The Nordic Ownership Miracle[*]

Samuli Knüpfer

Aalto University, BI Norwegian Business School, and IFN

May 26, 2026

Abstract

Nordic countries are known for many distinguishing features. This paper documents a new one. Sweden, Finland, and Denmark have some of the highest household stock market participation rates in the world: 65, 48, and 45 percent, respectively. Standard household-level controls, ranging from wealth and education to trust and political orientation, explain less than half of the Nordic participation premium. These findings challenge the view of Nordic citizens approaching capital markets and private ownership with suspicion.

Keywords: Stock market participation, household finance, Nordic countries.

[*] I am grateful to the Finnish Foundation for Share Promotion for generous financial support. Elias Kalmi provided excellent research assistance.

1. Introduction

The Nordic countries have many features that set them apart from other countries. These include universal welfare provision, public investments in human capital, compressed wage distributions, and high taxes. Nordic citizens also display unusually high levels of interpersonal trust and life satisfaction.[1]

Broad-based stock ownership is typically not among the descriptions of Nordic exceptionalism. The political movements that oversaw building the Nordic welfare states regularly treated private ownership with suspicion. Collective provision was understood as a substitute for private wealth accumulation. The comparative literature accordingly maps broad-based stock ownership onto the Anglo-Saxon liberal-market model (Hall and Soskice 2001). Political projects designed to expand household ownership, including Margaret Thatcher's "popular capitalism" in 1980s Britain and George W. Bush's "ownership society" in 2000s America, were products of the Anglo-Saxon right.

This paper documents a new and underappreciated fact about the Nordic countries: their household stock-market participation rates are some of the highest in the world. Sweden ranks first at 65%, Finland second at 48%, and Denmark third at 45%. Other European countries, including Switzerland, Belgium, the United Kingdom, and Germany, cluster between 31% and 38% whereas Italian and Spanish households participate at 6%. Even the United States is below the Nordic countries at 40% when occupational retirement vehicles such as 401(k) accounts are excluded from the definition.

To separate compositional from institutional sources of the premium, we estimate linear probability models with a Nordic indicator and a battery of household controls. The unconditional average Nordic premium equals 42%. Adding controls for demographics, education, income, wealth, cognition, health, risk aversion, and social contact reduces the premium only to 22%. A

[1] The canonical welfare-state typology is Esping-Andersen (1990). Hall and Soskice (2001) provide a comparative-capitalism framework that classifies the Nordic countries as coordinated-market economies. Acemoglu, Robinson, and Verdier (2012) model the interaction between "cuddly" Nordic and "cutthroat" Anglo-Saxon capitalism. Andersen, Holmström, Honkapohja, Korkman, Söderström, and Vartiainen (2007) is a book-length economic treatment. Kleven (2014) discusses how Nordic governments can raise large tax revenues without large efficiency losses. Björklund and Jäntti (1997), Landersø and Heckman (2017), and Mogstad, Salvanes, and Torsvik (2025) document the equality and mobility outcomes.

Gelbach (2016) decomposition attributes the explained portion almost entirely to wealth and risk aversion. Generalized trust and political orientation, often invoked in work on household finance and particularly relevant for the Nordic context (Guiso, Sapienza and Zingales 2008; Kaustia and Torstila 2011), contribute little once other characteristics are controlled for. More than half of the Nordic premium therefore cannot be attributed to compositional differences, suggesting institutional and cultural factors generate most of the Nordic premium.

Although an analysis of country factors driving the Nordic premium is beyond the focus of this paper, plausible candidates fall into three categories. Nordic government policies have actively expanded the population of stockholders through pension reforms, tax-advantaged equity-savings accounts, and privatizations. Financial institutions have also played an important role on the supply side. The universal-banking structure has enabled retail banks to use their branch network and online banking to distribute mutual funds whereas the emergence of independent online brokerages has broadened access to investing. Household demand for equity exposure has likely benefited from high levels of financial literacy, high trust in financial institutions, and changing attitudes toward investing. Collective risk sharing may also have encouraged investing by insuring households against background risks that can make stock market participation unappealing.

