

## APPENDIX MATERIALS

### A. Reconciling (Seemingly) Conflicting Evidence on Human Capital Investments

The evidence presented above raises the question why Becker and Wößmann (2009) find that Protestantism was associated with higher literacy rates in late nineteenth-century Prussia, while there appears to be no clear-cut impact on education and wages of Germans today. The model in outlined in Section II suggests potential explanation.

Recall that if Protestantism operates through reducing individuals' taste for non-market activities, as contended by Weber (1904/05), then Protestantism's impact on human capital investments is theoretically indeterminate and depends on the relative (levels of) utility derived from consumption and leisure, i.e. on  $u(c)$  and  $v(l, s)$ . In particular, for a large class of probability distributions  $\frac{d}{d\delta} \left( \frac{\partial}{\partial h} \mathbb{E}_{\tilde{w}|h} [V(\tilde{w})] \right) = \frac{d}{d\delta} \int \frac{\partial}{\partial h} q(\tilde{w}, h) [(1 - \delta)u(c^*) - \delta v(l^*, s^*)] d\tilde{w}$  in equation (2) may be negative (and Protestants would thus acquire more human capital) when individuals' utility from leisure was very small relative to that from consumption. If  $u(c^*)$  and  $v(l^*, s^*)$  were of about equal magnitude, however, then there would be a much smaller or even no effect of religion on education.

It is well known that the work day in nineteenth-century Germany—the time of industrialization—was much longer than today. During the heyday of industrialization individuals often worked up to 16 hours per day, or until physical exhaustion. Consequently, workers enjoyed very little leisure. It would therefore not be surprising if, compared to present-day Germany,  $v(l^*, s^*)$  was much lower in nineteenth-century Prussia. If  $v(l^*, s^*)$  increased over time relative to  $u(c^*)$ , say due to government regulation or the union movement shortening the work day, then this may reconcile why there appears to have been an effect of Protestantism on human capital acquisition in Becker and Wößmann's (2009) historical data, and why Protestants and Catholics in present-day Germany obtain similar levels of education (which results in a lack of wage differences). Thus, when viewed through the lens of a model in which Protestantism operates through individual values as opposed to only through human capital acquisition, then the findings of Becker and Wößmann (2009) and in those reported in this paper are *not* incompatible.

## **B. Data Appendix**

This appendix provides a description of all data used in the paper as well as precise definitions together with the exact sources of all variables.

### *Mapping Territories' Official Religion after the Peace of Augsburg into Today's Counties*

In creating a mapping between present-day counties and the religion of the prince who reigned over the corresponding area in the aftermath of the Peace of Augsburg this paper relies on several historical accounts (e.g., Lutz 1997, Dixon 2002). The primary source of information, however, are Schindling and Ziegler (1992a, 1992b, 1993a, 1993b, 1995, 1996), which summarize the available research on each of the territories of the Holy Roman Empire for the period from 1500 to 1650. While the work of Schindling and Ziegler (1992a, 1992b, 1993a, 1993b, 1995, 1996) is based on a comprehensive body of historical research, the Reformation period has been studied more extensively for some regions than others. Consequently, information on some small independent territories, such as Isenburg, Hoya, or Barby, is relatively scarce.

The primary mapping used in this paper is based on the religious situation around 1624—the ‘normal year’ for territories’ official religion set in the Peace of Westphalia, which ended princes’ influence over the religion of their subjects. Since territories’ official religion has not been constant from 1555 until 1624, there exists the possibility that the results depend on the choice of base year. To mitigate this possibility a secondary mapping based on the situation directly after the Peace of Augsburg in 1555 has been created as well. Both mappings are very similar, and the main results in the paper are qualitatively robust to using either one.

