Appendix (Supplementary Online Material)

A   Climatic Characteristics and the Evolution of Risk Aversion

This subsection establishes that the predictions of the theory are unique to the evolution of loss aversion, rather than risk aversion.

First, suppose that the reference point, associated with the subsistence consumption constraint is either absent or not binding. In particular, suppose that the utility function is of the CRRA type:

$$u_i(c_{it}, n_{it}) = (1 - \gamma)\frac{c_{it}^{1-\sigma_c^i}}{1 - \sigma_c^i} + \gamma\frac{(n_{it} + \epsilon)^{1-\sigma_n^i}}{1 - \sigma_n^i}, \tag{44}$$

where $\epsilon \geq 0$, $\sigma_c^i > 0$, and $\sigma_n^i > 0$.

As established in the subsection 2.7, in the absence of a binding subsistence consumption constraint, variation in income driven by the differential choices of the production modes would have no effect on fertility and thus on reproductive success. The composition of risk aversion would therefore remain intact overtime and the long-run level of risk-aversion would be independent of climatic characteristics.

Second, suppose that the subsistence consumption constraint is present and binding, but individuals are loss-neutral (i.e., $\theta_i = 1$). Namely, the subsistence consumption is not a reference point and there is no kink in the utility function at the point, $\tilde{c}$. While the evolutionary forces that operate on the distribution of risk-aversion around $\tilde{c}$ are qualitatively similar to those that governed the evolution of loss-aversion, as some risk-neutral individuals gain an evolutionary advantage in the short-run and departs from the subsistence level, risk-neutrality is no longer evolutionary optimal, and some prudence may generate evolutionary advantage in the long-run, obscuring the link between the climatic volatility and spatial correlation and the long-run level of risk-aversion. Moreover, the relative degree of risk-aversion with respect to consumption and fertility would affect the evolutionary process and would further obscured the link between climatic volatility and spatial correlation and the long-run level of risk-aversion.

B   Climatic Stability Over the Period 700-2000

B.1   Temperature Volatility: 1900-2000 Relative to Earlier Centuries

(a) 1900-2000 vs 1800-1900

(b) 1900-2000 vs 1700-1800

(c) 1900-2000 vs 1600-1700

(d) 1900-2000 vs 1500-1600

(e) 1900-2000 vs 1400-1500

(f) 1900-2000 vs 1300-1400

(g) 1900-2000 vs 1200-1300

(h) 1900-2000 vs 1100-1200

(i) 1900-2000 vs 1000-1100

(j) 1900-2000 vs 900-1000
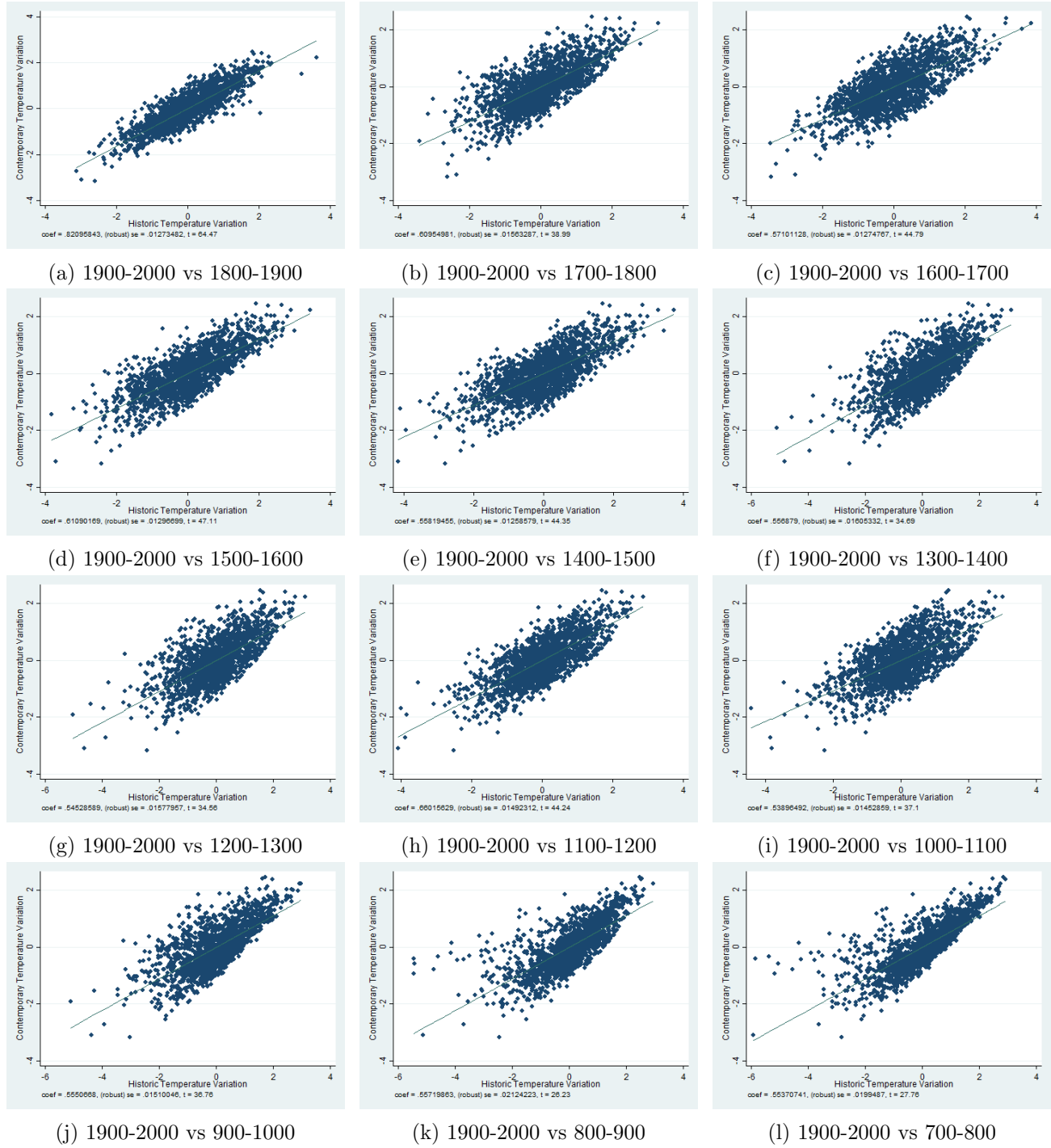
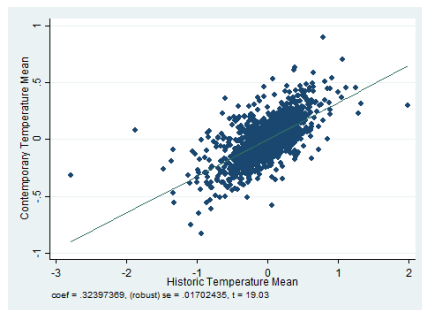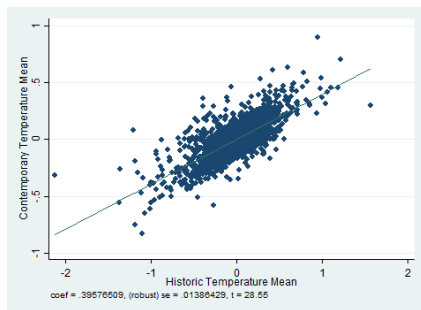(k) 1900-2000 vs 800-900