The paper makes three contributions. First, it adds to the comparative household finance literature (Guiso, Haliassos and Jappelli 2003; Badarinza, Campbell and Ramadorai 2016) an underappreciated fact whose drivers are poorly understood. Second, it shows that the fact is robust to definitional choices, including the treatment of retirement vehicles and the choice of data. Third, it bounds how much of the premium can plausibly be attributed to differences in household characteristics across countries, leaving a substantial residual that emphasizes institutional and cultural features as the leading explanation (Christelis, Georgarakos and Haliassos 2013; Kaustia, Conlin, and Luotonen 2023; Menkhoff and Westermann 2024). More broadly, the results challenge the view that Nordic citizens approach private ownership and investing with suspicion. Instead, the world's most egalitarian economies turn out to host its most widespread household capitalism, challenging the comparative accounts of capitalist systems (Hall and Soskice 2001).

The remainder of the paper proceeds as follows. Section 2 describes the surveys and our participation definitions. Section 3 presents the facts about cross-country participation. Section 4

performs robustness checks. Section 5 explains participation with household characteristics and presents the Gelbach decomposition. Section 6 concludes.

2. Data

Our primary data come from four household surveys: the Survey of Health, Ageing and Retirement in Europe (SHARE), the Eurosystem Household Finance and Consumption Survey (HFCS), the U.S. Health and Retirement Study (HRS), and the English Longitudinal Study of Ageing (ELSA). All four are probability samples whose harmonized definitions make cross-country comparisons possible. Table 1 documents the data sources and definitions of stock market participation in detail.

SHARE is the backbone of our analysis because it is the only survey that covers three Nordic countries together with most of Continental Europe. SHARE surveys households in which the main respondent is aged 50 and over, and the unit of observation for financial variables is the household. Weighting uses the calibrated cross-sectional household weight, which targets the household population aged 50 and over.

Stock market participation is an indicator equal to one if the household directly holds publicly traded shares (direct participation) or indirectly owns equities through mutual funds classified as predominantly equity (indirect participation). Total participation is defined as direct or indirect. This baseline definition excludes any equity exposure through mandatory or voluntary retirement-saving vehicles. The exclusion of mandatory retirement savings accounts, such as the PPM in Sweden, makes sure that country differences in the provision of such accounts does not mechanically affect the comparison. Leaving voluntary pension products outside the initial definition captures stock market participation outside the country's voluntary retirement saving system. Robustness checks expanding the definition to voluntary pension products show that the Nordic ranking remains qualitatively similar.

Financial wealth is the sum of deposits, bonds, listed shares, mutual funds, and other liquid financial assets. The risky share is the ratio of risky assets to financial wealth, defined for stock market participants. For the Finnish time series we supplement the SHARE series with administrative tax-register participation rates from Breitkopf, Knüpfer and Rantapuska (2021).

HRS is a study of American households in which the main respondent is aged 50 and over. We define direct participation as an indicator for holding directly held stock or equity mutual funds. Indirect participation flags households that own an IRA with a stock allocation. This definitional discrepancy compared to SHARE emanates from HRS not separating directly held stock and equity mutual funds and the importance of IRA accounts for American savers.

ELSA targets the same set of households in England. Direct participation is defined as ownership of publicly traded shares and indirect participation includes equity unit trusts, share clubs, and Stocks and Shares ISAs.

HFCS is a household-level probability sample of the Eurozone with no age restriction. We use this source as a cross-validation benchmark for SHARE. The mutual fund questions substantially differ from those in SHARE. HFCS asks mutual fund investors to indicate the asset class of the fund. Equity funds are one category whereas balanced funds, particularly popular in Finland, are not their own category but likely fall in the residual category of other funds. Robustness checks show that taking this discrepancy into account produces a qualitatively similar Nordic ranking.

3. Stock market participation across countries

Figure 1 orders the twenty-seven SHARE (2020) countries, the United States (HRS 2022), and England (ELSA 2021) by survey-weighted household stock market participation. Sweden tops the ranking at 65.4%, followed by Finland at 47.7% and Denmark at 45.2%. The United States follows at 40.1%. Switzerland (37.5%), Belgium (34.6%), England (30.9%), and Germany (30.8%) form a cluster around the 31–38 percent mark. Luxembourg (23.8%), Austria (19.3%), Netherlands (17.4%), and France (17.3%) occupy the middle of the distribution. Southern and Eastern European countries populate the lower half, with Italy at 5.9% and Spain at 6.4%. Nine Eastern European countries fall below 5%.

