

Middle Class without a Net:

Savings, Financial Fragility and Preferences over Social Insurance

Online Appendix

(For online publication only)

Part I: Main results with preferences for redistribution as dependent variable

Table A.1: Liquidity constraints and preferences for redistribution

VARIABLES	(1) More Redistribution	(2) More Redistribution	(3) More Redistribution	(4) More Redistribution	(5) More Redistribution
Liquidity constrained	0.0251*** (0.0060)	0.0294*** (0.0060)	0.0286*** (0.0060)	0.0274*** (0.0060)	0.0392*** (0.0141)
Gross income (DKK 100,000)			-0.0099*** (0.0018)		
Permanent income (DKK 100,000)				-0.0144*** (0.0021)	-0.0133*** (0.0024)
Permanent income*Liquidity constrained					-0.0033 (0.0036)
Controls					
<i>Labor Market</i>		✓	✓	✓	✓
<i>Demographics</i>		✓	✓	✓	✓
<i>Attitudinal</i>		✓	✓	✓	✓
Observations	8,035	8,035	8,035	8,035	8,035
R-squared	0.0022	0.0660	0.0694	0.0709	0.0710

Notes. The table reports coefficients from OLS regressions of respondents' attitudes to redistribution on a dummy for being liquidity constrained and the controls shown. The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Table A.2: The effects of liquidity constraints, wealth and labor market risk on preferences for redistribution

VARIABLES	(1) More Redistribution	(2) More Redistribution	(3) More Redistribution	(4) More Redistribution	(5) More Redistribution	(6) More Redistribution	(7) More Redistribution
Liquidity constrained	0.0180*** (0.0061)	0.0246*** (0.0061)	0.0250*** (0.0060)	0.0274*** (0.0060)	0.0246*** (0.0060)	0.0275*** (0.0060)	0.0247*** (0.0061)
Permanent income (DKK 100,000)		-0.0129*** (0.0021)		-0.0142*** (0.0021)		-0.0141*** (0.0021)	-0.0125*** (0.0021)
Home equity (DKK 100,000)	-0.0020*** (0.0003)	-0.0012*** (0.0003)					-0.0012*** (0.0003)
Skill Specificity			-0.0012** (0.0005)	-0.0008 (0.0005)			-0.0007 (0.0006)
Unemployment risk (%)					0.0003*** (0.0001)	0.0002* (0.0001)	0.0002* (0.0001)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	8,035	8,035	8,035	8,035	8,035	8,035	8,035
R-squared	0.0077	0.0727	0.0028	0.0712	0.0031	0.0713	0.0732

Notes. The table reports coefficients from OLS regressions of respondents' attitudes to redistribution on a dummy for being liquidity constrained and the controls shown. The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Part II: Main results with alternative measures of liquidity constraints

Table A.3: Table 2 with liquidity constraints defined with respect to a one-month horizon

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
VARIABLES	More UI	More UI	More UI	More UI	More UI	More UI	More UI
Liquidity constrained 1m	0.0148** (0.0066)	0.0213*** (0.0065)	0.0208*** (0.0065)	0.0237*** (0.0064)	0.0195*** (0.0065)	0.0241*** (0.0064)	0.0219*** (0.0064)
Permanent income (DKK 100,000)		-0.0162*** (0.0021)		-0.0177*** (0.0021)		-0.0166*** (0.0021)	-0.0155*** (0.0021)
Home equity (DKK 100,000)	-0.0019*** (0.0003)	-0.0011*** (0.0003)					-0.0011*** (0.0003)
Skill Specificity			0.0002 (0.0005)	0.0007 (0.0004)			0.0007** (0.0003)
Unemployment risk (%)					0.0008*** (0.0001)	0.0005*** (0.0001)	0.0005*** (0.0001)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	8,035	8,035	8,035	8,035	8,035	8,035	8,035
R-squared	0.0064	0.0540	0.0013	0.0529	0.0086	0.0558	0.0573

Notes. The table reports coefficients from OLS regressions of respondents' attitudes to unemployment insurance on a dummy for being liquidity constrained and the controls shown. The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Table A.4 Table A.2 with liquidity constraints defined with respect to a one-month horizon

VARIABLES	(1) More redistribution	(2) More redistribution	(3) More redistribution	(4) More redistribution	(5) More redistribution	(6) More redistribution	(7) More redistribution
Liquidity constrained 1m	0.0175*** (0.0065)	0.0238*** (0.0064)	0.0237*** (0.0064)	0.0265*** (0.0063)	0.0234*** (0.0064)	0.0267*** (0.0063)	0.0240*** (0.0064)
Permanent income (DKK 100,000)		-0.0131*** (0.0021)		-0.0144*** (0.0021)		-0.0143*** (0.0021)	-0.0126*** (0.0021)
Home equity (DKK 100,000)	-0.0020*** (0.0003)	-0.0012*** (0.0003)					-0.0012*** (0.0003)
Skill Specificity			-0.0012** (0.0005)	-0.0008 (0.0005)			-0.0007 (0.0006)
Unemployment risk (%)					0.0003*** (0.0001)	0.0002* (0.0001)	0.0002* (0.0001)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	8,035	8,035	8,035	8,035	8,035	8,035	8,035
R-squared	0.0075	0.0724	0.0024	0.0708	0.0027	0.0709	0.0730

Notes. The table reports coefficients from OLS regressions of respondents' attitudes to redistribution on a dummy for being liquidity constrained and the controls shown. The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Table A.5: Table 2 with liquidity constraints defined with respect to a two-month horizon

