Exposure to the COVID-19 Stock Market Crash and its Effect on Household Expectations – READ ME

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This folder contains data and Stata code to replicate all tables and figures in "Exposure to the COVID-19 Stock Market Crash and its Effect on Household Expectations," as well as its web appendix tables and figures. The code is designed to run in Stata 13 or later versions.

To produce the specific tables and figures:

1. Open the respective do-file indicated in Tables 1 and 2 in the respective subfolder of `do-files`.
2. Change the current directory (cd) to the main unzipped folder `Replication_files_HanspalWeberWohlfart2020`
3. Run the respective do-file. The resulting table or figure will be placed in the folder `tables` or `figures` .

The folder `ado-files` contains additional programs necessary to run our code.

1 Contents of this folder

There are five main parts in this folder

- `data`: contains cleaned data and (anonymized) raw data
- `do-files`: contains code for cleaning the data in the folder `generate_datasets`, code for reproducing figures in the folder `generate_figures`, and code for reproducing tables in the folder `generate_tables`.
- `ado-files`: additional programs necessary to run our code.
- `Qualtrics_files`: contains the Qualtrics files used to run the experiments
- `output`: contains two folders, `figures` and `tables`. Code in `do-files` puts tables and figures here.

2 Ado-files

This folder contains additional programs necessary to run our code. We include copies of these in case future updates break the code.

- `binscatter.ado`. Written by Stepner (2013).
- `coefplot.ado`. Written by Jann (2013).
- `demandbounds.ado`.
- `distplot.ado`. Written by Cox (1998).
- `_eststo.ado`, `estadd.ado`, `estout_mystyle.def`, `estout.ado`, `estpost.ado`, `eststo.ado`, `esttab.ado`. Written by Jann (2007).

- `grc1leg.ado, grc1leg2.ado, grc1leg2_examples.ado`. Written by Wiggins (2010).
- `ivreg2.ado, ivreg2_p.ado, ivreg28.ado, ivreg28_cue.ado, ivreg28_p.ado,ivreg29. ivreg29_cue.ado, ivreg29_p.ado, ivreg210.ado, ivreg210_p.ado` . Written by Baum, Schaffer and Stillman (2002).
- `minq.ado`
- `multproc.ado`. Written by Newson and The ALSPAC Study Team (2003)
- `sigstar.ado, sigstar_nostars.ado`.
- `scheme-lean2.scheme`. Written by Juul (2003).

3 Data

Raw Datasets

We use 1 raw datasets located in `data/raw_data_files`. These files are unedited.

- `raw.csv` is the raw data from our main experiment with Lucid

The dataset contains a fake id called *responseid* which does not personally identify individuals.

Final Datasets

The raw datasets can be used to generate a single final dataset, located in `data/final_data_files`.

- `data_1.dta` subject-level data from main experiment with Lucid.

4 Do-files: generate datasets

Folder `do_files/generate_dataset` contains one Stata do-file which cleans the raw data and produces the final datasets.

- `generate_main.do` creates the final dataset.

5 Do-files: generate tables and figures

Folders `do_files/generate_tables` and `do_files/generate_figures` contain do-files to generate all tables and figures. Tables 1 and 2 below reference the relevant do-file for each table and figure in the paper and web appendix.

6 Qualtrics files

The folder qualtrics_file contains one Qualtrics file used to run each experiment:

- `Corona_wealth_survey.qsf`

References

Baum, Christopher F, Mark E Schaffer, and Steven Stillman. 2002. "IVREG2: Stata module for extended instrumental variables/2SLS and GMM estimation." *Statistical Software Components, Boston College Department of Economics*. revised 26 June 2020.

Cox, Nicholas J. 1998. "DISTPLOT: Stata module to generate distribution function plot." *Statistical Software Components, Boston College Department of Economics*. revised 16 Sep 2017.

Jann, Ben. 2007. "Making regression tables simplified." *The Stata Journal*, 7(2): 227–244.

Jann, Ben. 2013. "COEFPLOT: Stata module to plot regression coefficients and other results." *Statistical Software Components, Boston College Department of Economics*. revised 24 February 2019.

Juul, Svend. 2003. "Lean mainstream schemes for Stata 8 graphics." *The Stata Journal*, 3(3): 295–301.

Newson, Roger, and The ALSPAC Study Team. 2003. "Multiple-test procedures and smile plots." *The Stata Journal*, 3(2): 109–132.