Cross-country differences in total participation can emanate from direct stockholding or indirect participation through mutual funds containing equity. Figure 2 analyzes this issue by plotting stacked bars in which the lower segment represents direct stockholding and the upper segment represents the additional indirect-only participation, so that the two segments sum to total participation. Nordic countries have the highest direct participation rates at 40.7% for Sweden,

34.9% for Denmark, and 23.9% for Finland. Sweden and Finland top the ranking on indirect-only participation with 24.7% and 23.8%, respectively, whereas Denmark's 10.3% does not stand out.

Table 2 expands this analysis by showing the fraction of households investing indirectly allowing them to also hold directly held stock. Sweden and Finland have the highest indirect participation at 53.3% and 36.8% whereas Denmark comes sixth at 24.1%. Table 2 also reports the conditional risky share and mean financial wealth. The risky share is high in Nordic countries (38.6% in Sweden, 45.9% in Denmark, 34.8% in Finland) and comparable to the United States at 29.6% and England at 43.6%. Mean financial wealth is highest in Switzerland (EUR 289,000) and Luxembourg (EUR 228,000), well above any Nordic country, but the participation rate in thse countries is substantially below that in Nordics. This observation is suggestive of wealth alone not being able to explain the Nordic ranking.

Figure 3 extends the cross-sectional picture to a two-decade time series. For nine selected SHARE countries we plot participation from 2004 to 2020. Because Finland did not participate in the early waves, we supplement the survey estimates with administrative tax data from Breitkopf, Knüpfer and Rantapuska (2021). Although the participation rates fluctuate over time, the Nordic ranking is stable. Sweden is at the top in every wave, followed by Denmark or Finland.

4. Robustness

Inclusion of individual retirement accounts. Because the treatment of retirement-saving vehicles differs across countries, Table 3 reports participation rates under an expanded definition that adds equity-invested individual retirement accounts (IRAs) to the baseline. The SHARE concept of an IRA is country-adapted and covers whichever voluntary third-pillar pension products exist in the national institutional setting. These include the Czech voluntary supplementary pension scheme (penzijní připojištění), Danish ratepension and kapitalpension, Swedish private pension savings (IPS), Swiss Pillar 3a accounts, Belgian pensioensparen, and Germany's Riester and Rürup products. Many of these IRAs are tax-advantaged.

Table 3 shows that adjusting the participation rates for the third-pillar retirement products raises Sweden from 65.4% to 71.3% (+5.9 pp), Denmark from 45.2% to 60.6% (+15.4 pp), and Finland from 47.7% to 50.7% (+3.0 pp). Among non-Nordic countries, the Czech Republic has the largest adjustment (+20.0 pp), reflecting the high coverage of the Czech supplementary pension scheme.

Switzerland, Belgium, Germany, Austria, France, and Croatia see increases in the range of 6 pp to 10 pp. Although the Nordic lead is now quantitatively smaller, it still remains under the expanded definition.

Comparison to HFCS. Because SHARE only covers households in which the main respondent is aged 50 and over, a natural concern is that the Nordic ranking is an age-composition artefact. Table 4 compares SHARE wave 9 participation rates to HFCS wave 4 rates for the twenty-two countries present in both surveys. Three measurement caveats are worth noting. First, when stock ownership rises with age SHARE numbers mechanically exceed HFCS numbers. Second, both surveys report participation at the household level, making them directly comparable. Third, HFCS's coding of mutual fund investments does not make it possible to separate balanced funds from many other fund types, driving down stock market participation rates compared to SHARE.

Comparing the SHARE estimates to those obtained from HFCS reveals that Finland shows the largest positive gap (+15.8 pp), consistent with the popularity of balanced funds in the country (Breitkopf, Knüpfer and Rantapuska 2021). When Finnish HFCS households that report owning "other" funds are added, the participation rate rises to 42.7%, closing roughly two-thirds of the gap. The remaining gap likely reflects the differences in the age composition between the surveys.

Belgium (+14.2 pp), Austria (+8.9 pp), and Germany (+7.6 pp) also show positive gaps. In the other direction, Spain (−7.5 pp) and Estonia (−7.1 pp) show negative gaps, perhaps because the HFCS includes a larger and more participating younger sample. Nevertheless, none of the estimates in Table 4 suggest that the Nordic premium would be driven by the choice of the survey.

