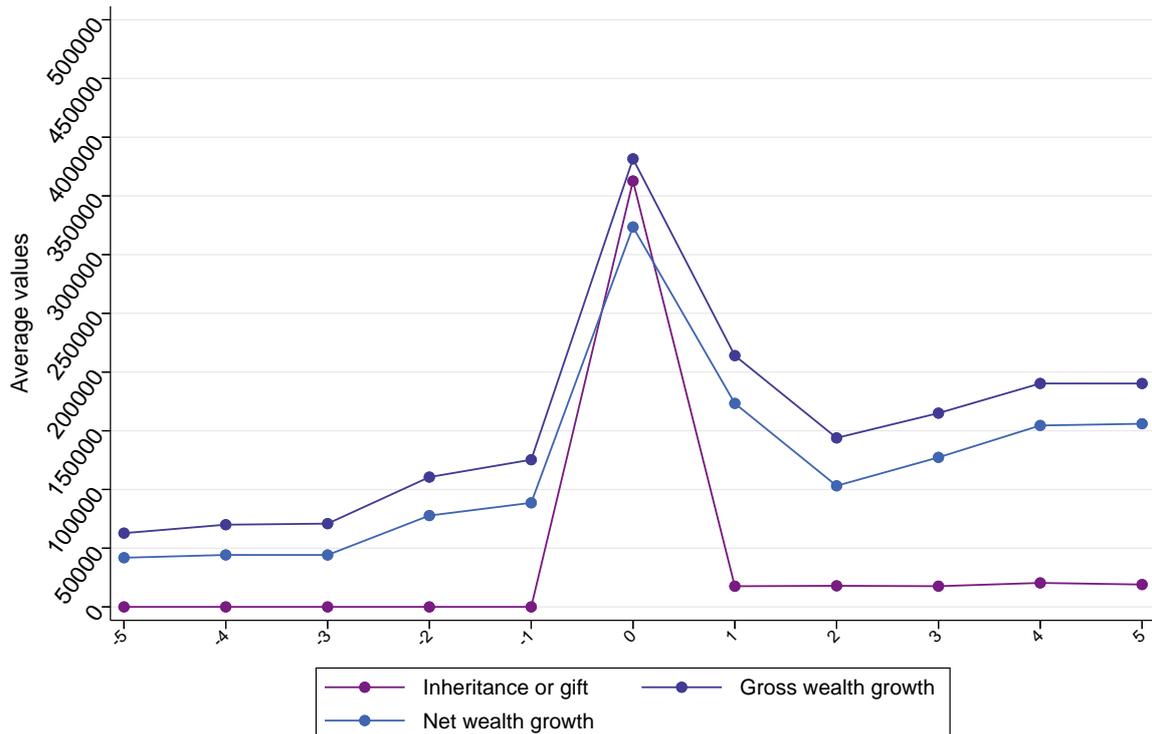


Appendix C



Average net wealth growth in period 0: 323525 NOK
 Average gross wealth growth in period 0: 381561 NOK
 Average inheritance in period 0: 362702 NOK

Figure C1 – Evolution of net and gross wealth around the timing of the first inheritance or gift

Notes: The figure refers to the same sample as Figure 1, restricted to those who received a first inheritance or gift between 2001 and 2008. The figure plots the evolution of individuals' net and gross wealth around their first inheritance or gift. Inheritance, gift, net wealth and gross wealth are defined at the individual level.

