Appendix A  

Income Prediction Regressions

Where multiple waves from the same country were available, we fit the following regression to adjust the incomes imputed from the WDI income distribution information to more closely match those predicted from income survey categories.

\[
\ln \left( \frac{y_{\text{imputed}}}{y_{\text{survey}}} \right) = \alpha_{\text{country}} + \beta_1 \text{Percentile} + \beta_2 \text{Year} + \beta_3 \text{Gini} + \beta_4 \text{Gini} \times \text{Percentile} \\
+ \beta_5 \text{GDP per capita} + \beta_6 \text{Household Size} + \beta_7 \text{GDP per capita} \times \text{Household Size} + \epsilon
\]

Where multiple waves are not available, we fit a similar model omitting \(\alpha_{\text{country}}\), but restricting the sample to clusters of countries defined using per capita PPP GDP and average household size. Countries were divided using GDP cutoffs of 8,000 and 22,000 USD per capita. Within each of those groups, we divided the countries using household size cutoffs of 4.4 for the poorest countries, 3.06 for the middle income countries, and 2.44 for the richest.