5. What explains the Nordic participation premium?

We now ask how much of the Nordic premium survives once we control for household characteristics. The regression is a linear probability model in which the dependent variable is total stock market participation and the key regressor is a Nordic dummy equal to one for Sweden, Finland, and Denmark (or Sweden and Denmark in wave 5, before Finland joined SHARE). We estimate four specifications reported in Table 5. Specifications (1) and (2) use SHARE wave 9. The first specification includes only the Nordic dummy whereas the second specification adds controls for gender, age, years of schooling (ISCED), log winsorised household income, log winsorised total assets, log winsorised liabilities, a cognition index (word recall), self-rated health,

height, BMI, social-contact frequency, and a risk-aversion scale. Specifications (3) and (4) repeat the exercise on SHARE wave 5 and add trust and left–right political orientation to the control set (these are not available in wave 9). Standard errors are computed by Rubin's rules across the five multiply-imputed SHARE implicates.

Column (1) of Table 5 shows that, without controls, the average Nordic household is 42.1 pp more likely to participate than the average non-Nordic SHARE household (t = 72.2). Column (3) repeats this regression in the earlier wave 5 and yield a Nordic premium of 32.2 pp (t = 58.4). Column (2) adds controls to wave 9. The Nordic premium drops to 22.3 pp, which represents a relative reduction of 47%. The controls enter with expected signs. Total assets attracts a positive coefficient whereas risk aversion reduces participation. Education, income, social-contact frequency, and cognition also have positive and significant coefficients. Adding controls to wave 5 in column (4) reduces the Nordic coefficient to 19.2 pp, which is a relative reduction of 40%. Trust is statistically insignificant, while left–right political orientation is positive and significant.

Table 6 decomposes the decline in the Nordic premium between specifications (1) and (2) and between (3) and (4) using the decomposition method of Gelbach (2016). In wave 9, total assets account for 9.3 pp of the 19.8 pp decline, risk aversion for 4.6 pp, and social-contact frequency for 1.9 pp. Together these three controls explain about 80% of the explained portion. The wave 5 decomposition shows a broadly similar pattern: risk aversion contributes 6.4 pp and income 2.1 pp of the 13.0 pp decline. Trust contributes little (0.03 pp) whereas left–right political orientation adds a modest 0.2 pp.

If the Nordic premium were driven by Nordic citizens systematically differing from others in observables, it would disappear once household characteristics are controlled for. The residual premiums of about 20 pp in both SHARE waves show that less than half the premium can be attributed to observables. Assuming the set of observables employed in the regressions spans the most important determinants of participation, the residual Nordic premium appears to be driven institutional and cultural factors.

6. Conclusion

This paper documents a fact that has received surprisingly little attention: some of the most widespread stock market participation in the world is found in Sweden, Finland, and Denmark.

This Nordic premium is present in total participation, in the decomposition into direct and indirect holdings, and across two decades. It is also robust to the inclusion of individual retirement accounts and to alternative survey sources. Controlling for a rich set of household characteristics explains less than half of the premium and a decomposition shows that wealth and risk aversion are the two main compositional drivers. These results suggest the Nordic ownership miracle is largely an outcome of institutional and cultural factors, including government policies and supply-side and demand-side drivers. Understanding the importance of these channels can inform attempts to encourage stock market participation around the world and thus represents an interesting topic for future research.