(l) 1900-2000 vs 700-800

Figure B.1: Contemporary vs. Historical Intertemporal Temperature Volatility
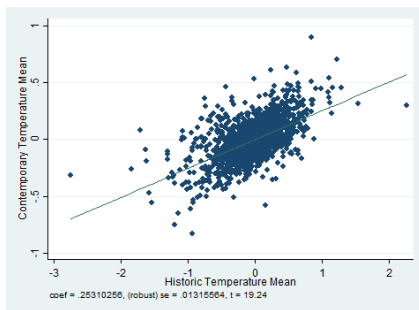
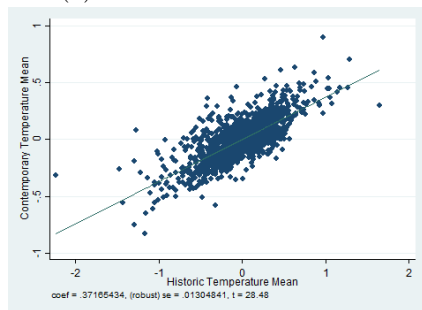## B.2   Mean Temperature: 1900-2000 Relative to Earlier Centuries
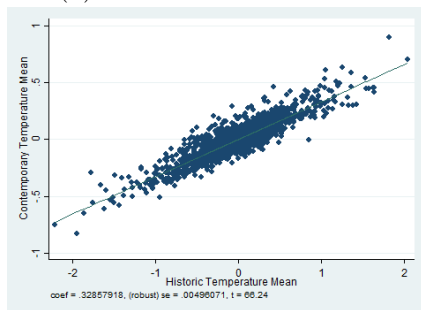
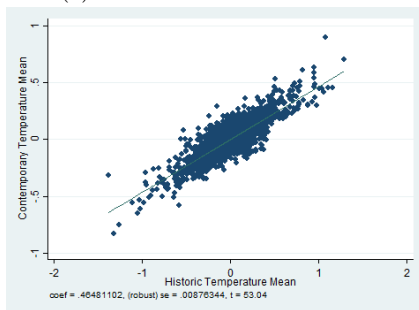(a) 1900-2000 vs 1800-1900 (b) 1900-2000 vs 1700-1800 (c) 1900-2000 vs 1600-1700
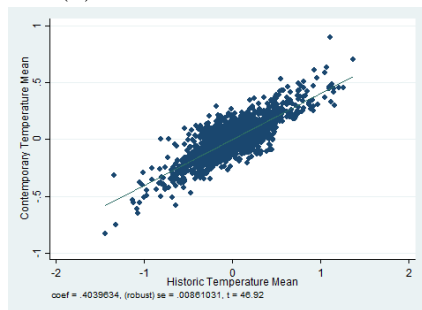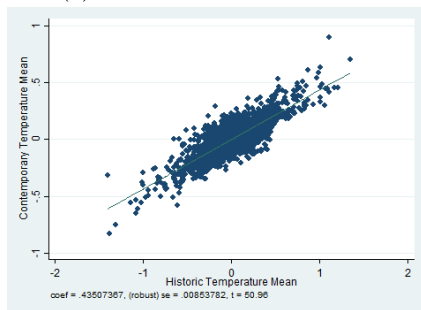
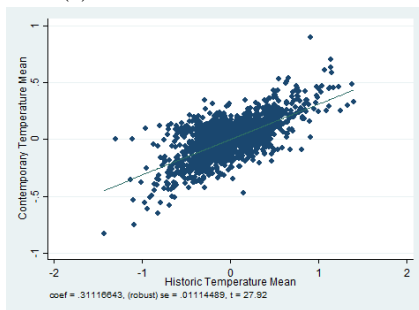(d) 1900-2000 vs 1500-1600 (e) 1900-2000 vs 1400-1500 (f) 1900-2000 vs 1300-1400
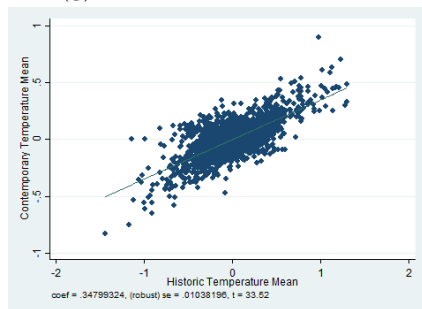
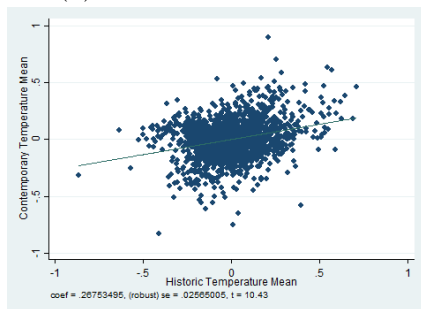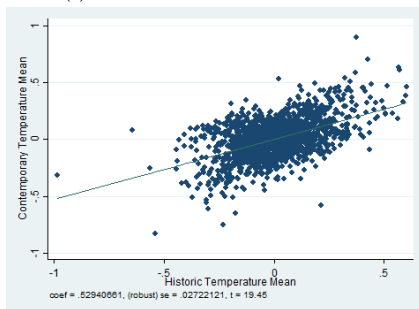(g) 1900-2000 vs 1200-1300 (h) 1900-2000 vs 1100-1200 (i) 1900-2000 vs 1000-1100

(j) 1900-2000 vs 900-1000 (k) 1900-2000 vs 800-900 (l) 1900-2000 vs 700-800

Figure B.2: Contemporary vs. Historical Mean Temperature

C Robustness Checks

C.1 Alternative Estimation Method: Probit and Ordered Probit

This subsection establishes that the results obtained in sections 4 and 5 are robust to the use of an alternative estimation method, rather than OLS. In particular, using Ordered Probit for the ESS and GSS and Probit for the WVS, one can estimates the probability of observing the ranked preference (in the ESS and GSS) or the preference for Job Security (in the WVS), conditional on intertemporal temperature volatility (idiosyncratic risk) as well as on temperature spatial correlation (aggregate uncertainty).

Table C.1: Determinants of Loss Aversion: Second Generation Migrants in Europe (Ordered Probit)

	Preferred job Characteristic: Security vs. Salary					
	(1)	(2)	(3)	(4)	(5)	(6)
Temperature (Volatility)	-0.194***	-0.279***	-0.284***	-0.292***	-0.298***	-0.286***
	(0.060)	(0.062)	(0.083)	(0.083)	(0.083)	(0.083)
Temperature (Spatial Correlation)	0.043*	0.068**	0.077***	0.074***	0.075***	0.075***
	(0.025)	(0.027)	(0.028)	(0.027)	(0.027)	(0.027)
Temperature (Mean)	-0.172***	-0.125*	-0.116	-0.160	-0.165	-0.095
	(0.055)	(0.066)	(0.122)	(0.125)	(0.122)	(0.125)
Absolute Latitude		0.111***	0.166**	0.134*	0.138*	0.195**
		(0.041)	(0.074)	(0.078)	(0.078)	(0.079)
Elevation (Mean)		-0.008	0.008	-0.003	-0.002	0.009
		(0.021)	(0.028)	(0.031)	(0.031)	(0.031)
Land Suitability (Mean)			0.031	0.017	0.015	0.013
			(0.055)	(0.060)	(0.061)	(0.060)
Neolithic Transition Timing				0.023	0.024	0.012
				(0.021)	(0.021)	(0.021)
Country of Birth FE	Yes	Yes	Yes	Yes	Yes	Yes
Additional Geographical Controls	No	No	Yes	Yes	Yes	Yes
Round FE	No	No	No	No	Yes	Yes
Individual Controls	No	No	No	No	No	Yes
Pseudo-R^2	0.03	0.03	0.03	0.03	0.03	0.04
Observations	3907	3907	3907	3907	3907	3907

Notes: Using Ordered Probit regressions, this table establishes that the preferred job characteristics of second generation migrants reflect loss aversion. In particular, their valuation of job security vs. salary is negatively affected by temperature volatility (idiosyncratic risk) and positively affected by temperature spatial correlation (aggregate uncertainty) in the parental country of origin. Additional geographical controls are land suitability gini, distance to coast or river, landlocked dummy, percentage of land in the tropical, subtropical and temperate zones and precipitation level. Individual controls include age, gender, number of siblings, religion, education level, and income. Sample excludes small island countries. All independent variables have been normalized by subtracting their mean and dividing by their standard deviation. Thus, all coefficients can be compared and show the effect of a one standard deviation in the independent variable. Heteroskedasticity robust standard error estimates clustered at the parental country of origin level are reported in parentheses; *** denotes statistical significance at the 1% level, ** at the 5% level, and * at the 10% level, all for two-sided hypothesis tests.

Table C.2: Determinants of Loss Aversion: Second Generation Migrants in the US (Ordered Probit)

	Preferred Job Characteristic						
	Security vs Others					Security vs Salary	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Temperature (Volatility)	-0.152*	-0.186**	-0.333***	-0.305***	-0.438***	-0.260***	-0.343***
	(0.088)	(0.080)	(0.065)	(0.066)	(0.062)	(0.073)	(0.083)
Temperature (Spatial Correlation)	0.109**	0.135***	0.144***	0.162***	0.187***	0.137***	0.180***
	(0.048)	(0.052)	(0.049)	(0.058)	(0.048)	(0.047)	(0.052)
Temperature (Mean)	-0.041	-0.015	-0.067	0.023	-0.068	-0.063	0.091
	(0.071)	(0.138)	(0.083)	(0.087)	(0.167)	(0.102)	(0.162)
Absolute Latitude		0.040	0.089	0.143	0.213	0.190	0.318
		(0.119)	(0.133)	(0.135)	(0.223)	(0.144)	(0.203)
Elevation (Mean)		-0.040	-0.123	-0.038	-0.135	-0.086	-0.097
		(0.056)	(0.080)	(0.090)	(0.094)	(0.109)	(0.106)
Land Suitability (Mean)			-0.122	-0.070	-0.153**	-0.097	-0.151*
			(0.079)	(0.083)	(0.070)	(0.096)	(0.091)
Neolithic Transition Timing				-0.101*	-0.083	-0.056	-0.076
				(0.055)	(0.076)	(0.057)	(0.064)
Region of Birth FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Additional Geographical Controls	No	No	Yes	Yes	Yes	Yes	Yes
Wave FE	No	No	No	No	Yes	No	Yes
Individual Controls	No	No	No	No	Yes	No	Yes
Pseudo-R^2	0.01	0.01	0.01	0.01	0.05	0.02	0.03
Observations	1328	1328	1328	1328	1171	1181	1171