Despite notable differences between and within different Protestant denominations, i.e. Lutherans, Calvinists, and Zwinglians, as a whole their teachings were generally much closer to each other than to the doctrines of the Catholic Church. Moreover, most Protestant denominations today are united in the Evangelical Church in Germany. Therefore, the mapping abstracts from differences between reformed denominations and differentiates only between Protestant and Catholic territories. Another reason is that during the Second Reformation a number of territorial lords converted from Protestantism to Calvinism, but did not require their subjects to adopt Calvinism. That is, most subjects remained Protestant. A mapping that only

differentiates between Protestant and Catholic regions will still capture the most important differences between regions.

In only a few instances does the area of a county or county equivalent today correspond exactly to the area of some state at the beginning of the seventeenth century. Moreover, until the secularization in 1803 abbots and bishops were not only religious but also worldly rulers in the Holy Roman Empire. This entails that a handful of cities were divided between a religious and worldly lord. Multiple rulers make it, of course, more difficult to determine an “official religion,” and necessitate the use of guidelines by which to assign a religion to the county corresponding to a given area.

Whenever Catholic and Protestant princes reigned over different parts of a county’s area, or whenever that area encompassed an Imperial City or an ecclesiastical territory, the county is classified as “historically Protestant” if and only if the likely majority of subjects was Protestant. Population estimates are often not available for this time period. In cases in which relative populations cannot be determined with certainty, they are gauged by comparing the size of the areas in question assuming equal population densities.

While Imperial Cities were not bound by princes’ *ius reformandi*, political power in these towns often lay in the hands of local elites who would virtually impose the Reformation on residents (Dixon 2002). Therefore, although the mapping is in a strict sense based on the likely religion of the majority of subjects in a given area, most variation stems from the fact that princes or local elites could dictate the religion of ordinary people.

Absent reliable high-resolution GIS data for the late sixteenth and early seventeenth centuries, the mapping had to be constructed by visually comparing the borders of today’s counties with the principalities in the (relatively imprecise) maps in Schindling and Ziegler (1992a, 1992b, 1993a, 1993b, 1995, 1996). Naturally, the information in Schindling and Ziegler’s verbal description was used as well, and proved usually much more useful than any map—especially when a territory’s official religion changed multiple times. Given that names of cities and places rarely changed it was feasible to relate whole text passages to modern day areas and counties. The entire process of gathering and analyzing the historical information, as well as the creation of the mapping itself was carried out by a trained German historian (who holds the equivalent of a master’s degree).

### *County Level Data*

Information on counties' institutional features and infrastructure is taken from *Statistik regional 2007*. *Statistik regional* is an annual publication of the German Federal Statistical Office and the statistical offices of the Länder containing data on various characteristics of 437 counties and county equivalents.

Below follows a description of all county level variables used throughout the analysis.

**Total Population** is defined as a county's average population (in thousands) during the calendar year 2005. This variable has been taken from *Statistik regional 2007* without changes.

**Population per Square Kilometer** is defined as a county's average population (in thousands) per square kilometer during the calendar year 2005. This variable has been derived by dividing Total Population by a county's area as of December 2005.

**Number of Businesses** is defined as the number of firms per thousand residents in the manufacturing sector (including mining) as of September 2005. This variable has been derived by dividing the number of firms, as given in the data, by a county's population.

**Employment by Sector** is defined as the average number of employees during the calendar year in a given sector as a percentage of all employees in that county. The sectors considered in this paper are manufacturing (including construction) and services.<sup>1</sup> The variables have been derived by dividing the number of employees in each sector by the total number of employees in all sectors. The necessary information is contained in the raw data.

**Hospitals** is defined as the number of hospitals in a county per thousand residents. This variable has been derived by dividing the number of hospitals in that county as of December 2005 by Total Population.

**Welfare Recipients** is defined as the number of recipients of *Hilfe zum Lebensunterhalt* per thousand residents. The variable has been derived by dividing the total number of recipients as of

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<sup>1</sup> The overwhelming majority of employees outside these two sectors work in farming and forestry.

