

# Structure of Income Inequality and Household Leverage: Cross-Country Causal Evidence

Online Appendix (not for publication)

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Table A.1: Debt-to-Income Ratio (in %) per Income Group (2014-2015)

Country	Bottom	Middle	Top
	<i>Bottom 30%</i>	<i>30-90%</i>	<i>Top 10%</i>
UK	40.2	219.0	105.6
US	44.7	81.8	70.1
	<i>Bottom 40%</i>	<i>40-90%</i>	<i>Top 10%</i>
<i>European Union</i>	69.4	72.7	81.8
Austria	17.3	45.2	63.3
Belgium	58.4	97.0	54.2
Estonia	56.2	32.7	57.6
Finland	42.9	86.16	102.8
France	35.6	84.34	95.6
Germany	21.2	45.7	67.7
Greece	188	56.5	30.8
Hungary	119.4	62.5	39.4
Ireland	35.3	118.6	125.7
Italy	69.9	54.9	41.0
Netherlands	159.3	197.8	138.9
Poland	13.8	17.4	39.1
Portugal	173.4	249.8	132.9
Spain	281.2	167.5	94.8

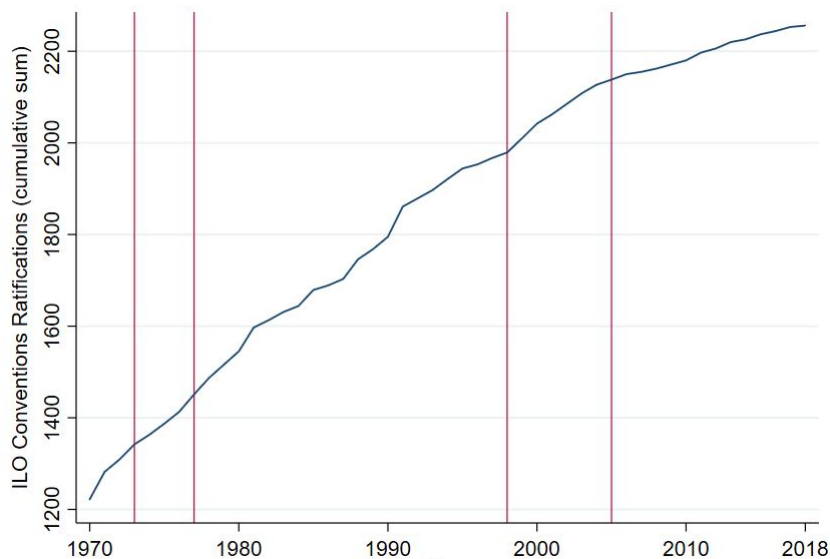
Source: Panel Study of Income Dynamics (US), Office for National Statistics, Wealth and Assets Survey (UK), Household Finance and Consumption Survey (European Union), authors calculations. Note: Average debt-to-income ratio in the US, median debt to income ratio in the UK and European Union. The debt-to-income ratio is the ratio of debt to gross household income. Euro and UK data include total debts: mortgages and non-mortgage loans - consumer credit loans, private loans - credit lines/bank overdrafts debt and credit card debt. For the US, it includes mortgages and car loans.

Table A.2: Debt-to-Income Ratio (in %) per Income Group (2010-2011)

Country	Bottom	Middle	Top
	<i>Bottom 30%</i>	<i>30-90%</i>	<i>Top 10%</i>
UK	83.5	229.6	101.4
US	52.7	93.7	80.5
	<i>Bottom 40%</i>	<i>40-90%</i>	<i>Top 10%</i>
<i>European Union</i>	63.1	69.0	72.4
Austria	25.5	40.0	38.4
Belgium	62.8	103.0	40.4
Finland	42.2	76.8	71.7
France	25.2	61.2	83.5
Germany	20.7	45.1	69.2
Greece	98.2	45.7	31.6
Italy	57.3	59.1	37.4
Netherlands	266.6	193.9	160.9
Portugal	557.8	241.8	118.3
Spain	311.5	146.5	73.8

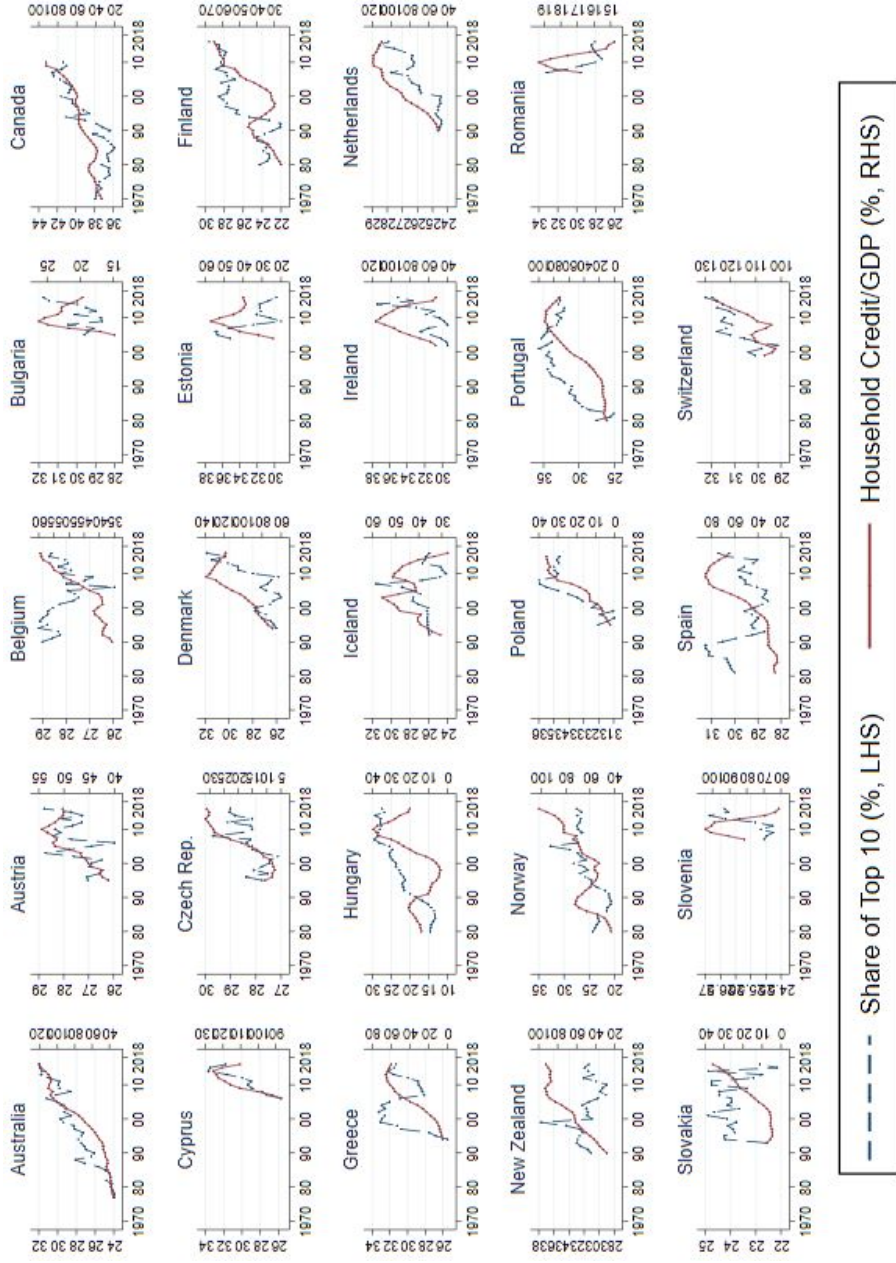
Source: Panel Study of Income Dynamics (US), Office for National Statistics, Wealth and Assets Survey (UK), Household Finance and Consumption Survey (European Union), authors calculations. Note: Average debt-to-income ratio in the US, median debt to income ratio in the UK and European Union. The debt-to-income ratio is the ratio of debt to gross household income. Euro and UK data include total debts: mortgages and non-mortgage loans - consumer credit loans, private loans - credit lines/bank overdrafts debt and credit card debt. For the US, it includes mortgages and car loans.

Figure A.1: ILO's Conventions Ratifications



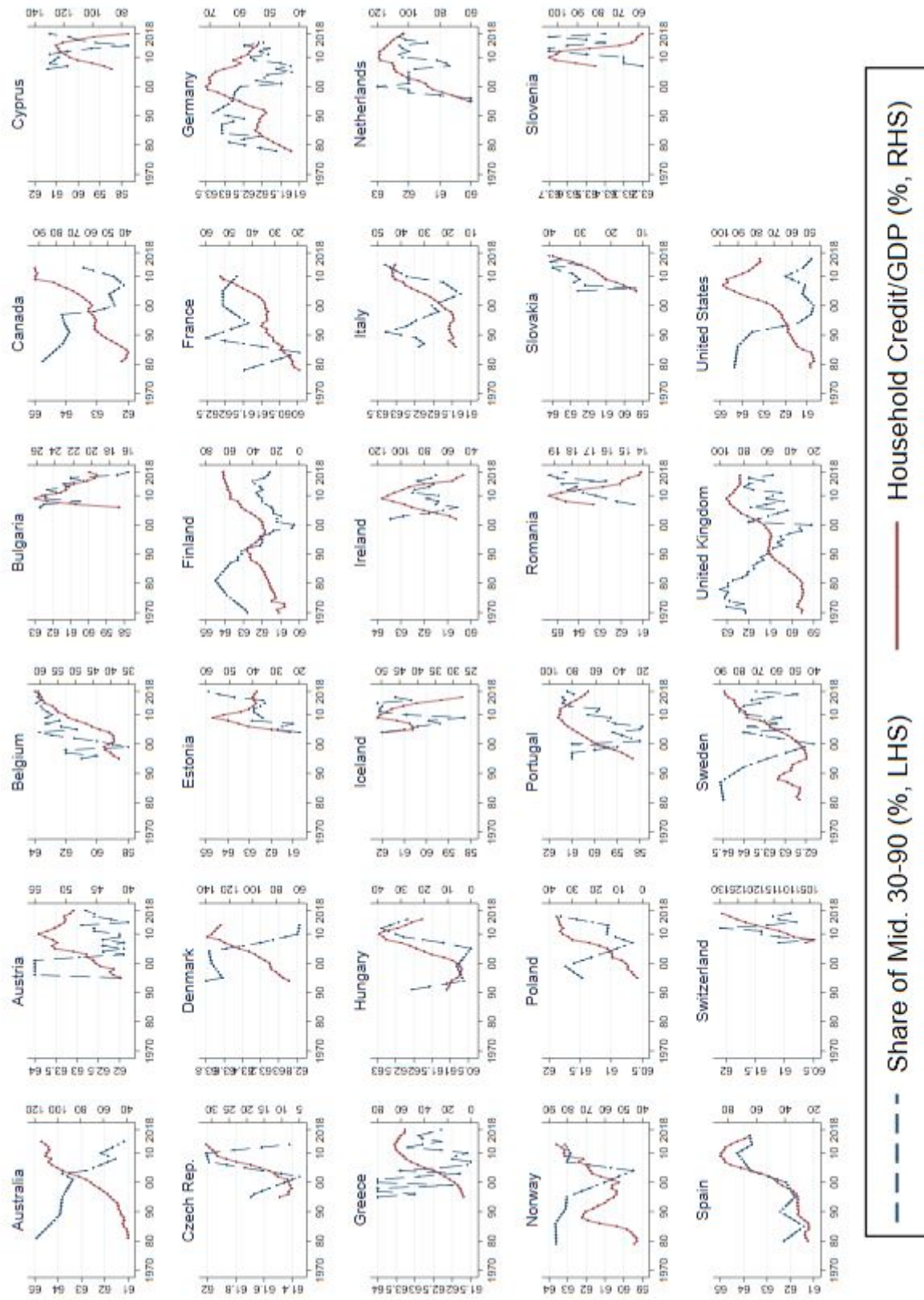
Source: ILO website, cumulative sum, compilation by the authors. Main sample of advanced countries, excluding Czech Republic, Estonia, Slovenia and Slovakia. Vertical lines indicate the two waves of ratifications (1973-1977 and 1995-2008).