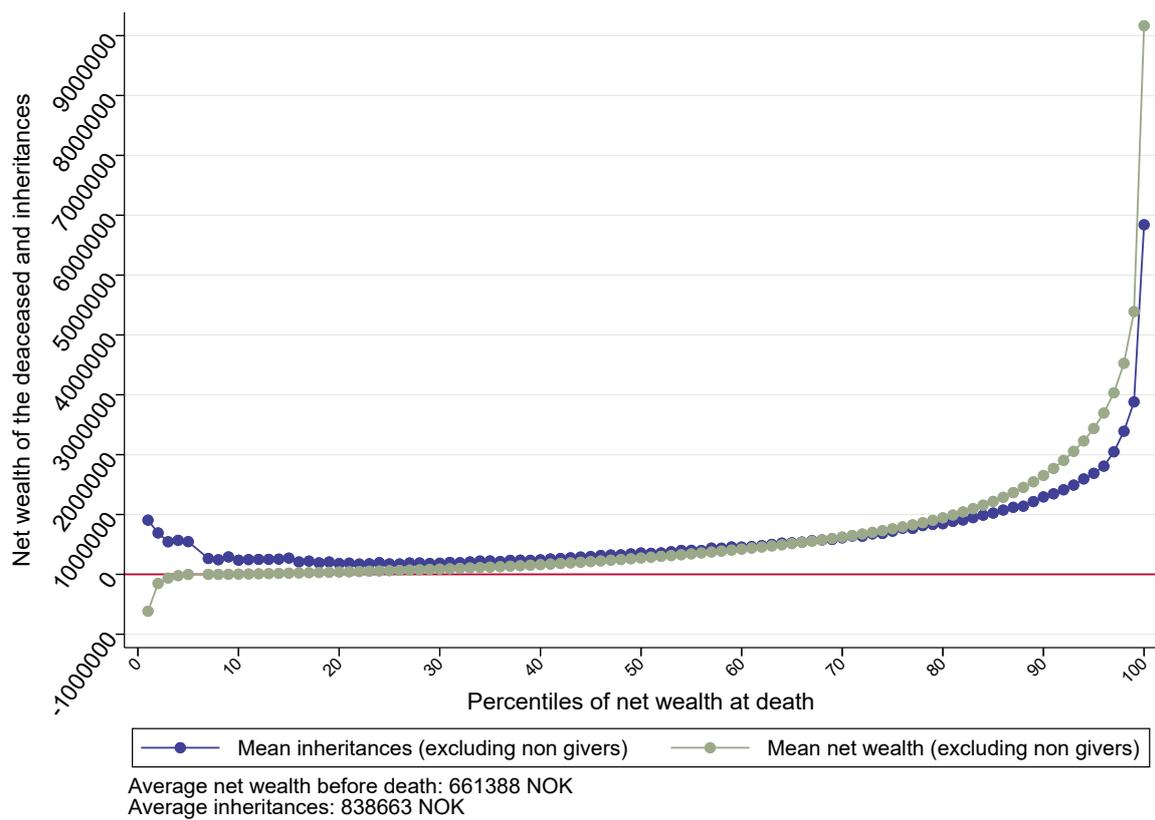


Figure C2 – Inheritance and net wealth of the deceased

Notes: The figure refers to all residents of Norway who died between 1995 and 2013 and transmitted an inheritance, excluding individuals with a living spouse at time of death. The figure plots the average net wealth (one year prior to death) in this sample, and the average inheritance they bequeathed.