December 2005 by Total Population. In contrast to the U.S. welfare system, eligibility for *Hilfe zum Lebensunterhalt* does not vary by state, but is determined on the basis of federal legislation.

**Educational Institutions** is defined as the number of schools of a given kind per thousand residents. The kinds of schools considered in this paper are: pre-schools (*Vorschulen*), elementary schools (*Grundschulen*), and academic high schools (*Gymnasien*). Each variable has been derived by dividing the total number of the respective kind of school as contained in *Statistik regional 2007* by Total Population.

#### *German Socio-Economic Panel Study (SOEP)*

All individual level data used in this paper is from the restricted-use version of the German Socio-Economic Panel Study (SOEP) as of wave Y (2008). The restricted-use version differs from the public-use one in that it contains sensitive regional information, such as county identifiers, and that data files containing sensitive information can only be accessed remotely or on-site in Berlin. Researchers interested in using either version must apply to the DIW Berlin for access. The analysis in this paper has been carried out on SOEPremote.

The SOEP is a representative longitudinal data set of private households in Germany. Starting in 1984 with 5,921 households containing 12,245 individuals living in the Federal Republic of Germany, the SOEP has collected data on a wide range of subjects in every year thereafter. Covered topics include household composition, employment status, occupational and family biographies, time allocation, personality traits, as well as physical and mental health, among others.

A random sample of 2,179 households with 4,453 members living in the German Democratic Republic (GDR) was added in 1990—preceding the Reunification; and an immigrant sample with 552 households containing 1,078 individuals was introduced in 1994/95. As in all longitudinal data, some respondents could not be located or contacted after repeated attempts, refused to participate, or were unable to do so. Attrition in the SOEP is rather low, however. After 15 (25) years approximately 50% (25%) of the original sample still participated in the SOEP. Overwhelmingly attrition is due to refusal to reply. In order to maintain, or even expand, the size of the surveyed population, additional samples were drawn in 1998, 2000, 2002, and 2006. Their respective sizes are 1,910, 10,890, 2,671, and 2,616 individuals, with the 2002

sample oversampling high-income households. The average of the available 2000-08 cross-sectional weights, which are supplied with the data and attempt to correct for unequal sampling probabilities as well as observed patterns of non-response, is used throughout the analysis. Additional information on the SOEP, its sample design and size, how to obtain access, etc., can be found in Frick (2006), Haisken-DeNew and Frick (2005), Göbel et al. (2008), or on the SOEP website.<sup>2</sup>

East Germans, Individuals who were less than 25 or more than 65 years old in 2003, or were born outside of Germany have been excluded from the analysis. Furthermore, the paper restricts attention to self-identified Catholics, Protestants, and atheists; for a final sample of 9,286 observations with non-missing information on county of residence and all of the three main outcome variables used in the paper.<sup>3</sup>

The following individual level variables are used throughout the analysis:

**Religion** is defined as the respondent's self-identified religious affiliation. In 2003 (wave T) the SOEP asked, "Do you belong to a church or religious community? If yes, are you ..." The set of possible answers was: "catholic", "evangelical" (i.e. Protestant), "member of another Christian community", "member of another religious community", "No, nondenominational". The relevant variable is contained in the file *TP*. This paper restricts attention to individuals who identify either as Catholic, Protestant, or check "No, nondenominational". If feasible, individuals with missing information in wave T, have been assigned their self-identified religion in wave X (2007) or wave N (1997) instead.

**Female** is defined as an indicator variable equal to one if the respondent is female. The SOEP staff cleans the answers to all waves, and makes information on gender available in the file *PPFAD*.

**Age** is defined as the respondent's age in 2003. It has been constructed based on his year of birth. The SOEP staff cleans the answers to all waves, and makes information on year of birth available in the file *PPFAD*.

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<sup>2</sup> The SOEP website is currently located at <<http://www.diw.de/en/soep>>.

<sup>3</sup> To reduce the effect of outliers the top and bottom one percent of wage and earnings observations are not used in the estimation.

