

Online Appendix to  
“Does Financial Integration Increase Financial Well-Being?  
Evidence from International Household-Level Data”

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**Abstract**

This document serves as an Online Appendix for the paper “Does Financial Integration Increase Financial Well-Being? Evidence from International Household-Level Data” and provides more details on the data work that preceded the empirical analysis of the paper.

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# 1 Introduction

The empirical analysis in the paper is based on the *European Community Household Panel (ECHP)* and the *European Union Statistics on Income and Living Conditions (EU-SILC)*, two international household micro-data sets that were provided by Eurostat via research contracts. The two data sets are primarily targeted to produce internationally consistent micro-data on income, poverty, social exclusion and living conditions and are mainly used to evaluate poverty reduction policies on the European Union level. By requiring all participating countries to follow an extensive set of common guidelines, concepts, and classifications, both data sets are designed to reach high levels of comparability across countries and time.

The key characteristics of the two data sets are as follows. The ECHP data set is a panel data set that follows about 60,000 households from 15 EU countries<sup>1</sup> up to 8 consecutive years (from 1994-2001). The data set is based on a standardized questionnaire. The EU-SILC data set is available as a set of repeated cross-sections and in a longitudinal format, consisting of a rotating panel, in which survey units usually remain up to four consecutive years. Each year, the original sample size amounts to around 100,000 households and 200,000 persons aged 16 or more. Since this paper requires data in panel form, only the longitudinal dimension of the EU-SILC data set is explored. The present analysis is based on the three longitudinal waves 2007, 2008, and 2009. The three waves include households from up to 28 countries<sup>2</sup> during the period 2004-2009. Although the EU-SILC data set does not rely explicitly on a standardized questionnaire, it is based on a constantly strengthened common framework that defines a harmonised list of target variables, which are transmitted to Eurostat by the member states.

This Online Appendix contains four sections. Following this short introduction, Section 2 explains all modifications to the two data sets that were required to prepare the data for the empirical analysis. Section 3 then describes the computation of all household-specific variables and Section 4 finally provides a list containing the original variable names, the variable labels and the corresponding questions for each of the data sets.

## 2 Preparation of the Two Data Sets

### 2.1 Merging and Cleaning the Data

The ECHP is an unbalanced panel data set following individuals and households for up to eight years. As the data set has been constructed several years ago, it has been checked for consistency various times. Therefore, only minor adjustments have to be made in the data:

- In the ECHP data set, income variables are usually reported in national currency values, in net terms, and are already aggregated to the household level. For Finland and France how-

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<sup>1</sup>The countries comprise: Belgium, Denmark, Germany, Greece, Spain, France, Ireland, Italy, Luxembourg, Netherlands, Austria, Portugal, Finland, Sweden and the United Kingdom. Germany and Sweden do not provide all necessary data and thus cannot be considered for the empirical analysis.

<sup>2</sup>The countries comprise: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Lithuania, Luxembourg, Latvia, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, and the United Kingdom. Germany, Malta, Norway, and Romania do not provide all necessary data and thus cannot be considered for the empirical analysis.

ever, according to the variable description document (*PAN166-200312*), various income components are reported in gross terms. Therefore, all affected components are converted in net terms by using the household-specific net/gross factor (HI020).

- In addition, Italian income values are multiplied by the factor 1000 as in the original data, Italian income values are provided in 1000 Lira.

The longitudinal format of the EU-SILC data set is a rotating panel that is organized in different waves. Each wave usually contains data on households and individuals over a period of four years. This paper uses the waves 2007, 2008, and 2009 that cover the period from 2004 to 2009. All waves exhibit the same labelling of variables. Before combining the three waves, several modifications are carried out:

- First, for each of the waves, the corresponding corrections based on *SILC L-200X UDB PROBLEMS AND MODIFICATIONS.xls* are taken into account and are implemented when required.
- Second, the data set contains a subset of individuals without personal identification number. These individuals have to be excluded from the analysis as they cannot be assigned to a household.
- Third, the EU-SILC data set provides income values for all countries in Euro. As for Cyprus and Slovakia, the currency conversion from national currencies to Euro in the 2009 wave seem to have occurred twice, this step is reversed by using the appropriate exchange rate during the years 2006-2008 (for the appropriate exchange rate, see the sub-section Income Modifications below).
- Fourth, as several income components are not consistently computed across countries and waves (such as *Total Income* for example) or are not aggregated on the household level yet (such as *Labor Income* for example), these variables have to be recomputed for each household based on all members present in the data set. This takes place at an early stage, in order to avoid missing household members that may have contributed to the household's income but will have to be eliminated in the further data cleaning process. A detailed description of the income computations can be found in the next section.

After the above mentioned adjustments have been made, the three waves are merged using the personal identification number of individuals. As waves are overlapping in terms of years covered, some of the households and individuals are present several times with an identical record. To obtain a unique presence of each household and individual, in each case, the record from the latest available wave is used. Unfortunately, some countries have assigned personal identification numbers for people staying only a short time within a household in a non-unique way across waves. Therefore, it could be the case that the same personal identification number describes different people within a household. In addition, for some records, income values computed at the household level in the same year differ across waves. Both problems are solved as follows:

- To tackle the unique personal identification number problem, for all individuals with multiple records, the variable values for sex, birth year, and if available, month of birth are compared across waves. In case either one of them does not match all others, all records related to this personal identification number are dropped.
- The income problem is solved by dropping the entire household when the values for *Total Gross Income* or *Labor Income* differ by more than 50 Euros or 0.5 % across waves. This is a very conservative assumption that ensures avoiding the manual introduction of labor income risk due to measurement error in the empirical analysis.

Hence, the modified EU-SILC data set at this stage contains unique records of households and individuals across years.

## 2.2 Making Income Comparable across Time, Countries, and Households

In the next step, income variables in both data sets are made comparable across countries and time. This is achieved by converting income variables to *constant purchasing power parity units per adult equivalent*. While deflating the series makes the income variables independent of time, the subsequent Purchasing Power Parity (PPP) conversion ensures in addition a comparability across countries. The conversion process is conducted as follows:

- The process starts by converting all income variables to national currencies. While income variables in the ECHP data set are already provided in national currencies, the EU-SILC data is based on Euro values. To obtain national currency units here as well, monetary values are converted by using the exchange rate data provided in the file: *rate\_ppp\_long from 17-01-2011.csv* that is delivered by Eurostat.
- The newly obtained series is then deflated using a GDP deflator in national currency from the April 2012 version of the World Economic Outlook (WEO) database. As here, the price indices for Cyprus and Slovakia are denominated in Euro, but the EU-SILC data set uses their pre-Euro currencies as national currencies (at least in the earlier waves), the deflating process for these country-period pairs requires a corresponding conversion of income into Euro values first. To apply the GDP deflator to the income series, one additional step has to be made. As GDP deflator series differ in their base years, for each of the data sets a common base year is selected and all price indices are rebased accordingly. For the ECHP, the year 2000 and for the EU-SILC, the year 2007 are selected as corresponding base years.
- Once the income variables have been deflated with the rebased price indices, the real income variables are converted in constant PPP units with the PPP weights of the base year. All PPP weights are delivered by Eurostat. For the ECHP, the PPP weights are taken from the *Country File* and for the EU SILC, the PPP weights are included in the file *rate\_ppp\_long from 17-01-2011.csv* as well.
- To account for different household sizes, the income values in constant PPP units are then adjusted to obtain per adult equivalent values. For the ECHP data set, the measure of

equalized household size is based on the OECD, modified scale. For the EU-SILC data set, the (not further specified) variable HX050, *equalised household size*, that is delivered in the User Database of the EU-SILC data set by Eurostat, is used.

Further, it should be noted that in both data sets, the questions on all income variables relate to the “year prior to the survey”. Hence, in both data sets, the income variables have to be forwarded by one year,<sup>3</sup> leading to the situation that the last year for each household cannot be used in the empirical analysis.