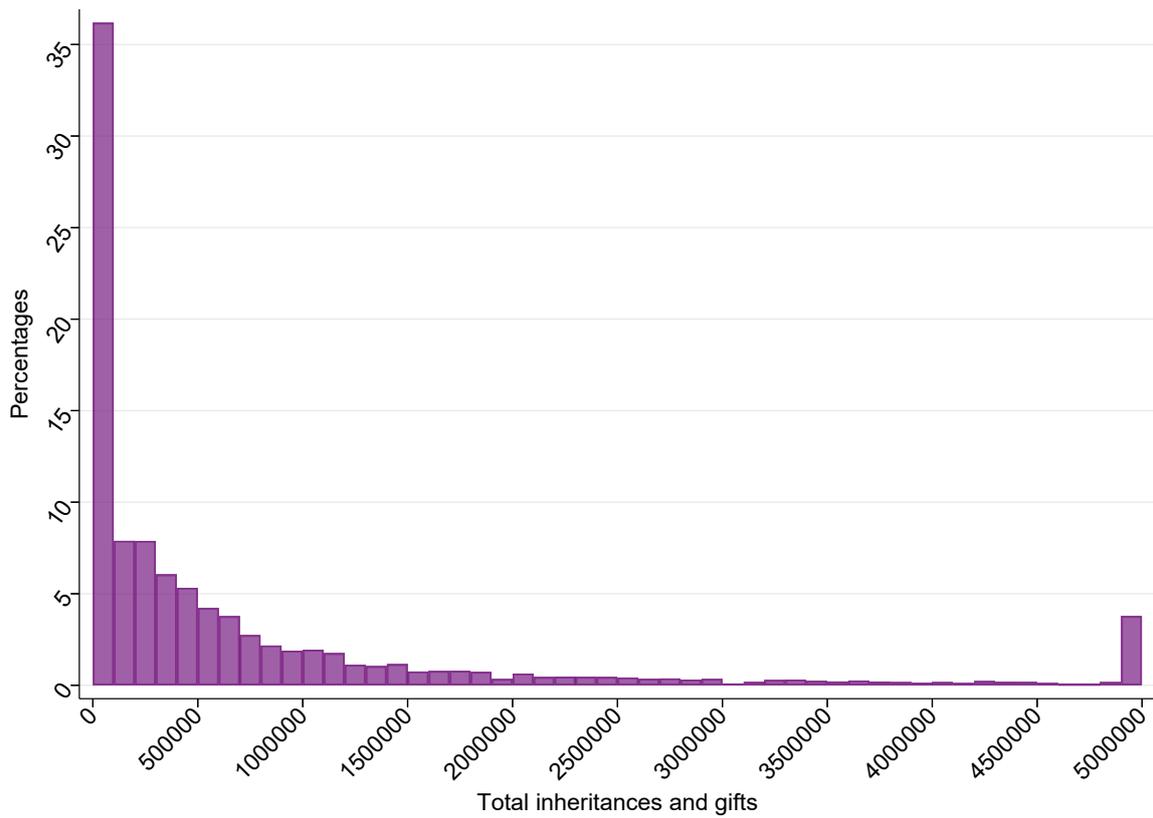


Figure C3 – Distribution of inheritances and gifts among the top 1% of Potential Wealth

Notes: The figure refers to the same sample as Figure 1, restricted to individuals belonging to the top 1% of Potential Wealth. The figure shows the distribution of total inheritances and gifts in this sample. Values above NOK5,000,000 are winsorized.

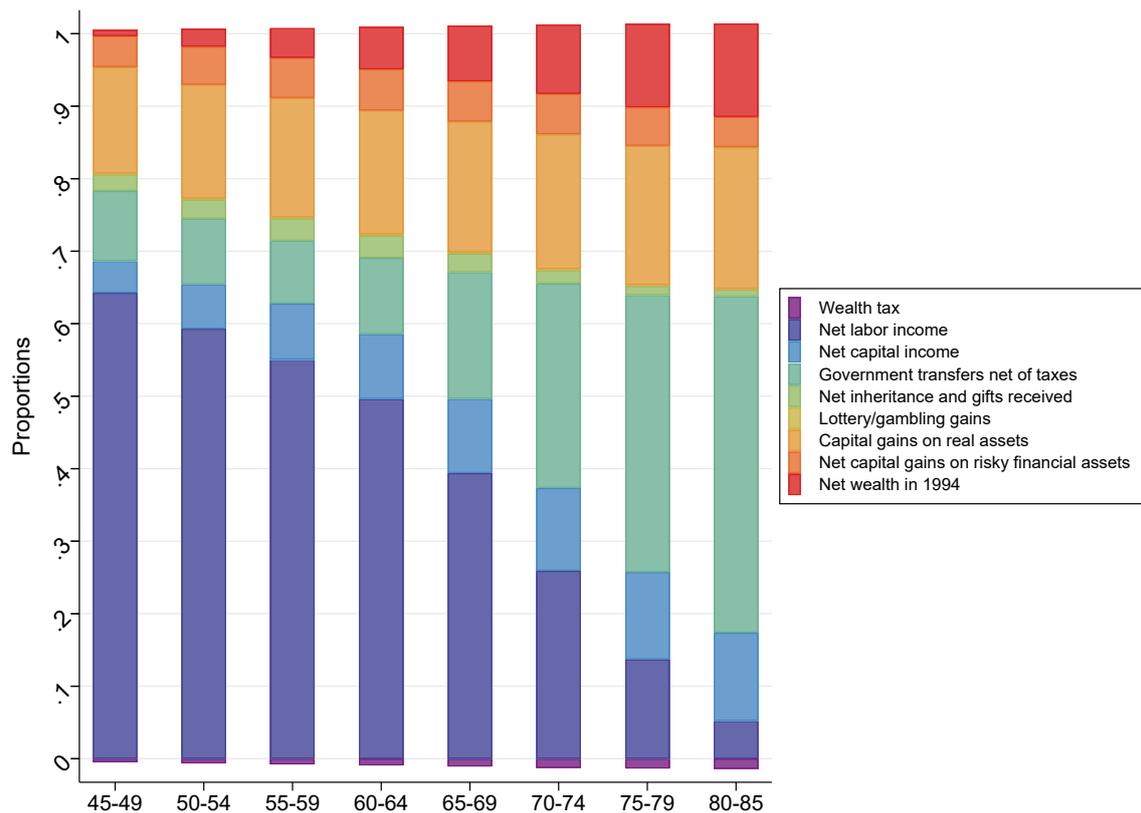


Figure C4 – Components of Potential Wealth by age groups in 2013

Notes: The figure refers to a balanced panel of all adults born between 1928 and 1968, registered as Norwegian residents in each year between 1994 and 2013, and living in an independent household (i.e., not living with their parents) in 2013. The figure shows the components of Potential Wealth by age groups. For each component, the corresponding colored bars represent the average share of that component in Potential Wealth for each age group. The shares sum to 1.