Stepner, Michael. 2013. "BINSCATTER: Stata module to generate binned scatterplots." *Statistical Software Components, Boston College Department of Economics*. revised 24 Nov 2013.

Wiggins, Vince. 2010. "grc1leg." *https://www.stata.com/users/vwiggins/grc1leg/grc1leg.ado*.

Table 1	Determinants of realized and planned adjustments to stock share	`Replication_Table1.do`
Table 2	Effects of wealth and income shocks on expected behavior and plans	`Replication_Table2.do`
Table 3	Determinants of expectations about the stock market and own wealth	`Replication_Table3.do`
Table 4	Effects of information on stock market expectations: Experimental first stage	`Replication_Table4.do`
Table 5	Effects of expected stock market recovery on own outlook and plans: OLS and 2SLS estimates	`Replication_Table5.do`
Table A2	Descriptive statistics	`Replication_TableA2.do`
Table A3	Integrity of treatment randomization	`Replication_TableA3.do`
Table A4	Determinants of realized and planned adjustments to stock share: Pure control only	`Replication_TableA4.do`
Table A5	Income and wealth shocks and expected economic decisions: Pure control only	`Replication_TableA5.do`
Table A6	Determinants of expectations about the stock market and own wealth: Pure control only	`Replication_TableA6.do`
Table A7	Correlational evidence on beliefs about past crashes	`Replication_TableA7.do`
Table A8	Effects of information on own outlook and plans: Experimental reduced form	`Replication_TableA8.do`
Table A9	Effects of expected stock market recovery on own outlook and plans: Heterogeneity	`Replication_TableA9.do`
Table A10	Perceived purpose of the survey	`Replication_TableA10.do`
Table A11	Average losses across groups and samples	`Replication_TableA11.do`
Table A12	Average losses across age groups	`Replication_TableA12.do`
Table A13	Changes in expected retirement age across groups	`Replication_TableA13.do`

Table 1: Tables

Figure 1	Financial wealth and household net income shocks	`Replication_Figure1.do`
Figure A2	US stock market and number of initial jobless claims around the survey period	`Replication_FigureA2.do`
Figure A3	Realized and planned adjustments to stock share across groups	`Replication_FigureA3.do`
Figure A4	Changes in expected spending and debt across groups	`Replication_FigureA4.do`
Figure A5	Effects of wealth and income shocks on expected spending	`Replication_FigureA5.do`
Figure A6	Effects of income shocks on expected spending: Heterogeneity	`Replication_FigureA6.do`
Figure A7	Effects of wealth shocks on expected spending: Heterogeneity	`Replication_FigureA7.do`
Figure A8	Changes in expected labor market activity across groups	`Replication_FigureA8.do`
Figure A9	Effects of wealth and income shocks on economic plans: Heterogeneity I	`Replication_FigureA9.do`
Figure A10	Effects of wealth and income shocks on economic plans: Heterogeneity II	`Replication_FigureA10.do`
Figure A11	Effects of wealth and income shocks on economic plans	`Replication_FigureA11.do`
Figure A12	Retirement plans and job loss by age category	`Replication_FigureA12.do`
Figure A13	Financial wealth and household net income shocks, first half of sample period (April 6th-8th)	`Replication_FigureA13.do`
Figure A14	Financial wealth and household net income shocks, second half of sample period (April 9th-13th)	`Replication_FigureA14.do`
Figure A15	Expected duration of recovery across groups	`Replication_FigureA15.do`
Figure A16	Beliefs about durations of current and historical stock market recoveries	`Replication_FigureA16.do`
Figure A17	Wealth and income shocks across groups	`Replication_FigureA17.do`
Figure A18	Financial assets and incomes across groups	`Replication_FigureA18.do`
Figure A19	Participation and stock share of financial wealth across groups	`Replication_FigureA19.do`
Figure A20	Income and wealth shocks across groups	`Replication_FigureA20.do`
Figure A21	Conditional wealth shocks across groups (Financial wealth > 0)	`Replication_FigureA21.do`
Figure A22	Conditional wealth shocks across groups (Risky share > 0)	`Replication_FigureA22.do`
Figure A23	Wealth shocks across groups by risky share	`Replication_FigureA23.do`
Figure A24	Job losses across groups	`Replication_FigureA24.do`

Table 2: Figures