Finally, to ensure a reasonable outcome of the conversion processes, the income values in *constant PPP units per adult equivalent*, obtained from the ECHP and the EU-SILC data sets, are aggregated to the country level. Then, their ranking and evolution over time are compared with those of country level GDP data from the WEO database for each year. Since the WEO database does not provide GDP data in *constant PPP units per capita*, the series for GDP in *current PPP units per capita* and in *US dollars per capita* (converted to Euros with annual average exchange rates) are used for comparison. Although it turns out that there are slight differences in the two data sources, the differences are generally small and of systematic nature across countries and time.<sup>4</sup> Hence, after all income modifications are carried out, the relative country ranking and the time variation in the income variables expressed in *constant PPP units per adult equivalent* seems to be highly in line with independently collected external data.

### 2.3 Determination of a Household Head

Since the dependent variable in the empirical analysis, the ability to meet ends, is evaluated at the household level, I determine a *household head* for each household in order to get a reference point for all individual-specific control variables. The procedure is carried out as follows:

- An individual can only become household head if it remains within a household over the entire sample length. For all individuals that fulfil this requirement, the following additional criteria have to be met.
- The potential household head needs to have several key variables non-missing in all “relevant periods” (for the definition, see below). These variables comprise the ability to meet ends, equalized household size, total income, and labor income.
- An age limitation is set. For the ECHP, individuals older than 17 and younger than 83 years are considered, as here, age is top-coded from 83 onwards. For the EU-SILC data set, individuals older than 17 and younger than 73 years are considered, as here, top-coding takes place at 73 years.

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<sup>3</sup>In all cases, the correct timing for the previously described conversion procedure is ensured.

<sup>4</sup>Potential reasons for such differences are as follows. First, as described above, the household data accounts for inflation dynamics, while the WEO data does not. Second, the household data only contains income to households, while the GDP data is based on a much broader concept in the household data. Third, the *per capita* concept in the GDP data is not necessarily identical to the *per adult equivalent* concept.

- In addition, the empirical analysis considers only households with a total annual income of more than 100 constant PPP units per adult equivalent and a labor income greater than zero.
- Usually, several members of a household fulfil the above requirements. Therefore, the person in the household with the highest average income is selected. If again more than one household member fulfils this requirement, the person in the household with the highest age is chosen. Finally, in a very small number of remaining cases, where also this criterion does not allow a unique identification of the household head, the male person is selected.

The number of “relevant periods” for each country is determined as follows. In the ECHP data set, most countries are covered over the entire sample period 1994-2001 (or 2000 when the income forwarding is considered). There are three exceptions however: Austria and Luxembourg are available from 1995 onwards and Finland is available from 1996. Since the number of countries in the ECHP data set is already relatively small, the three countries are allowed to enter at their respective starting points and thus the number of relevant periods in these cases is slightly smaller. In the EU-SILC data set, households are present for 4 consecutive years (or 3 consecutive years when the income forwarding is considered) within the period from 2004-2009 (or 2008 when the income forwarding is considered). Since, here, the number of countries is larger than in the ECHP data set, the number of relevant periods in the EU-SILC data set corresponds to the regular sample presence of 4 years (or 3 years after the income forwarding, respectively). Finally, due to their functions as money centers in Europe and their resulting incomparably high financial integration measures, Luxembourg and Ireland are excluded from the analysis.

After all the above steps have been completed, for most specifications, this leaves 17,625 unique households from 11 countries in the ECHP data set and 31,162 from 22 countries in the EU-SILC for the analysis.

### 3 Construction of Household-Specific Variables

**Ability to Make Ends Meet:** The key variable in the data set is the ability of households to make ends meet, in the text referred to as *the ability to make ends meet*. The original variable in the ECHP data set is labelled HF002. The original variable in the EU-SILC data set is labelled HS120. In both cases, the variable enters in its original form.