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
VARIABLES	More UI	More UI	More UI	More UI	More UI	More UI	More UI
Liquidity constrained 2m	0.0216*** (0.0061)	0.0289*** (0.0061)	0.0286*** (0.0060)	0.0314*** (0.0060)	0.0268*** (0.0060)	0.0314*** (0.0060)	0.0291*** (0.0061)
Permanent income (DKK 100,000)		-0.0159*** (0.0021)		-0.0172*** (0.0021)		-0.0162*** (0.0021)	-0.0152*** (0.0021)
Home equity (DKK 100,000)	-0.0018*** (0.0003)	-0.0010*** (0.0003)					-0.0010*** (0.0003)
Skill Specificity			0.0003 (0.0005)	0.0007 (0.0004)			0.0007** (0.0003)
Unemployment risk (%)					0.0007*** (0.0001)	0.0005*** (0.0001)	0.0005*** (0.0001)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	8,035	8,035	8,035	8,035	8,035	8,035	8,035
R-squared	0.0073	0.0554	0.0029	0.0545	0.0099	0.0573	0.0586

Notes. The table reports coefficients from OLS regressions of respondents' attitudes to unemployment insurance on a dummy for being liquidity constrained and the controls shown. The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Table A.6 Table A.2 with liquidity constraints defined with respect to a two-month horizon

VARIABLES	(1) More redistribution	(2) More redistribution	(3) More redistribution	(4) More redistribution	(5) More redistribution	(6) More redistribution	(7) More redistribution
Liquidity constrained 2m	0.0166*** (0.0060)	0.0227*** (0.0060)	0.0240*** (0.0059)	0.0256*** (0.0060)	0.0235*** (0.0059)	0.0257*** (0.0060)	0.0227*** (0.0060)
Permanent income (DKK 100,000)		-0.0128*** (0.0021)		-0.0141*** (0.0021)		-0.0140*** (0.0021)	-0.0124*** (0.0021)
Home equity (DKK 100,000)	-0.0020*** (0.0003)	-0.0012*** (0.0003)					-0.0012*** (0.0003)
Skill Specificity			-0.0012** (0.0005)	-0.0008 (0.0005)			-0.0007 (0.0006)
Unemployment risk (%)					0.0003*** (0.0001)	0.0002* (0.0001)	0.0002* (0.0001)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	8,035	8,035	8,035	8,035	8,035	8,035	8,035
R-squared	0.0076	0.0724	0.0027	0.0709	0.0030	0.0710	0.0730

Notes. The table reports coefficients from OLS regressions of respondents' attitudes to redistribution a dummy for being liquidity constrained and the controls shown. The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels..

Table A.7: Table 2 with fraction of years liquidity constrained

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
VARIABLES	More UI	More UI	More UI	More UI	More UI	More UI	More UI
Fraction of years constrained	0.0547*** (0.0088)	0.0655*** (0.0087)	0.0654*** (0.0085)	0.0694*** (0.0085)	0.0631*** (0.0085)	0.0699*** (0.0085)	0.0663*** (0.0087)
Permanent income (DKK 100,000)		-0.0159*** (0.0021)		-0.0169*** (0.0021)		-0.0159*** (0.0021)	-0.0152*** (0.0021)
Home equity (DKK 100,000)	-0.0016*** (0.0003)	-0.0007** (0.0003)					-0.0007** (0.0003)
Skill Specificity			0.0003 (0.0005)	0.0007* (0.0004)			0.0007** (0.0003)
Unemployment risk (%)					0.0007*** (0.0001)	0.0006*** (0.0001)	0.0005*** (0.0001)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	8,035	8,035	8,035	8,035	8,035	8,035	8,035
R-squared	0.0105	0.0593	0.0073	0.0589	0.0142	0.0619	0.0626

Notes. The table reports coefficients from OLS regressions of respondents' attitudes to unemployment insurance on the fraction of years since 2000 where the respondent was liquidity constrained and the controls shown. The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Table A.8: Table A.2 with fraction of years liquidity constrained

VARIABLES	(1) More redistribution	(2) More redistribution	(3) More redistribution	(4) More redistribution	(5) More redistribution	(6) More redistribution	(7) More redistribution
Fraction of years constrained	0.0345*** (0.0087)	0.0485*** (0.0086)	0.0468*** (0.0085)	0.0538*** (0.0084)	0.0463*** (0.0084)	0.0542*** (0.0084)	0.0488*** (0.0086)
Permanent income (DKK 100,000)		-0.0129*** (0.0021)		-0.0139*** (0.0021)		-0.0138*** (0.0021)	-0.0124*** (0.0021)
Home equity (DKK 100,000)	-0.0019*** (0.0003)	-0.0010*** (0.0003)					-0.0010*** (0.0003)
Skill Specificity			-0.0012** (0.0005)	-0.0008 (0.0005)			-0.0007 (0.0006)
Unemployment risk (%)					0.0003*** (0.0001)	0.0002* (0.0001)	0.0002* (0.0001)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	8,035	8,035	8,035	8,035	8,035	8,035	8,035
R-squared	0.0086	0.0744	0.0045	0.0734	0.0048	0.0736	0.0750

Notes. The table reports coefficients from OLS regressions of respondents' attitudes to redistribution on the fraction of years since 2000 where the respondent was liquidity constrained and the controls shown. The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Table A.9: Table 2 with a dummy for positive bank debt

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
VARIABLES	More UI	More UI	More UI	More UI	More UI	More UI	More UI
Bank debt	0.0022 (0.0071)	0.0197*** (0.0071)	0.0044 (0.0071)	0.0210*** (0.0071)	0.0052 (0.0071)	0.0216*** (0.0070)	0.0202*** (0.0071)
Permanent income (DKK 100,000)		-0.0167*** (0.0021)		-0.0182*** (0.0021)		-0.0172*** (0.0021)	-0.0159*** (0.0021)
Home equity (DKK 100,000)	-0.0020*** (0.0003)	-0.0011*** (0.0003)					-0.0011*** (0.0003)
Skill Specificity			0.0002 (0.0005)	0.0006 (0.0004)			0.0007** (0.0003)
Unemployment risk (%)					0.0008*** (0.0001)	0.0005*** (0.0001)	0.0005*** (0.0001)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	8,035	8,035	8,035	8,035	8,035	8,035	8,035
R-squared	0.0058	0.0537	0.0001	0.0523	0.0075	0.0552	0.0569