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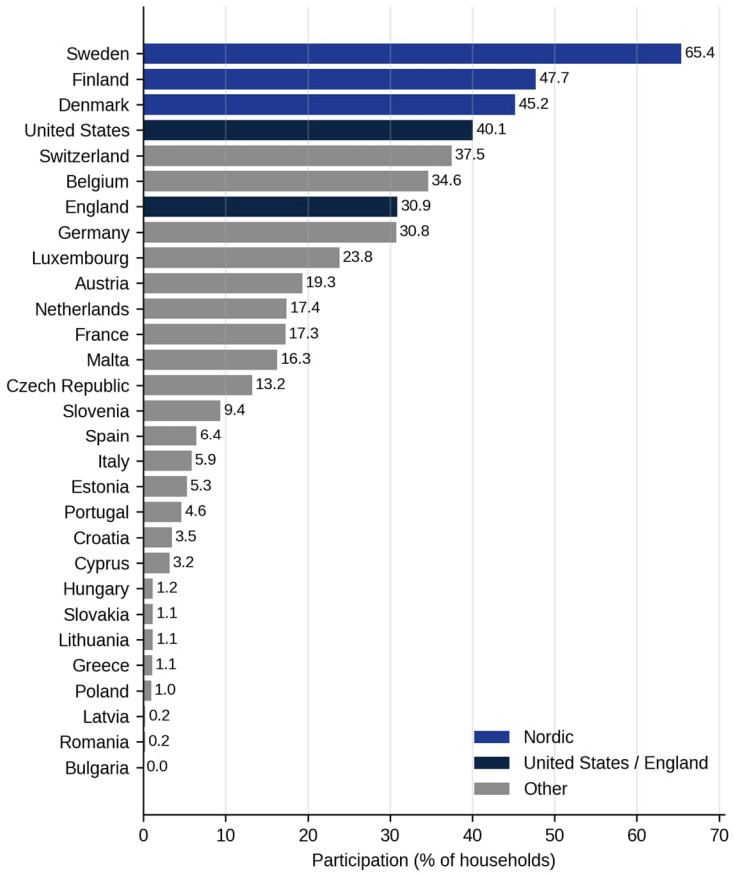

Figure 1. Stock market participation across countries. This figure reports survey-weighted stock market participation rates by country. Participation is an indicator equal to one if the household directly holds shares or indirectly holds equities through mutual funds. European countries use SHARE wave 9 (reference year 2020); the United States uses HRS 2022; England uses ELSA wave 10 (2021). All samples are restricted to individuals aged 50 and over. Nordic countries (Sweden, Finland, Denmark) are highlighted in dark blue; the United States and England in navy; other countries in grey. Equity holdings obtained through occupational or mandatory retirement-saving vehicles (e.g. the Swedish Premium Pension) are excluded from the definition of stock market participation. It also does not include voluntary retirement products, except for the U.S. that includes equity holdings held through an IRA. Countries are sorted by participation rate.

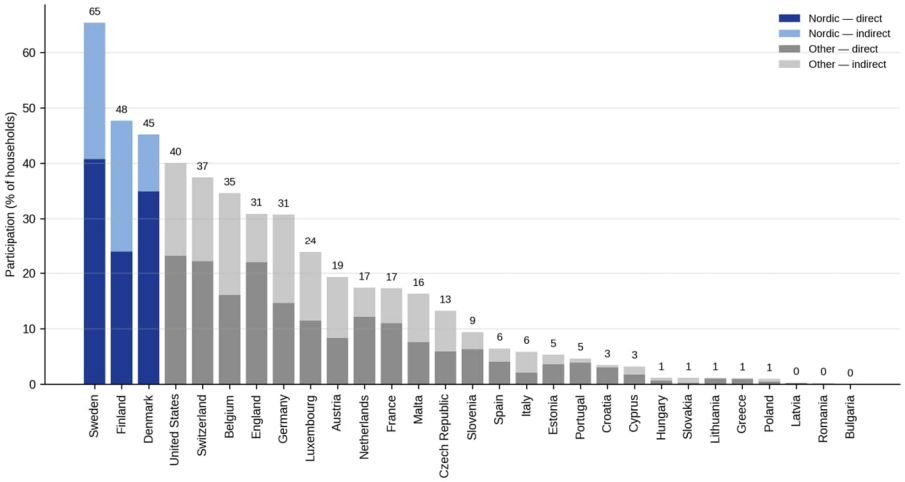

Figure 2. Decomposition of stock market participation into direct and indirect holdings. This figure decomposes total stock market participation in Figure 1 into two stacked segments. The lower (darker) segment is direct stockholding whereas the upper (lighter) segment is indirect-only participation, defined as total participation minus direct participation, thus capturing the fraction of households that hold equity only through mutual funds. Colours match those used in Figure 1: Nordic countries (Sweden, Finland, Denmark) are shown in blue, the United States and England in navy, and all other countries in grey, with the upper stacked segment rendered as a lighter tint of the same hue. By construction the two stacked segments add to total participation (number above each bar). All 29 countries in Table 1 are shown and ordered by total participation. Sources: SHARE wave 9 (2020) for European countries, HRS 2022 for the United States, ELSA wave 10 (2021) for England. All rates are survey-weighted.