Figure A.2: Top 10% income share and household credit over GDP



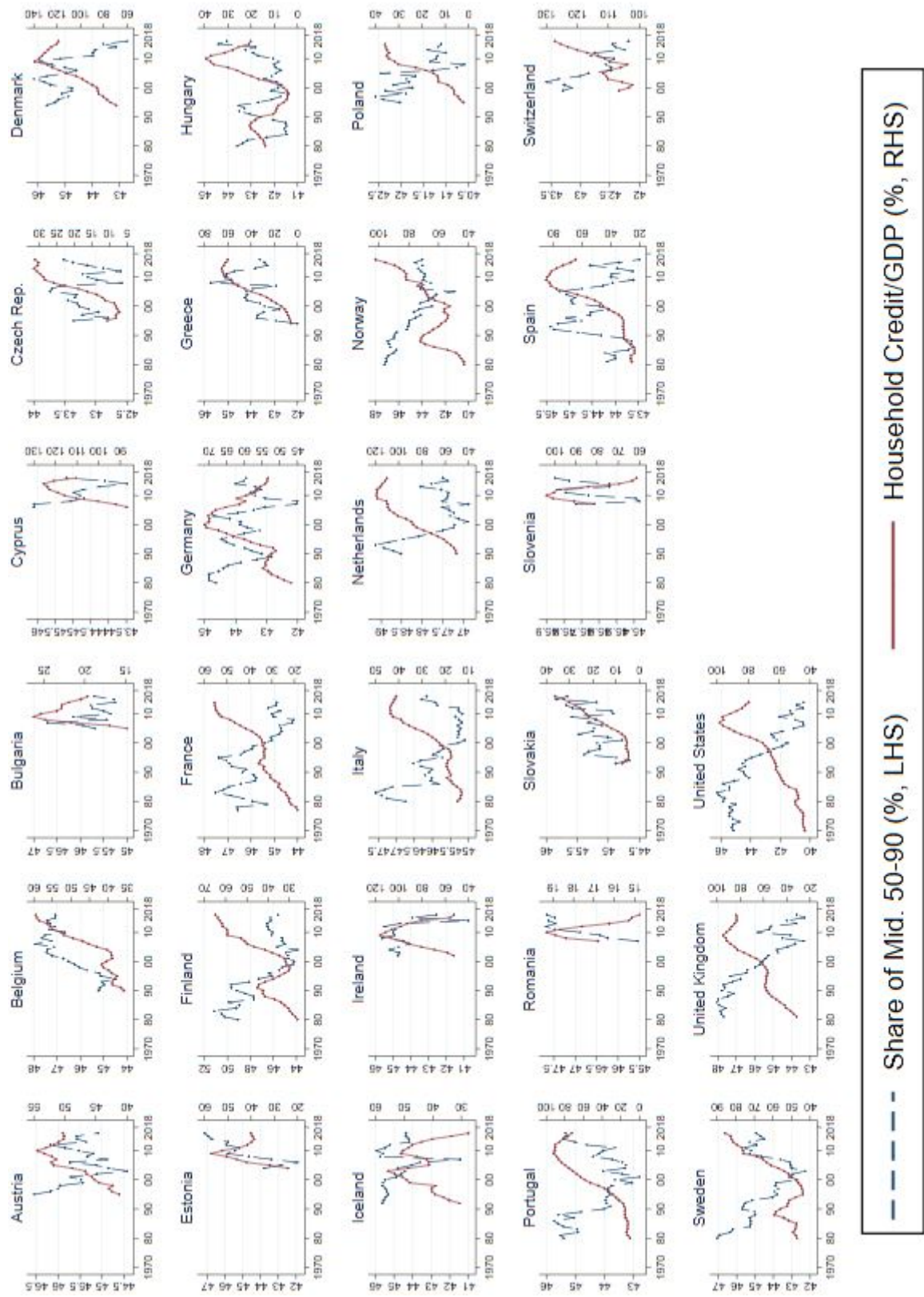
Note: Years on the x-axis. Household credit/GDP comes from the BIS or from Central Banks, the Top 10% income share comes from the WID.

Figure A.3: Middle class income share (30-90%) and household credit over GDP



Note: Years on the x-axis. Household credit/GDP comes from the BIS or from Central Banks, the Middle 30-90% income share comes from the WIID.

Figure A.4: Middle class income share (50-90%) and household credit over GDP



Note: Years on the x-axis. Household credit over GDP comes from the BIS or from Central Banks, the Middle 50-90% income share comes from the WID.



Table B.1: TR 1: OLS Estimates

Dep. Var. Sample	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	All	All	Bef. 2008	Bef. 2008	All	All	Bef. 2008	Bef. 2008
Gini	-0.349 (0.485)	-0.361 (0.554)	-0.553 (0.466)	-0.404 (0.504)				
Top 10					0.00476 (0.633)	-0.0839 (0.681)	-0.488 (0.670)	-0.289 (0.704)
GDP per capita	-0.295* (0.173)	-0.348 (0.208)	-0.0175 (0.192)	-0.0705 (0.210)	-0.306* (0.173)	-0.355* (0.207)	-0.0162 (0.189)	-0.0735 (0.206)
Broad Money Ratio	0.169** (0.0804)	0.159* (0.0915)	0.203** (0.0904)	0.185* (0.0983)	0.161** (0.0776)	0.152* (0.0888)	0.187** (0.0868)	0.172* (0.0930)
Financial Openness	-0.0632 (0.0806)	-0.0741 (0.0944)	-0.151** (0.0610)	-0.146** (0.0675)	-0.0553 (0.0791)	-0.0644 (0.0920)	-0.150** (0.0604)	-0.142** (0.0673)
Credit Deregulation	-0.00194 (0.0123)	-0.00205 (0.0140)	0.00352 (0.0188)	0.00355 (0.0171)	-0.00357 (0.0120)	-0.00342 (0.0138)	0.00140 (0.0187)	0.00157 (0.0168)
Real House Prices	0.193*** (0.0530)	0.174** (0.0700)	0.163*** (0.0442)	0.170*** (0.0596)	0.192*** (0.0534)	0.172** (0.0701)	0.161*** (0.0443)	0.168*** (0.0601)
Housing GFCF Ratio	0.0323 (0.105)	0.0147 (0.306)	0.108 (0.0932)	0.265 (0.207)	0.0416 (0.110)	0.0451 (0.295)	0.112 (0.0927)	0.281 (0.202)
World GDP	0.669*** (0.224)		0.726** (0.275)		0.658*** (0.217)		0.727** (0.276)	
Oil Price	0.0672*** (0.0181)		0.0431** (0.0194)		0.0699*** (0.0186)		0.0457** (0.0202)	
VIX	0.0105 (0.00802)		-0.00919 (0.00866)		0.0105 (0.00796)		-0.00850 (0.00864)	
FED Rate	-0.907*** (0.190)		-0.363* (0.178)		-0.899*** (0.197)		-0.358* (0.178)	
<i>Year Dummies</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Obs.</i>	726	726	467	467	726	726	467	467
<i>Countries</i>	30	30	27	27	30	30	27	27
adj. $R^2$	0.752	0.757	0.776	0.770	0.751	0.756	0.774	0.769

All estimations include country fixed effects. Intercept not reported. Robust standard errors in parentheses, with \*, \*\* and \*\*\* respectively denoting significance at the 10%, 5% and 1% levels.

Table B.2: TR 2: OLS Estimates

Dep. Var. Sample	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	All	All	Bef. 2008	Bef. 2008	All	All	Bef. 2008	Bef. 2008
$\frac{Top\ 10}{Mid.\ 30-90}$	0.089 (0.327)	0.062 (0.349)	-0.183 (0.351)	-0.054 (0.366)				
$\frac{Top\ 10}{Bot.\ 0-30}$					-0.016 (0.047)	-0.007 (0.048)	-0.038 (0.046)	-0.020 (0.044)
GDP per capita	-0.312* (0.175)	-0.353* (0.207)	-0.004 (0.184)	-0.062 (0.196)	-0.299* (0.172)	-0.347 (0.206)	-0.008 (0.189)	-0.061 (0.204)
Broad Money Ratio	0.169** (0.076)	0.158* (0.086)	0.192** (0.083)	0.174* (0.087)	0.174** (0.079)	0.161* (0.089)	0.200** (0.085)	0.180* (0.089)
Financial Openness	-0.040 (0.081)	-0.043 (0.098)	-0.139** (0.061)	-0.127* (0.072)	-0.048 (0.082)	-0.049 (0.100)	-0.140** (0.062)	-0.131* (0.072)
Credit Deregulation	-0.004 (0.012)	-0.003 (0.014)	0.003 (0.018)	0.004 (0.016)	-0.003 (0.012)	-0.003 (0.014)	0.003 (0.019)	0.005 (0.016)
Real House Prices	0.181*** (0.054)	0.158** (0.071)	0.146*** (0.042)	0.151** (0.060)	0.180*** (0.054)	0.157** (0.072)	0.148*** (0.042)	0.152** (0.060)
HousingGFCF Ratio	0.036 (0.112)	0.053 (0.289)	0.103 (0.093)	0.294 (0.196)	0.029 (0.109)	0.038 (0.299)	0.100 (0.094)	0.291 (0.205)
World GDP	0.626*** (0.217)		0.666** (0.271)		0.633*** (0.221)		0.671** (0.268)	
Oil Price	0.070*** (0.019)		0.046** (0.021)		0.068*** (0.018)		0.045** (0.019)	
VIX	0.009 (0.008)		-0.011 (0.008)		0.009 (0.008)		-0.011 (0.008)	
FED Rate	-0.953*** (0.201)		-0.394** (0.181)		-0.950*** (0.197)		-0.393** (0.175)	
<i>Year Dummies</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Obs.</i>	698	698	449	449	698	698	449	449
<i>Countries</i>	29	29	26	26	29	29	26	26
adj. $R^2$	0.743	0.748	0.768	0.764	0.743	0.748	0.769	0.764

All estimations include country fixed effects. Intercept not reported. Robust standard errors in parentheses, with \*, \*\* and \*\*\* respectively denoting significance at the 10%, 5% and 1% levels.