Notes. The table reports coefficients from OLS regressions of respondents' attitudes to social insurance on a dummy for positive bank debt and the controls shown. The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Table A.10: Table A.2 with a dummy for positive bank debt

VARIABLES	(1) More redistribution	(2) More redistribution	(3) More redistribution	(4) More redistribution	(5) More redistribution	(6) More redistribution	(7) More redistribution
Bank debt	-0.0103 (0.0070)	0.0040 (0.0068)	-0.0077 (0.0070)	0.0056 (0.0068)	-0.0076 (0.0070)	0.0058 (0.0068)	0.0043 (0.0068)
Permanent income (DKK 100,000)		-0.0132*** (0.0021)		-0.0148*** (0.0021)		-0.0147*** (0.0021)	-0.0128*** (0.0021)
Home equity (DKK 100,000)	-0.0021*** (0.0003)	-0.0014*** (0.0003)					-0.0013*** (0.0003)
Skill Specificity			-0.0012** (0.0005)	-0.0008 (0.0005)			-0.0007 (0.0006)
Unemployment risk (%)					0.0003*** (0.0001)	0.0002* (0.0001)	0.0002* (0.0001)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	8,035	8,035	8,035	8,035	8,035	8,035	8,035
R-squared	0.0069	0.0708	0.0008	0.0688	0.0012	0.0689	0.0714

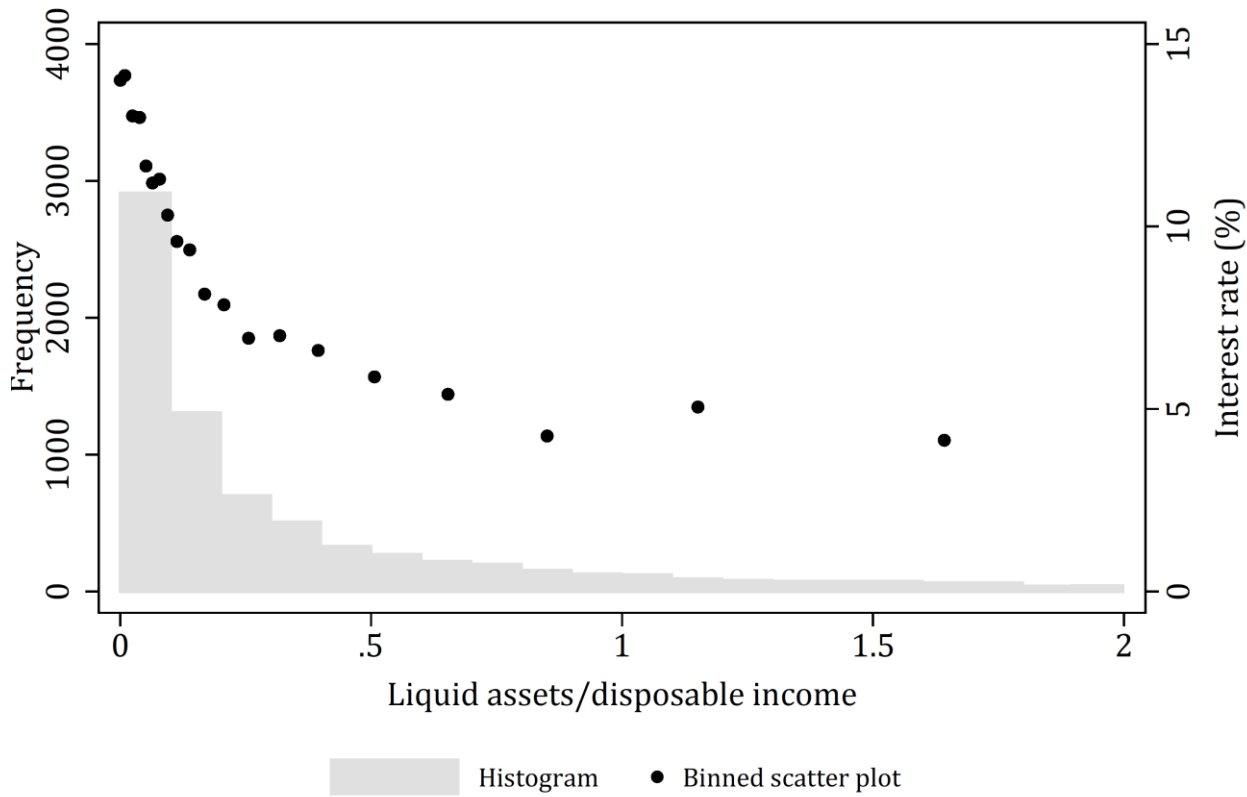
Notes. The table reports coefficients from OLS regressions of respondents' attitudes to redistribution on a dummy for positive bank debt and the controls shown. The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Part II.I: Measuring liquidity constraints as the marginal cost of liquidity

Marginal interest rates were computed for each person in our sample using administrative data from the Danish tax authorities on every deposit and loan account held by the persons in our sample. Following Kreiner et al. (2019), we calculated individual, account-specific interest rates as annual interest payments on loan i relative to the average debt on loan i over the year. The marginal interest rate for each person was determined as the highest account-specific interest rate from a loan if the person has at least one loan account. If the person only has deposit accounts, the marginal interest rate was given as the smallest loan-specific interest rate. The idea is that if a person has loan accounts, the marginal cost of liquidity is determined by the highest interest rate, whereas the marginal cost of liquidity is determined by the account with the lowest interest rate when the person only has deposit accounts (since this reflects the marginal opportunity cost of liquid funds).