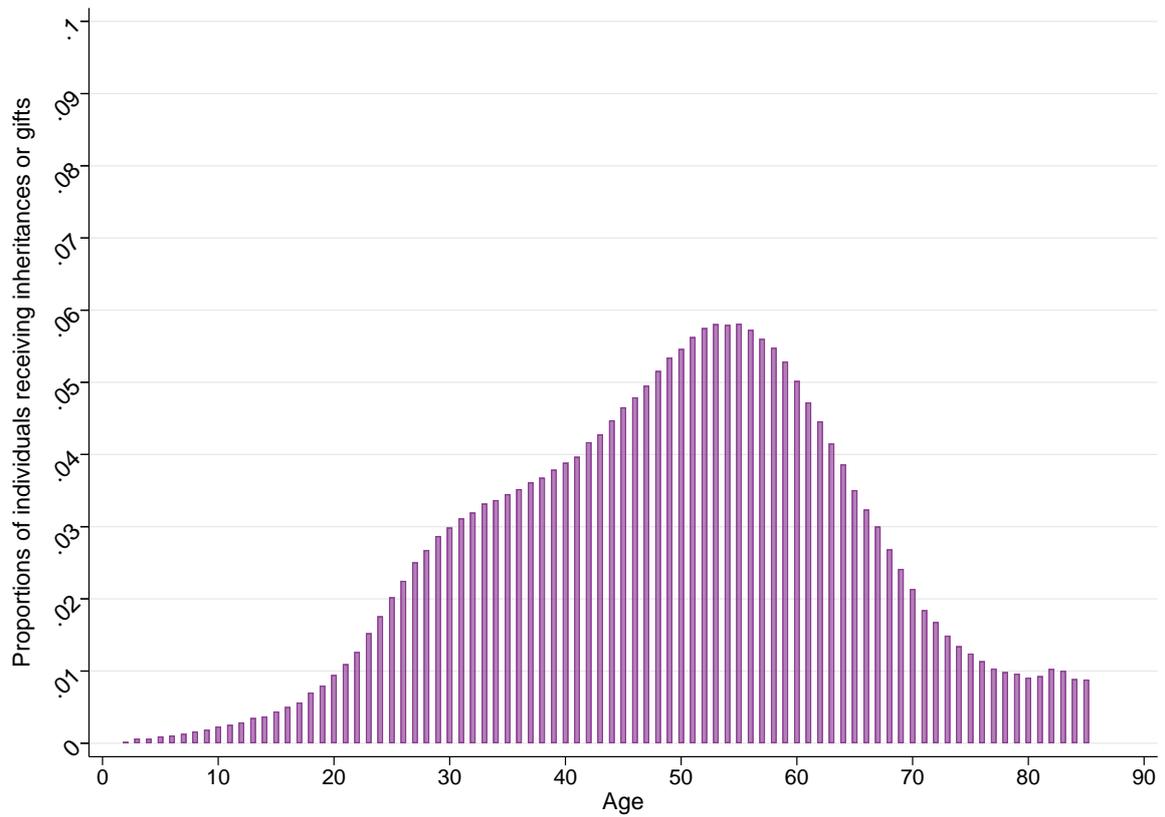


Figure C5 – Proportion of individuals receiving an inheritance or gift by age

Notes: The figure refers to same sample as Figure C4. The figure plots the proportion of individuals by age receiving an inheritance or gift, either directly or through their spouse, considering all years between 1995 and 2013.