Table C.1: TR 1: Estimation on the same sample than Table 10

Dep. Var. Sample	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	All	All	Bef. 2008	Bef. 2008	All	All	Bef. 2008	Bef. 2008
Gini	2.121 (1.393)	2.947** (1.177)	3.416*** (1.253)	3.694*** (1.130)				
Top 10					3.077 (1.982)	4.324** (1.726)	5.272*** (2.010)	5.927*** (1.962)
GDP per capita	-0.369*** (0.086)	-0.429*** (0.092)	-0.073 (0.141)	-0.201 (0.145)	-0.417*** (0.104)	-0.467*** (0.098)	-0.133 (0.151)	-0.303* (0.168)
Broad Money Ratio	0.123*** (0.042)	0.098** (0.038)	-0.004 (0.079)	-0.015 (0.071)	0.136*** (0.035)	0.110*** (0.035)	0.034 (0.070)	0.023 (0.067)
Financial Openness	0.004 (0.047)	0.054 (0.059)	-0.088** (0.044)	-0.029 (0.053)	0.015 (0.051)	0.071 (0.063)	-0.066 (0.049)	-0.006 (0.061)
Credit Deregulation	-0.013 (0.009)	-0.016* (0.008)	-0.030** (0.014)	-0.028** (0.013)	-0.011 (0.008)	-0.012 (0.007)	-0.031** (0.015)	-0.025* (0.014)
Real House Prices	0.173*** (0.025)	0.142*** (0.028)	0.173*** (0.037)	0.158*** (0.041)	0.184*** (0.024)	0.167*** (0.027)	0.215*** (0.046)	0.214*** (0.048)
Housing GFCF Ratio	0.088 (0.075)	0.348** (0.162)	0.152** (0.071)	0.662*** (0.162)	0.096 (0.075)	0.401** (0.176)	0.135** (0.069)	0.773*** (0.205)
World GDP	0.560*** (0.127)		0.463** (0.229)		0.572*** (0.125)		0.329 (0.246)	
Oil Price	0.086*** (0.014)		0.086*** (0.019)		0.086*** (0.014)		0.084*** (0.020)	
VIX	0.009 (0.009)		0.000 (0.013)		0.008 (0.009)		0.001 (0.013)	
FED Rate	-0.907*** (0.185)		-0.484** (0.238)		-0.970*** (0.179)		-0.576** (0.258)	
<i>Quantification</i>								
$\beta_{Ineq} * SD_{within}$	0.04	0.055	0.067	0.072	0.043	0.06	0.077	0.086
<i>KPF – stat</i>	14.062	19.132	18.499	21.140	12.317	17.232	15.058	15.383
<i>Year Dummies</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Obs.</i>	698	698	449	449	698	698	449	449
<i>Countries</i>	29	29	26	26	29	29	26	26

Robust standard errors in parentheses. All specifications includes country fixed effects. These estimates replicate those from Table 5, but excluding New Zealand from the sample. The critical value for the weak instruments test is based on a 10% (resp. 15%) 2SLS size at the 5% significance level, which is 16.4 (8.96) in all estimations. \*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table C.2: TR1: The specific part of waves - Replication of Table 7 for Top 10%

Dep. Var. Model	First stage: Top 10				Second Stage: Household Credit/GDP			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sample	All	All	Bef. 2008	Bef. 2008	All	All	Bef. 2008	Bef. 2008
Top 10					2.633** (1.052)	3.356*** (1.033)	3.419*** (0.854)	3.277*** (0.732)
ILO conv.	-0.001*** (0.000)	-0.000*** (0.000)	-0.000 (0.000)	-0.000 (0.000)				
ILO conv. *7377	-0.002*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.002*** (0.001)				
ILO conv. *9508	-0.000** (0.000)	-0.000** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)				
GDP per capita	0.024** (0.010)	0.035*** (0.011)	0.036** (0.016)	0.054*** (0.018)	-0.352*** (0.080)	-0.444*** (0.086)	-0.120 (0.112)	-0.215* (0.113)
Broad Money Ratio	0.009* (0.005)	0.005 (0.005)	0.023*** (0.007)	0.021*** (0.007)	0.119*** (0.033)	0.113*** (0.031)	0.063 (0.041)	0.079** (0.037)
Financial Openness	-0.021*** (0.004)	-0.026*** (0.005)	-0.007 (0.006)	-0.007 (0.006)	-0.000 (0.039)	0.028 (0.044)	-0.079** (0.037)	-0.072* (0.037)
Credit Deregulation	0.001* (0.001)	0.002* (0.001)	0.006*** (0.001)	0.004*** (0.002)	-0.008 (0.006)	-0.010 (0.006)	-0.024** (0.010)	-0.015 (0.010)
Real House Prices	-0.003 (0.003)	-0.003 (0.003)	-0.011*** (0.004)	-0.014*** (0.004)	0.197*** (0.023)	0.177*** (0.025)	0.195*** (0.032)	0.207*** (0.034)
Housing GFCF Ratio	-0.025*** (0.008)	-0.086*** (0.014)	-0.017* (0.009)	-0.093*** (0.015)	0.096 (0.059)	0.324** (0.130)	0.217*** (0.054)	0.565*** (0.098)
1973-1977 Wave	0.101*** (0.029)		0.090*** (0.030)		-0.003 (0.031)		0.010 (0.028)	
1995-2008 Wave	0.014*** (0.002)		0.030*** (0.004)		-0.022 (0.015)		-0.076*** (0.021)	
World GDP	0.032* (0.017)		-0.025 (0.033)		0.597*** (0.119)		0.941*** (0.215)	
Oil Price	-0.002 (0.001)		-0.003 (0.002)		0.077*** (0.010)		0.056*** (0.012)	
VIX	-0.001 (0.001)		-0.003** (0.001)		0.013 (0.008)		0.007 (0.010)	
FED Rate	-0.075*** (0.028)		-0.029 (0.032)		-0.793*** (0.207)		-0.246 (0.215)	
<i>KPF – stat</i>					20.207	17.772	28.137	26.358
<i>Year Dummies</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Obs.</i>	726	726	467	467	726	726	467	467
<i>Countries</i>	30	30	27	27	30	30	27	27

Robust standard errors in parentheses. All specifications includes country fixed effects. The critical value for the weak instruments test is based on a 10% 2SLS size at the 5% significance level, which is 22.3 in all estimations. For the 5% 2SLS bias at the 5% significance level, it is 13.9. \*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table C.3: TR 1: First Stage of Table 8 - Alternative Datasets

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Other source	SWID				WID			
First stage: ILO waves	No	No	Yes	Yes	No	No	Yes	Yes
ILO conv.	-0.000*** (0.000)	-0.001*** (0.000)	-0.000* (0.000)	-0.000** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)
ILO conv. *7377			0.000** (0.000)	0.000** (0.000)			0.000** (0.000)	0.001*** (0.000)
ILO conv. *9508			-0.000*** (0.000)	-0.000*** (0.000)			-0.000*** (0.000)	-0.000*** (0.000)
GDP per capita	0.013* (0.008)	-0.003 (0.008)	-0.002 (0.008)	0.001 (0.008)	0.064*** (0.011)	0.049*** (0.012)	0.049*** (0.012)	0.052*** (0.012)
Broad Money Ratio	0.021*** (0.004)	0.025*** (0.004)	0.026*** (0.004)	0.026*** (0.004)	-0.009* (0.005)	-0.006 (0.006)	-0.004 (0.005)	-0.006 (0.006)
Financial Openness	0.002 (0.004)	-0.001 (0.004)	0.005 (0.004)	0.003 (0.004)	0.001 (0.004)	-0.001 (0.005)	0.005 (0.004)	0.003 (0.005)
Credit Deregulation	0.002*** (0.001)	0.002** (0.001)	0.001** (0.001)	0.002** (0.001)	0.002** (0.001)	0.001 (0.001)	0.001 (0.001)	0.001 (0.001)
Real House Prices	-0.001 (0.002)	0.001 (0.002)	-0.000 (0.002)	0.001 (0.002)	-0.016*** (0.003)	-0.017*** (0.004)	-0.017*** (0.003)	-0.018*** (0.004)
Housing GFCF Ratio	0.018*** (0.005)	0.018*** (0.005)	0.017*** (0.004)	0.015*** (0.005)	0.026 (0.016)	0.027 (0.019)	0.027 (0.017)	0.011 (0.018)
1973-1977 Wave			-0.013** (0.006)				-0.007 (0.007)	
1995-2008 Wave			0.020*** (0.002)				0.019*** (0.003)	
World GDP	0.068*** (0.014)		0.059*** (0.014)		0.140*** (0.020)		0.132*** (0.020)	
Oil Price	-0.004*** (0.001)		-0.002* (0.001)		-0.006*** (0.001)		-0.003** (0.002)	
VIX	-0.000 (0.001)		-0.002* (0.001)		-0.001 (0.001)		-0.002 (0.001)	
FED Rate	-0.016 (0.025)		-0.050* (0.026)		0.041 (0.032)		0.007 (0.034)	
<i>Year Dummies</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Obs.</i>	848	848	848	848	764	764	764	764
<i>Countries</i>	30	30	30	30	30	30	30	30

Robust standard errors in parentheses. All specifications includes country fixed effects.

\*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table C.4: TR 1: Alternative Datasets - estimations over 1970-2007.

Dep. Var.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Household Credit/GDP							
Other source	SWID				WID			
First stage: ILO waves	No	No	Yes	Yes	No	No	Yes	Yes
Gini index SWIID	2.349 (1.546)	2.837* (1.558)	3.403*** (0.825)	4.080*** (0.900)				
Top 10% WID					3.114* (1.703)	3.481*** (1.295)	3.324*** (0.781)	3.487*** (0.700)
GDP per capita	0.148 (0.114)	0.164 (0.116)	0.180 (0.110)	0.207* (0.120)	-0.217 (0.178)	-0.246 (0.170)	-0.232 (0.146)	-0.247 (0.151)
Broad Money Ratio	0.078 (0.074)	0.069 (0.078)	0.030 (0.045)	0.013 (0.049)	0.190*** (0.055)	0.188*** (0.055)	0.191*** (0.055)	0.188*** (0.055)
Financial Openness	-0.063** (0.026)	-0.034 (0.028)	-0.060** (0.029)	-0.028 (0.031)	-0.063 (0.038)	-0.050 (0.039)	-0.060 (0.038)	-0.050 (0.038)
Credit Deregulation	-0.005 (0.010)	-0.019* (0.011)	-0.008 (0.009)	-0.023** (0.009)	0.009 (0.012)	0.001 (0.013)	0.009 (0.011)	0.001 (0.013)
Real House Prices	0.137*** (0.027)	0.095*** (0.035)	0.137*** (0.029)	0.087** (0.038)	0.197*** (0.057)	0.196*** (0.056)	0.201*** (0.042)	0.196*** (0.045)
Housing GFCF Ratio	0.099*** (0.030)	0.052* (0.028)	0.089*** (0.024)	0.033 (0.028)	0.287*** (0.108)	0.226* (0.136)	0.299*** (0.097)	0.226* (0.135)
1973-1977 Wave			-0.001 (0.015)				-0.011 (0.022)	
1995-2008 Wave			-0.015 (0.017)				-0.005 (0.018)	
World GDP	0.190 (0.247)		0.137 (0.217)		0.344 (0.314)		0.342 (0.274)	
Oi Price	0.058*** (0.015)		0.061*** (0.013)		0.053*** (0.015)		0.053*** (0.015)	
VIX	0.004 (0.010)		0.006 (0.010)		0.004 (0.011)		0.006 (0.012)	
FED Rate	-0.423** (0.174)		-0.409** (0.208)		-0.602*** (0.229)		-0.619*** (0.238)	
<i>KPF – stat</i>	10.164	10.951	25.592	23.213	14.384	22.730	26.300	28.180
<i>KPF size – crit.value</i>	16.34	16.34	22.3	22.3	16.34	16.34	22.3	22.3
<i>KPF bias – crit.value</i>			13.9	13.9			13.9	13.9
<i>Year Dummies</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Obs.</i>	562	562	562	562	505	505	505	505
<i>Countries</i>	28	28	28	28	28	28	28	28

Robust standard errors in parentheses. All specifications includes country fixed effects. First stage is based on the number of ratified ILO conventions in columns (1), (2), (5), and (6), and the number of ratified ILO conventions plus interactions with waves periods in columns (3), (4), (7) and (8). The critical value for the weak instruments test is based on a 10% 2SLS size and on a 5% 2SLS bias at the 5% significance level.