Whether we measure liquidity constraints as limited access to liquid funds or the cost of credit, they capture the same underlying idea – the inability to smooth consumption or self-insure during times of temporary economic hardship. Figure A.1 below shows a local polynomial smooth of the marginal interest rate against the level of liquid assets relative to disposable income. The figure shows a strong and highly significant relation between our two measures of liquidity constraints; a low level of liquid assets relative to disposable income is associated with a high marginal interest rate.

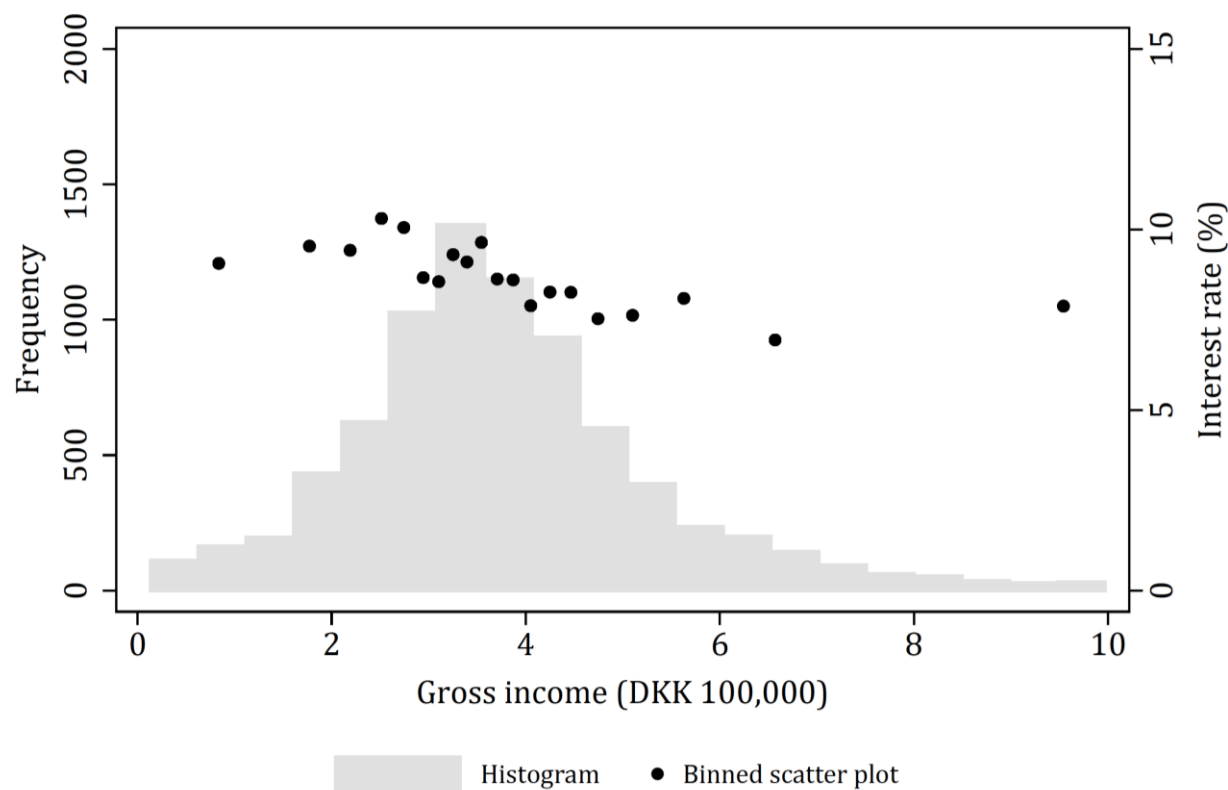
Figure A.1: The association between the marginal cost of liquidity and holdings of liquid assets



Notes. Danish administrative data, survey data, and own calculations. Based on our survey sample of 8,035 respondents.

Figure A.2 below shows that the marginal cost of liquidity, like the condition of being liquidity constrained, is prevalent across the income distribution.

Figure A.2: Figure 1 with liquidity constraints measured as the marginal cost of liquidity



Notes. Danish administrative data, survey data, and own calculations. Based on our survey sample of 8,035 respondents.

Table A.11: Table 2 with liquidity constraints measured as the marginal interest rate

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
VARIABLES	More UI	More UI	More UI	More UI	More UI	More UI	More UI
Interest rate (%)	0.0020*** (0.0004)	0.0024*** (0.0004)	0.0022*** (0.0004)	0.0026*** (0.0004)	0.0022*** (0.0004)	0.0026*** (0.0004)	0.0024*** (0.0004)
Permanent income (DKK 100,000)		-0.0159*** (0.0022)		-0.0171*** (0.0022)		-0.0160*** (0.0022)	-0.0151*** (0.0022)
Home equity (DKK 100,000)	-0.0017*** (0.0003)	-0.0008*** (0.0003)					-0.0008*** (0.0003)
Skill Specificity			0.0002 (0.0005)	0.0007 (0.0004)			0.0007** (0.0003)
Unemployment risk (%)					0.0007*** (0.0001)	0.0005*** (0.0001)	0.0005*** (0.0001)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	7,005	7,005	7,005	7,005	7,005	7,005	7,005
R-squared	0.0083	0.0519	0.0041	0.0512	0.0111	0.0540	0.0551

Notes. The table reports coefficients from OLS regressions of respondents' attitudes to social insurance on the marginal interest rate available to respondents and the controls shown. The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Table A.12: Table A.2 with liquidity constraints measured as the marginal interest rate