**Income Variables:** There are two major differences between the ECHP and the EU-SILC data set regarding the nature of the income variables. First, while the ECHP data set provides income variables in net terms, the EU-SILC data set provides income variables in gross terms. Although the EU-SILC data set reports income in net terms as well, the coverage of these variables is extremely low. The second difference between the two data sets relates to the aggregation process of income variables to the household level. While the ECHP data set reports income variables at the household level that are aggregated consistently across countries and time, the

EU-SILC data set – owing to the use of a non-standardized questionnaire across countries – reports country-specific aggregations of income variables that are similar but not necessarily identical across countries. A consistent aggregation of the income variables to the household level in the EU-SILC data set requires therefore somewhat more effort and is described below. The following income variables are used in the analysis:

- In the ECHP data set *Total Income* of a household is represented by HY100 and *Labor Income* of a household by HY110, *Capital Income* corresponds to HI121 and *Financial Income* to the sum of HI121 and HI122. Finally, *Government Transfers* are represented by HI130, and *Personal Transfers* are described by HI123.
- As mentioned above, in the EU-SILC data set, income variables are not readily available in a consistently aggregated form across countries and time.<sup>5</sup> Hence, the aggregated income variables have to be re-computed. This section therefore presents a detailed description of the systematic re-aggregation of income variables in the EU-SILC data set based on the formulae listed in the *Guideline File for the 2009 Wave*:

$$\text{Total Gross Income} = \text{HY040G} + \text{HY050G} + \text{HY060G} + \text{HY070G} + \text{HY080G} + \text{HY090G} + \text{HY110G} + [\text{For all household members: } \text{PY010G} + \text{PY021G} + \text{PY050G} + \text{PY090G} + \text{PY100G} + \text{PY110G} + \text{PY120G} + \text{PY130G} + \text{PY140G}].$$

$$\text{Total Disposable Income} = \text{Total Gross Income} - \text{HY120G} - \text{HY130G} - \text{HY140G}.$$

The only deviation is made by excluding the *monetary value of using a company car*, PY021G, from the computations as this variable contains zero values for all observations in some of the countries.

The computation of *Labor Income* for the household is based on the aggregation of the two personal variables *gross employee cash or near cash income* (PY010G) and *gross cash benefits or losses from self-employment (including royalties)* (PY050G) at the household level. For the same reasons as above, the *monetary value of using a company car* is not considered here. Hence:

$$\text{Labor Income} = [\text{For all household members: } \text{PY010G} + \text{PY050G}]$$

In the cases mentioned so far, only households that contain information on all components of income are included. This ensures that the income values are not affected by missing data in any of the sub-components. However, the data on income is relatively complete so that only a small number of households is lost here. In addition, the following income category is defined:

*Capital Income* corresponds to HY090G.

Based on the general income computations shown above, there are three different ways through which income variables enter the empirical analysis. First, total income enters the specification

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<sup>5</sup>Measures of total income of a household in the EU-SILC data set are contained in the variables HY010 (*Total Gross Income*) and HY020 (*Total Disposable Income*). However, as the *PROBLEMS AND MODIFICATIONS.xls* files indicate and simple calculations verify, the computation of these variables can differ quite significantly across countries and waves.

directly, based on one of the concepts shown above, second, labor income enters through its mean and its standard deviation, and third, all other income variables enter the empirical analysis via dummy variables. While the first two cases are presented in the next paragraph, the third case is presented under the header “Measures of Household Exposure” below.

**Total Income:** Total income is the sum of all income components of a household. It varies over households and time and should proxy for the income situation of a household. In the ECHP data set, total income is based on HI100 and comprises all net income of a household. In the EU-SILC data set, total income is based on *Total Disposable Income* as defined above. Both total income variables enter the analysis in logs and have been winsorized at the 0.5 % level on both sides.