\*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table C.5: TR 1: Alternative Datasets - Estimations including Japan

Dep. Var.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Household Credit/GDP							
Other source	SWID				WID			
First stage: ILO waves	No	No	Yes	Yes	No	No	Yes	Yes
Gini index SWIID	1.521 (1.445)	2.237* (1.353)	4.044*** (0.842)	4.233*** (0.850)				
Top 10% WID					2.659* (1.417)	2.758** (1.104)	4.039*** (0.962)	4.059*** (0.820)
GDP per capita	-0.275*** (0.0623)	-0.270*** (0.0753)	-0.261*** (0.0721)	-0.262*** (0.0819)	-0.408*** (0.104)	-0.378*** (0.0980)	-0.418*** (0.0958)	-0.430*** (0.103)
Broad Money Ratio	0.0910* (0.0500)	0.0568 (0.0515)	0.00309 (0.0390)	-0.00844 (0.0392)	0.209*** (0.0359)	0.197*** (0.0327)	0.212*** (0.0371)	0.210*** (0.0359)
Financial Openness	0.0218 (0.0273)	0.0283 (0.0286)	0.0279 (0.0307)	0.0374 (0.0313)	0.0580 (0.0361)	0.0633* (0.0357)	0.0701* (0.0397)	0.0736* (0.0386)
Credit Deregulation	-0.00899 (0.00695)	-0.0112* (0.00659)	-0.0128** (0.00647)	-0.0150** (0.00663)	-0.0112 (0.00714)	-0.0107 (0.00675)	-0.0117 (0.00722)	-0.0118 (0.00730)
Real House Prices	0.211*** (0.0184)	0.203*** (0.0214)	0.224*** (0.0206)	0.207*** (0.0236)	0.237*** (0.0345)	0.229*** (0.0344)	0.259*** (0.0315)	0.254*** (0.0331)
Housing GFCF Ratio	0.0754** (0.0340)	0.0540 (0.0336)	0.0269 (0.0286)	0.0106 (0.0302)	-0.152 (0.106)	-0.208 (0.134)	-0.211* (0.112)	-0.243* (0.147)
1973-1977 Wave			-0.0238 (0.0176)				-0.0124 (0.0258)	
1995-2008 Wave			-0.0265** (0.0115)				-0.0247** (0.0126)	
World GDP	0.543*** (0.127)		0.384*** (0.127)		0.238 (0.244)		0.0308 (0.207)	
Oil Price	0.0642*** (0.00985)		0.0681*** (0.00957)		0.0738*** (0.0127)		0.0746*** (0.0121)	
VIX	0.0175** (0.00772)		0.0245*** (0.00854)		0.0135 (0.00937)		0.0181* (0.0105)	
FED Rate	-0.650*** (0.147)		-0.561*** (0.191)		-0.764*** (0.200)		-0.690*** (0.236)	
<i>KPF – stat</i>	12.561	15.056	24.753	25.65	20.582	30.56	16.893	23.051
<i>KPF size – crit.value</i>	16.34	16.34	22.3	22.3	16.34	16.34	22.3	22.3
<i>KPF bias – crit.value</i>			13.9	13.9			13.9	13.9
<i>Year Dummies</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Obs.</i>	894	894	894	894	805	805	805	805
<i>Countries</i>	31	31	31	31	31	31	31	31

Robust standard errors in parentheses. All specifications includes country fixed effects. First stage is based on the number of ratified ILO conventions in columns (1), (2), (5), and (6), and the number of ratified ILO conventions plus interactions with waves periods in columns (3), (4), (7) and (8). The critical value for the weak instruments test is based on a 10% 2SLS size and on a 5% 2SLS bias at the 5% significance level.

\*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table C.6: TR 1: First Stage of Table 9 - Alternative Instrumental Variables

Dep. Var.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Gini			Top 10				
Agricultural Share	-0.001*** (0.000)			-0.000 (0.000)	-0.000** (0.000)			0.000 (0.000)
$\frac{Capital}{Labor}$ Intensity		0.015 (0.017)	0.039** (0.017)	0.039** (0.017)		0.020 (0.012)	0.032*** (0.012)	0.033*** (0.012)
School (nbr. of years)		-0.012*** (0.002)	-0.010*** (0.002)	-0.010*** (0.002)		-0.011*** (0.001)	-0.011*** (0.001)	-0.011*** (0.001)
ILO conv.			-0.001*** (0.000)	-0.001*** (0.000)			-0.001*** (0.000)	-0.001*** (0.000)
GDP per capita	0.078*** (0.023)	0.094*** (0.021)	0.128*** (0.021)	0.126*** (0.021)	0.065*** (0.015)	0.080*** (0.013)	0.099*** (0.014)	0.100*** (0.014)
Broad Money Ratio	0.045*** (0.007)	0.052*** (0.007)	0.040*** (0.007)	0.041*** (0.007)	0.024*** (0.005)	0.031*** (0.005)	0.025*** (0.005)	0.025*** (0.005)
Financial Openness	-0.029*** (0.007)	-0.009 (0.007)	-0.012* (0.007)	-0.012* (0.007)	-0.023*** (0.005)	-0.004 (0.005)	-0.006 (0.005)	-0.005 (0.005)
Credit Deregulation	0.010*** (0.002)	0.009*** (0.002)	0.010*** (0.002)	0.010*** (0.002)	0.006*** (0.001)	0.005*** (0.001)	0.006*** (0.001)	0.005*** (0.001)
Real House Prices	-0.013** (0.005)	-0.019*** (0.005)	-0.019*** (0.005)	-0.019*** (0.005)	-0.017*** (0.004)	-0.024*** (0.004)	-0.024*** (0.004)	-0.024*** (0.004)
Housing GFCF Ratio	-0.095*** (0.022)	-0.055*** (0.021)	-0.066*** (0.020)	-0.064*** (0.020)	-0.082*** (0.017)	-0.040*** (0.015)	-0.046*** (0.015)	-0.047*** (0.015)
<i>Obs.</i>	483	483	483	483	483	483	483	483
<i>Countries</i>	20	20	20	20	20	20	20	20

Robust standard errors in parentheses. All specifications includes country fixed effects and year dummies.

\*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.



Table C.7: TR 1: Additional Instrumented Variables

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dep. Var.	Household Credit/GDP							
Endogenous variables	Ineq. measure, Real House Prices, Housing GFCF Ratio							
Instruments	ILO Conv., $\frac{Capital}{Labor}$ Intensity and School (Nbr. of Years)							
Sample	All	All	Bef. 2008	Bef. 2008	All	All	Bef. 2008	Bef. 2008
Gini	3.662*** (0.926)	4.158*** (0.960)	2.638*** (0.832)	2.665*** (0.911)				
D10					5.187*** (1.321)	6.067*** (1.582)	3.815*** (1.277)	3.758** (1.504)
Real House Prices	0.168** (0.085)	0.230* (0.118)	0.134 (0.086)	0.339*** (0.110)	0.118 (0.088)	0.294** (0.129)	0.092 (0.095)	0.392*** (0.116)
Housing GFCF Ratio	0.256 (0.185)	1.014 (0.690)	0.329* (0.176)	1.629*** (0.628)	0.412** (0.206)	1.888** (0.872)	0.462** (0.204)	2.228*** (0.836)
GDP per capita	-0.216 (0.175)	-0.490* (0.276)	-0.091 (0.183)	-0.713*** (0.276)	-0.093 (0.172)	-0.651** (0.318)	0.017 (0.189)	-0.859*** (0.316)
Broad Money Ratio	0.037 (0.062)	0.016 (0.059)	0.095 (0.062)	0.023 (0.057)	0.129** (0.065)	0.111* (0.065)	0.189*** (0.069)	0.090 (0.065)
Financial Openness	-0.036 (0.063)	0.024 (0.068)	-0.071 (0.056)	-0.110** (0.054)	0.025 (0.071)	0.076 (0.083)	-0.017 (0.069)	-0.093 (0.067)
Credit Deregulation	-0.057*** (0.012)	-0.060*** (0.014)	-0.031** (0.013)	0.006 (0.019)	-0.050*** (0.011)	-0.043*** (0.014)	-0.030** (0.013)	0.025 (0.022)
World GDP	0.761*** (0.236)		0.742*** (0.244)		0.532** (0.248)		0.537** (0.268)	
Oil Price	0.083*** (0.018)		0.082*** (0.019)		0.091*** (0.018)		0.091*** (0.022)	
VIX	0.002 (0.011)		0.003 (0.012)		-0.003 (0.011)		0.003 (0.012)	
FED rate	-0.419* (0.248)		-0.354 (0.225)		-0.493* (0.260)		-0.451* (0.244)	
<i>KPF – stat</i>	9.486	5.790	7.913	5.018	6.497	3.296	5.239	2.953
<i>KPF size – crit.value</i>	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3
<i>KPF bias – crit.value</i>	9.08	9.08	9.08	9.08	9.08	9.08	9.08	9.08
<i>Year Dummies</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Obs.</i>	488	488	427	427	488	488	427	427
<i>Countries</i>	20	20	19	19	20	20	19	19

Robust standard errors in parentheses, and country fixed effects in all estimations. In the latter, Housing GFCF Ratio and House Prices are instrumented, together with the inequality indicators. The critical value for the weak instruments test

are based on a 10% 2SLS size and a 5% IV bias at the 5% percentage level. \*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table D.1: TR 2: First Stage of Table 10

Dep. Var.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	$\frac{Top\ 10}{Mid.\ 30-90}$				$\frac{Top\ 10}{Bot.\ 0-30}$			
ILO Conv.	-0.001*** (0.000)	-0.001*** (0.000)	-0.002*** (0.000)	-0.002*** (0.000)	-0.011*** (0.002)	-0.013*** (0.002)	-0.014*** (0.002)	-0.016*** (0.003)
GDP per capita	0.097*** (0.022)	0.071*** (0.021)	0.097*** (0.034)	0.130*** (0.033)	0.506*** (0.134)	0.415*** (0.140)	0.529** (0.229)	0.674*** (0.221)
Broad Money Ratio	0.011 (0.010)	0.011 (0.009)	0.036*** (0.014)	0.028* (0.015)	0.144** (0.062)	0.134** (0.058)	0.339*** (0.088)	0.262*** (0.090)
Financial Openness	-0.036*** (0.009)	-0.052*** (0.009)	-0.026*** (0.010)	-0.040*** (0.011)	-0.210*** (0.061)	-0.328*** (0.058)	-0.144** (0.070)	-0.298*** (0.072)
Credit Deregulation	0.005*** (0.002)	0.003* (0.002)	0.011*** (0.003)	0.008** (0.003)	0.033*** (0.010)	0.036*** (0.011)	0.057*** (0.017)	0.072*** (0.019)
Real House Prices	-0.007 (0.006)	-0.010* (0.006)	-0.034*** (0.009)	-0.031*** (0.008)	-0.018 (0.034)	0.015 (0.034)	-0.133*** (0.050)	-0.060 (0.049)
Housing GFCF Ratio	-0.061*** (0.016)	-0.159*** (0.029)	-0.033** (0.016)	-0.170*** (0.033)	-0.372*** (0.101)	-0.578*** (0.182)	-0.328*** (0.104)	-0.679*** (0.198)
World GDP	0.058 (0.036)		0.138** (0.058)		0.603*** (0.224)		0.889** (0.384)	
Oil Price	-0.009*** (0.003)		-0.011*** (0.004)		-0.068*** (0.016)		-0.094*** (0.025)	
VIX	0.000 (0.002)		-0.005* (0.003)		-0.012 (0.014)		-0.043** (0.018)	
FED Rate	0.009 (0.056)		0.053 (0.069)		-0.106 (0.342)		0.255 (0.428)	
<i>Year Dummies</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Obs.</i>	698	698	449	449	698	698	449	449
<i>Countries</i>	29	29	26	26	29	29	26	26

Robust standard errors in parentheses. All specifications includes country fixed effects.

