	120%
<i>IQ stanine</i>	0.002	0.002	0.002	4.21	4.31	4.00
Lowest						
2						
3						
4						
5						
6						
7						
8						
<i>Education</i>						
Basic	0.000	0.000	0.000	-1.17	-1.51	-0.81
Vocational	0.000	0.000	0.000	-0.92	-0.99	-0.83
Matricular	0.000	0.000	0.000	-1.87	-1.89	-1.81
<i>Ordinary income decile</i>						
No income						
Lowest						
2						
3						
4						
5						
6						
7						
8						
9						
Income log-growth rate	0.002	0.001	0.003	0.66	0.18	1.14
<i>Wealth dummies by wealth type</i>						
Housing	-0.005	-0.004	-0.007	-3.03	-2.24	-3.75
Forest	0.001	0.003	-0.001	0.22	0.50	-0.09
Private equity	0.003	0.005	0.002	1.05	1.33	0.69
Foreign assets excluding equity	-0.013	-0.013	-0.012	-0.84	-0.79	-0.88
<i>Net worth decile</i>						
No net worth	-0.023	-0.025	-0.020	-10.11	-10.34	-9.54
Lowest	-0.009	-0.013	-0.004	-1.21	-1.80	-0.61
2	-0.019	-0.022	-0.017	-4.34	-4.68	-3.84
3	-0.013	-0.015	-0.011	-2.68	-3.22	-2.10
4	-0.013	-0.015	-0.011	-3.23	-3.57	-2.75
5	-0.014	-0.016	-0.011	-3.63	-4.02	-3.11
6	-0.015	-0.017	-0.014	-4.93	-5.19	-4.44
7	-0.016	-0.017	-0.015	-4.78	-4.76	-4.66
8	-0.012	-0.014	-0.011	-3.81	-3.87	-3.63
9	-0.005	-0.007	-0.004	-1.76	-1.94	-1.50
<i>Other demographics</i>						
Swedish speaker	0.014	0.014	0.014	5.80	5.82	5.51
Married	0.003	0.002	0.003	1.15	0.96	1.32
Cohabitor	0.002	0.001	0.002	0.41	0.37	0.44
Kids	-0.003	-0.002	-0.004	-1.35	-0.87	-1.83
<i>Occupation</i>						
Entrepreneur	-0.014	-0.010	-0.019	-5.43	-3.10	-8.76
Farmer	-0.006	-0.005	-0.006	-0.79	-0.62	-0.95
Finance professional	0.009	0.010	0.009	2.52	2.52	2.44
Unemployed	0.024	0.024	0.024	1.35	1.34	1.32
Cohort fixed effects	Yes	Yes	Yes			
Adjusted R <sup>2</sup>	0.037	0.039	0.035			
N	44,592	44,592	44,592			

Panel B. Portfolio variance						
Independent Variables	Total			<i>t</i> -values		
	Portfolio Volatility	Stock Portfolio log( $\sigma^2$ )	Variance $\sigma^2$	Portfolio Volatility	Stock Portfolio log( $\sigma^2$ )	Variance $\sigma^2$
<i>IQ stanine</i>	-0.008	-0.037	-0.009	-4.15	-5.51	-4.19
Lowest						
2						
3						
4						
5						
6						
7						
8						
<i>Education</i>						
Basic	0.000	0.004	0.000	0.68	1.75	0.38
Vocational	0.001	0.002	0.001	1.28	0.91	1.45
Matricular	0.002	0.005	0.003	2.15	1.48	1.60
<i>Ordinary income decile</i>						
No income						
Lowest						
2						
3						
4						
5						
6						
7						
8						
9						
Income Log-Growth Rate	-0.005	-0.023	-0.006	-0.48	-0.59	-0.51
<i>Wealth dummies by wealth type</i>						
Housing	0.011	0.012	-0.002	1.78	0.48	-0.24
Forest	0.002	-0.031	-0.006	0.07	-0.36	-0.24
Private equity	-0.010	-0.064	-0.010	-0.81	-1.29	-0.60
Foreign assets excluding equity	0.012	0.155	-0.008	0.29	0.81	-0.22
<i>Net worth decile</i>						
No net worth	0.082	0.439	0.108	11.74	14.55	12.66
Lowest	0.035	0.342	0.076	1.41	3.75	2.74
2	0.050	0.389	0.069	3.16	6.35	3.53
3	0.034	0.292	0.052	2.09	5.12	2.68
4	0.045	0.268	0.063	2.73	4.47	2.90
5	0.035	0.238	0.039	2.88	4.57	2.56
6	0.040	0.258	0.045	3.21	5.27	2.68
7	0.048	0.253	0.052	4.12	5.58	3.47
8	0.035	0.217	0.039	3.12	4.84	2.97
9	0.014	0.090	0.016	1.40	2.05	1.31