VARIABLES	(1) More Redistribution	(2) More Redistribution	(3) More Redistribution	(4) More Redistribution	(5) More Redistribution	(6) More Redistribution	(7) More Redistribution
Interest rate (%)	0.0000 (0.0004)	0.0005 (0.0004)	0.0004 (0.0004)	0.0007 (0.0004)	0.0004 (0.0004)	0.0007 (0.0004)	0.0005 (0.0004)
Permanent income (DKK 100,000)		-0.0136*** (0.0023)		-0.0150*** (0.0023)		-0.0148*** (0.0023)	-0.0131*** (0.0023)
Home equity (DKK 100,000)	-0.0021*** (0.0003)	-0.0013*** (0.0003)					-0.0012*** (0.0003)
Skill Specificity			-0.0012** (0.0005)	-0.0008 (0.0005)			-0.0007 (0.0006)
Unemployment risk (%)					0.0003*** (0.0001)	0.0002** (0.0001)	0.0002** (0.0001)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	7,005	7,005	7,005	7,005	7,005	7,005	7,005
R-squared	0.0069	0.0700	0.0009	0.0683	0.0012	0.0686	0.0708

Notes. The table reports coefficients from OLS regressions of respondents' attitudes to redistribution on the marginal interest rate available to respondents and the controls shown. The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels

Table A.13: Interaction between liquidity constraints and labor market risk

VARIABLES	(1) More UI	(2) More UI	(3) More Redistribution	(4) More Redistribution
Liquidity constrained	0.0255*** (0.0070)	0.0282*** (0.0070)	0.0218*** (0.0069)	0.0218*** (0.0069)
Unemployment risk (%)	0.0008*** (0.0001)	0.0005*** (0.0001)	0.0002 (0.0001)	0.0001 (0.0001)
Unemployment risk x Liquidity constrained	-0.0000 (0.0002)	-0.0000 (0.0002)	0.0002 (0.0002)	0.0002 (0.0002)
Permanent income (DKK 100,000)		-0.0153*** (0.0021)		-0.0125*** (0.0021)
Home equity (DKK 100,000)		-0.0010*** (0.0003)		-0.0012*** (0.0003)
Skill Specificity		0.0007** (0.0003)		-0.0007 (0.0006)
Controls				
<i>Labor Market</i>		✓		✓
<i>Demographics</i>		✓		✓
<i>Attitudinal</i>		✓		✓
Observations	8,035	8,035	8,035	8,035
R-squared	0.0097	0.0583	0.0032	0.0733

Notes. The table reports coefficients from OLS regressions of respondents' attitudes to unemployment insurance and redistribution on a dummy for being liquidity constrained, the interaction, and the controls shown. The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Table A.14: Additional interactions between liquidity constraints and occupational labor market risk – for varying measures of liquidity constraints

VARIABLES	(1) More UI	(2) More UI	(3) More UI	(4) More UI
Liquidity Constrained	0.023** (0.010)			
Liq. Constrained x Occupational risk	0.001 (0.003)			
Borrowing Market Interest Rate		0.002*** (0.001)		
Interest Rate x Occupational risk		0.000 (0.000)		
Bank Debt			0.007 (0.012)	
Bank Debt x Occupational risk			0.004 (0.003)	
Fraction Past Years Liq. Constrained				0.052*** (0.014)
Fraction Years Constrained x Occupational risk				0.004 (0.003)
Permanent Income (DKK 100,000)	-0.015*** (0.002)	-0.015*** (0.002)	-0.016*** (0.002)	-0.015*** (0.002)
Home Equity (DKK 100,000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001** (0.000)
Skill Specificity	0.001** (0.000)	0.001* (0.000)	0.001** (0.000)	0.001* (0.000)
Occupational risk	0.002 (0.002)	0.002 (0.002)	-0.000 (0.003)	0.001 (0.002)
Controls				
<i>Labor Market</i>	✓	✓	✓	✓
<i>Demographics</i>	✓	✓	✓	✓
<i>Attitudinal</i>	✓	✓	✓	✓
Observations	8,035	7,005	8,035	8,035
R-squared	0.056	0.053	0.055	0.060

Notes. The table reports coefficients from OLS regressions of respondents' attitudes to unemployment insurance on different measures of liquidity constraints, interacted with labor market risk. Labor market risk is defined as the unemployment rate in the respondent's occupation (occupational groups defined at the ISCO code 2-digit level). The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Table A.15: Additional interactions between liquidity constraints and perceived labor market risk – for varying measures of liquidity constraints

VARIABLES	(1) More UI	(2) More UI	(3) More UI	(4) More UI
Liquidity Constrained	0.028*** (0.007)			
Liq. Constrained x Unemployment risk	-0.000 (0.000)			
Borrowing Market Interest Rate		0.002*** (0.000)		
Interest Rate x Unemployment risk		0.000 (0.000)		
Bank Debt			0.014* (0.008)	
Bank Debt x Unemployment risk			0.000 (0.000)	
Fraction Past Years Liq. Constrained				0.065*** (0.010)
Fraction Years Constrained x Unemployment risk				0.000 (0.000)
Permanent Income (DKK 100,000)	-0.015*** (0.002)	-0.015*** (0.002)	-0.016*** (0.002)	-0.015*** (0.002)
Home Equity (DKK 100,000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001*** (0.000)	-0.001** (0.000)
Skill Specificity	0.001** (0.000)	0.001** (0.000)	0.001** (0.000)	0.001** (0.000)
Unemployment risk	0.001*** (0.000)	0.000** (0.000)	0.000 (0.000)	0.001*** (0.000)
Controls				
<i>Labor Market</i>	✓	✓	✓	✓
<i>Demographics</i>	✓	✓	✓	✓
<i>Attitudinal</i>	✓	✓	✓	✓
Observations	8,035	7,005	8,035	8,035
R-squared	0.056	0.053	0.055	0.060