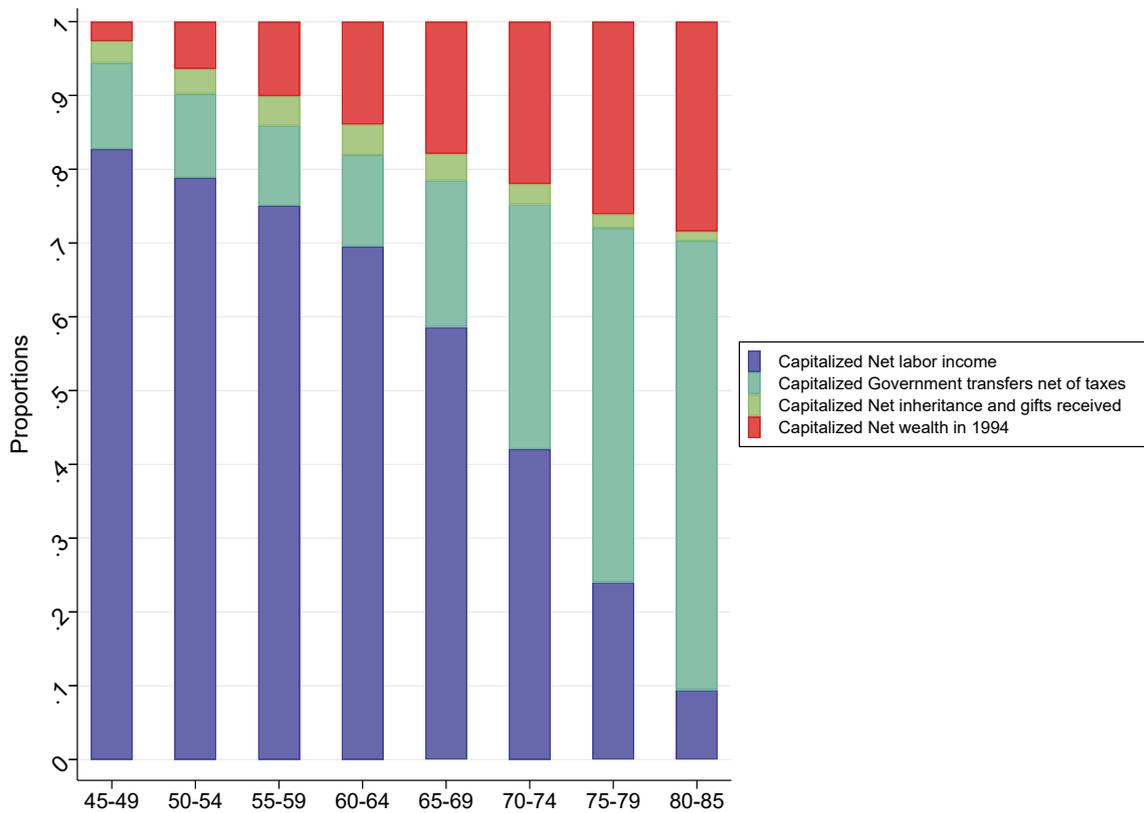


Figure C6 – Components of Deep Potential Wealth by age groups in 2013

Notes: The figure refers to same sample as Figure C4. The figure shows the components of Deep Potential Wealth by age groups. For each component, the corresponding colored bars represent the average share of that component in Deep Potential Wealth for each age group. The shares sum to 1.