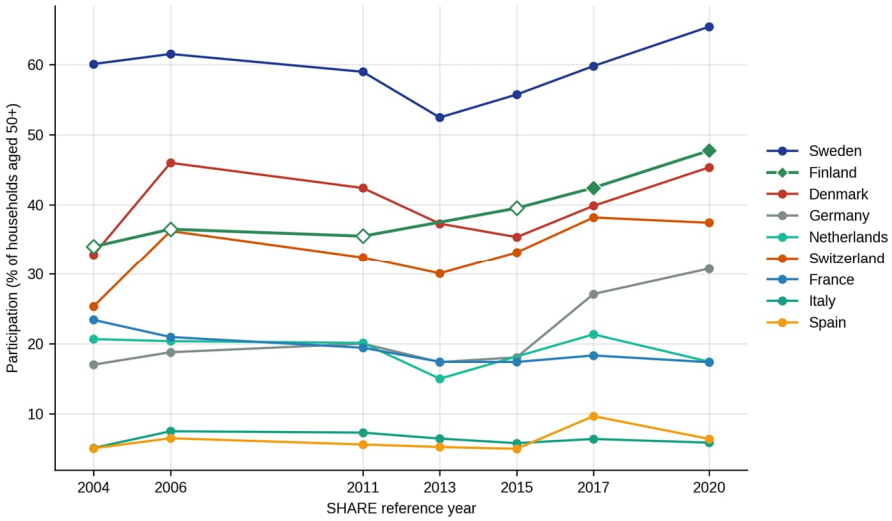

Figure 3. Time trends in stock market participation, 2004–2020. This figure displays survey-weighted stock market participation rates over time for nine selected SHARE countries. SHARE estimates are placed on the horizontal axis at the SHARE reference years 2004, 2006, 2011, 2013, 2015, 2017 and 2020 (waves 1, 2, 4, 5, 6, 8 and 9). For Finland, the SHARE time series (2017 onwards, when Finland joined SHARE) is combined in a single green diamond series with administrative tax-register estimates from Breitkopf, Knüpfer and Rantapuska (2021) for 2004, 2006, 2011, and 2015. The register-based estimates cover the full Finnish population; SHARE covers individuals aged 50 and over.

Table 1. Definitions of stock market participation in each survey. This table lists, for each survey used in the paper, the definition of the stock market participation indicator and the treatment of retirement-saving vehicles. SHARE refers to the Survey of Health, Ageing and Retirement in Europe, HRS is the University of Michigan Health and Retirement Study, ELSA is the English Longitudinal Study of Ageing, and HFCS is the Eurosystem's Household Finance and Consumption Survey.

Survey	Unit	Direct stockholding	Indirect stockholding	Retirement vehicles
SHARE	Household, primary respondent's age 50+	Publicly traded shares	Mutual funds classified as predominantly equity	Excluded.
HRS	Household, primary respondent's age 50+	Stock or equity mutual funds held outside retirement accounts	Individual retirement account (IRA) invested in equity.	IRA included, others excluded.
ELSA	Household, primary respondent's age 50+	Publicly traded shares	Equity unit trusts, share clubs, and Stocks and Shares ISAs.	Excluded.
HFCS	Household, all ages	Publicly traded shares	Mutual funds invested in equity. Likely excludes equity holdings through balanced funds.	Excluded.

Table 2. Stock market participation, direct and indirect participation, risky share, and financial wealth. This table reports weighted means by country. Participation is the fraction of households with positive stock market exposure (direct or indirect). Direct and Indirect decompose total participation into directly held shares and mutual funds containing equity. The numbers for the U.S. emanate from HRS 2022 whereas those for England are from ELSA wave 10 (2021). All the other countries come from SHARE wave 9 (2021-22). HRS does not allow decomposing participation into directly held stocks and mutual funds for the U.S. so Direct refers to households owning stocks or stock mutual funds held outside retirement accounts and Indirect captures households whose IRAs are reported as invested in stocks. Financial wealth is mean total financial wealth in euros, defined as including cash, deposits, stock and mutual fund holdings, and other liquid assets. Risky share is the mean risky share conditional on stock market participation and is not reported for countries with fewer than 30 stock market participants in the survey.