Using Ordered Probit regression, this table establishes that the preferred job characteristics of second generation migrants reflect loss aversion. In particular, their valuation of job security vs other characteristics (salary, short working hours, promotion opportunities and job satisfaction) and of job security vs. salary is negatively affected by temperature volatility (idiosyncratic risk) and positively affected by temperature spatial correlation (aggregate uncertainty) in the parental country of origin. Additional geographical controls are land suitability gini, distance to coast or river, landlocked dummy, percentage of land in the tropical, subtropical and temperate zones and precipitation level. Individual controls include age, gender, number of siblings, religion, education level, and income. Sample excludes small island countries. All independent variables have been normalized by subtracting their mean and dividing by their standard deviation. Thus, all coefficients can be compared and show the effect of a one standard deviation in the independent variable. Heteroskedasticity robust standard error estimates clustered at the parental country of origin level are reported in parentheses; *** denotes statistical significance at the 1% level, ** at the 5% level, and * at the 10% level, all for two-sided hypothesis tests.

In line with the predictions of the theory, as well as with the OLS estimates, as established in Tables C.1, C.2, and 11 larger temperature spatial correlation increases significantly the probability that: (i) second generation migrants in Europe, (ii) second generation migrants in the US, and (iii) individuals in the WVS, will be more loss averse, whereas greater intertemporal temperature volatility decreases the probability that individuals in these distinct samples will be loss averse.

Table C.3: Determinants of Loss Aversion: Individuals in the WVS (Probit)

	Preferred Job Characteristic: Security vs Others						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Temperature (Volatility)	-0.062***	-0.066***	-0.047***	-0.030***	-0.030***	-0.030***	
	(0.006)	(0.006)	(0.008)	(0.008)	(0.008)	(0.008)	
Temperature (Spatial Correlation)	0.013***	0.014***	0.016***	0.021***	0.019***	0.016***	
	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	(0.004)	
Temperature (Volatility, Ancestral)							-0.023***
							(0.007)
Temp (Spatial Correlation, Ancestral)							0.010**
							(0.004)
Temperature (Mean)	-0.017***	-0.008	0.009	0.044***	0.050***	0.047***	0.046***
	(0.005)	(0.007)	(0.009)	(0.010)	(0.010)	(0.009)	(0.010)
Absolute Latitude		0.014**	0.009	0.040***	0.072***	0.065***	0.056***
		(0.007)	(0.010)	(0.011)	(0.011)	(0.011)	(0.011)
Elevation (Mean)	-0.023***	-0.021***	0.014***	0.025***	0.014***	0.010**	0.008*
	(0.003)	(0.003)	(0.004)	(0.005)	(0.005)	(0.005)	(0.005)
Land Suitability (Mean)			0.026***	0.039***	0.015***	0.015***	0.014***
			(0.005)	(0.005)	(0.005)	(0.005)	(0.005)
Neolithic Transition Timing					0.062***	0.059***	0.056***
					(0.005)	(0.005)	(0.005)
Region of Birth FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Additional Geographical Controls	No	No	Yes	Yes	Yes	Yes	Yes
Year FE	No	No	No	Yes	Yes	Yes	Yes
Individual Controls	No	No	No	No	No	Yes	Yes
Pseudo-R^2	0.01	0.01	0.02	0.03	0.03	0.03	0.03
Observations	130933	130933	130933	130933	130933	130933	130933

Notes: Using Probit regression, this table establishes that individuals' valuation of job security vs other job characteristics (i.e., salary, colleagues, job satisfaction) is negatively affected by temperature volatility (idiosyncratic risk) and positively affected by temperature spatial correlation (aggregate uncertainty) in the country of birth. Additional geographical controls are land suitability gini, distance to coast or river, landlocked dummy, percentage of land in the tropical, subtropical and temperate zones and precipitation level. Individual controls include age, gender, religion, education level, and income. Sample excludes small island countries. All independent variables have been normalized by subtracting their mean and dividing by their standard deviation. All coefficients represent average marginal effects, and since all independent variables have been normalized by subtracting their mean and dividing by their standard deviation, all coefficients are comparable. Heteroskedasticity robust clustered standard error estimates are reported in parentheses; clustering at the region of interview and individual characteristics level; *** denotes statistical significance at the 1% level, ** at the 5% level, and * at the 10% level, all for two-sided hypothesis tests.

C.2 Selection by Unobservables

This subsection examines the likelihood that omitted variables could alter the qualitative findings. Table C.4 establishes that it is very improbable that omitted variables could have affected the qualitative results presented in Tables 2 and 4. In particular, as established in Column (2) and (4), (using Columns (1) and (3) as the baseline specifications), the estimated value of the coefficient on intertemporal temperature volatility and temperature spatial correlation, if unobservables where as correlated as the observables (i.e., Oster's β^* statistic), are very close to the estimated OLS coefficients. Fur-

thermore, since zero does not belong to the interval created by the estimated value on and Oster's β^*, one can reject the hypothesis that the value of the coefficient is driven exclusively by unobservables. In addition, the indexes AET (Altonji et al., 2005; Bellows and Miguel, 2009) and δ (Oster, 2014) measure how strongly correlated unobservables would have to be in order to account for the full size of the coefficient on temperature volatility and spatial correlation (v and c subscripts correspondingly), are mostly different from the critical value of 1.

Table C.4: Determinants of Loss Aversion: Robustness to Selection on Unobservables

	Loss Aversion							
	(1) ESS	(2) ESS	(3) GSS	(4) GSS	(5) WVS	(6) WVS	(7) EA	(8) EA
Temperature (Volatility)	-0.22***	-0.23***	-0.20*	-0.42***	-0.06***	-0.03***	-0.15***	-0.08***
	(0.05)	(0.06)	(0.10)	(0.08)	(0.01)	(0.01)	(0.02)	(0.03)
Temperature (Spatial Correlation)	0.05**	0.06***	0.15**	0.16***	0.01***	0.02***	0.07***	0.05**
	(0.02)	(0.02)	(0.06)	(0.04)	(0.00)	(0.00)	(0.03)	(0.02)
Temperature (Mean)	-0.09*	-0.09	0.02	-0.03	-0.01	0.05***	0.01	-0.02
	(0.05)	(0.09)	(0.17)	(0.21)	(0.01)	(0.01)	(0.02)	(0.02)
Country/Region of Birth FE	Yes	Yes	Yes	Yes	Yes	Yes	N/A	N/A
Additional Geographical Controls	No	Yes	No	Yes	No	Yes	No	Yes
Wave/Round FE	No	Yes	No	Yes	No	Yes	N/A	N/A
Individual/Ethnographic Controls	No	Yes	No	Yes	No	Yes	No	Yes
AET_v		-34.61		-1.90		0.98		1.13
δ_v		-5.18		-0.75		1.60		1.36
β_v^*		-0.24		-0.52		-0.01		-0.02
AET_c		-15.36		-16.72		-5.04		2.32
δ_c		-8.27		-27.29		-8.14		2.78
β_c^*		0.06		0.16		0.02		0.03
R^2	0.06	0.08	0.03	0.13	0.02	0.04	0.28	0.49
Adjusted-R^2	0.06	0.07	0.02	0.08	0.02	0.04	0.28	0.47
Observations	3907	3907	1171	1171	130933	130933	471	471

Notes: This table shows the robustness of the results to selection by unobservables. It presents the Altonji et al. (2005) AET ratio as extended by Bellows and Miguel (2009). Additionally, it presents the δ and $\beta^*(1, R_{max}^2)$ statistics suggested by Oster (2014), where R_{max}^2 is 1.33 of R^2 in the full specification. All statistics suggest that the results are not driven by unobservables. Heteroskedasticity robust standard errors in round parenthesis. *** denotes statistical significance at the 1% level, ** at the 5% level, and * at the 10% level, all for two-sided hypothesis tests.

C.3 The Insignificant Role of Preindustrial Development

This subsection establishes that the effect of the climatic variables on loss aversion is orthogonal to the potentially confounding effect of historical levels of population density, urbanization and income per capita density. In particular, Table B.X demonstrates that, accounting for population density in 1500,

urbanization in 1800, and GDP per capita in 1913, the effects of intertemporal climatic volatility and temperature spatial correlation on loss aversion in the ESS (columns (1)-(3)), GSS (columns (4)-(6)), and WVS (columns(7)-(9)) remain stable and mostly highly significant and qualitatively similar.