Notes. The table reports coefficients from OLS regressions of respondents' attitudes to unemployment insurance on different measures of liquidity constraints, interacted with labor market risk (using the variable for perceived labor market risk described in section IV of the paper). The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Part III: Main results estimated with ordered logit instead of least squares

Table A.16: Table 2 estimated with ordered logit

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
VARIABLES	More UI	More UI	More UI	More UI	More UI	More UI	More UI
Liquidity constrained	0.1638*** (0.0475)	0.2303*** (0.0494)	0.2171*** (0.0467)	0.2511*** (0.0490)	0.2049*** (0.0469)	0.2522*** (0.0491)	0.2322*** (0.0495)
Permanent income (DKK 100,000)		-0.1360*** (0.0180)		-0.1473*** (0.0180)		-0.1391*** (0.0180)	-0.1305*** (0.0180)
Home equity (DKK 100,000)	-0.0151*** (0.0024)	-0.0088*** (0.0026)					-0.0089*** (0.0026)
Skill Specificity			0.0019 (0.0037)	0.0054* (0.0031)			0.0057** (0.0025)
Unemployment risk (%)					0.0058*** (0.0008)	0.0042*** (0.0009)	0.0042*** (0.0009)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	8,035	8,035	8,035	8,035	8,035	8,035	8,035
R-squared	-	-	-	-	-	-	-

Notes. The table reports coefficients from ordered logit regressions of respondents' attitudes to unemployment insurance on a dummy for being liquidity constrained and the controls shown. The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Table A.17: Table A.2 estimated with ordered logit

VARIABLES	(1) More redistribution	(2) More redistribution	(3) More redistribution	(4) More redistribution	(5) More redistribution	(6) More redistribution	(7) More redistribution
Liquidity constrained	0.1319*** (0.0422)	0.1826*** (0.0437)	0.1807*** (0.0415)	0.2036*** (0.0433)	0.1774*** (0.0415)	0.2048*** (0.0433)	0.1836*** (0.0437)
Permanent income (DKK 100,000)		-0.0967*** (0.0150)		-0.1056*** (0.0150)		-0.1043*** (0.0150)	-0.0939*** (0.0151)
Home equity (DKK 100,000)	-0.0137*** (0.0020)	-0.0089*** (0.0022)					-0.0087*** (0.0022)
Skill Specificity			-0.0086 (0.0060)	-0.0056 (0.0054)			-0.0050 (0.0068)
Unemployment risk (%)					0.0021*** (0.0007)	0.0015* (0.0008)	0.0015* (0.0008)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	8,035	8,035	8,035	8,035	8,035	8,035	8,035
R-squared	-	-	-	-	-	-	-

Notes. The table reports coefficients from ordered logit regressions of respondents' attitudes to redistribution on a dummy for being liquidity constrained and the controls shown. The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Part IV: The interaction between liquid and illiquid wealth

Table A.18: Interaction between liquidity constraints and home equity

VARIABLES	(1) More UI	(2) More UI	(3) More Redistribution	(4) More Redistribution
<i>Liquid and illiquid wealth</i>				
Liquidity constrained	0.0257*** (0.0065)	0.0319*** (0.0065)	0.0200*** (0.0064)	0.0257*** (0.0064)
Home equity (DKK 100,000)	-0.0014*** (0.0003)	-0.0007** (0.0003)	-0.0018*** (0.0003)	-0.0011*** (0.0003)
Home equity x constrained	-0.0019*** (0.0007)	-0.0015** (0.0007)	-0.0007 (0.0007)	-0.0004 (0.0007)
Permanent income (DKK 100,000)		-0.0152*** (0.0021)		-0.0124*** (0.0021)
Skill Specificity		0.0006** (0.0003)		-0.0007 (0.0006)
Unemployment risk (%)		0.0005*** (0.0001)		0.0002* (0.0001)
Controls				
<i>Labor Market</i>		✓		✓
<i>Demographics</i>		✓		✓
<i>Attitudinal</i>		✓		✓
Observations	8,035	8,035	8,035	8,035
R-squared	0.0080	0.0589	0.0078	0.0733

Notes. The table reports coefficients from OLS regressions of attitudes to social insurance and redistribution on a dummy for being liquidity constrained, the interaction, and the controls shown. The set of labor market controls, demographic controls, and attitudinal controls are the same as in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Table A.19: Partial association between liquidity constraints and preferences for social insurance across percentiles of home equity

More UI	p50	p60	p70	p80	p90	p95
Home equity (DKK 100,000)	0.173	1.784	3.720	6.410	11.922	19.745
Estimate	0.032 ***	0.029 ***	0.026 ***	0.022 ***	0.014 *	0.003
Se	0.006	0.006	0.006	0.007	0.009	0.013
Mean	4.102					

Notes. The partial effects shown in the table calculated on the basis of the coefficients in Table A.18. All percentiles are calculated as the mean over five observations in accordance with the micro data policy of Statistics Denmark.