\*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table D.2: TR 2: The Specific Part of Waves

Dep. Var. Instruments Sample	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Household Credit/GDP							
	ILO Conv., ILO Conv*		1973-1977 Wave, ILO Conv*		1995-2008 Wave			
	All	All	Bef. 2008	Bef. 2008	All	All	Bef. 2008	Bef. 2008
$\frac{Top\ 10}{Mid.\ 30-90}$	1.251** (0.512)	1.630*** (0.499)	1.572*** (0.378)	1.523*** (0.337)				
$\frac{Top\ 10}{Bot.\ 0-30}$					0.174*** (0.0625)	0.213*** (0.0597)	0.246*** (0.0559)	0.259*** (0.0548)
GDP per capita	-0.352*** (0.0786)	-0.443*** (0.0843)	-0.118 (0.105)	-0.203* (0.106)	-0.332*** (0.0781)	-0.411*** (0.0809)	-0.0706 (0.103)	-0.145 (0.107)
Broad Money Ratio	0.132*** (0.0323)	0.127*** (0.0298)	0.0931** (0.0371)	0.105*** (0.0340)	0.122*** (0.0340)	0.113*** (0.0319)	0.0581 (0.0410)	0.0653* (0.0397)
Financial Openness	0.00949 (0.0381)	0.0417 (0.0435)	-0.0701** (0.0345)	-0.0651* (0.0361)	-0.000670 (0.0354)	0.0266 (0.0404)	-0.0737** (0.0355)	-0.0502 (0.0396)
Credit Deregulation	-0.00689 (0.00581)	-0.00832 (0.00616)	-0.0179** (0.00873)	-0.00913 (0.00908)	-0.00760 (0.00594)	-0.0106* (0.00628)	-0.0154* (0.00857)	-0.0153 (0.00994)
Real House Prices	0.190*** (0.0230)	0.171*** (0.0251)	0.179*** (0.0312)	0.191*** (0.0330)	0.183*** (0.0227)	0.152*** (0.0251)	0.153*** (0.0301)	0.156*** (0.0342)
Housing GFCF Ratio	0.0895 (0.0571)	0.309** (0.125)	0.211*** (0.0501)	0.542*** (0.0920)	0.0734 (0.0562)	0.174 (0.112)	0.231*** (0.0542)	0.449*** (0.0945)
1973-1977 Wave	-0.00615 (0.0288)		0.00885 (0.0242)		-0.0110 (0.0273)		0.0135 (0.0248)	
1995-2008 Wave	-0.0264* (0.0155)		-0.0821*** (0.0198)		-0.0180 (0.0124)		-0.0882*** (0.0213)	
World GDP	0.596*** (0.117)		0.953*** (0.207)		0.575*** (0.118)		1.003*** (0.211)	
Oil Price	0.0735*** (0.00954)		0.0500*** (0.0118)		0.0767*** (0.00969)		0.0548*** (0.0120)	
VIX	0.0132 (0.00824)		0.00440 (0.0102)		0.0141* (0.00820)		0.00707 (0.0105)	
FED Rate	-0.829*** (0.207)		-0.256 (0.209)		-0.858*** (0.197)		-0.216 (0.204)	
<i>KPF – stat</i>	18.163	16.883	30.515	27.57	32.566	32.881	30.049	30.342
<i>KPF size – crit.value</i>	16.34	16.34	22.3	22.3	16.34	16.34	22.3	22.3
<i>KPF bias – crit.value</i>			13.9	13.9			13.9	13.9
<i>Year Dummies</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Obs.</i>	698	698	449	449	698	698	449	449
<i>Countries</i>	29	29	26	26	29	29	26	26

Robust standard errors in parentheses. All specifications includes country fixed effects. First stage is based on the number of ratified ILO conventions in columns (1), (2), (5), and (6), and the number of ratified ILO conventions plus interactions with waves periods in columns (3), (4), (7) and (8). The critical value for the weak instruments test is based on a 10% 2SLS size and on a 5% 2SLS bias at the 5% significance level.

\*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table D.3: TR 2: First Stage of Table 11 - Alternatives Datasets

Dep. Var.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	$\frac{Top\ 10}{Mid.\ 50-90}$			$\frac{Top\ 10}{Bot.\ 0-50}$				
ILO Conv.	-0.004*** (0.001)	-0.005*** (0.001)	-0.003*** (0.001)	-0.004*** (0.001)	-0.027*** (0.003)	-0.026*** (0.003)	-0.027*** (0.003)	-0.026*** (0.003)
GDP per capita	0.217*** (0.033)	0.144*** (0.034)	0.251*** (0.060)	0.309*** (0.065)	0.876*** (0.111)	0.522*** (0.106)	0.729*** (0.174)	0.697*** (0.190)
Broad Money Ratio	-0.061*** (0.017)	-0.050*** (0.018)	-0.022 (0.024)	-0.056** (0.025)	-0.409*** (0.057)	-0.287*** (0.059)	-0.343*** (0.073)	-0.300*** (0.087)
Financial Openness	-0.024* (0.014)	-0.035** (0.015)	-0.009 (0.015)	-0.026 (0.017)	-0.206*** (0.045)	-0.206*** (0.051)	-0.162*** (0.050)	-0.175*** (0.061)
Credit Deregulation	0.002 (0.003)	0.000 (0.003)	-0.010** (0.004)	-0.018*** (0.005)	-0.004 (0.009)	-0.002 (0.009)	-0.036*** (0.013)	-0.028* (0.016)
Real House Prices	-0.030*** (0.010)	-0.034*** (0.011)	-0.046*** (0.015)	-0.053*** (0.016)	-0.176*** (0.030)	-0.173*** (0.033)	-0.142*** (0.045)	-0.118** (0.049)
Housing GFCF Ratio	-0.048 (0.050)	-0.008 (0.058)	-0.020 (0.059)	-0.227*** (0.063)	0.044 (0.189)	0.769*** (0.258)	0.039 (0.206)	0.183 (0.255)
World GDP	0.437*** (0.062)		0.424*** (0.108)		2.105*** (0.223)		2.415*** (0.347)	
Oil Price	-0.009** (0.005)		-0.006 (0.007)		-0.008 (0.015)		-0.017 (0.021)	
VIX	-0.001 (0.004)		0.003 (0.005)		-0.013 (0.013)		-0.007 (0.016)	
FED Rate	0.182* (0.108)		0.099 (0.117)		0.129 (0.367)		-0.087 (0.372)	
<i>Year Dummies</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Obs.</i>	656	656	418	418	656	656	418	418
<i>Countries</i>	27	27	25	25	27	27	25	25

Robust standard errors in parentheses. All specifications includes country fixed effects.

\*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table D.4: TR 2: First Stage of Table 12 - Alternative Instrumental Variables

Dep. Var.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
		$\frac{Top\ 10}{Mid.\ 30-90}$				$\frac{Top\ 10}{Bot.\ 0-30}$		
Agricultural Share	-0.001*** (0.000)	-0.001** (0.000)		-0.001 (0.000)	-0.009** (0.004)	-0.008** (0.003)		-0.003 (0.003)
$\frac{Capital}{Labor}$ Intensity		-0.042 (0.028)	-0.001 (0.027)	-0.003 (0.027)		-0.390** (0.196)	-0.035 (0.183)	-0.045 (0.182)
ILO Conv.			-0.002*** (0.000)	-0.002*** (0.000)			-0.016*** (0.002)	-0.015*** (0.002)
GDP per capita	0.133*** (0.028)	0.124*** (0.029)	0.187*** (0.029)	0.179*** (0.029)	0.632*** (0.200)	0.545*** (0.204)	1.075*** (0.199)	1.030*** (0.202)
Broad Money Ratio	0.042*** (0.011)	0.042*** (0.010)	0.024** (0.010)	0.026** (0.011)	0.386*** (0.067)	0.392*** (0.065)	0.233*** (0.066)	0.245*** (0.067)
Financial Openness	-0.046*** (0.010)	-0.043*** (0.010)	-0.043*** (0.010)	-0.044*** (0.010)	-0.355*** (0.067)	-0.331*** (0.067)	-0.334*** (0.069)	-0.339*** (0.068)
Credit Deregulation	0.010*** (0.002)	0.009*** (0.002)	0.010*** (0.002)	0.010*** (0.002)	0.087*** (0.016)	0.079*** (0.016)	0.089*** (0.015)	0.090*** (0.015)
Real House Prices	-0.037*** (0.007)	-0.041*** (0.008)	-0.041*** (0.007)	-0.041*** (0.007)	-0.085* (0.045)	-0.126*** (0.048)	-0.124*** (0.047)	-0.127*** (0.047)
Housing GFCF Ratio	-0.162*** (0.034)	-0.162*** (0.033)	-0.184*** (0.031)	-0.177*** (0.031)	-0.506** (0.219)	-0.504** (0.209)	-0.681*** (0.187)	-0.639*** (0.186)
<i>Obs.</i>	462	462	462	462	462	462	462	462
<i>Countries</i>	19	19	19	19	19	19	19	19

Robust standard errors in parentheses. All specifications includes country fixed effects and year dummies.