**Number of Children** is defined as the total number of children identifiable within SOEP by merging all available data. The SOEP staff creates this variable and makes it available in the files *BIOBIRTH* and *BIOBIRTHM* for female and male respondents, respectively.

**Marital Status** is defined as the respondent's marital status as of 2003. For each wave the SOEP staff generates this variable. It is contained in the file *TPGEN*, and differentiates between "married", "married, but separated", "single", "divorced", and "widowed". Each possibility has been recoded into an indicator variable, combining the first two categories.

**Distance to Nearest City** is defined as the distance to the center of the nearest city from the respondent's place of residence. The variable used in this paper is based on the answer to the corresponding question on the Household Questionnaire in 2004, which is contained in the file *UH*. The original answer choices were: "Residence is in the city center", "under 10 km", "10 to under 25 km", "25 to under 40 km", "40 to under 60 km", and "60 km or more". Each successive pair of answer choices has been recoded into an indicator variable.

**Labor Income** is defined as the mean of monthly gross labor income in Euros during 2000-2008. Based on information in the Individual Questionnaire the SOEP staff generates variables indicating the monthly gross labor income of the respondent in each year. These variables are contained in the files *\*PGEN*, where *\** is a placeholder for the respective wave. The variable used in this paper averages all non-missing values for the years 2000 to 2008.

**Hours Worked** is defined as the mean of actual weekly time spent working (including overtime) during 2000-2008. Based on information in the Individual Questionnaire the SOEP staff generates variables indicating actual weekly working hours of the respondent for each year. These variables are contained in the files *\*PGEN*, where *\** is a placeholder for the respective wave. The variable used in this paper averages all non-missing values for the years 2000 to 2008.

**Hourly Wage** is defined as the ratio of Labor Income to Hours Worked.

**Self-Employed** is defined as the mean of seven indicator variables equal to one if the respondent reports to have been self-employed in a given year during 2000-2008. On the Individual Questionnaire the respondent is asked to indicate his current position or occupation. For each wave the SOEP staff recodes occupations into Erikson, Goldthorpe Class Categories (IS88), and makes the resulting variable available in the files *\*PGEN*, where *\** is a placeholder for the respective wave. Whenever a respondent has been classified as “self-employed with employees” or as “self-employed without employees” according to the Erikson, Goldthorpe Class Categories, he is considered to be self-employed for the purposes of this paper. That is, the indicator variable for the respective year is coded as one, and as zero otherwise.

**Educational Attainment** encompasses six indicator variables for the highest academic (as opposed to vocational) degree completed by the respondent as of 2003. The five categories considered in this paper are: Drop Out, Lower Secondary School (*Hauptschulabschluss*; usually 9 years of schooling), Intermediate Secondary School (*Realschulabschluss*; usually 10 years of schooling), Academic Secondary School (*Abitur* or *Fachabitur*; usually 12-13 years of schooling), and College/University. The SOEP staff combines the information on education from all waves and makes it available in the file *TPGEN*.

**Years of Schooling** is defined as the amount of education and further training (in years) at the time of the survey in 2003. In contrast to Educational Attainment, Years of Schooling also includes formal vocational schooling and training. The variable used in the paper has been generated by SOEP staff, and can be found in the file *TPGEN*.

**Religion of Father** is defined as the religious affiliation of the respondent’s father. This information is provided by the respondent himself in the Biography Questionnaire, or the Youth Questionnaire. Possible answer choices are: Catholic, Protestant, Other Christian Denomination, Islamic Denomination, Other Denomination, No Denomination. The SOEP staff combines the relevant information from all waves and makes it available in the file *BIOPAREN*.

**Religion of Mother** is defined as the religious affiliation of the respondent’s mother. This information is provided by the respondent himself in the Biography Questionnaire or the Youth



Questionnaire. Possible answer choices are: Catholic, Protestant, Other Christian Denomination, Islamic Denomination, Other Denomination, No Denomination. The SOEP staff combines the relevant information from all waves and makes it available in the file *BIOPAREN*.