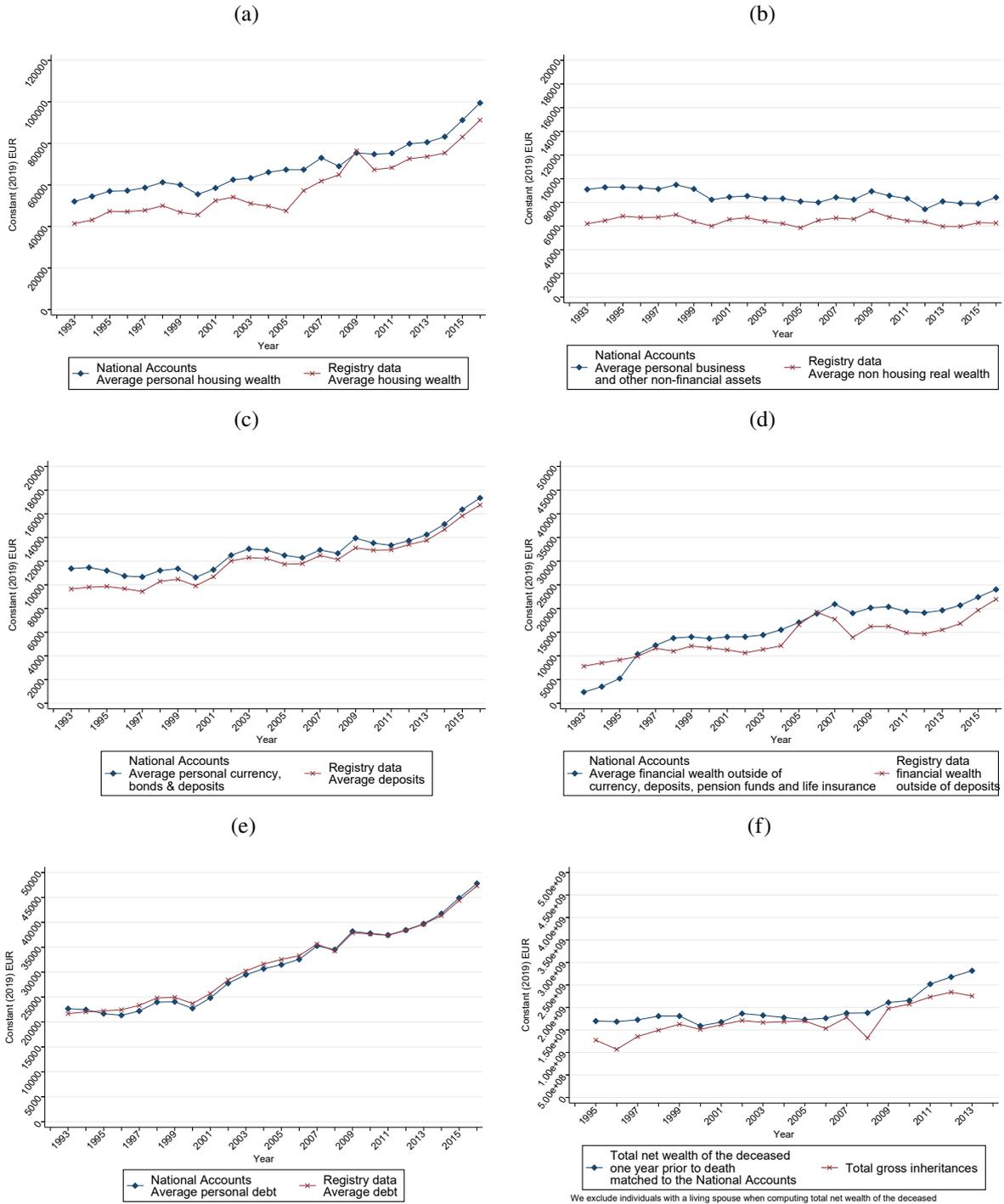


Figure C7 – Wealth Components Recorded in the Tax Records and Corresponding Values from the National Accounts

Notes: Figures C7a to C7e plot annual averages for each wealth component over the period 1993-2016, as recorded in the registry data or in the National Accounts. For the registry data, the figures refers to all Norwegian residents. The National Accounts data come from the World Inequality Database (WID). The blue line in Figure C7f refers to all residents of Norway who died between 1995 and 2013, excluding individuals with a living spouse at time of death, and the blue line plots their total net wealth adjusted to national accounts and measured one year prior to death (setting negative values to zero). The red line in Figure C7f refers to all residents of Norway and plots the total inheritances transmitted during 1995-2013.

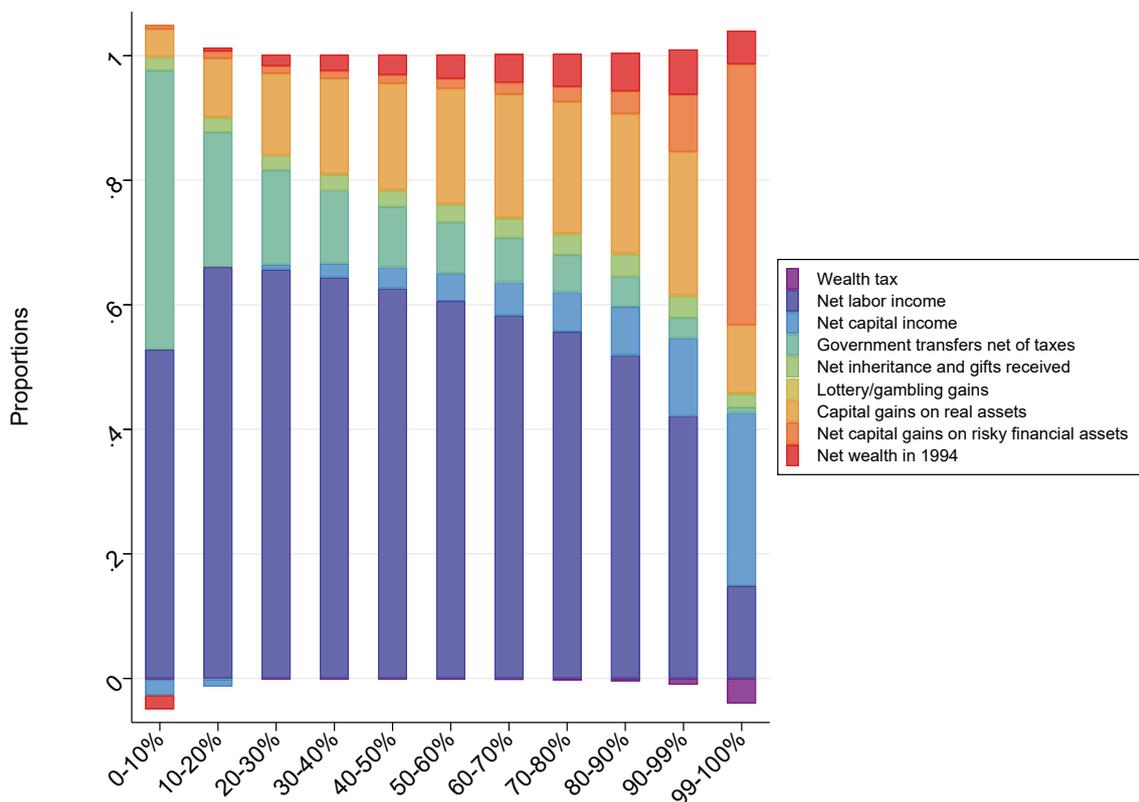


Figure C8 – Components of Potential Wealth adjusted to match National Accounts, by deciles of Potential Wealth

Notes: The figure refers to the same sample as Figure 1, and shows the components of Potential Wealth by deciles of Potential Wealth, with the top 1% as a separate category. For each component, the corresponding colored bars represent the average share of that component in Potential Wealth for each decile of Potential Wealth. The shares sum to 1.