\*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table D.5: TR 2: Alternative Definition of Top and Middle Incomes

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dep. Var.	Household Credit/GDP							
Instruments	ILO Conv.							
Sample	All	All	Bef. 2008	Bef. 2008	All	All	Bef. 2008	Bef. 2008
$\frac{Top\ 30}{Mid.\ 30-70}$	0.451 (0.281)	0.621*** (0.228)	0.850*** (0.288)	0.918*** (0.261)				
$\frac{Top\ 30}{Bot.\ 0-30}$					0.104 (0.0636)	0.144*** (0.0509)	0.193*** (0.0602)	0.205*** (0.0530)
GDP per capita	-0.374*** (0.0837)	-0.419*** (0.0861)	-0.0394 (0.124)	-0.166 (0.128)	-0.340*** (0.0747)	-0.397*** (0.0830)	-0.0168 (0.121)	-0.107 (0.119)
Broad Money Ratio	0.145*** (0.0321)	0.125*** (0.0315)	0.0504 (0.0585)	0.0471 (0.0535)	0.130*** (0.0384)	0.105*** (0.0357)	0.0250 (0.0620)	0.0208 (0.0555)
Financial Openness	-0.00437 (0.0399)	0.0342 (0.0471)	-0.0919** (0.0383)	-0.0419 (0.0451)	-0.0128 (0.0374)	0.0215 (0.0449)	-0.103*** (0.0378)	-0.0413 (0.0458)
Credit Deregulation	-0.00765 (0.00643)	-0.00819 (0.00635)	-0.0223** (0.0112)	-0.0202* (0.0112)	-0.00868 (0.00683)	-0.0122* (0.00696)	-0.0168 (0.0104)	-0.0227* (0.0118)
Real House Prices	0.183*** (0.0232)	0.161*** (0.0255)	0.197*** (0.0378)	0.192*** (0.0397)	0.177*** (0.0230)	0.142*** (0.0263)	0.160*** (0.0312)	0.137*** (0.0367)
Housing GFCF Ratio	0.0864 (0.0668)	0.274** (0.131)	0.148** (0.0629)	0.619*** (0.141)	0.0613 (0.0590)	0.149 (0.118)	0.151** (0.0606)	0.437*** (0.109)
World GDP	0.582*** (0.119)		0.335 (0.219)		0.565*** (0.121)		0.458** (0.212)	
Oil Price	0.0824*** (0.0115)		0.0807*** (0.0165)		0.0820*** (0.0116)		0.0822*** (0.0171)	
VIX	0.00890 (0.00821)		0.000550 (0.0115)		0.0110 (0.00818)		0.00132 (0.0115)	
FED Rate	-0.944*** (0.170)		-0.529** (0.220)		-0.934*** (0.169)		-0.493** (0.211)	
<i>KPF – stat</i>	22.47	32.315	23.362	26.326	31.273	41.631	29.795	35.396
<i>Year Dummies</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Obs.</i>	698	698	449	449	698	698	449	449
<i>Countries</i>	29	29	26	26	29	29	26	26

Robust standard errors in parentheses. All specifications includes country fixed effects. The critical value for the weak instruments test is based on a 10% (resp. 15%) 2SLS size at the 5% significance level, which is 16.4 (8.96) in all estimations. \*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table D.6: TR 2: The Specific Part of Waves &amp; Alternative Definition of Middle Classes

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dep. Var.	Household Credit/GDP							
Instruments	ILO Conv., ILO Conv* 1973-1977 Wave, ILO Conv* 1995-2008 Wave							
Sample	All	All	Bef. 2008	Bef. 2008	All	All	Bef. 2008	Bef. 2008
$\frac{Top\ 30}{Mid.\ 30-70}$	0.344** (0.167)	0.473*** (0.161)	0.629*** (0.155)	0.642*** (0.142)				
$\frac{Top\ 30}{Bot.\ 0-30}$					0.101** (0.0405)	0.125*** (0.0388)	0.165*** (0.0413)	0.175*** (0.0401)
GDP per capita	-0.326*** (0.0777)	-0.402*** (0.0807)	-0.0470 (0.104)	-0.136 (0.108)	-0.315*** (0.0790)	-0.391*** (0.0806)	-0.0318 (0.107)	-0.101 (0.111)
Broad Money Ratio	0.141*** (0.0326)	0.133*** (0.0303)	0.0739* (0.0398)	0.0846** (0.0374)	0.122*** (0.0357)	0.112*** (0.0337)	0.0355 (0.0472)	0.0428 (0.0458)
Financial Openness	-0.0112 (0.0342)	0.0150 (0.0389)	-0.0808** (0.0341)	-0.0668* (0.0364)	-0.0118 (0.0343)	0.0130 (0.0393)	-0.0820** (0.0364)	-0.0535 (0.0412)
Credit Deregulation	-0.00532 (0.00576)	-0.00701 (0.00601)	-0.0177** (0.00873)	-0.0131 (0.00934)	-0.00760 (0.00611)	-0.0111* (0.00650)	-0.0159* (0.00905)	-0.0189* (0.0107)
Real House Prices	0.185*** (0.0224)	0.160*** (0.0246)	0.168*** (0.0309)	0.180*** (0.0338)	0.179*** (0.0228)	0.144*** (0.0258)	0.140*** (0.0308)	0.139*** (0.0355)
Housing GFCF Ratio	0.0775 (0.0556)	0.219* (0.114)	0.222*** (0.0537)	0.523*** (0.0961)	0.0647 (0.0566)	0.136 (0.113)	0.240*** (0.0593)	0.418*** (0.0977)
1973-1977 Wave	-0.0123 (0.0274)		0.0141 (0.0273)		-0.0128 (0.0276)		0.0175 (0.0274)	
1995-2008 Wave	-0.0166 (0.0133)		-0.0798*** (0.0198)		-0.0128 (0.0115)		-0.0900*** (0.0228)	
World GDP	0.593*** (0.115)		0.884*** (0.202)		0.566*** (0.120)		1.012*** (0.216)	
Oil Price	0.0740*** (0.00933)		0.0560*** (0.0117)		0.0776*** (0.00986)		0.0589*** (0.0126)	
VIX	0.0124 (0.00800)		0.00567 (0.0103)		0.0138* (0.00822)		0.00853 (0.0110)	
FED Rate	-0.859*** (0.201)		-0.249 (0.206)		-0.871*** (0.196)		-0.199 (0.209)	
<i>KPF – stat</i>	25.01	26.171	29.606	28.666	35.429	37.204	25.009	27.498
<i>Year Dummies</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Obs.</i>	698	698	449	449	698	698	449	449
<i>Countries</i>	29	29	26	26	29	29	26	26

Robust standard errors in parentheses. All specifications includes country fixed effects. The critical value for the weak instruments test is based on a 10% 2SLS size at the 5% significance level, which is 22.3 in all estimations. For the 5% 2SLS bias at the 5% significance level, it is 13.9. \*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table D.7: TR 2: Additional Instrumented Variables

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dep. Var.	Household Credit/GDP							
Endogenous variables	Ineq. measure, Real House Prices, Housing GFCF Ratio							
Instruments	ILO Conv., $\frac{Capital}{Labor}$ Intensity and School (Nbr. of Years)							
Sample	All	All	Bef. 2008	Bef. 2008	All	All	Bef. 2008	Bef. 2008
$\frac{Top\ 10}{Mid.\ 30-90}$	2.340*** (0.593)	2.888*** (0.720)	1.755*** (0.599)	1.791** (0.696)				
$\frac{Top\ 10}{Bot.\ 0-30}$					0.313*** (0.070)	0.378*** (0.076)	0.229*** (0.066)	0.249*** (0.076)
Real House Prices	0.058 (0.088)	0.191 (0.138)	0.022 (0.097)	0.307** (0.131)	0.103 (0.081)	0.055 (0.127)	0.068 (0.083)	0.210* (0.125)
Housing GFCF Ratio	0.419** (0.193)	1.834** (0.849)	0.483** (0.197)	2.241*** (0.817)	0.255 (0.159)	0.665 (0.644)	0.339** (0.156)	1.445** (0.573)
GDP per capita	-0.012 (0.167)	-0.468 (0.320)	0.121 (0.184)	-0.714** (0.323)	-0.091 (0.156)	-0.128 (0.263)	0.040 (0.168)	-0.445 (0.275)
Broad Money Ratio	0.197*** (0.066)	0.188*** (0.070)	0.254*** (0.072)	0.154** (0.075)	0.122** (0.062)	0.117* (0.062)	0.171*** (0.060)	0.115* (0.060)
Financial Openness	0.038 (0.067)	0.106 (0.080)	-0.001 (0.068)	-0.071 (0.069)	-0.017 (0.057)	0.081 (0.066)	-0.057 (0.052)	-0.065 (0.058)
Credit Deregulation	-0.039*** (0.010)	-0.030** (0.014)	-0.021* (0.012)	0.035 (0.023)	-0.039*** (0.010)	-0.043*** (0.014)	-0.013 (0.010)	0.015 (0.020)
World GDP	0.448* (0.237)		0.425 (0.264)		0.583*** (0.216)		0.557** (0.231)	
Oil Price	0.089*** (0.017)		0.090*** (0.021)		0.084*** (0.016)		0.082*** (0.017)	
VIX	-0.005 (0.011)		-0.000 (0.012)		-0.000 (0.011)		-0.000 (0.011)	
FED rate	-0.572** (0.260)		-0.481* (0.246)		-0.591** (0.230)		-0.443** (0.212)	
<i>KPF – stat</i>	6.479	3.349	5.028	2.954	10.069	8.803	8.046	5.888
<i>KPF size – crit.value</i>	22.3	22.3	22.3	22.3	22.3	22.3	22.3	22.3
<i>KPF bias – crit.value</i>	9.08	9.08	9.08	9.08	9.08	9.08	9.08	9.08
<i>Year Dummies</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Obs.</i>	467	467	409	409	467	467	409	409
<i>Countries</i>	19	19	18	18	19	19	18	18

Robust standard errors in parentheses. All specifications includes country fixed effects. The critical value for the weak instruments test are based on a 10% 2SLS size and a 5% IV bias. \*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.



Table E.1: TR 1: Specification without Country Fixed Effects

Dep. Var. Sample	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	All	All	Bef. 2008	Bef. 2008	All	All	Bef. 2008	Bef. 2008
Gini	2.412*** (0.646)	2.392*** (0.604)	1.358** (0.577)	1.123** (0.547)				
Top 10					5.504*** (1.568)	5.148*** (1.359)	3.213* (1.678)	2.612* (1.510)
GDP per capita	0.067*** (0.012)	0.068*** (0.012)	0.053*** (0.013)	0.050*** (0.013)	0.070*** (0.013)	0.070*** (0.013)	0.057*** (0.014)	0.053*** (0.013)
Broad Money Ratio	0.397*** (0.039)	0.383*** (0.039)	0.253*** (0.064)	0.245*** (0.062)	0.348*** (0.050)	0.337*** (0.047)	0.221** (0.089)	0.217*** (0.083)
Financial Openness	0.346*** (0.047)	0.350*** (0.052)	0.329*** (0.052)	0.285*** (0.060)	0.377*** (0.053)	0.385*** (0.056)	0.353*** (0.062)	0.303*** (0.064)
Credit Deregulation	0.034*** (0.010)	0.041*** (0.011)	0.070*** (0.012)	0.089*** (0.014)	0.039*** (0.011)	0.048*** (0.011)	0.075*** (0.012)	0.095*** (0.013)
Real House Prices	-0.019 (0.032)	0.003 (0.035)	0.042 (0.030)	0.108*** (0.037)	-0.037 (0.036)	-0.001 (0.037)	0.039 (0.034)	0.111*** (0.037)
Housing GFCF Ratio	0.545*** (0.099)	1.162*** (0.215)	0.432*** (0.088)	1.488*** (0.205)	0.588*** (0.116)	1.303*** (0.245)	0.435*** (0.122)	1.586*** (0.267)
World GDP	-0.423** (0.189)		-0.295 (0.195)		-0.584*** (0.215)		-0.462* (0.277)	
Oil Price	0.110*** (0.024)		0.062** (0.029)		0.131*** (0.028)		0.071** (0.034)	
VIX	0.003 (0.021)		-0.008 (0.024)		-0.003 (0.023)		-0.008 (0.026)	
FED Rate	-0.954** (0.468)		-0.200 (0.518)		-1.115** (0.513)		-0.228 (0.569)	
<i>Quantification</i>								
$\beta_{Ineq} * SD_{within}$	0.045	0.044	0.026	0.022	0.077	0.072	0.046	0.037
$KPF - stat$	73.203	78.446	73.921	74.567	40.157	50.402	33.327	35.172
<i>Country FE</i>	No	No	No	No	No	No	No	No
<i>Year Dummies</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Obs.</i>	726	726	467	467	726	726	467	467
<i>Countries</i>	30	30	27	27	30	30	27	27