**Net Wealth** is defined as assets minus debts. In regular intervals, the SOEP elicits information on respondents' assets, such as real estate, stocks, businesses, etc., as well as debts. The SOEP staff combines all relevant answers, imputing missing information if necessary, and publishes a "net wealth variable" in the file *PWEALTH*.

**Desired Hours of Work** is defined as the mean of the answers to the following question asked in 2000-08: "If you could choose your own number of working hours, taking into account that your income would change according to the number of hours: How many hours would you want to work?" The relevant information is contained in the files *\*P*, where *\** is a placeholder for the respective wave. The variable used in this paper averages all non-missing values for the years 2000 to 2008.

**Time in Church** is defined as the answer to the following item in 2003: "Please indicate how often you take part in each activity." The set of possible answer choices is: "daily", "at least once a week", "at least once a month", "seldom", and "never". The variables used in this paper correspond to five indicator variables equal to one if the respective choice was selected and zero otherwise. The relevant information is contained in the file *TP*.

### *Cross-Country Data*

Figure 1 is based on country level data contained in Heston et al. (2006) and Barrett et al. (2001). The Penn World Table 6.2 (Heston et al. 2006) provides data on purchasing power parity and national income accounts (in international prices) for 188 countries from 1950-2004 (with 2000 as base year). Barrett et al. (2001) is a reference work providing detailed information on major and minor religions in 239 countries and regions around the world starting in 1900. The information contained therein is based on official government statistics, where available, church records, and estimates of the authors. It has been found to be highly correlated with that published elsewhere (Hsu et al. 2008).

The set of countries depicted in Figure 1 are all countries with available information on GDP per capita in 2000 and which are majoritarian Catholic and Protestant at this point in time; that is, those countries for which the combined share of Catholics and Protestants exceeds 50%.

The definition of Protestant used in this paper includes Anglicans, and in the case of the US those Christians classified as “Independents” by Barrett et al (2001). The correlation depicted in Figure 1 is robust to excluding Anglicans and Independents, and to using different cut-off levels around 50%. The correlation is also robust to excluding all African countries.

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Table A.1: Selection out of Religion, based on Labor Income

Independent Variable	Nonreligious											
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Log Labor Income	.083*** (.007)	.069*** (.009)	.063*** (.009)	.062*** (.009)	.087*** (.012)	.065*** (.016)	.059*** (.016)	.060*** (.016)	.053*** (.011)	.043*** (.013)	.039*** (.013)	.034*** (.013)
Female		-.021 (.016)	-.028* (.015)	-.027* (.015)		-.041 (.026)	-.046* (.026)	-.046* (.026)		-.023 (.022)	-.029 (.022)	-.030 (.021)
Age:												
< 30		-.049** (.025)	-.037 (.025)	-.033 (.025)		-.047 (.048)	-.037 (.046)	-.029 (.046)		-.015 (.037)	-.012 (.038)	-.017 (.037)
30 to 40		.047* (.024)	.059** (.025)	.061** (.024)		.012 (.044)	.021 (.046)	.025 (.045)		.022 (.031)	.027 (.032)	.025 (.031)
40 to 50		.039 (.026)	.047* (.025)	.054** (.025)		.080 (.051)	.075 (.049)	.076 (.048)		.026 (.033)	.036 (.033)	.035 (.032)
50 to 60		.049* (.026)	.055** (.025)	.057** (.025)		.074 (.053)	.073 (.052)	.072 (.051)		.034 (.031)	.037 (.032)	.041 (.032)
Distance to Nearest City:												
10 km to 40 km		-.048* (.025)	.010 (.019)	.030* (.016)		-.044 (.028)	.028 (.033)	.033 (.032)		-.001 (.023)	.019 (.025)	.029 (.025)
> 40 km		-.107*** (.030)	-.027 (.025)	-.010 (.021)		-.116*** (.033)	-.004 (.037)	.003 (.037)		-.056** (.026)	-.027 (.028)	-.025 (.029)
Constant	-.416*** (.052)	-.291*** (.080)	-.561 (.454)		-.440*** (.089)	-.245* (.125)	.029 (.853)		-.286*** (.076)	-.201* (.103)	-.739 (.556)	
Mean of Dependent Variable	.200											
Sample	.220											
	All Observations											
County-Level Controls	No	No	Yes	Yes	No	No	Yes	Yes	No	No	Yes	Yes
State Fixed Effects	No	No	No	Yes	No	No	No	Yes	No	No	No	Yes
R-Squared	.024	.038	.067	.083	.025	.047	.085	.098	.017	.025	.035	.049
Number of Observations	9,286	9,286	9,286	9,286	2,575	2,575	2,575	2,575	2,523	2,523	2,523	2,523
	.121											
	Two Protestant Parents											
	Two Catholic Parents											