Table C.5: Temperature Volatility, Spatial Correlation and Loss Aversion:
Accounting for the Persistence of Preindustrial Development

| | Temperature Volatility, Spatial Correlation and Loss Aversion | | | | | | | | |
| | ESS | | | GSS | | | WVS | | |
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Temperature (Volatility)	-0.21***	-0.23***	-0.23**	-0.82***	-0.80***	-0.60***	-0.03***	-0.04***	-0.03***
	(0.06)	(0.06)	(0.09)	(0.21)	(0.20)	(0.18)	(0.01)	(0.01)	(0.01)
Temperature (Spatial Correlation)	0.05**	0.06**	0.08***	0.36***	0.39**	0.34***	0.02***	0.02***	0.02***
	(0.02)	(0.02)	(0.02)	(0.13)	(0.15)	(0.10)	(0.00)	(0.00)	(0.01)
Population Density (1500)	0.00			-0.00			0.00		
	(0.00)			(0.01)			(0.00)		
Urbanization Rate (1800)		0.15			0.48			-0.09**	
		(0.17)			(0.93)			(0.04)	
Income percapita (1913)			0.03			0.21			-0.03***
			(0.04)			(0.14)			(0.01)
Country/Region of Birth FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Additional Geographical Controls	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
Wave/Round FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Individual Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
R^2	0.08	0.08	0.08	0.12	0.12	0.12	0.04	0.04	0.05
Adjusted-R^2	0.07	0.07	0.06	0.07	0.07	0.07	0.04	0.04	0.05
Observations	3907	3864	3061	1171	1171	1117	130933	125078	83350

Notes: This table shows the robustness of the results to the level of historical development as captured by the population density in year 1500 CE, urbanization rate in 1800 CE and GDP per capita in 1913 CE . Heteroskedasticity robust standard errors in round parenthesis. *** denotes statistical significance at the 1% level, ** at the 5% level, and * at the 10% level, all for two-sided hypothesis tests.

C.4 Robustness to the Density of Weather Stations

In light of the potential association between the density of weather stations and measurements of temperature spatial correlation in a given region, one may be concerned about the possibility that climatic conditions affected the loss aversion via non-evolutionary channels. In particular, variation in temperature spatial correlation can be partially driven by the differences in the density of the weather measuring stations, which, in turn, is affected by the contemporary economic and institutional characteristics of a country, which may have direct effect on the observed rate of loss aversion.

To address this problem base-line results are replicated taking into account the potential confound-

ing effect of the weather measuring stations' density. In particular, columns (1) and (2) of Table C.6 replicate columns (5) and (6) of Table 2, while controlling for the density of the weather stations, used to measure the climatic data at hand. Columns (3)-(6) replicate the same exercise for columns (4)-(7) of Table 4. It is established that the observed level of loss aversion among second generation migrants in Europe and the US is not directly affected by the density of weather measuring stations, while the effect of temperature volatility and spatial correlation remains statistically significant and quantitatively similar to the base-line results.

Table C.6: Determinants of Loss Aversion: Robustness to the Density of Weather Stations

| | ESS | | GSS | | | |
| | Security v Salary | | Job Security | | Security v Salary | |
	(1)	(2)	(3)	(4)	(5)	(6)
Temperature (Volatility)	-0.264***	-0.260***	-0.321***	-0.461***	-0.404***	-0.513***
	(0.066)	(0.065)	(0.083)	(0.070)	(0.135)	(0.156)
Temperature (Spatial Correlation)	0.075***	0.074***	0.175**	0.194***	0.232***	0.240***
	(0.023)	(0.023)	(0.069)	(0.042)	(0.067)	(0.062)
Temperature (Mean)	-0.171**	-0.132	0.041	-0.019	-0.155	-0.298
	(0.077)	(0.080)	(0.107)	(0.151)	(0.175)	(0.264)
Density of Weather Stations	0.008	0.006	0.069	0.044	0.099	0.012
	(0.015)	(0.015)	(0.048)	(0.054)	(0.086)	(0.108)
Absolute Latitude	0.072	0.107	0.207	0.185	0.255	0.092
	(0.078)	(0.080)	(0.221)	(0.201)	(0.331)	(0.372)
Elevation (Mean)	-0.027	-0.026	0.003	-0.155*	-0.148	-0.295*
	(0.022)	(0.022)	(0.106)	(0.082)	(0.177)	(0.167)
Land Suitability (Mean)	0.026	0.023	-0.085	-0.152*	-0.095	-0.192
	(0.050)	(0.050)	(0.099)	(0.078)	(0.150)	(0.164)
Neolithic Transition Timing	0.018	0.012	-0.152*	-0.073	-0.106	-0.046
	(0.015)	(0.015)	(0.079)	(0.063)	(0.105)	(0.094)
Country/Region of Birth FE	Yes	Yes	Yes	Yes	Yes	Yes
Additional Geographical Controls	Yes	Yes	Yes	Yes	Yes	Yes
Round/Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Individual Controls	No	Yes	No	Yes	No	Yes
Adjusted-R^2	0.06	0.07	0.02	0.09	0.04	0.07
Observations	3907	3907	1166	1166	1166	1166

Notes: This table establishes that second generation migrant's valuation of Job Security vs. Salary is negatively affected by the temperature volatility (idiosyncratic risk) and positively affected by the temperature spatial correlation (aggregate uncertainty), while being unaffected by the density of the weather stations in the parental country of origin. Additional geographical controls are land suitability gini, distance to coast or river, landlocked dummy, percentage of land in the tropical, subtropical and temperate zones and precipitation level. Individual controls include age, gender, education level, religiosity, income and the number of siblings. Sample excludes small island countries. All independent variables have been normalized by subtracting their mean and dividing by their standard deviation. Thus, all coefficients can be compared and show the effect of a one standard deviation in the independent variable. Heteroskedasticity robust standard error estimates clustered at the parental country of origin level are reported in parentheses; *** denotes statistical significance at the 1% level, ** at the 5% level, and * at the 10% level, all for two-sided hypothesis tests.