Part V: Liquidity constraints and personality

Table A.20: Table 2 including a dummy for the respondent finding it “difficult to control own expenses”

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
VARIABLES	More UI	More UI	More UI	More UI	More UI	More UI	More UI
Liquidity constrained	0.0188*** (0.0063)	0.0263*** (0.0062)	0.0251*** (0.0062)	0.0286*** (0.0062)	0.0240*** (0.0062)	0.0289*** (0.0062)	0.0266*** (0.0062)
Permanent income (DKK 100,000)		-0.0160*** (0.0021)		-0.0174*** (0.0021)		-0.0164*** (0.0021)	-0.0153*** (0.0021)
Home equity (DKK 100,000)	-0.0018*** (0.0003)	-0.0010*** (0.0003)					-0.0010*** (0.0003)
Skill Specificity			0.0003 (0.0005)	0.0007 (0.0004)			0.0007** (0.0003)
Unemployment risk (%)					0.0007*** (0.0001)	0.0005*** (0.0001)	0.0005*** (0.0001)
Difficult to control expenses	0.0191 (0.0128)	0.0170 (0.0127)	0.0216* (0.0128)	0.0177 (0.0127)	0.0164 (0.0128)	0.0160 (0.0126)	0.0154 (0.0126)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	8,035	8,035	8,035	8,035	8,035	8,035	8,035
R-squared	0.0075	0.0554	0.0029	0.0544	0.0099	0.0572	0.0586

Notes. The table reports coefficients from OLS regressions of respondents’ attitudes to social insurance on a dummy for being liquidity constrained and a dummy for the respondent finding it “difficult to control own expenses”, in addition to the controls and variables included in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Table A.21: Table A.2 including a dummy for the respondent finding it “difficult to control own expenses”

VARIABLES	(1) More redistribution	(2) More redistribution	(3) More redistribution	(4) More redistribution	(5) More redistribution	(6) More redistribution	(7) More redistribution
Liquidity constrained	0.0152** (0.0062)	0.0221*** (0.0061)	0.0218*** (0.0061)	0.0248*** (0.0061)	0.0216*** (0.0061)	0.0250*** (0.0061)	0.0222*** (0.0061)
Permanent income (DKK 100,000)		-0.0130*** (0.0021)		-0.0143*** (0.0021)		-0.0141*** (0.0021)	-0.0126*** (0.0021)
Home equity (DKK 100,000)	-0.0019*** (0.0003)	-0.0012*** (0.0003)					-0.0012*** (0.0003)
Skill Specificity			-0.0012** (0.0005)	-0.0008 (0.0005)			-0.0007 (0.0006)
Unemployment risk (%)					0.0003** (0.0001)	0.0002 (0.0001)	0.0002 (0.0001)
Difficult to control expenses	0.0328*** (0.0114)	0.0337*** (0.0113)	0.0354*** (0.0114)	0.0344*** (0.0113)	0.0337*** (0.0115)	0.0339*** (0.0113)	0.0331*** (0.0113)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	8,035	8,035	8,035	8,035	8,035	8,035	8,035
R-squared	0.0087	0.0737	0.0040	0.0723	0.0042	0.0723	0.0743

Notes. The table reports coefficients from OLS regressions of respondents’ attitudes to redistribution on a dummy for being liquidity constrained and a dummy for the respondent finding it “difficult to control own expenses”, in addition to the controls and variables included in Table 1 in the paper. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

The following two tables show the results from table 2 and table A.2 controlling for personality measures.

About the personality measures: Respondents answer the following: “I see myself as someone who (1) is reserved (E-R); (2) is generally trusting (A); (3) tends to be somewhat lazy (C-R); (4) is relaxed, handles stress well (N-R); (5) has few artistic interests (O-R); (6) is outgoing, sociable (E); (7) tends to find fault with others (A-R); (8) does a thorough job (C); (9) gets nervous easily (N); (10) has an active imagination (O)’ on a 1-5 scale from strongly disagree to strongly agree. The letters OCEAN refer to each of the traits, and each is gauged by a positive and a reverse, marked R, statement. In the regression analysis, we construct five personality trait dummies, one for each trait (Openness, Conscientiousness, Extroversion, Agreeableness and Neuroticism), running on a scale from 1 to 5, where 5 indicates a high level of the particular trait. Respondents’ replies to the personality trait questions are from the survey of 2013, where these questions were for the first time included in the questionnaire. Hence, the analysis on liquidity constraints and personality traits only include people who participated in the 2013 survey round.

Table A.22: Table 2 including dummies for “Big five” personality traits

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
VARIABLES	More UI	More UI	More UI	More UI	More UI	More UI	More UI
Liquidity constrained	0.0149* (0.0081)	0.0222*** (0.0080)	0.0217*** (0.0080)	0.0246*** (0.0080)	0.0204** (0.0080)	0.0246*** (0.0080)	0.0224*** (0.0080)
Permanent income (DKK 100,000)		-0.0158*** (0.0027)		-0.0172*** (0.0027)		-0.0164*** (0.0027)	-0.0154*** (0.0027)
Home equity (DKK 100,000)	-0.0019*** (0.0004)	-0.0010*** (0.0004)					-0.0010*** (0.0004)
Skill Specificity			0.0009*** (0.0002)	0.0012*** (0.0001)			0.0011*** (0.0001)
Unemployment risk (%)					0.0006*** (0.0001)	0.0004*** (0.0001)	0.0004*** (0.0001)
Extraversion	-0.0012 (0.0043)	0.0002 (0.0042)	-0.0006 (0.0043)	0.0002 (0.0042)	-0.0006 (0.0043)	0.0002 (0.0042)	0.0002 (0.0042)
Agreeableness	0.0155*** (0.0054)	0.0099* (0.0053)	0.0152*** (0.0054)	0.0098* (0.0053)	0.0154*** (0.0054)	0.0097* (0.0053)	0.0100* (0.0053)
Openness	0.0255*** (0.0040)	0.0218*** (0.0040)	0.0260*** (0.0040)	0.0222*** (0.0040)	0.0249*** (0.0040)	0.0217*** (0.0040)	0.0213*** (0.0040)
Neuroticism	0.0169*** (0.0043)	0.0097** (0.0043)	0.0171*** (0.0044)	0.0091** (0.0044)	0.0158*** (0.0044)	0.0088** (0.0043)	0.0090** (0.0043)
Conscientiousness	-0.0079* (0.0045)	-0.0061 (0.0044)	-0.0082* (0.0045)	-0.0061 (0.0044)	-0.0071 (0.0045)	-0.0057 (0.0044)	-0.0055 (0.0044)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	4,792	4,792	4,792	4,792	4,792	4,792	4,792
R-squared	0.0216	0.0718	0.0165	0.0710	0.0209	0.0723	0.0740