**Mean of Labor Income:** The mean of labor income is the time mean of labor income for each household. While in the ECHP data set, labor income is given by HI110, in the EU-SILC data set, this role is filled out by the newly-computed variable *Labor Income*. The logarithm of this variable have been winsorized at the 0.5 % level on both sides in both data sets.

**Standard Deviation of Labor Income (“Labor Income Risk”):** The standard deviation of labor income is the standard deviation of labor income over time, computed for each household. In the ECHP data set, labor income is represented by HI110. In the EU-SILC data set, the corresponding variable is the newly-computed *Labor Income* variable. In both data sets, the logarithm of the standard deviation has been taken. The resulting variable was then winsorized at the 0.1 % level on both sides.

**Household Controls:** The following household controls are included in all regressions: a) The age of the household head. This variable corresponds to PD003 in ECHP and to RX010 in EU-SILC. b) The age variables squared. c) A dummy variable for being married based on PD005 being equal to 1 or 2 in ECHP and based on PB190 being equal to 2 or 3 in EU-SILC. d) A dummy variable indicating a bad health status based on PH001 being equal to 4 or 5 in ECHP and PH010 being equal to 4 or 5 in EU-SILC. In addition, for the ECHP data set: e) A dummy for being self-employed based on PE001 being equal to 4 is used. This variable is not available in the EU-SILC data set. As however, the share of self-employed workers in the ECHP data set is relatively large (about 20 %) and self-employment may come in line with a different attitude towards the evaluation of the personal ability to meet ends, the dummy variable for self-employment is included in the ECHP data set nevertheless. Further, all specifications that use cross-sectional variation also include: g) A dummy variable for the household head being male based on PD004 in ECHP and RB090 in EU-SILC. h) A dummy for higher education based on PT022 being equal to 2 or 3 in ECHP and based on PE040 being equal to 3-6 in EU-SILC.

**Measures of Household Exposure:** The measures used to capture the heterogeneity among households with respect to their exposure to the financial system is described extensively in Section 2.2.3 and Appendix A of the paper. The set of variables used in the main approach and in the robustness section is based on the following original variables: Being a capital income



receiver, being among the top 50% or being among the top 10% of the income distribution (all three are based on the previously defined income variables), owning a house (based on HA023 being equal to 1 in ECHP and HH020 being equal to 1 in EU-SILC), owning a car (based on HB001 being equal to 1 in the ECHP and HS110 being equal to 1 in EU-SILC data set), being a mortgage debt holder (based on HA024A being equal to 1 in the ECHP and HY100G or HY100N being greater than 0 in EU-SILC data set) or a consumer debt holder (based on HF001 being equal to 1, 2, 3, or 4 in the ECHP data set), owning a second house (based on HB007 being equal to 1 in the ECHP data set) working in the banking sector or the real estate sector (falling into the categories “Financial intermediation” and “Real estate, renting and businessactivities”, respectively based on variable PE007B in the ECHP data set).

## 4 Original Variables and Questions

### 4.1 ECHP

#### 4.1.1 Ability to Meet Ends and Income Variables

##### HF002

*Question:* “A household may have different sources of income and more than one household member may contribute to it. Thinking of your household’s total monthly income, is your household able to make ends meet?”

*Answers:* 1 = with great difficulty; 2 = with difficulty; 3 = with some difficulty; 4 = fairly easily; 5 = easily; 6 = very easily

##### HI100

*Label:* Total Net Household Income (Detailed, NC, Total, Year Prior to the Survey)

*Answer:* Amount in National Currency

##### HI110

*Label:* Total Net Income from Work (Net, NC, Total, Year Prior to the Survey)

*Answer:* Amount in National Currency

##### HI121

*Label:* Capital Income

*Answer:* Amount in National Currency

##### HD005

*Label:* Equalized Size, Modified-OECD Scale

*Answer:* Number of adult equivalents (according to modified OECD scale) in the household  $[1+0.5*(HD003-1)+0.3*(HD001-HD003)]$

**HI020**

*Label:* Net/Gross Factor (For a Given Household: Same for all Member and for all Gross Components)