C.5   Insignificant outliers

This subsection examines the potential importance of outliers in the established relationship between intertemporal temperature volatility and temperature spatial correlation and the emergence of loss aversion. As depicted in Figures C.1 and C.2 outliers do not appear to govern the observed relationship in the ESS and the GSS. In particular, as established in Table C.7 the results remain qualitatively intact if individuals from the Netherlands, that constitute the isolated observation, that may affect the significance of the association are removed the in Figure C.2, are excluded from the sample.
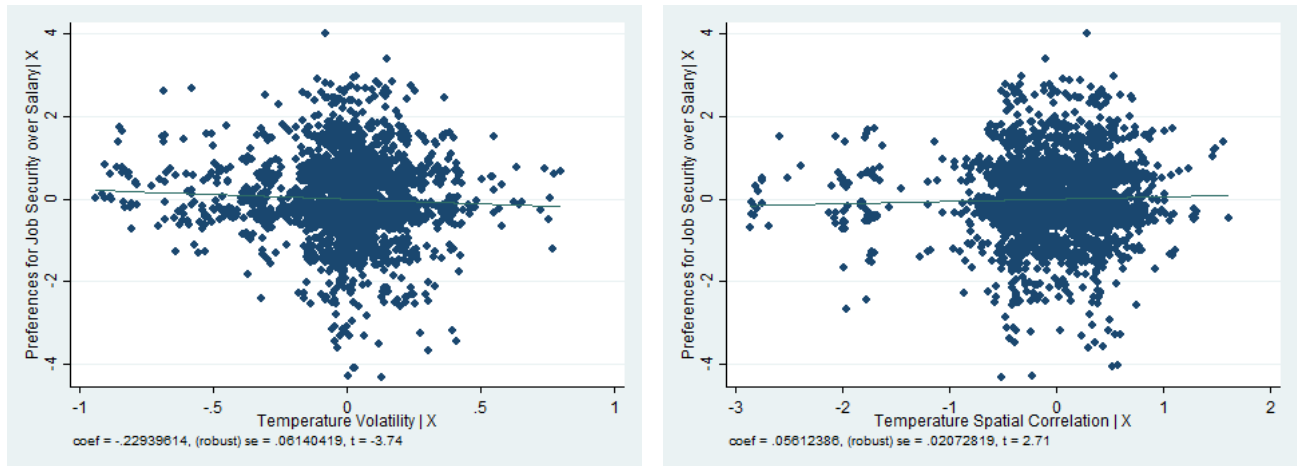
(a) Effect of Temperature Volatility   (b) Effect of Temperature Spatial Correlation
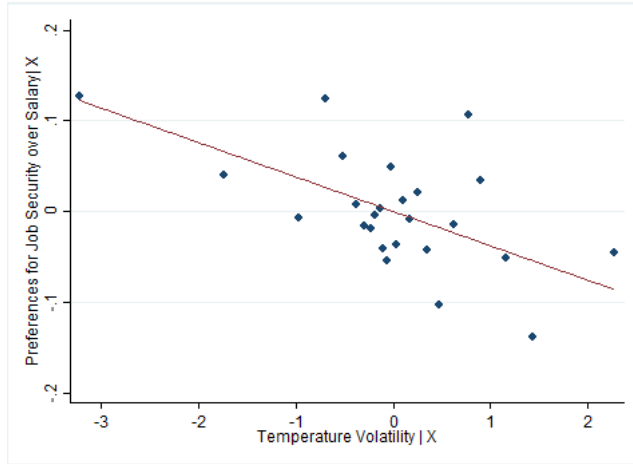
Figure C.1: Temperature Shocks Characteristics and Preferences for Job Security in Europe (Binned)
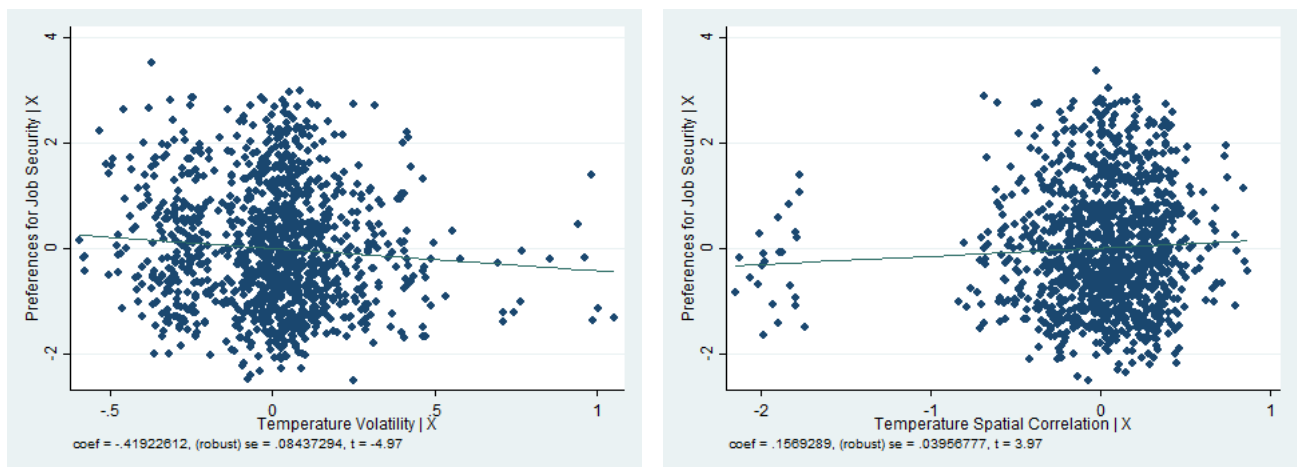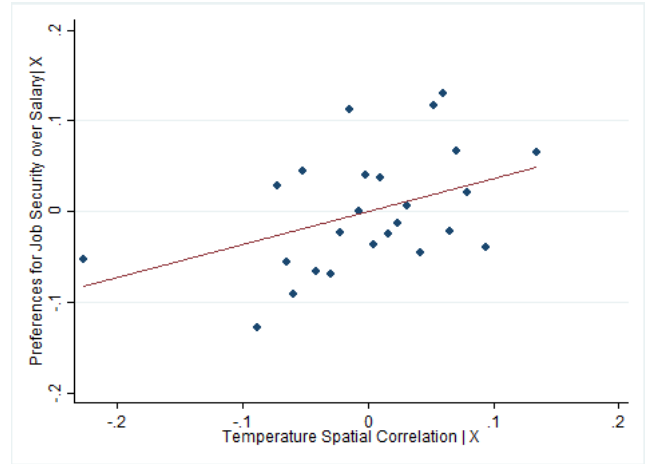

(a) Effect of Temperature Volatility   (b) Effect of Temperature Spatial Correlation

Figure C.2: Temperature Shocks Characteristics and Preferences for Job Security in the US (Binned)
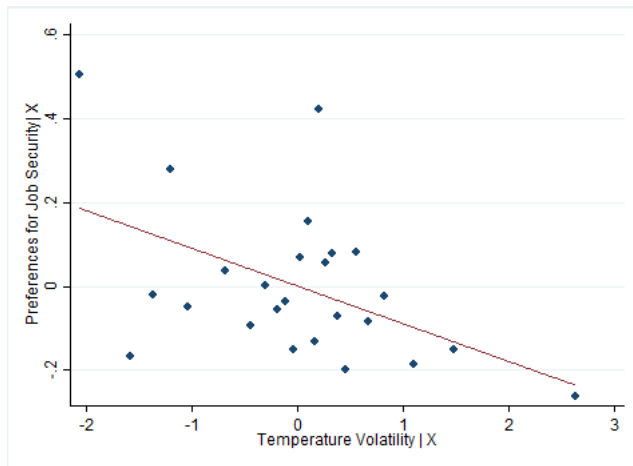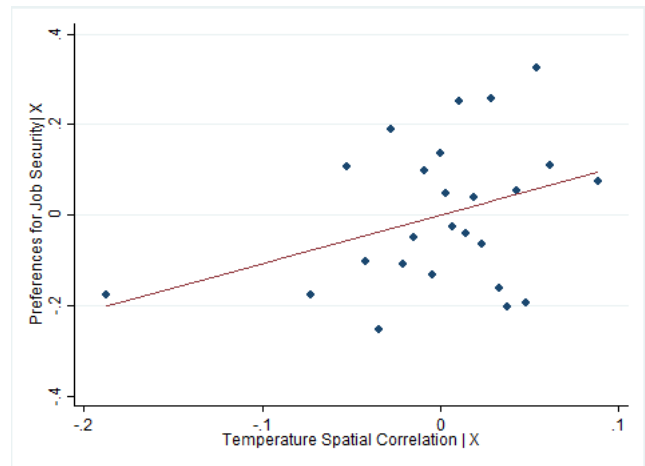
(a) Effect of Temperature Volatility   (b) Effect of Temperature Spatial Correlation

Figure C.3: Temperature Shocks Characteristics and Preferences for Job Security in Europe

(a) Effect of Temperature Volatility   (b) Effect of Temperature Spatial Correlation

Figure C.4: Temperature Shocks Characteristics and Preferences for Job Security in the US

C.6 Placebo Tests: Ethnographic Atlas

This section establishes that the relationship between intertemporal temperature volatility and spatial correlation in temperature and the proposed proxies of loss aversion are unique to ethnographic characteristics that reflect cautiousness about losses, rather than a broader spectrum of ethnographic traits. A wide spectrum of placebo tests demonstrates that indeed intertemporal temperature volatility and spatial correlation in temperature do not affect other cultural characteristics at the ethnic group level.

In particular, as established in Table C.8, ethnographic characteristics such as sex taboos, group's political integration, inheritance property rights, gender roles in agriculture, attitude towards premarital sex, and belief in the evil eye are affected neither by intertemporal temperature volatility nor by

Table C.7: Determinants of Loss Aversion: Second Generation Migrants in the US: Excluding Potential Outliers - the Netherlands

	Preferred Job Characteristic					
	Security vs Others			Security vs Salary		
	(1)	(2)	(3)	(4)	(5)	(6)
Temperature (Volatility)	-0.34***	-0.35***	-0.36***	-0.56***	-0.57***	-0.67***
	(0.08)	(0.08)	(0.11)	(0.17)	(0.17)	(0.17)
Temperature (Spatial Correlation)	0.31***	0.31***	0.21*	0.47***	0.47***	0.40**
	(0.07)	(0.06)	(0.11)	(0.13)	(0.13)	(0.17)
Temperature (Mean)	0.13	0.15	0.06	0.38	0.42	0.40
	(0.16)	(0.16)	(0.23)	(0.31)	(0.31)	(0.33)
Absolute Latitude	0.19	0.24	0.19	0.71*	0.77**	0.77**
	(0.19)	(0.19)	(0.26)	(0.35)	(0.33)	(0.35)
Elevation (Mean)	0.11	0.13	0.08	0.28*	0.29*	0.15
	(0.09)	(0.09)	(0.12)	(0.16)	(0.16)	(0.18)
Land Suitability (Mean)	0.14*	0.13	0.03	0.12	0.11	-0.08
	(0.07)	(0.08)	(0.11)	(0.20)	(0.20)	(0.20)
Neolithic Transition Timing	-0.19***	-0.20**	-0.16	-0.30**	-0.30**	-0.21
	(0.07)	(0.07)	(0.09)	(0.11)	(0.11)	(0.13)
Region of Birth FE	Yes	Yes	Yes	Yes	Yes	Yes
Additional Geographical Controls	Yes	Yes	Yes	Yes	Yes	Yes
Wave FE	No	Yes	Yes	No	Yes	Yes
Individual Controls	No	No	Yes	No	No	Yes
Adjusted-R^2	0.01	0.01	0.09	0.01	0.01	0.07
Observations	1373	1373	1217	1300	1300	1148