<i>Other demographics</i>						
Swedish speaker	-0.054	-0.167	-0.053	-6.71	-5.18	-5.89
Married	-0.002	-0.024	-0.001	-0.29	-0.71	-0.12
Cohabitor	-0.004	-0.020	-0.008	-0.31	-0.36	-0.43
Kids	0.009	0.017	0.004	1.02	0.50	0.32
<i>Occupation</i>						
Entrepreneur	0.036	0.054	-0.002	3.24	1.26	-0.15
Farmer	0.017	0.099	0.030	0.61	0.83	0.79
Finance professional	-0.029	-0.126	-0.022	-2.19	-2.22	-1.26
Unemployed	-0.087	-0.247	-0.086	-1.63	-1.01	-1.56
Cohort fixed effects	Yes	Yes	Yes			
Adjusted R <sup>2</sup>	0.036	0.062	0.041			
N	44,592	36,359	36,359			



Panel C. Portfolio diversification								
Independent Variables	log( $\sigma_e^2$ )		Number of Stocks Held			Decision to Own Mutual Funds		
	Coefficients	z-values	Coefficients	z-values	Marginal Effects	Coefficients	z-values	Marginal Effects
<i>IQ stanine</i>	-0.039	-5.78	0.018	2.59	0.052	0.032	3.37	0.011
Lowest								
2								
3								
4								
5								
6								
7								
8								
<i>Education</i>								
Basic	0.004	1.61	-0.002	-0.78	-0.006	0.007	1.98	0.002
Vocational	0.002	1.05	-0.007	-3.06	-0.020	-0.003	-1.24	-0.001
Matricular	0.005	1.52	0.000	0.09	0.001	-0.001	-0.29	0.000
<i>Ordinary income decile</i>								
No income								
Lowest								
2								
3								
4								
5								
6								
7								
8								
9								
Income log-growth rate	-0.035	-0.88	-0.010	-0.25	-0.030	0.150	2.85	0.054
<i>Wealth dummies by wealth type</i>								
Housing	0.018	0.70	0.020	0.70	0.056	-0.169	-4.39	-0.062
Forest	-0.007	-0.08	-0.064	-0.74	-0.175	-0.302	-2.03	-0.100
Private equity	-0.055	-1.10	0.023	0.40	0.067	-0.083	-1.19	-0.029
Foreign assets excluding equity	0.130	0.68	0.183	1.10	0.569	0.398	1.09	0.152
<i>Net worth decile</i>								
No net worth	0.504	15.78	-0.965	-26.10	-2.664	-0.517	-11.15	-0.181
Lowest	0.399	4.23	-1.112	-10.08	-1.935	-0.110	-0.96	-0.038
2	0.452	6.97	-0.920	-12.28	-1.745	-0.474	-4.94	-0.149
3	0.337	5.75	-0.795	-11.71	-1.593	-0.296	-2.81	-0.098
4	0.307	4.96	-0.756	-11.46	-1.544	-0.325	-4.04	-0.107
5	0.277	5.14	-0.692	-9.75	-1.458	-0.292	-3.95	-0.097
6	0.300	5.91	-0.661	-10.88	-1.416	-0.339	-4.75	-0.112
7	0.294	6.28	-0.648	-12.84	-1.402	-0.359	-4.83	-0.118
8	0.256	5.50	-0.566	-11.37	-1.275	-0.393	-5.82	-0.128
9	0.107	2.36	-0.423	-10.59	-1.017	-0.133	-2.51	-0.046
<i>Other demographics</i>								
Swedish speaker	-0.172	-5.28	0.030	0.71	0.087	0.222	4.42	0.083
Married	-0.022	-0.65	-0.124	-3.99	-0.355	0.052	1.19	0.018
Cohabitor	-0.016	-0.29	-0.056	-1.06	-0.156	0.047	0.59	0.017
Kids	0.027	0.76	-0.063	-1.78	-0.179	-0.185	-3.73	-0.066
<i>Occupation</i>								
Entrepreneur	0.079	1.84	0.061	1.20	0.177	-1.785	-9.61	-0.331
Farmer	0.105	0.88	0.122	1.10	0.365	-0.271	-1.48	-0.090
Finance professional	-0.140	-2.44	0.215	4.36	0.672	0.231	3.64	0.086
Unemployed	-0.262	-1.08	0.051	0.15	0.148	0.294	0.91	0.111
Cohort fixed effects	Yes		Yes			Yes		
Baseline no. of stocks / prob.					2.832			0.322
Pseudo/Adjusted R <sup>2</sup>	0.070					0.055		
N	36,359					8,344		

Panel D. Systematic risk								
Independent Variables	Coefficients				<i>t</i> -values			