We adjust individual values of housing wealth, personal business wealth, deposits, financial wealth held outside of bank deposits, debts, inheritances and gifts by a constant proportion so that the aggregate values match the National Accounts reported in the World Inequality Database (WID).

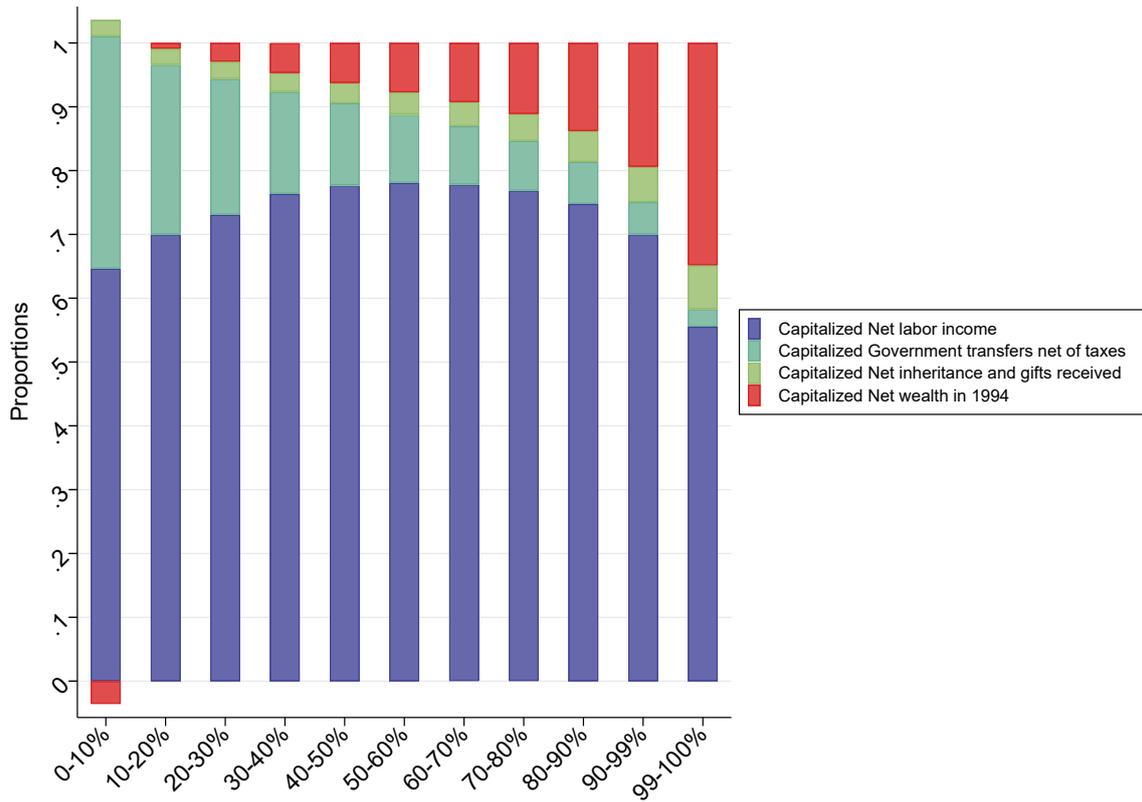


Figure C9 – Components of Deep Potential Wealth adjusted to match National Accounts, by deciles of Deep Potential Wealth

Notes: The figure refers to the same sample as Figure 1, and shows the components of Deep Potential Wealth by deciles of Deep Potential Wealth, with the top 1% as a separate category. For each component, the corresponding colored bars represent the average share of that component in Deep Potential Wealth for each decile of Deep Potential Wealth. The shares sum to 1.

We adjust individual values of housing wealth, personal business wealth, deposits, financial wealth held outside of bank deposits, debts, inheritances and gifts by a constant proportion so that the aggregate values match the National Accounts reported in the World Inequality Database (WID).