Notes. The table reports coefficients from OLS regressions of respondents’ attitudes to social insurance on a dummy for being liquidity constrained and dummies for each of the Big Five personality traits (Gosling et al. (2003) 10-item measures), in addition to the controls and variables included in Table 1 in the paper. Personality variables run from 1-5, where 5 indicates a high level of the particular trait. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Table A.23: Table A.2 including dummies for “Big five” personality traits

VARIABLES	(1) More redistribution	(2) More redistribution	(3) More redistribution	(4) More redistribution	(5) More redistribution	(6) More redistribution	(7) More redistribution
Liquidity constrained	0.0186** (0.0079)	0.0260*** (0.0078)	0.0255*** (0.0078)	0.0286*** (0.0077)	0.0253*** (0.0078)	0.0287*** (0.0077)	0.0260*** (0.0078)
Permanent income (DKK 100,000)		-0.0105*** (0.0026)		-0.0117*** (0.0026)		-0.0117*** (0.0026)	-0.0100*** (0.0026)
Home equity (DKK 100,000)	-0.0020*** (0.0004)	-0.0012*** (0.0004)					-0.0012*** (0.0004)
Skill Specificity			-0.0019*** (0.0003)	-0.0015*** (0.0001)			-0.0016*** (0.0001)
Unemployment risk (%)					0.0002 (0.0001)	0.0002 (0.0001)	0.0002 (0.0001)
Extraversion	0.0052 (0.0042)	0.0062 (0.0041)	0.0057 (0.0042)	0.0062 (0.0041)	0.0058 (0.0042)	0.0063 (0.0041)	0.0062 (0.0041)
Agreeableness	0.0247*** (0.0055)	0.0162*** (0.0054)	0.0239*** (0.0055)	0.0158*** (0.0054)	0.0243*** (0.0055)	0.0160*** (0.0054)	0.0160*** (0.0054)
Openness	0.0180*** (0.0040)	0.0132*** (0.0039)	0.0185*** (0.0040)	0.0137*** (0.0039)	0.0182*** (0.0040)	0.0134*** (0.0039)	0.0130*** (0.0039)
Neuroticism	0.0179*** (0.0043)	0.0125*** (0.0042)	0.0183*** (0.0043)	0.0123*** (0.0042)	0.0177*** (0.0043)	0.0119*** (0.0042)	0.0125*** (0.0042)
Conscientiousness	-0.0066 (0.0045)	-0.0050 (0.0044)	-0.0070 (0.0045)	-0.0052 (0.0044)	-0.0066 (0.0045)	-0.0049 (0.0044)	-0.0048 (0.0044)
Controls							
<i>Labor Market</i>		✓		✓		✓	✓
<i>Demographics</i>		✓		✓		✓	✓
<i>Attitudinal</i>		✓		✓		✓	✓
Observations	4,792	4,792	4,792	4,792	4,792	4,792	4,792
R-squared	0.0224	0.0916	0.0177	0.0906	0.0167	0.0901	0.0929

Notes. The table reports coefficients from OLS regressions of respondents’ attitudes to redistribution on a dummy for being liquidity constrained and dummies for each of the Big Five personality traits (Gosling et al. (2003) 10-item measures), in addition to the controls and variables included in Table 1 in the paper.

Personality variables run from 1-5, where 5 indicates a high level of the particular trait. All models include a constant term and dummies for the survey years. Robust standard errors in parentheses. ***, **, and * indicate significance at the 1, 5, and 10% levels.

Part VII: Summary statistics

Table A.24: Summary statistics

Variable	Mean	Median
<i>Demographics</i>		
Age	44.88	45.00
Woman (d)	0.50	1.00
Single (d)	0.22	0.00
Immigrant (d)	0.05	0.00
Children (d)	0.53	1.00
Homeowner (d)	0.66	1.00
Basic education (d)	0.21	0.00
Short education (d)	0.43	0.00
Medium education (d)	0.24	0.00
Long education (d)	0.12	0.00
<i>Labor market</i>		
Perceived unemployment risk (%)	17.22	1.00
Self-employed (d)	0.06	0.00
Full insurance (d)	0.83	1.00
<i>Income and balance sheets</i>		
Income (DKK)	391,097.20	362,392.50
Disposable income (DKK)	284,335.30	272,169.40
Permanent income (DKK)	360,385.10	331,686.90
Total assets (DKK)	1,141,892.00	806,682.00
Liquid assets (DKK)	159,285.30	47,244.05
Bank assets (DKK)	114,788.90	37,628.22
Stocks (DKK)	26,647.88	0.00
Bonds (DKK)	17,848.54	0.00
Assets/disposable income	0.99	0.18
Constrained (d)	0.42	0.00
Housing wealth (DKK)	960,084.10	699,785.50
Home equity (DKK)	410,169.10	17,299.05
Positive home equity (d)	0.51	1.00
Negative home equity (d)	0.15	0.00
Total debt (DKK)	753,952.40	563,432.20
Mortgage debt (DKK)	567,105.60	405,629.20
Bank debt (DKK)	180,190.10	77,498.19
<i>Survey years</i>		
Survey 2010 (d)	0.62	1.00
Survey 2011 (d)	0.16	0.00
Survey 2012 (d)	0.11	0.00
Survey 2013 (d)	0.11	0.00
<i>Numer of observations</i>	8,035	8,035

Based on our sample of 8,035 respondents. Medians are calculated as an average over 5 observations in accordance with Statistics Denmark's micro data policy. Min and max are not reported for confidentiality reasons. (d) indicates that the variable is a dummy.

References

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