	$\log(\sigma_M^2)$	Beta	Size Rank	B/M Rank	$\log(\sigma_M^2)$	Beta	Size Rank	B/M Rank
<i>IQ stanine</i>	-0.026	-0.013	-0.003	0.006	-3.08	-4.01	-2.11	4.00
Lowest								
2								
3								
4								
5								
6								
7								
8								
<i>Education</i>								
Basic	0.006	0.002	0.001	0.000	1.91	1.53	2.17	-0.41
Vocational	0.000	0.000	0.000	0.000	0.12	0.27	-0.49	0.41
Matricular	0.003	0.001	0.000	-0.001	0.73	0.65	0.31	-1.17
<i>Ordinary income decile</i>								
No income								
Lowest								
2								
3								
4								
5								
6								
7								
8								
9								
Income log-growth rate	0.005	0.014	-0.003	-0.013	0.09	0.71	-0.37	-1.29
<i>Wealth dummies by wealth type</i>								
Housing	-0.008	-0.006	0.013	0.005	-0.26	-0.47	2.16	0.75
Forest	-0.140	-0.040	0.009	0.024	-1.43	-1.04	0.64	1.31
Private equity	-0.162	-0.051	-0.027	0.032	-2.38	-2.32	-2.68	2.50
Foreign assets excluding equity	0.289	0.082	-0.055	-0.066	1.08	0.99	-0.84	-1.47
<i>Net worth decile</i>								
No net worth	0.189	0.094	0.011	-0.003	4.71	7.23	2.07	-0.36
Lowest	0.150	0.065	0.018	0.029	1.42	1.56	1.07	1.22
2	0.185	0.071	0.042	-0.015	2.71	2.79	3.85	-1.07
3	0.163	0.069	0.028	0.014	2.29	2.60	3.27	0.96
4	0.165	0.083	0.015	0.005	2.31	2.86	1.46	0.35
5	0.079	0.045	0.017	0.007	1.13	1.81	1.81	0.50
6	0.141	0.061	0.023	-0.003	2.39	2.89	2.39	-0.27
7	0.098	0.064	0.016	0.015	1.70	3.33	2.10	1.32
8	0.114	0.054	0.025	0.009	2.26	2.96	3.51	0.86
9	0.048	0.031	0.015	0.013	0.85	1.65	2.39	1.53
<i>Other demographics</i>								
Swedish speaker	-0.166	-0.068	0.009	0.022	-3.29	-4.07	1.38	2.47
Married	-0.034	-0.013	0.006	0.008	-0.82	-0.80	0.85	0.94
Cohabitor	-0.020	-0.002	-0.002	0.008	-0.28	-0.09	-0.20	0.58
Kids	-0.040	-0.012	0.002	0.011	-0.99	-0.82	0.28	1.15
<i>Occupation</i>								
Entrepreneur	-0.077	-0.027	0.019	0.020	-1.37	-1.33	2.63	1.67
Farmer	0.062	0.023	-0.039	-0.001	0.41	0.42	-2.02	-0.02
Finance professional	-0.079	-0.014	-0.019	0.014	-1.07	-0.52	-2.29	1.07
Unemployed	-0.102	-0.034	0.029	0.079	-0.30	-0.32	0.73	1.20
Cohort fixed effects	Yes	Yes	Yes	Yes				
Adjusted R <sup>2</sup>	0.023	0.030	0.031	0.017				
N	36,359	36,359	36,359	36,359				

**Table IA.XX**  
**Alternative Versions of Table VII Panels C and D**  
The Systematic- and Idiosyncratic-Variance Regressions Are Estimated  
Using HEX-Index-Based One- and Three-Factor Models

Panel A. Diversifiable and systematic risk from (HEX) one-factor model				
Independent Variables	Coefficients		<i>t</i> -values	
	$\log(\sigma_e^2)$	$\log(\sigma_m^2)$	$\log(\sigma_e^2)$	$\log(\sigma_m^2)$
<i>IQ stanine</i>				
Lowest	0.356	0.293	7.41	5.33
2	0.316	0.238	9.10	6.02
3	0.330	0.233	10.18	6.09
4	0.238	0.173	9.35	6.51
5	0.211	0.145	8.12	5.84
6	0.130	0.114	5.53	5.11
7	0.070	0.074	2.83	2.95
8	0.070	0.061	2.73	2.16
<i>Education</i>				
Basic	0.004	0.004	3.17	2.59
Vocational	0.004	-0.002	3.16	-1.88
Matricular	0.005	0.004	2.40	2.71
<i>Ordinary income decile</i>				
No income	-0.097	-0.402	-1.74	-7.29
Lowest	-0.015	-0.297	-0.41	-7.38
2	0.009	-0.256	0.23	-7.62
3	0.067	-0.160	2.16	-4.86
4	0.108	-0.168	3.55	-4.93