Country	Participation	Direct	Indirect	Risky share	Fin. wealth (EUR)
Sweden	**65.4%**	**40.7%**	**53.3%**	**38.6%**	**116,145**
Finland	**47.7%**	**23.9%**	**36.8%**	**34.8%**	**65,147**
Denmark	**45.2%**	**34.9%**	**24.1%**	**45.9%**	**101,173**
United States	40.1%	23.1%	31.7%	29.6%	159,077
Switzerland	37.5%	22.2%	26.7%	31.2%	289,071
Belgium	34.6%	16.1%	28.7%	27.3%	115,632
Germany	30.8%	14.6%	22.8%	35.7%	50,576
England	30.9%	22.0%	18.1%	43.6%	131,276
Luxembourg	23.8%	11.4%	17.6%	19.1%	227,654
Austria	19.3%	8.3%	14.6%	34.8%	30,757
Netherlands	17.4%	12.1%	10.8%	30.5%	64,531
France	17.3%	11.0%	10.3%	27.8%	24,841
Malta	16.3%	7.6%	9.0%	22.1%	45,157
Czech Republic	13.2%	5.9%	9.5%	26.9%	6,458
Slovenia	9.4%	6.3%	4.6%	27.5%	9,093
Spain	6.4%	4.0%	4.2%	27.9%	25,964
Italy	5.9%	2.1%	4.6%	22.2%	16,086
Estonia	5.3%	3.6%	3.0%	34.6%	6,154
Portugal	4.6%	3.9%	1.8%	20.8%	12,828
Croatia	3.5%	3.0%	0.6%	34.7%	1,533
Cyprus	3.2%	1.7%	1.6%	—	9,354
Hungary	1.2%	0.6%	0.9%	—	854
Slovakia	1.1%	0.2%	1.0%	—	4,718
Lithuania	1.1%	1.0%	0.2%	—	2,583
Greece	1.1%	0.9%	0.5%	—	2,651
Poland	1.0%	0.4%	0.7%	32.8%	1,947
Latvia	0.2%	0.2%	0.0%	—	779
Romania	0.2%	0.0%	0.2%	—	147
Bulgaria	0.0%	0.0%	0.0%	—	516

Table 3. Stock market participation in SHARE including equity-invested individual retirement accounts. This table recomputes household stock market participation in SHARE wave 9 (2020) after adding individual retirement accounts (IRAs) predominantly invested in equity to the baseline definition. The IRA concept is country-adapted and covers voluntary third-pillar pension products such as the Czech voluntary supplementary pension scheme (penzijní připojištění / doplňkové penzijní spoření), Danish ratepension and kapitalpension, Swedish private pension savings (IPS and related wrappers), Swiss Pillar 3a, Belgian pensioensparen / épargne-pension, and German Riester and Rürup products.

Country	Baseline	Incl. equity IRAs	Difference
Sweden	**65.4%**	**71.3%**	**5.9%**
Denmark	**45.2%**	**60.6%**	**15.4%**
Finland	**47.7%**	**50.7%**	**3.0%**
Switzerland	37.5%	47.2%	9.7%
Belgium	34.6%	43.9%	9.2%
Germany	30.8%	37.0%	6.2%
Czech Republic	13.2%	33.2%	20.0%
Austria	19.3%	25.6%	6.3%
Luxembourg	23.8%	25.6%	1.8%
France	17.3%	24.6%	7.3%
Netherlands	17.4%	18.9%	1.5%
Malta	16.3%	18.2%	1.9%
Slovenia	9.4%	12.5%	3.1%
Estonia	5.3%	10.8%	5.5%
Croatia	3.5%	10.4%	7.0%
Spain	6.4%	9.3%	2.9%
Italy	5.9%	7.6%	1.7%
Portugal	4.6%	7.4%	2.8%
Lithuania	1.1%	5.1%	4.0%
Slovakia	1.1%	5.0%	3.9%
Cyprus	3.2%	4.0%	0.8%
Bulgaria	0.0%	3.1%	3.1%
Latvia	0.2%	2.6%	2.4%
Hungary	1.2%	2.3%	1.1%
Poland	1.0%	2.0%	1.1%
Greece	1.1%	1.2%	0.1%
Romania	0.2%	0.3%	0.0%

Table 4. Stock market participation in SHARE and HFCS in overlapping countries. This table compares stock market participation rates from SHARE wave 9 (2020) and HFCS wave 4 (2021) for all countries present in both surveys. SHARE covers households in which the main respondent is aged 50 and over; HFCS covers all households. Diff (pp) is the SHARE minus HFCS participation rate in percentage points.