*Answer:* Factor

**4.1.2 Household-Specific Control Variables****PD004**

*Label:* Sex

*Answer:* 1 = Male; 2 = Female

**PT022**

*Label:* Highest Level of General or Higher Education Completed

*Answer:* 1 = Recognised third level education (ISCED 5-7); 2 = Second stage of secondary level education (ISCED 3); 3 = Less than second stage of secondary education (ISCED 0-2)

**PD003**

*Label:* Age

*Answer:* 15 to 83+; all values higher than 83 are top coded

**PD005**

*Label:* Present Marital Status

*Answer:* 1 = Married; 2 = Separated; 3 = Divorced; 4 = Widowed; 5 = Never married

**PH001**

*Question:* How is Your Health in General

*Answer:* 1 = Very good; 2 = Good; 3 = Fair; 4 = Bad; 5 = Very bad

**PE001**

*Label:* Main Activity Status – Self-Defined

*Answer:* 1 = working with an employer in paid employment (15+ hours / week); 2 = working with an employer in paid apprenticeship (15+ hours / week); 3 = working with an employer in training under special schemes related to employment (15+ hours / week); 4 = self-employment (15+ hours / week); 5 = unpaid work in a family enterprise (15+ hours / week); 6 = in education or training; 7 = unemployed; 8 = retired; 9 = doing housework, looking after children or other persons; 10 = in community or military service, 11 = other economically inactive; 12 = working less than 15 hours.

### 4.1.3 Measures of Household Heterogeneity

#### HA023

*Question:* Does your household own this dwelling or do you rent it?

*Answer:* 1 = owner; 2 = tenant / subtenant, paying rent (including when rent recovered from housing benefit); 3 = accommodation is provided rent-free

#### HB001

*Label:* Possession of a Car or a Van (For Private Use)

*Answer:* 1 = yes; 2 = no - cannot afford; 3 = no - other reason; 4 = no - reason unknown

#### HA024A

*Label:* Existence of Outstanding Loan or Mortgage for the Accommodation

*Answer:* 1 = yes; 2 = no

#### HF001

*Question:* Does anybody in the household presently have to repay debts from hire purchase or loans, etc., not connected with the house? To what extent is this a burden on the household?

*Answer:* 1 = yes, repayment a heavy burden; 2 = yes, repayment somewhat a burden; 3 = yes, repayment not a problem; 4 = yes, repayment, but whether a burden or not is unknown; 5 = no, does not have to repay

#### PE007B

*Label:* "Main Activity of the Local Unit of the Business or Organisation in Current Job (Grouped B) "

*Answer:* A+B = Agriculture, hunting and forestry + Fishing; C+E = Mining and quarrying + Electricity, gas and water supply; DA = Manufacture of food products, beverages and tobacco; DB+DC = Manufacture of textiles, clothing and leather products; DD+DE = Manufacture off wood and paper products; publishing and printing; DF-DI Manufacture of coke, refined petroleum/chemicals/rubber and plastic products etc.; DJ+DK = Manufacture of metal products, machinery and equipment n.e.c.; DL-DN = Other manufacturing; F = Construction; G = Wholesale and retail trade; repair of motor vehicles, motorcycles and personal/household goods; H = Hotels and restaurants; I = Transport, storage and communication; J = Financial intermediation; K = Real estate, renting and business activities; L = Public administration and defense; compulsory social security; M = Education; N = Health and social work; O-Q = Other community, social and personal service activities; private households with employed persons; extra-territorial organizations and bodies.

#### HB007

*Label:* Possession of a Second Home (E.g. for Vacation)

*Answer:* 1 = yes; 2 = no - cannot afford; 3 = no - other reason; 4 = no - reason unknown

## 4.2 EU-SILC

### 4.2.1 Ability to Meet Ends and Income Variables

#### HS120

*Question:* “A household may have different source of income and more than one household member may contribute to it. Thinking of the households total monthly income, the idea is with which level of difficulty the household is able to pay its usual expenses.”