Notes: Using OLS regression, this table establishes that the preferred job characteristics of second generation migrants reflect loss aversion. In particular, their valuation of job security vs all other characteristics (salary, short working hours, promotion opportunities and job satisfaction) and of job security vs. salary is negatively affected by temperature volatility (idiosyncratic risk) and positively affected by temperature spatial correlation (aggregate uncertainty) in the parental country of origin. Additional geographical controls are land suitability gini, distance to coast or river, landlocked dummy, percentage of land in the tropical, subtropical and temperate zones and precipitation level. Individual controls include age, gender, number of siblings, religion, education level, and income. Sample does not include the Netherlands in all columns, in columns (4) – (6) small island countries are also excluded. All independent variables have been normalized by subtracting their mean and dividing by their standard deviation. Thus, all coefficients can be compared and show the effect of a one standard deviation in the independent variable. Heteroskedasticity robust standard error estimates clustered at the parental country of origin level are reported in parentheses; *** denotes statistical significance at the 1% level, ** at the 5% level, and * at the 10% level, all for two-sided hypothesis tests.

the temperature spatial correlation, lending further credence to the proposed hypothesis.

Table C.8: Determinants of Loss Aversion across Ethnic Groups: Placebo Tests

	(1) Sex Taboos	(2) Political Integration	(3) Property Rights	(4) Gender Roles	(5) Premarital Sex	(6) Evil Eye Belief
Temperature (Volatility)	0.124	0.068	0.009	-0.047	0.209	-0.003
	(0.154)	(0.129)	(0.024)	(0.040)	(0.149)	(0.058)
Temperature (Spatial Correlation)	0.044	-0.118	-0.007	0.017	-0.150	-0.008
	(0.116)	(0.128)	(0.022)	(0.035)	(0.136)	(0.052)
Temperature (Mean)	0.060	0.210**	0.012	-0.080**	-0.297**	0.066*
	(0.188)	(0.089)	(0.028)	(0.034)	(0.136)	(0.040)
Absolute Latitude	-0.050	0.410**	0.025	0.019	-0.367**	0.106
	(0.229)	(0.168)	(0.033)	(0.048)	(0.175)	(0.076)
Elevation (Mean)	0.128	-0.370***	0.057**	-0.048	-0.138	0.134**
	(0.145)	(0.128)	(0.023)	(0.033)	(0.121)	(0.062)
Land Suitability (Mean)	0.036	0.118	-0.011	-0.013	-0.075	0.058
	(0.097)	(0.096)	(0.015)	(0.028)	(0.101)	(0.040)
Ethnographic Controls	Yes	Yes	Yes	Yes	Yes	Yes
Additional Geographical Controls	Yes	Yes	Yes	Yes	Yes	Yes
Region FE	Yes	Yes	Yes	Yes	Yes	Yes
Adjusted-R^2	0.19	0.41	0.60	0.04	0.07	0.23
Observations	374	314	816	737	586	199

Notes: Using OLS regression, this table establishes that behavioral characteristics that are orthogonal to loss aversion (i.e., severity of post-partum sex taboos, level of political integration, presence of property rights, presence of distinct gender roles in agriculture, norms of premarital sexual behavior and presence of evil eye belief) are neither affected by temperature volatility (idiosyncratic risk), nor by temperature spatial correlation (aggregate uncertainty) in the parental country of origin. Additional geographical controls are land suitability standard deviation, distance to coast or river and precipitation level. Ethnographic controls include intensity of agriculture and animal husbandry, settlement structure and plow use. Region fixed effects include dummy variables for Americas, Old World and Africa that may govern the characteristics of ethnic groups. All independent variables have been normalized by subtracting their mean and dividing by their standard deviation. Thus, all coefficients can be compared and show the effect of a one standard deviation in the independent variable. Heteroskedasticity robust standard error estimates clustered at the parental country of origin level are reported in parentheses; *** denotes statistical significance at the 1% level, ** at the 5% level, and * at the 10% level, all for two-sided hypothesis tests.

D Variable Definitions

D.1 Outcome Variables

D.1.1 Measures of Loss Aversion

- **Preferred Job Characteristic: Security vs Others (Second-generation analysis: GSS)**:
  Based on the answer to the question "Would you please look at this card and tell me which one thing on this list you would most prefer in a job" taken from the core module of the General Social Survey. Coded 5 if "No danger of being fired" is the most preferred characteristic, 4 if it is the second most preferred, 3 – third most preferred, 2 – fourth most preferred, 1 – least preferred.

- **Preferred Job Characteristic: Security vs Salary (Second-generation analysis: GSS)**: Based on the answers to the question "Would you please look at this card and tell me which one thing on this list you would most prefer in a job?" taken from the core module of the General Social Survey. Computed as the difference between the ranks of characteristics "High Income" and "No danger of being fired", normalizing the lowest value to 1 (i.e., JOBINC - JOBSEC + 5).

- **Preferred Job Characteristic: Security vs Salary (Second-generation analysis: ESS)**: Based on the answers to the question "For you personally, how important do you think each of the following would be if you were choosing a job? A secure job?/ A high income?" taken from the "Family work and well-being" module in the second and fifth rounds of the European Social Survey. Computed as the difference between the importance of characteristics "Secure job" and "High Income", normalizing the lowest value to 1 (i.e., ipjbscr - ipjbhin + 5).

- **Preferred Job Characteristic: Security vs Other (Individual-level analysis: WVS)**: Based on the answers to the question "Now I would like to ask you something about the things which would seem to you, personally, most important if you were looking for a job. Here are some of the things many people take into account in relation to their work. Regardless of whether you're actually looking for a job, which one would you, personally, place first if you were looking for a job?" taken from the core module of the World Values Survey. Coded as 1 if "A safe job with no risk of closing down or unemployment" was an answer and coded 0 otherwise.

- **Preferences for Cautiousness (Ethnic group-level: Ethnographic Atlas)**: Based on "Games" from Ethnographic Atlas (i.e., v35_1, v35_2, v35_3). Coded 2 if strategy element is present in the games, while the chance element is not (i.e., v35_3=2 and v35_2=1), coded 1 if both the strategy and chance elements are present or absent (i.e., v35_3=v35_2) and coded 0.5 if only chance component is present (i.e., v35_3=1 and v35_2=2).

- **Preferences for Cautiousness (Ethnic group-level: SCCS)**: Based on "Sleeping proximity of parents to infant" from SCCS (v23).

- **Diversification (Ethnic group-level: Ethnographic Atlas)**: Constructed based on the composition of subsistence activities (e.g., hunting, gathering, agriculture and animal husbandry)

in food production. The measure is constructed as an inverse of Herfindahl-Hirschman index for the shares of each of the modes in total production.

- **Crop Choice: Roots vs Cereals (Ethnic group-level: Ethnographic Atlas)**: Based on the "Major Crop Type" characteristic from the Ethnographic Atlas (i.e., v29). Coded 1 if roots or tubers are the major cultivated crop (i.e., v29=4), coded 0 if the major crop is cereal (i.e, v29 == 1).

D.1.2 Placebo Measures

- **Preferred Job Characteristic: Satisfaction vs Others (Second-generation analysis: GSS)**: Based on the answer to the question "Would you please look at this card and tell me which one thing on this list you would most prefer in a job?" taken from the core module of the General Social Survey. Coded 5 if "Work important and gives a feeling of accomplishment" is the most preferred characteristic, 4 if it is the second most preferred, 3 – third most important, 2 – fourth most important, 1 – least important.

- **Preferred Job Characteristic: Hours vs Others (Second-generation analysis: GSS)**: Based on the answer to the question "Would you please look at this card and tell me which one thing on this list you would most prefer in a job?" taken from the core module of the General Social Survey. Coded 5 if "Workings hours are short, lots of free time" is the most preferred characteristic, 4 if it is the second most preferred, 3 – third most important, 2 – fourth most important, 1 – least important.

- **Preferred Job Characteristic: Promotion opportunities vs Others (Second-generation analysis: GSS)**: Based on the answer to the question "Would you please look at this card and tell me which one thing on this list you would most prefer in a job?" taken from the core module of the General Social Survey. Coded 5 if "Chances for advancement" is the most preferred characteristic, 4 if it is the second most preferred, 3 – third most important, 2 – fourth most important, 1 – least important.

- **Preferred Job Characteristic: Training opportunities vs Ability to use own initiative (Second-generation analysis: ESS)**: Based on the answers to the question "For you personally, how important do you think each of the following would be if you were choosing a job?