Table C1 – Household’s net wealth – distribution in 2014 (EUR thousands)

	EU	Germany	Italy	Norway	France	Austria
Mean	219.9	214.3	225.6	242.7	243.1	258.4
p10	0.8	0.0	2.5	-28.6	3.0	1.0
p20	6.9	2.5	10.6	-0.5	10.3	6.4
p30	23.4	10.6	44.1	10.6	27.6	15.8
p40	56.6	26.8	98.3	58.0	65.2	34.4
p50	96.4	60.8	147.0	122.3	113.3	85.9
p60	148.9	111.9	191.6	193.2	170.0	162.5
p70	211.8	174.8	246.0	275.9	235.7	252.5
p80	300.9	274.2	323.0	384.8	332.3	363.8
p90	487.0	468.8	506.9	580.9	536.1	518.1

Notes: The table reports the average household net wealth in 2014 (in thousands of euros) at each percentile of the distribution for 5 European countries and in the EU. For Norway, the table is based on our own calculations, including all individuals older than 16 in the household. For other countries, the data come from the HFCS Statistical Tables Wave 2014, Table J3.

Table C2 – Inheritance tax rates in Norway

	Inheritance value	Children, parents	Other heir
<i>1993-1998</i>			
	0 - 100,000	0%	0%
	100,000 - 400,000	8%	8%
	> 400,000	20%	30%
<i>1999-2002</i>			
	0 - 200,000	0%	0%
	200,000 - 500,000	8%	10%
	> 500,000	20%	30%
<i>2003-2008</i>			
	0 - 250,000	0%	0%
	250,000 - 550,000	8%	10%
	> 550,000	20%	30%
<i>2009-2013</i>			
	0 - 470,000	0%	0%
	470,000 - 800,000	6%	8%
	> 800,000	10%	15%

Notes: The table reports the tax rates on inheritances across time. Tax rates vary based on the amount of the inheritance and the relationship to the deceased.

Table C3 – Characteristics of individuals with small/large differences between PW and NW

	0-20%		20-40%		40-60%		60-80%		80-100%	
	Small difference	Large difference								
Potential wealth	3638520	3666458	5202783	5203211	6310963	6311168	7694246	7694995	12477770	13291265
Net wealth in 2013	813323	-192188	1492588	247070	1992220	579045	2678090	930100	5412417	2457746
Net wealth in 1994	4581	-100903	107389	22876	186760	128686	292428	284722	644485	838851
Net labor income	1935516	2577486	3198786	3835471	3846000	4353223	4461434	4900832	5706242	6277463
Net capital income	21810	-217384	189711	-90965	348320	87581	557242	294031	1737197	1593596
Government transfers net of taxes	1218256	1160739	779191	690525	614770	570366	536628	514442	486153	489323
Net inheritance and gifts received	84064	68259	132642	104470	186182	136638	271447	188663	461055	335071
Lottery/gambling gains	2943	3948	4616	5306	6184	7173	8523	10329	12760	15000
Capital gains on real assets	342433	152279	744208	594425	1049488	969565	1428307	1401691	2390248	2583957
Net capital gains on risky financial assets	38519	27185	63756	44856	97487	63324	179611	108148	1182016	1109450
Age in 1994	36	34	36	34	36	34	37	35	37	36
Non Norwegian background	0.16	0.12	0.11	0.08	0.09	0.07	0.09	0.07	0.10	0.09
Female	0.48	0.45	0.52	0.48	0.52	0.49	0.52	0.50	0.51	0.50
Higher education degree	0.12	0.13	0.19	0.22	0.28	0.30	0.39	0.37	0.53	0.50
Nb. of children in 2013	1.80	2.04	1.99	2.21	2.01	2.25	2.00	2.25	2.02	2.26
Parents with a HE degree	0.07	0.07	0.08	0.09	0.11	0.11	0.16	0.15	0.25	0.24

Notes: The table refers to the same sample as Figure 1. Individuals are divided into quintiles of the Potential Wealth distribution, and then further divided into those with large (above the median of the quintile) and small differences between Potential Wealth and net wealth in 2013. Each column corresponds to one such subsample. The first two rows correspond to individuals' Potential Wealth (row 1), and net wealth in 2013 (row 2). Rows 3 to 10 correspond to the components of Potential Wealth, namely net wealth in 1994 (row 3), total net labor income received between 1995 and 2013 (row 4), total net capital income (row 5), total government transfers net of taxes (row 6), total net inheritances and gifts (row 7), total lottery and gambling gains (row 8), total capital gains on real assets (row 9), total net capital gains on financial assets (row 10). Rows 11 to 16 describe individuals' demographic characteristics, including their age in 1994 (row 11), whether they have an immigrant background (row 12), their gender (row 13), whether they hold a higher education degree in 2013 (row 14), how many children they have in 2013 (row 15), and whether one of their parents has a higher education degree (row 16).