*Answers:* 1 = with great difficulty; 2 = with difficulty; 3 = with some difficulty; 4 = fairly easily; 5 = easily; 6 = very easily

#### PY010G/PY010N

*Label:* Employee Cash or Near-Cash Income

*Answers:* Amount in national currency

#### PY021G/PY021N

*Label:* Company Car

*Answers:* Amount in national currency

#### PY050G/PY050N

*Label:* Cash Benefits or Losses from Self-Employment

*Answers:* Amount in national currency

#### PY090G/PY090N

*Label:* Unemployment Benefits

*Answers:* Amount in national currency

#### PY100G/PY100N

*Label:* Old-Age Benefits

*Answers:* Amount in national currency

#### PY110G/PY110N

*Label:* Survivor’ Benefits

*Answers:* Amount in national currency

#### PY120G/PY120N

*Label:* Sickness Benefits

*Answers:* Amount in national currency

**PY130G/PY130N**

*Label:* Disability Benefits

*Answers:* Amount in national currency

**PY140G/PY140N**

*Label:* Education-Related Allowances

*Answers:* Amount in national currency

**HY040G/HY040N**

*Label:* Income from Rental of a Property or Land

*Answers:* Amount in national currency

**HY050G/HY050N**

*Label:* Family/Children Related Allowances

*Answers:* Amount in national currency

**HY060G/HY060N**

*Label:* Social Exclusion Not Elsewhere Classified

*Answers:* Amount in national currency

**HY070G/HY070N**

*Label:* Housing Allowances

*Answers:* Amount in national currency

**HY080G/HY080N**

*Label:* Regular Inter-Household Cash Transfer Received

*Answers:* Amount in national currency

**HY090G/HY090N**

*Label:* Interest, Dividends, Profit from Capital Investments in Unincorporated Business

*Answers:* Amount in national currency

**HY110G/HY110N**

*Label:* Income Received by People Aged Under 16

*Answers:* Amount in national currency

**HY120G/HY120N**

*Label:* Regular Taxes on Wealth

*Answers:* Amount in national currency

**HY130G/HY130N**

*Label:* Regular Inter-Household Cash Transfer Paid

*Answers:* Amount in national currency

**HY140G/HY140N**

*Label:* Tax on Income and Social Contributions

*Answers:* Amount in national currency

**HX050 - Source: User Database (UDB)**

*Label:* Equalized Household Size

*Answer:* Number

**4.2.2 Household-Specific Control Variables****PB150**

*Label:* Sex

*Answer:* 1 = Male; 2 = Female

**PE040**

*Label:* PE040: Highest ISCED Level Attained

*Answer:* 0 = pre-primary education; 1 = primary education; 2 = lower secondary education; 3 = (upper) secondary education; 4 = post-secondary non tertiary education; 5 = first stage of tertiary education (not leading directly to an advanced research qualification); 6 = second stage of tertiary education (leading to an advanced research qualification)

**RX010 - Source: User Database (UDB)**

*Label:* Age at the Time of the Interview

*Answer:* Number, top-coded at 73 years

**PB190**

*Label:* Marital Status

*Answer:* 1 = Never married; 2 = Married; 3 = Separated; 4 = Widowed; 5 = Divorced

**PH010**

*Label:* General Health *Answer:* 1 = Very good; 2 = Good; 3 = Fair; 4 = Bad; 5 = Very bad

### **4.2.3 Measures of Household Heterogeneity**

#### **HH020**

*Label:* Tenure Status

*Answer:* 1 = Owner; 2 = Tenant or subtenant paying rent at prevailing or market rate; 3 = Accommodation is rented at a reduced rate (lower price than the market price); 4 = accommodation is provided free

#### **HS110**

*Question:* "Do you have a car?"

*Answer:* 1 = yes; 2 = no - cannot afford; 3 = no - other reason

#### **HY100G/HY100N**

*Label:* Interest Repayments on Mortgage

*Answer:* Amount in national currency