Job offered good training opportunities?/ Job enabled you to use own initiative?" taken from the "Family work and well-being" module in the second and fifth rounds of the European Social Survey. Computed as the difference between the importance of characteristics "Job offered good training opportunities" and "Job enabled you to use own initiative" (i.e., ipjbtro - ipjbini).

- **Preferred Job Characteristic: Salary vs Training opportunities (Second-generation analysis: ESS)**: Based on the answers to the question "For you personally, how important do you think each of the following would be if you were choosing a job? A high income?/ Job offered good training opportunities?" taken from the "Family work and well-being" module in the second and fifth rounds of the European Social Survey. Computed as the difference between the importance of characteristics "A high income?" and "Job offered good training opportunities" (i.e., ipjbhin - ipjbtro).

- **Preferred Job Characteristic: Salary vs Ability to use own initiative (Second-generation analysis: ESS)**: Based on the answers to the question "For you personally, how important do you think each of the following would be if you were choosing a job? A high income?/ Job enabled you to use own initiative?" taken from the "Family work and well-being" module in the second and fifth rounds of the European Social Survey. Computed as the difference between the importance of characteristics "A high income?" and "Job enabled you to use own initiative" (i.e., ipjbhin - ipjbini).

- **Sex Taboos (Ethnic group-level: Ethnographic Atlas)**: Taken from Ethnographic Atlas "Post-partum Sex Taboos" (v36)

- **Political Integration (Ethnic group-level: Ethnographic Atlas)**: Taken from Ethnographic Atlas "Political Integration" (v90)

- **Property Rights (Ethnic group-level: Ethnographic Atlas)**: Based on the " Inheritance Rule for Real Property (Land)" from Ethnographic Atlas (v74). Coded 0 if land property rights do not exist (i.e., v74=1), coded 1 otherwise.

- **Gender Roles (Ethnic group-level: Ethnographic Atlas)**: Based on the "Sex Differences: Agriculture " from Ethnographic Atlas (v54). Coded 1 if gender roles in agriculture exist (i.e., v54=5 or 6 or 7 or 8), coded 0 if gender roles do not exists (i.e., v54=1 or 2 or 3 or 4).

- **Political Integration (Ethnic group-level: Ethnographic Atlas)**: Taken from Ethnographic Atlas "Norms of Premarital Sexual Behavior of Girls" (v78)

- **Evil Eye Belief (Ethnic group-level: SCCS)**: Taken from SCCS "Evil Eye Belief" (v1189)

D.1.3 Measures of Cultural Values

- **LTO (Second-generation analysis: GSS)**: Based on the answer to the question "Do you smoke?" taken from the core module of the General Social Survey.

- **Obedience (Second-generation analysis: GSS)**: Based on the answer to the question "If you had to choose, which thing on this list would you pick as the most important for a child to learn to prepare him or her for life?" taken from the core module of the General Social Survey. Coded 5 if "To Obey" is the most preferred characteristic, 4 if it is the second most preferred, 3 – third most important, 2 – fourth most important, 1 – least important.

- **Altruism (Second-generation analysis: GSS)**: Based on the answer to the question "If you had to choose, which thing on this list would you pick as the most important for a child to learn to prepare him or her for life?" taken from the core module of the General Social Survey. Coded 5 if "To help others when they need help" is the most preferred characteristic, 4 if it is the second most preferred, 3 – third most important, 2 – fourth most important, 1 – least important.

- **Equality (Second-generation analysis: GSS)**: Based on the answer to the question "It is the responsibility of the government to reduce the differences in income between people with high incomes and those with low incomes. Do you agree or disagree?" taken from the "ISSP Social Inequality" module of the General Social Survey.

- **Gender (Second-generation analysis: GSS)**: Based on the answer to the question "Do you approve or disapprove of a married woman earning money in business or industry if she has a husband capable of supporting her?" taken from the core module of the General Social Survey.

- **Government (Second-generation analysis: GSS)**: Based on the answer to the question "As far as the people running these institutions are concerned, would you say you have a great deal of confidence, only some confidence, or hardly any confidence at all in them? Executive branch of the federal government" taken from the core module of the General Social Survey.

- **LTO (Second-generation analysis: ESS)**: Based on the answers to the question "Do you generally plan for your future or do you just take each day as it comes? Please express your opinion on a scale of 0 to 10, where 0 means 'I plan for my future as much as possible' and 10 means 'I just take each day as it comes' " taken from the "Timing of life" module in the third round of the European Social Survey.

- **Obedience (Second-generation analysis: ESS)**: Based on the answers to the question "Now I will briefly describe some people. Please listen to each description and tell me how much each person is or is not like you. Use this card for your answer. She/he believes that people should do what they're told. She/he thinks people should follow rules at all times, even when no-one is watching" taken from the "Human Values" module of the European Social Survey.

- **Altruism (Second-generation analysis: ESS)**: Based on the answers to the question "Now I will briefly describe some people. Please listen to each description and tell me how much each person is or is not like you. Use this card for your answer. It's very important to her/him to help the people around her/him. She/he wants to care for their well-being" taken from the "Human Values" module of the European Social Survey.

- **Equality (Second-generation analysis: ESS)**: Based on the answers to the question "Now I will briefly describe some people. Please listen to each description and tell me how much each person is or is not like you. Use this card for your answer. She/he thinks it is important that every person in the world should be treated equally. She/he believes everyone should have equal opportunities in life" taken from the "Human Values" module of the European Social Survey.

- **Gender (Second-generation analysis: ESS)**: Based on the answers to the question " Using this card, please say how much you agree or disagree with each of the following statements. A woman should be prepared to cut down on her paid work for the sake of her family" taken from the "Welfare Attitudes" module in the fourth round of the European Social Survey.

- **Strong Government (Second-generation analysis: ESS)**: Based on the answers to the question "Now I will briefly describe some people. Please listen to each description and tell me how much each person is or is not like you. Use this card for your answer. It is important to her/him that the government ensures her/his safety against all threats. She/he wants the

state to be strong so it can defend its citizens" taken from the "Human Values" module of the European Social Survey.

- **Tradition (Second-generation analysis: ESS)**: Based on the answers to the question "Now I will briefly describe some people. Please listen to each description and tell me how much each person is or is not like you. Use this card for your answer. Tradition is important to her/him. She/he tries to follow the customs handed down by her/his religion or her/his family" taken from the "Human Values" module of the European Social Survey.

D.2   Main Independent Variables: Temperature Temporal Volatility and Spatial Correlation

- **Temperature Volatility**: Volatility of temperature constructed using v3.2 of the Climatic Research Unit (CRU) database following the method of Durante (2009). Computed for each month as the temperature variance over all years, and averaged across months. Measure is calculated at the grid cell level and then aggregated at the regional level.

- **Temperature Spatial Correlation**: Spatial Correlation of temperature shocks constructed using v3.2 of the Climatic Research Unit (CRU) database following the method of Durante (2009). Computed as the correlation between monthly deviations of temperature in a given cell and its neighbors over all months and years, averaged over the neighbors. Measure is calculated at the grid cell level and then aggregated at the regional level.

- **Historic Temperature Volatility**: Historic volatility of temperature constructed using paleoclimatic date on temperature anomalies reconstructed by Mann et al. (2009). Computed as intern-annual variance of temperature anomalies over the years $500 - 2000$ and $500 - 1000$. Measure is calculated at the grid cell level and then aggregated at the regional level.

- **Effective Temperature Volatility (pre-1500)**: Effective temperature volatility before the Columbia Exchange is calculated using v3.2 of the Climatic Research Unit (CRU) database as an average of inter-annual variances of temperature for four months prior to the beginning of growth cycle of the pre-Columbian, yield-maximizing crop, which is identified as an indigenous crop that maximizes potential caloric yield, using the methodology developed in Galor and Özak (2016). Measure is calculated at the grid cell level and then aggregated at the regional level.

- **Effective Temperature Volatility (change)**: Change in the effective temperature volatility due to the Columbia Exchange is calculated using v3.2 of the Climatic Research Unit (CRU) database as a difference between effective potential volatility (pre-1500) and effective potential volatility (post-1500). Where effective potential volatility (post-1500) is an average of inter-annual variances of temperature for four months prior to the beginning of growth cycle of the post-Columbian, yield-maximizing crop, which is identified as a crop that maximizes potential caloric yield, compared to any other crop, using the methodology developed in Galor and Özak (2016). Measure is calculated at the grid cell level and then aggregated at the regional level.

- **Effective Temperature Spatial Correlation (pre-1500)**: Effective temperature spatial correlation before the Columbia Exchange is calculated using v3.2 of the Climatic Research Unit (CRU) database as the correlation between monthly deviations of temperature in a given cell and its neighbors over four months prior to the beginning of growth cycle of the pre-Columbian, yield-maximizing crop, which is identified as an indigenous crop that maximizes potential caloric yield, using the methodology developed in Galor and Özak (2016). Measure is calculated at the grid cell level and then aggregated at the regional level.