Notes: Entries are coefficients and standard errors from regression an indicator variable for whether an individual self-identifies as "nonreligious" on different individual- and county-level observables. Heteroskedasticity robust standard errors are clustered by county and reported in parentheses. In addition to the variables shown in the table, indicator variables for missing values on each covariate are also included in the regressions. \*\*\*, \*\*, \* and \* denote statistical significance at the 1%, 5%, and 10%-levels, respectively.

Table A.2: Sensitivity Analysis of 2SLS Estimates, Based on Rulers' Residualized Choices

Specification / Sample	Hours Worked	Log Hourly Wages	Log Labor Income
<i>Controls:</i>			
Baseline Individual Controls	4.018*** (1.600)	.031 (.087)	.180 (.121)
Baseline Individual Controls, Education	3.945*** (1.526)	.033 (.071)	.182* (.103)
Baseline Individual Controls, Education, Marital Status	4.191*** (1.446)	.033 (.071)	.193* (.099)
Baseline Individual Controls, Education, Marital Status, Number of Children	4.096*** (1.442)	.032 (.071)	.187* (.100)
Baseline Individual Controls, Education, Marital Status, Number of Children, County Characteristics	4.994*** (1.733)	.021 (.076)	.205* (.107)
Baseline Individual Controls, Education, Marital Status, Number of Children, County Characteristics, State Fixed Effects	5.108** (2.481)	.083 (.095)	.256* (.144)
<i>Sample:</i>			
Including East Germans	5.148** (2.515)	.073 (.106)	.238 (.156)
Including Self-Declared Nonreligious	3.528 (2.997)	-.002 (.131)	.110 (.185)
Protestant or Catholic Parents Only	4.316 (3.019)	-.030 (.131)	.075 (.175)
<i>By Gender:</i>			
Males	2.699 (2.712)	-.051 (.107)	.034 (.150)
Females	7.941 (6.672)	.161 (.188)	.413 (.335)
<i>By Age:</i>			
< 35	.295 (4.003)	-.009 (.171)	-.012 (.253)
35 to 50	3.759 (3.630)	.168 (.163)	.278 (.221)
> 50	12.016 (6.442)	-.185 (.204)	.288 (.333)

*Notes:* Entries are coefficients and standard errors on "Protestant" from estimating equation (9) by weighted two-stage least squares, with rulers' residualized choices serving as instrumental variable. Heteroskedasticity robust standard errors are clustered by county and reported in parentheses. The sample has been restricted to individuals who self-identify as Protestant or Catholic, except when otherwise noted. The upper panel varies the set of covariates, with the respective controls indicated on the left of each row. The lower panel reports estimates for different subsets of the data, using the baseline individual- and county-level controls as well as state fixed effects. The respective sample restriction is indicated on the left of each row. All specifications include indicator variables for missing values on each covariate. \*\*\*, \*\*, and \* denote statistical significance at the 1%-, 5%-, and 10%-levels, respectively.