Robust standard errors in parentheses. Intercept not reported. The critical value for the weak instruments test is based on a 10% (resp. 15%) 2SLS size at the 5% significance level, which is 16.4 (8.96) in all estimations. \*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table E.2: TR 2: Specification without Country Fixed Effects

Dep. Var. Sample	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	All	All	Bef. 2008	Bef. 2008	All	All	Bef. 2008	Bef. 2008
$\frac{Top\ 10}{Mid.\ 30-90}$	4.134*** (1.287)	3.610*** (1.000)	2.508** (1.127)	2.029** (0.983)				
$\frac{Top\ 10}{Bot.\ 0-30}$					0.256*** (0.068)	0.258*** (0.064)	0.153** (0.061)	0.130** (0.059)
GDP per capita	0.077*** (0.016)	0.076*** (0.015)	0.065*** (0.018)	0.060*** (0.017)	0.066*** (0.011)	0.067*** (0.011)	0.053*** (0.012)	0.051*** (0.012)
Broad Money Ratio	0.299*** (0.067)	0.297*** (0.058)	0.190* (0.098)	0.192** (0.090)	0.416*** (0.037)	0.401*** (0.037)	0.276*** (0.061)	0.265*** (0.060)
Financial Openness	0.418*** (0.063)	0.426*** (0.062)	0.395*** (0.066)	0.341*** (0.069)	0.359*** (0.046)	0.364*** (0.051)	0.347*** (0.051)	0.307*** (0.059)
Credit Deregulation	0.046*** (0.013)	0.057*** (0.013)	0.083*** (0.014)	0.103*** (0.016)	0.036*** (0.010)	0.043*** (0.011)	0.074*** (0.012)	0.092*** (0.014)
Real House Prices	-0.068 (0.043)	-0.013 (0.040)	0.022 (0.036)	0.100** (0.040)	-0.036 (0.032)	-0.016 (0.036)	0.025 (0.030)	0.091** (0.038)
Housing GFCF Ratio	0.612*** (0.145)	1.397*** (0.290)	0.411*** (0.104)	1.655*** (0.261)	0.503*** (0.096)	1.113*** (0.218)	0.403*** (0.088)	1.450*** (0.207)
World GDP	-0.780*** (0.267)		-0.668** (0.296)		-0.471** (0.194)		-0.336* (0.199)	
Oil Price	0.149*** (0.035)		0.071* (0.037)		0.107*** (0.024)		0.057* (0.030)	
VIX	-0.007 (0.027)		-0.012 (0.028)		0.003 (0.022)		-0.011 (0.024)	
FED Rate	-1.380** (0.600)		-0.254 (0.612)		-1.089** (0.476)		-0.265 (0.529)	
<i>Quantification</i>								
$\beta_{Ineq} * SD_{within}$	0.115	0.10	0.072	0.058	0.045	0.045	0.027	0.023
Quantif. <i>Middle/Bottom</i>	2.55	2.22	2.67	2.52				
<i>KPF - stat</i>	20.821	30.414	17.927	19.535	59.146	61.279	61.413	60.366
<i>Country FE</i>	No	No	No	No	No	No	No	No
<i>Year Dummies</i>	No	Yes	No	Yes	No	Yes	No	Yes
<i>Obs.</i>	698	698	449	449	698	698	449	449
<i>Countries</i>	29	29	26	26	29	29	26	26

Robust standard errors in parentheses. Intercept not reported. The critical value for the weak instruments test is based on a 10% (resp. 15%) 2SLS size at the 5% significance level, which is 16.4 (8.96) in all estimations. \*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table E.3: Conditioning on Financial Deregulation and Openness - Gini

Dep. Var.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Household Credit/GDP							
Countries	ADV	ADV	ADV	ADV	EME	EME	EME	EME
Time	All	All	Bef. 2008	Bef. 2008	All	All	Bef. 2008	Bef. 2008
Gini	2.001 (1.795)	25.57 (19.35)	-0.509 (2.014)	-3.838 (14.69)	0.572 (0.704)	-0.522 (4.965)	0.559 (1.782)	2.637* (1.548)
Gini*Financial Open.	1.089 (1.357)		3.397** (1.628)		1.202** (0.526)		-0.309 (1.165)	
Gini* Credit Dereg.		-2.351 (2.035)		0.813 (1.517)		0.584 (1.461)		-0.364 (0.390)
GDP per capita	-0.422*** (0.0970)	-0.722*** (0.270)	-0.0940 (0.125)	-0.165 (0.182)	0.111*** (0.0429)	0.185 (0.126)	-0.0227 (0.0697)	-0.0390 (0.0696)
Broad Money Ratio	0.0881** (0.0363)	0.0269 (0.0687)	0.0506 (0.0600)	-0.0211 (0.0767)	0.318*** (0.0606)	0.442 (0.304)	-0.0110 (0.0680)	-0.0111 (0.0743)
Financial Openness	-0.284 (0.414)	0.0448 (0.0944)	-1.071** (0.494)	-0.0559 (0.0593)	-0.543** (0.226)	-0.0227 (0.0704)	0.158 (0.509)	-0.00594 (0.0355)
Credit Deregulation	-0.0151* (0.00795)	0.672 (0.599)	-0.0182 (0.0120)	-0.259 (0.422)	-0.00233 (0.00699)	-0.269 (0.659)	-0.0103 (0.0184)	0.144 (0.176)
Real House Prices	0.159*** (0.0271)	0.165*** (0.0450)	0.158*** (0.0348)	0.161*** (0.0462)	0.0637 (0.0392)	0.186 (0.295)	0.0688 (0.140)	0.0593 (0.0919)
Housing GFCF Ratio	0.299 (0.194)	0.997* (0.605)	0.343* (0.181)	0.467 (0.455)				
<i>KPF – stat</i>	10.882	1.168	7.428	1.281	5.71	0.189	0.126	0.374
<i>Obs.</i>	726	726	467	467	260	260	110	110
<i>Countries</i>	30	30	27	27	19	19	15	15

Robust standard errors in parentheses. All specifications includes country fixed effects and year dummies. The critical value for the weak instruments test is based on a 10% (resp. 15%) 2SLS size at the 5% significance level, which is 16.4 (8.96) in all estimations. \*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table E.4: Conditioning on Financial Deregulation and Openness - Top 10

Dep. Var.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Household Credit/GDP							
Countries	ADV	ADV	ADV	ADV	EME	EME	EME	EME
Time	All	All	Bef. 2008	Bef. 2008	All	All	Bef. 2008	Bef. 2008
Top 10	0.016 (2.172)	-27.590 (33.226)	-2.698 (2.368)	-25.794 (20.890)	1.712 (1.402)	50.672 (1440.234)	0.683 (2.368)	4.873 (6.410)
Top 10*Financial Open.	3.410* (1.947)		6.676*** (2.163)		1.374* (0.737)		-0.452 (1.093)	
Top 10*Credit Dereg.		3.438 (3.486)		3.297 (2.201)		-19.063 (563.751)		-0.893 (1.895)
GDP per capita	-0.422*** (0.090)	-0.266 (0.236)	-0.140 (0.120)	-0.227 (0.157)	0.142** (0.056)	-0.661 (24.145)	-0.036 (0.070)	0.017 (0.196)
Broad Money Ratio	0.118*** (0.030)	0.156** (0.073)	0.113** (0.045)	0.069 (0.070)	0.341*** (0.078)	-2.406 (80.842)	-0.012 (0.058)	-0.027 (0.099)
Financial Openness	-0.772* (0.461)	0.081 (0.058)	-1.620*** (0.511)	-0.053 (0.047)	-0.492** (0.243)	-0.392 (9.914)	0.171 (0.373)	-0.034 (0.110)
Credit Deregulation	-0.008 (0.006)	-0.824 (0.820)	-0.010 (0.010)	-0.766 (0.495)	-0.003 (0.008)	6.433 (190.329)	-0.010 (0.014)	0.287 (0.648)
Real House Prices	0.180*** (0.024)	0.161*** (0.028)	0.186*** (0.036)	0.175*** (0.052)	0.101 (0.063)	-3.649 (110.347)	0.072 (0.141)	-0.025 (0.390)
Housing GFCF Ratio	0.173 (0.169)	-0.229 (0.713)	0.313** (0.154)	0.113 (0.453)				
<i>KPF – stat</i>	16.426	0.527	16.707	3.169	2.820	0.000	0.108	0.055
<i>Obs.</i>	726	726	467	467	260	260	110	110
<i>Countries</i>	30	30	27	27	19	19	15	15

Robust standard errors in parentheses. All specifications includes Country fixed effects and year dummies. The critical value for the weak instruments test is based on a 10% (resp. 15%) 2SLS size at the 5% significance level, which is 16.4 (8.96) in all estimations. \*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table E.5: Conditioning on Financial Deregulation and Openness -  $\frac{Top\ 10}{Mid.\ 30-90}$

Dep. Var.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Household Credit/GDP							
Countries	ADV	ADV	ADV	ADV	EME	EME	EME	EME
Time	All	All	Bef. 2008	Bef. 2008	All	All	Bef. 2008	Bef. 2008
$\frac{Top\ 10}{Mid.\ 30-90}$	-0.583 (1.135)	-4.877 (7.211)	-2.045* (1.196)	-16.302 (10.251)	1.036 (0.793)	2.167 (1.468)	0.224 (0.842)	2.257 (2.799)
$\frac{Top\ 10}{Mid.\ 30-90}$ * Financial Open.	1.820* (1.041)		3.641*** (1.100)		0.568* (0.335)		-0.211 (0.404)	
$\frac{Top\ 10}{Mid.\ 30-90}$ * Credit Dereg.		0.730 (0.750)		1.968* (1.091)		-0.445 (0.444)		-0.397 (0.707)
GDP per capita	-0.402*** (0.086)	-0.388*** (0.119)	-0.110 (0.113)	-0.212 (0.147)	0.151** (0.062)	0.134* (0.076)	-0.048 (0.085)	0.061 (0.307)
Broad Money Ratio	0.141*** (0.030)	0.144*** (0.042)	0.158*** (0.038)	0.123** (0.060)	0.362*** (0.096)	0.217 (0.153)	-0.017 (0.063)	-0.009 (0.122)
Financial Openness	-0.672* (0.400)	0.067 (0.052)	-1.435*** (0.422)	-0.047 (0.046)	-0.372* (0.196)	-0.090** (0.043)	0.148 (0.236)	-0.047 (0.132)
Credit Deregulation	-0.006 (0.006)	-0.289 (0.287)	0.000 (0.009)	-0.728* (0.396)	-0.006 (0.010)	0.264 (0.266)	-0.010 (0.013)	0.227 (0.437)
Real House Prices	0.171*** (0.023)	0.167*** (0.026)	0.163*** (0.034)	0.146*** (0.050)	0.135 (0.087)	-0.105 (0.200)	0.066 (0.117)	-0.024 (0.324)
Housing GFCF Ratio	0.090 (0.161)	0.099 (0.325)	0.258* (0.138)	-0.021 (0.406)				
<i>KPF – stat</i>	15.659	1.489	21.272	4.864	1.783	0.294	0.117	0.076
<i>Obs.</i>	698	698	449	449	260	260	110	110
<i>Countries</i>	29	29	26	26	19	19	15	15

Robust standard errors in parentheses. All specifications includes country fixed effects and year dummies. The critical value for the weak instruments test is based on a 10% (resp. 15%) 2SLS size at the 5% significance level, which is 16.4 (8.96) in all estimations. \*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table E.6: Conditioning on Financial Deregulation and Openness -  $\frac{Top\ 10}{Bot.\ 0-30}$