- **Effective Temperature Spatial Correlation (change)**: Change in the effective temperature spatial correlation due to the Columbia Exchange is calculated using v3.2 of the Climatic Research Unit (CRU) database as a difference between effective temperature spatial correlation (pre-1500) and effective temperature spatial correlation (post-1500). Where effective temperature spatial correlation (post-1500) is correlation between monthly deviations of temperature in a given cell and its neighbors over four months prior to the beginning of growth cycle of the post-Columbian, yield-maximizing crop, which is identified as a crop that maximizes potential caloric yield, compared to any other crop, using the methodology developed in Galor and Özak (2016). Measure is calculated at the grid cell level and then aggregated at the regional level.

D.3 Controls

D.3.1 Geographical Controls

- **Absolute latitude**: The absolute value of the latitude of a country's approximate geodesic centroid, as reported by the CIA's World Factbook.

- **Mean Elevation**: The mean elevation of a country in km above sea level, calculated using geospatial elevation data reported by the G-ECON project (Nordhaus, 2006) at a 1-degree resolution. The interested reader is referred to the G-ECON project web site for additional details.

- **Mean distance to nearest waterway**: The distance, in thousands of km, from a GIS grid cell to the nearest ice-free coastline or sea-navigable river, averaged across the grid cells of a country. This variable was originally constructed by Gallup et al. (1999) and is part of Harvard University's CID Research Datasets on General Measures of Geography.

- **Percentage of population living in tropical, subtropical and temperate zones**: The percentage of a country's population in 1995 that resided in areas classified as tropical by the Köppen-Geiger climate classification system. This variable was originally constructed by Gallup et al. (1999) and is part of Harvard University's CID Research Datasets on General Measures of Geography.

- **Land Suitability**: Average probability within a region that a particular grid cell will be cultivated as computed by Ramankutty et al. (2002).

- **Land Suitability (Range)**: Range of probabilities within a region that a particular grid cell will be cultivated as computed by Ramankutty et al. (2002).

- **Land Suitability (Gini)**: Gini of probabilities within a region that a particular grid cell will be cultivated as computed by Ramankutty et al. (2002).

- **Land Suitability (Std.)**: Standard deviation of probabilities within a region that a particular grid cell will be cultivated as computed by Ramankutty et al. (2002).

- **Island nation dummy**: An indicator for whether or not a country shares a land border with any other country, as reported by the CIA's World Factbook online.

- **Landlocked dummy**: An indicator for whether or not a country is landlocked, as reported by the CIA's World Factbook online.

- **Neolithic Transition Timing**: The number of thousand years elapsed (as of the year 2000) since the majority of the population residing within a country's modern national borders began practicing sedentary agriculture as the primary mode of subsistence (Putterman, 2008). See the

Agricultural Transition Data Set website

`http://www.econ.brown.edu/fac/louis_putterman/agricultural%20data%20page.htm`

for additional details on primary data sources and methodological assumptions.

- **Total land area**: The total land area of a country, in millions of square kilometers, as reported for the year 2000 by the World Bank's World Development Indicators online.

- **Density of Weather Stations**: Density of weather measuring stations is constructed using v3.2 of the Climatic Research Unit (CRU) database as a number of weather stations, used to measure the climatic data, per unit of area and then aggregated at the regional level.

D.3.2 Ethnographic Controls

- **Intensity of Agriculture**: Taken from Ethnographic Atlas "Intensity of Agriculture" (v28)

- **Intensity of Animal Husbandry**: Taken from Ethnographic Atlas "Animal Husbandry" (v4)

- **Settlement Patterns**: Taken from Ethnographic Atlas "Settlement Patterns" (v30)

- **Plow Use**: Taken from Ethnographic Atlas "Animals and Plow Cultivation" (v39). Coded as a separate dummy variable for each category.

- **Multi-dwelling Household**: Base on the "Household Form" characteristic from SCCS (i.e., SCCSv67). Coded as 1 if household has multiple dwellings (i.e., SCCSv67 $\in \{5, 6, 7, 8\}$ and coded as 0 otherwise.

D.3.3 Individual Controls

- **Individual level controls (Second-generation analysis: GSS)**: Age, Gender, Education level (highest year of school completed), Religion in which raised (coded as a separate dummy variable for each denomination), Income (coded as a separate dummy variable for each income bracket) for each individual in the GSS data sets.

- **Individual level controls (Second-generation analysis: ESS)**: Age, Gender, Education level (classified according to ICSDE, coded as a separate dummy variable for each category), Religiosity (based on the question "How often pray apart from at religious services"), Income

(coded as a separate dummy variable for each income bracket) for each individual in the ESS data sets.

- **Individual level controls (Individual-level analysis: WVS)**: Age, Gender, Education level (Highest educational level attained, coded as a separate dummy variable for each category), Religiosity (based on the question "How often do you attend religious services"), Income (coded as a separate dummy variable for each income bracket) for each individual in the WVS data sets.

D.3.4 Other Controls

- **Terrain roughness**: The degree of terrain roughness of a country, calculated using geospatial surface undulation data reported by the G-ECON project (Nordhaus, 2006) at a 1-degree resolution. The interested reader is referred to the G-ECON project web site for additional details.

- **Population Density in 1500CE**: Population density (in persons per square km) in 1500C E as reported by McEvedy et al. (1978) , divided by total land area, as reported by the World Bank's World Development Indicators.

- **Urbanization Rate in 1500CE and 1800CE**: Share of population living in cities as reported in Acemoglu et al. (2005).

- **GDP per capita in 1870CE, 1913CE**: Income per capita as reported by Maddison (2003) . The data is available at

  `http://www.ggdc.net/maddison/Historical_Statistics/horizontal-file_02-2010.xls`.

- **Major religion shares**: Share of major religion in each country as reported in La Porta et al. (1999).

- **Legal Origins**: Dummy variables for origin of legal system as identified in La Porta et al. (1999).

- **GDP per capita**: GDP per capita is gross domestic product divided by midyear population. GDP is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of

natural resources. Data are in constant 2005 U.S. dollars for the year 2005 from the World Bank's World Development Indicators and for 2005 from Penn World Table v8 Feenstra et al. (2015).

- **Institutions**: Democracy index from Polity IV project.

- **Trust**: Share of population that have generalized trust. Based on the following question taken from the integrated file for waves 1-5 of the WVS: "Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?". An individual has trust if she answered "Most people can be trusted".

- **Power Distance**: Dimension of national culture identified by Hofstede (2001) , which measures the degree to which there exists a preference for hierarchical power structures or inequality in economic, political or other societal dimensions. Scale between 0 (Horizontal) to 100 (Vertical).[32]

- **Individualism**: Dimension of national culture identified by Hofstede (2001) , which measures the degree to which a society is individualistic as opposed to collectivistic. Scale between 0 (Collectivistic) to 100 (Individualistic).[33]

- **Cooperation**: Dimension of national culture identified by Hofstede (2001) , which measures the degree to which a society is cooperative. Scale between 0 (Non-cooperative) to 100 (Cooperative).[34]

- **Uncertainty Avoidance**: Dimension of national culture identified by Hofstede (2001) , which measures the degree to which a society is tolerant of the ambiguous and the unpredictable. Scale between 0 (Intolerant) to 100 (Tolerant).[35]

- **Ancestry Adjustment**: Original data is adjusted by ancestry using the method and data from Putterman and Weil (2010).

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[32]Hofstede and Hofstede (n.d., p.61) defines it as "Power distance can therefore be defined as the extent to which the less powerful members of institutions and organizations within a country expect and accept that power is distributed unequally. Institutions are the basic elements of society, such as the family, the school, and the community; organizations are the places where people work."

[33]Hofstede and Hofstede (n.d., p.92) defines it as follows: "Individualism pertains to societies in which the ties between individuals are loose: everyone is expected to look after him- or herself and his or her immediate family. Collectivism as its opposite pertains to societies in which people from birth onward are integrated into strong, cohesive in-groups, which throughout people's lifetime continue to protect them in exchange for unquestioning loyalty."

[34]Hofstede and Hofstede (n.d., p.140) defines this dimension as Masculinity vs Femininity, since he found gender based differences in the answers to the questions that defined this value.

[35]According to Hofstede and Hofstede (n.d., p.191) "Uncertainty avoidance can therefore be defined as the extent to which the members of a culture feel threatened by ambiguous or unknown situations."

- **Regional Data**: For regions within a country, data is computed using GIS software to compute the area of each region's polygon in the corresponding shape file of the Seamless Digital Chart of the World. Whenever possible, the same primary data sources as the ones used in the sources for the country level data is used. E.g. regional agricultural suitability is constructed using the data from Ramankutty et al. (2002).

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