

Wealth Stratification and Portfolio Choice

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ONLINE APPENDIX

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Appendix Table 1
Descriptive statistics by asset decile

	Asset decile										Average
	1	2	3	4	5	6	7	8	9	10	
Assets, \$1000s	0	2	14	64	129	206	303	469	902	5546	763
Net worth, \$1000s	-9	-12	-8	33	69	109	191	337	728	5243	668
Wage income, \$1000s	14	22	35	34	38	49	55	61	90	218	62
White share, %	43	47	58	60	69	73	80	78	84	87	68
Black share, %	29	29	21	22	18	13	11	9	5	2	16
Hispanic share, %	24	18	15	12	12	10	7	8	4	2	11

The figures are the averages for each decile. Assets and net worth exclude the value of vehicles. The racial/ethnic shares do not sum to 100, due to the omission of the “other” and “decline to state” categories. The data are from the 2016 wave of the Survey of Consumer Finances.

Appendix Table 2
Portfolio allocation by wealth decile and race/ethnicity

		Asset decile									
		1	2	3	4	5	6	7	8	9	10
Houses	White	0	4	27	67	71	67	64	58	48	29
	Black	0	0	32	79	78	76	70	57	43	41
	Hispanic	0	9	25	84	71	84	83	79	54	39
Other real estate	White	0	0	4	3	4	3	5	6	9	13
	Black	0	2	5	4	4	4	5	11	15	27
	Hispanic	0	2	2	8	7	4	3	8	15	41
Stocks	White	2	9	15	8	7	8	11	13	17	24
	Black	1	8	14	4	7	6	8	9	13	6
	Hispanic	1	9	9	1	5	5	2	4	13	5
Business net equity	White	0	0	2	2	2	2	3	4	6	16
	Black	0	0	1	1	2	1	1	2	3	12
	Hispanic	0	2	5	0	4	1	8	3	10	7
Non-stock financial assets	White	98	86	51	20	16	19	17	18	20	18
	Black	99	90	49	12	9	13	16	21	26	13
	Hispanic	99	79	59	7	13	6	4	5	8	8

Notes: The figures are the shares of total assets (excluding vehicles) allocated to each of the indicated asset categories, expressed in percentage terms. Shares may not sum to 100 due to rounding. The data are from the 2007 wave of the Survey of Consumer Finances.

Appendix Table 3

Results from portfolio share regressions

	Houses	Stocks	Business	Other RE	Other financial
Log assets	9.59*** (0.26)	0.75*** (0.076)	-0.21*** (0.060)	0.091 (0.057)	-10.2*** (0.19)
Log assets squared	-0.59*** (0.034)	0.044*** (0.012)	0.28*** (0.010)	0.19*** (0.0098)	0.073** (0.025)
Black/AA	-0.82 (1.48)	-0.72 (0.64)	-0.64* (0.26)	0.37 (0.39)	1.81 (1.25)
Black×log assets	1.02** (0.33)	-0.59*** (0.11)	-0.12 (0.077)	0.47*** (0.12)	-0.78** (0.25)
Hispanic	-6.89*** (1.79)	1.28 (0.79)	0.48 (0.46)	-0.21 (0.46)	5.34*** (1.61)
Hispanic×log assets	1.81*** (0.37)	-1.00*** (0.13)	-0.12 (0.14)	0.88*** (0.16)	-1.56*** (0.28)
Other	0.43 (1.32)	-1.90** (0.71)	-0.73 (0.49)	0.34 (0.56)	1.87 (0.99)
Age	9.07*** (0.96)	1.29* (0.54)	-1.23*** (0.36)	-1.04* (0.42)	-8.08*** (0.82)
Age squared	-0.81*** (0.088)	-0.18*** (0.049)	0.021 (0.032)	0.094* (0.041)	0.87*** (0.076)
Children	3.06*** (0.27)	-1.45*** (0.13)	-0.068 (0.12)	0.045 (0.12)	-1.59*** (0.20)
Education	-2.86*** (0.11)	1.17*** (0.056)	-0.31*** (0.047)	-0.11 (0.058)	2.10*** (0.082)
Married	-1.25* (0.61)	0.18 (0.34)	-0.22 (0.22)	1.03*** (0.26)	0.26 (0.47)
Constant	21.6*** (2.87)	-4.50** (1.62)	5.49*** (1.02)	0.88 (1.17)	76.5*** (2.34)
R^2	0.277	0.085	0.096	0.064	0.527

Notes: The dependent variable is the share of assets allocated to the categories given in the column headers, expressed as a percent. The education variable represents the highest degree earned: 8 = high school graduate, 9 = some college but no degree, 10 = associate degree in a vocational or occupational program, and 12 = bachelor's degree. Age is expressed in decades. Heteroskedasticity-consistent standard errors are in parentheses. Asterisks denote statistical significance: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$. The number of observations is 21,240 in all regressions. The data are from the 2007 wave of the Survey of Consumer Finances.