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dep. Var.	Household Credit/GDP							
Countries	ADV	ADV	ADV	ADV	EME	EME	EME	EME
Time	All	All	Bef. 2008	Bef. 2008	All	All	Bef. 2008	Bef. 2008
$\frac{Top\ 10}{Bot.\ 0-30}$	0.111 (0.183)	2.713 (3.333)	-0.195 (0.210)	-1.329 (2.151)	0.068 (0.058)	0.187* (0.103)	0.031 (0.105)	0.129* (0.066)
$\frac{Top\ 10}{Bot.\ 0-30}$ * Financial Open.	0.085 (0.151)		0.414** (0.179)		0.074** (0.032)		-0.004 (0.094)	
$\frac{Top\ 10}{Bot.\ 0-30}$ * Credit Dereg.		-0.276 (0.369)		0.171 (0.224)		-0.036 (0.030)		-0.017 (0.012)
GDP per capita	-0.396*** (0.089)	-0.665* (0.351)	-0.050 (0.108)	-0.088 (0.146)	0.125** (0.050)	0.072 (0.076)	-0.059 (0.120)	-0.053 (0.078)
Broad Money Ratio	0.119*** (0.033)	0.075 (0.063)	0.125*** (0.047)	0.094 (0.083)	0.365*** (0.096)	0.234** (0.116)	-0.017 (0.075)	0.007 (0.081)
Financial Openness	-0.122 (0.268)	-0.006 (0.088)	-0.749** (0.311)	-0.068 (0.053)	-0.283** (0.112)	-0.096* (0.054)	0.059 (0.274)	-0.001 (0.050)
Credit Deregulation	-0.009 (0.007)	0.443 (0.610)	-0.006 (0.010)	-0.278 (0.338)	-0.012 (0.013)	0.146 (0.131)	-0.014 (0.030)	0.051 (0.052)
Real House Prices	0.154*** (0.025)	0.155*** (0.041)	0.141*** (0.032)	0.137*** (0.039)	0.138 (0.093)	-0.087 (0.166)	0.083 (0.184)	0.066 (0.070)
Housing GFCF Ratio	0.121 (0.150)	0.618 (0.618)	0.204 (0.140)	0.122 (0.483)				
<i>KPF – stat</i>	13.090	0.322	8.531	0.535	1.843	0.375	0.063	0.737
<i>Obs.</i>	698	698	449	449	260	260	110	110
<i>Countries</i>	29	29	26	26	19	19	15	15

Robust standard errors in parentheses. All specifications includes country fixed effects and year dummies. The critical value for the weak instruments test is based on a 10% (resp. 15%) 2SLS size at the 5% significance level, which is 16.4 (8.96) in all estimations. \*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table E.7: Alternative Control Variables - Data Sources

Variable	Description	Source
<i>De facto</i> financial openness	$\frac{\text{External Assets} + \text{External Liabilities}}{\text{GDP}}$	The External Wealth of Nations II from Lane & Milesi-Ferretti (2017)
ST interest rate	Real short-term interest rate. They are based on three-month money market rates where available. Typical standardised names are "money market rate" and "treasury bill rate".	OECD
LT interest rates	Real long-term interest rate. Long-term interest rates refer to government bonds maturing in ten years.	OECD
Gross Portfolio Inv. Ratio	$\frac{\text{Gross Portfolio Investments}}{\text{GDP}}$	IFS, IMF

Table E.8: TR 1: Alternative Control Variables

Dep. Var.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Household Credit/GDP							
Gini	9.997*	8.515*	8.764*	7.915*				
	(5.770)	(5.098)	(4.567)	(4.531)				
Top 10					7.844**	6.567**	7.078***	6.312**
					(3.173)	(2.830)	(2.720)	(2.698)
GDP per capita	-1.205**	-0.992**	-1.160***	-0.997**	-0.886***	-0.704***	-0.864***	-0.718***
	(0.496)	(0.447)	(0.423)	(0.423)	(0.236)	(0.213)	(0.215)	(0.212)
Broad Money Ratio	0.125	0.109	0.070	0.070	0.145***	0.124**	0.107*	0.102*
	(0.078)	(0.070)	(0.084)	(0.077)	(0.052)	(0.049)	(0.057)	(0.054)
Credit Deregulation	-0.033***	-0.030***	-0.027***	-0.028***	-0.014*	-0.015*	-0.012	-0.014*
	(0.013)	(0.011)	(0.010)	(0.010)	(0.009)	(0.008)	(0.009)	(0.008)
Real House Prices	0.345***	0.338***	0.348***	0.343***	0.314***	0.311***	0.317***	0.315***
	(0.108)	(0.095)	(0.098)	(0.092)	(0.066)	(0.059)	(0.063)	(0.058)
Housing GFCF Ratio	-0.182	-0.149	-0.333	-0.099	0.105	0.095	-0.101	0.113
	(0.370)	(0.328)	(0.332)	(0.307)	(0.273)	(0.243)	(0.235)	(0.238)
<i>De facto</i> Financial Openness	0.012	0.010	0.016	0.015	0.005	0.004	0.007	0.007
	(0.010)	(0.009)	(0.012)	(0.012)	(0.005)	(0.005)	(0.006)	(0.006)
ST Interest Rate	-0.012	-0.015**		-0.015**	-0.011**	-0.016***		-0.015***
	(0.008)	(0.007)		(0.007)	(0.006)	(0.005)		(0.005)
LT Interest Rate		0.013*		0.013**		0.014***		0.014***
		(0.006)		(0.006)		(0.004)		(0.004)
Gross Portfolio Inv. Ratio			-0.062	-0.060			-0.033	-0.033
			(0.043)	(0.041)			(0.028)	(0.026)
<i>KPF – stat</i>	3.411	3.443	4.493	3.984	9.201	9.589	11.575	10.288
<i>Obs.</i>	532	532	532	532	532	532	532	532
<i>Countries</i>	23	23	23	23	23	23	23	23

Robust standard errors in parentheses. All specifications includes country fixed effects and year dummies. The critical value for the weak instruments test is based on a 10% (resp. 15%) 2SLS size at the 5% significance level, which is 16.4 (8.96) in all estimations. \*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.

Table E.9: TR 2: Alternative Control Variables

Dep. Var.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Household Credit/GDP							
$\frac{Top\ 10}{Mid.\ 30-90}$	3.483*** (1.286)	2.933** (1.164)	3.179*** (1.132)	2.846** (1.126)				
$\frac{Top\ 10}{Bot.\ 0-30}$					0.481*** (0.165)	0.414*** (0.155)	0.447*** (0.150)	0.405*** (0.153)
GDP per capita	-0.833*** (0.201)	-0.660*** (0.183)	-0.814*** (0.186)	-0.672*** (0.184)	-0.743*** (0.159)	-0.602*** (0.155)	-0.729*** (0.152)	-0.611*** (0.156)
Broad Money Ratio	0.147*** (0.049)	0.125*** (0.047)	0.112** (0.054)	0.108** (0.052)	0.125** (0.051)	0.109** (0.049)	0.101* (0.055)	0.098* (0.053)
Credit Deregulation	-0.013* (0.008)	-0.014* (0.007)	-0.011 (0.008)	-0.014* (0.007)	-0.021*** (0.007)	-0.021*** (0.007)	-0.018*** (0.007)	-0.020*** (0.007)
Real House Prices	0.309*** (0.059)	0.308*** (0.054)	0.314*** (0.058)	0.311*** (0.054)	0.255*** (0.042)	0.262*** (0.039)	0.262*** (0.042)	0.265*** (0.039)
Housing GFCF Ratio	0.174 (0.260)	0.155 (0.233)	-0.050 (0.220)	0.167 (0.230)	-0.116 (0.235)	-0.092 (0.215)	-0.294 (0.232)	-0.079 (0.213)
<i>De facto</i> Financial Openness	0.004 (0.005)	0.003 (0.005)	0.005 (0.006)	0.006 (0.006)	0.001 (0.004)	0.001 (0.004)	0.002 (0.005)	0.003 (0.005)
ST Interest Rate	-0.012** (0.005)	-0.016*** (0.005)		-0.016*** (0.005)	-0.010** (0.005)	-0.014*** (0.005)		-0.014*** (0.005)
LT Interest Rate		0.014*** (0.004)		0.014*** (0.004)		0.012*** (0.005)		0.013*** (0.005)
Gross Portfolio Inv. Ratio			-0.025 (0.027)	-0.025 (0.025)			-0.016 (0.023)	-0.017 (0.022)
<i>KPF – stat</i>	12.396	12.905	15.273	13.525	15.171	15.302	17.778	15.580
<i>Obs.</i>	516	516	516	516	516	516	516	516
<i>Countries</i>	22	22	22	22	22	22	22	22

Robust standard errors in parentheses. All specifications includes country fixed effects and year dummies. The critical value for the weak instruments test is based on a 10% (resp. 15%) 2SLS size at the 5% significance level, which is 16.4 (8.96) in all estimations. \*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.



Table E.10: TR 1: Alternative Credit Aggregates

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dep. Var: Credit/GDP	Private credit	Bank credit	Firm	Household	Private credit	Bank credit	Firm	Household
Sample	All	All	All	All	Bef. 2008	Bef. 2008	Bef. 2008	Bef. 2008
Gini	1.883 (3.172)	-3.453 (2.786)	-4.777 (3.177)	6.659** (2.828)	6.694** (2.808)	0.752 (1.552)	0.567 (1.285)	6.127*** (2.231)
GDP per capita	-0.636*** (0.185)	-0.534*** (0.180)	0.082 (0.189)	-0.718*** (0.184)	-1.074*** (0.322)	-0.041 (0.152)	-0.551*** (0.126)	-0.523** (0.261)
Broad Money Ratio	0.121 (0.110)	0.381*** (0.102)	0.099 (0.105)	0.022 (0.079)	0.139 (0.155)	0.244** (0.098)	0.233*** (0.079)	-0.094 (0.113)
Financial Openness	0.183 (0.119)	-0.100 (0.107)	0.004 (0.126)	0.179 (0.128)	0.183* (0.100)	-0.041 (0.052)	0.144*** (0.044)	0.039 (0.088)
Credit Deregulation	-0.038 (0.025)	0.049** (0.020)	0.011 (0.022)	-0.049** (0.019)	-0.066** (0.028)	0.030 (0.020)	-0.018 (0.015)	-0.049** (0.021)
Real House Prices	0.217*** (0.055)	0.243*** (0.040)	0.038 (0.046)	0.179*** (0.037)	0.298*** (0.078)	0.141*** (0.048)	0.088** (0.036)	0.210*** (0.054)
Housing GFCF Ratio	-1.659*** (0.257)	-0.342* (0.206)	-2.021*** (0.264)	0.362 (0.246)	-0.241 (0.297)	0.061 (0.190)	-0.958*** (0.160)	0.717*** (0.237)
<i>KPF – stat</i>	7.671	7.671	7.671	7.671	10.474	10.474	10.474	10.474
<i>Obs.</i>	639	639	639	639	449	449	449	449
<i>Countries</i>	23	23	23	23	22	22	22	22

Robust standard errors in parentheses. All specifications includes country fixed effects and year dummies. The critical value for the weak instruments test is based on a 10% (resp. 15%) 2SLS size at the 5% significance level, which is 16.4 (8.96) in all estimations. \*, \*\* and \*\*\* denote respectively significance at the 10, 5 and 1% levels.