Table A.3: Ancillary Evidence, Based on Rulers' Residualized Choices

<i>A. Reduced Form Estimates</i>		
Outcome	without State Fixed Effects	with State Fixed Effects
Years of Education	-.066 (.143)	-.170 (.155)
College Graduate	.010 (.020)	.005 (.022)
Net Wealth (in 1,000 EUR)	5.520 (6.066)	5.622 (6.264)
Contractual Hours of Work	.709** (.286)	.503 (.349)
Desired Hours of Work	.708** (.313)	.676** (.344)
Employed Full Time   Female	.027 (.022)	.029 (.028)
Self-Employed	.013* (.007)	.008 (.009)
<i>B. 2SLS Estimates</i>		
Outcome	without State Fixed Effects	with State Fixed Effects
Years of Education	-.292 (.636)	-.948 (.879)
College Graduate	.042 (.086)	.030 (.121)
Net Wealth (in 1,000 EUR)	25.139 (28.453)	31.153 (35.599)
Contractual Hours of Work	3.403** (1.473)	2.827 (2.053)
Desired Hours of Work	3.176** (1.461)	3.650* (.1976)
Employed Full Time   Female	.152 (.138)	.201 (.207)
Self-Employed	.056* (.033)	.043 (.050)

*Notes:* Entries are coefficients and standard errors on "Protestant" from estimating the reduced form model by weighted least squares (upper panel), and equation (9) by two-stage least squares (lower panel), with the sample restricted to self-identified Protestants and Catholics. In a deviation from Table 9, rulers' residualized choices serve as an instrument instead of counties' historical religion. Estimates shown in the left column control for the baseline individual- and county-level covariates, while estimates shown in the right column also include state fixed effects. The respective dependent variable is indicated on the left of each row. Heteroskedasticity robust standard errors are clustered by county and reported in parentheses. All specifications include indicator variables for missing values on each covariate. \*\*\*, \*\*, and \* denote statistical significance at the 1%-, 5%-, and 10%-levels, respectively.

Table A.4: Estimates Controlling for Education, Time in Church, and a Proxy for Work Ethic; Based on Rulers' Residualized Choices

<i>A. Reduced Form Estimates</i>			
Controls	Hours Worked	Log Hourly Wages	Log Labor Income
Baseline	.904** (.450)	.009 (.021)	.038 (.029)
Baseline, Education	.941** (.426)	.015 (.017)	.046* (.024)
Baseline, Time in Church	.866* (.448)	.010 (.021)	.038 (.029)
Baseline, Desired Hours of Work	.207 (.323)	.004 (.021)	.007 (.026)
<i>B. 2SLS Estimates</i>			
Controls	Hours Worked	Log Hourly Wages	Log Labor Income
Baseline	4.841* (2.635)	.046 (.112)	.206 (.163)
Baseline, Education	5.049** (2.543)	.079 (.095)	.249* (.143)
Baseline, Time in Church	4.695* (2.655)	.054 (.113)	.208 (.165)
Baseline, Desired Hours of Work	1.119 (1.773)	.024 (.111)	.039 (.141)

*Notes:* Entries are coefficients and standard errors on "Protestant" from estimating the reduced form model by weighted least squares (upper panel), and equation (9) by two-stage least squares (lower panel), with the sample restricted to self-identified Protestants and Catholics. In a deviation from Table 10, rulers' residualized choices serve as an instrument instead of counties' historical religion. The respective dependent variable is indicated at the top of each column, and the set of included controls is listed on left of each row. The set of baseline controls includes all individual- and county level-covariates as well as state fixed effects. Heteroskedasticity robust standard errors are clustered by county and reported in parentheses. All specifications include indicator variables for missing values on each covariate. \*\*\*, \*\*, and \* denote statistical significance at the 1%-, 5%-, and 10%-levels, respectively.