5	0.146	-0.089	5.59	-3.19
6	0.120	-0.103	5.17	-3.87
7	0.101	-0.090	4.27	-3.84
8	0.093	-0.056	4.49	-2.44
9	0.102	-0.037	5.16	-1.59
Income log-growth rate	-0.039	-0.065	-3.32	-4.47
<i>Wealth dummies by wealth type</i>				
Housing	0.111	0.002	8.16	0.11
Forest	-0.002	-0.151	-0.04	-2.48
Private equity	-0.047	-0.083	-1.53	-2.56
Foreign assets excluding equity	-0.019	-0.215	-0.12	-0.88
<i>Net worth decile</i>				
No net worth	0.962	0.072	25.29	2.59
Lowest	0.763	0.031	14.66	0.67
2	0.736	0.210	16.04	5.84
3	0.482	0.128	10.70	3.57
4	0.485	0.125	10.29	3.96
5	0.499	0.071	11.04	1.80
6	0.516	0.102	11.95	2.74
7	0.537	0.100	13.03	2.74
8	0.396	0.112	9.24	3.26
9	0.238	0.068	5.36	1.97
<i>Other demographics</i>				
Swedish speaker	-0.154	-0.103	-6.89	-3.56
Married	-0.032	-0.020	-1.51	-0.75
Cohabitor	-0.010	0.025	-0.29	0.63
Kids	0.088	-0.045	3.75	-1.70
<i>Occupation</i>				
Entrepreneur	0.260	-0.086	11.68	-2.26
Farmer	0.294	-0.282	3.82	-2.69
Finance professional	-0.201	-0.023	-3.68	-0.39
Unemployed	0.083	0.037	2.73	0.95
Cohort fixed effects	Yes	Yes		
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	29.3	10.7		
Adjusted R <sup>2</sup>	0.099	0.024		
N	36,359	36,359		

Panel B. Diversifiable and systematic risk from (HEX) three-factor model				
Independent Variables	Coefficients		<i>t</i> -values	
	$\log(\sigma_e^2)$	$\log(\sigma_m^2)$	$\log(\sigma_e^2)$	$\log(\sigma_m^2)$
<i>IQ stanine</i>				
Lowest	0.360	0.292	7.56	5.22
2	0.318	0.235	9.27	5.81
3	0.333	0.233	10.34	5.98
4	0.241	0.172	9.54	6.29
5	0.213	0.143	8.31	5.70
6	0.132	0.112	5.60	4.91
7	0.072	0.072	2.94	2.79
8	0.071	0.056	2.79	2.00
<i>Education</i>				
Basic	0.004	0.004	3.28	2.53
Vocational	0.004	-0.003	3.29	-2.06
Matricular	0.005	0.004	2.41	2.92
<i>Ordinary income decile</i>				
No income	-0.089	-0.412	-1.58	-7.39
Lowest	-0.003	-0.314	-0.07	-7.66
2	0.021	-0.267	0.54	-7.75
3	0.079	-0.174	2.56	-5.19
4	0.116	-0.177	3.87	-5.10
5	0.154	-0.087	5.99	-3.19
6	0.128	-0.102	5.58	-3.80
7	0.108	-0.105	4.56	-4.40
8	0.097	-0.060	4.75	-2.59
9	0.104	-0.036	5.29	-1.57
Income log-growth rate	-0.040	-0.064	-3.36	-4.23
<i>Wealth dummies by wealth type</i>				
Housing	0.112	0.003	8.33	0.19
Forest	0.001	-0.144	0.01	-2.30
Private equity	-0.046	-0.090	-1.49	-2.78
Foreign assets excluding equity	-0.030	-0.206	-0.20	-0.82
<i>Net worth decile</i>				
No net worth	0.966	0.093	25.43	3.26
Lowest	0.766	0.050	14.78	1.05
2	0.738	0.223	16.14	6.07
3	0.482	0.134	10.72	3.73
4	0.485	0.129	10.36	4.00
5	0.501	0.081	11.13	2.07
6	0.517	0.105	12.05	2.75
7	0.539	0.104	13.20	2.79
8	0.396	0.115	9.26	3.30
9	0.239	0.071	5.40	2.09
<i>Other demographics</i>				
Swedish speaker	-0.150	-0.120	-6.76	-3.74
Married	-0.030	-0.022	-1.44	-0.83
Cohabitor	-0.011	0.034	-0.32	0.84
Kids	0.091	-0.048	3.90	-1.76
<i>Occupation</i>				
Entrepreneur	0.261	-0.064	12.00	-1.74
Farmer	0.297	-0.334	3.86	-2.79
Finance professional	-0.209	-0.025	-3.88	-0.41
Unemployed	0.084	0.030	2.77	0.74
Cohort fixed effects	Yes	Yes		
Wald- $\chi^2$ (IQ1 = ... = IQ8 = 0)	30.4	10.8		
Adjusted R <sup>2</sup>	0.101	0.025		
N	36,359	36,359		