Country	SHARE	HFCS	Difference
Finland	**47.7%**	**31.9%**	**15.8%**
Belgium	34.6%	20.4%	14.2%
Czech Republic	13.1%	3.8%	9.3%
Austria	19.4%	10.5%	8.9%
Germany	30.7%	23.1%	7.6%
Malta	16.3%	8.8%	7.5%
France	17.4%	13.1%	4.2%
Netherlands	17.4%	13.2%	4.2%
Croatia	3.5%	3.6%	−0.2%
Slovenia	9.4%	10.0%	−0.6%
Greece	1.1%	1.7%	−0.6%
Italy	5.8%	6.5%	−0.7%
Portugal	4.6%	5.4%	−0.8%
Lithuania	1.1%	2.7%	−1.6%
Hungary	1.2%	3.0%	−1.9%
Slovakia	1.1%	3.1%	−2.0%
Latvia	0.2%	2.4%	−2.1%
Cyprus	3.2%	6.2%	−3.0%
Poland	1.0%	4.0%	−3.0%
Luxembourg	23.8%	27.7%	−3.9%
Estonia	5.3%	12.4%	−7.1%
Spain	6.4%	13.9%	−7.5%

Table 5. Linear probability model estimates of stock market participation. This table reports linear probability regressions of stock market participation on a dummy for Nordic countries and controls. The dependent variable is an indicator for stock market participation (direct or indirect). The Nordic dummy equals one for Sweden, Finland and Denmark in wave 9, and one for Sweden and Denmark in wave 5 (Finland had not yet joined). Specifications (1)–(2) use SHARE wave 9 whereas the remaining columns use SHARE wave 5. Point estimates are multiplied by 100 (percentage points). The *t*-statistics in parentheses are computed using Rubin's rules across five multiply-imputed SHARE implicates. Regressions are unweighted.

	(1)	**(2)**	**(3)**	**(4)**
	Wave 9	Wave 9	Wave 5	Wave 5
Nordic	**42.100**	**22.301**	**32.191**	**19.222**
	(72.19)	**(39.58)**	**(58.41)**	**(34.23)**
Male		2.341		2.016
		(7.17)		(5.41)
Age		0.178		0.211
		(10.49)		(10.42)
Education (ISCED)		1.678		1.695
		(13.37)		(11.97)
Income (log)		1.056		2.769
		(10.05)		(17.65)
Total assets (log)		2.452		2.045
		(53.05)		(25.72)
Liabilities (log)		0.605		−0.080
		(6.36)		(−1.86)
Cognition		2.155		2.933
		(7.01)		(8.10)
Self-rated health		1.262		1.455
		(7.51)		(7.62)
Height		0.400		−0.009
		(2.52)		(−0.05)
BMI		−0.535		−0.628
		(−3.32)		(−3.36)
Social contact freq.		3.767		2.496
		(17.26)		(11.50)
Risk aversion		−10.185		−15.500
		(−37.35)		(−46.71)
Trust (0–10)				0.019
				(0.23)
Left–right (0–10)				0.412
				(5.06)
N	43,184	43,184	35,952	35,952
R^2	0.108	0.295	0.087	0.235

Table 6. Gelbach decomposition of the Nordic participation premium. This table decomposes the change in the Nordic dummy coefficient when controls are added, following Gelbach (2016). γ is the coefficient on the control variable in the full continuous model (in percentage points). δ is the mean difference between Nordic and non-Nordic households, estimated by regressing the control on the Nordic dummy. Δ = γ × δ gives each control's contribution to the decline in the Nordic coefficient (in percentage points). Spec (2) from Table 5 includes twelve individual-level covariates and uses SHARE wave 9 (2021–22). Spec (4) from Table 5 includes the same twelve covariates plus trust and left–right political orientation and uses SHARE wave 5 (2013). Coefficients are pooled across five multiply-imputed SHARE implicates using Rubin's rules.

	Spec (2): Wave 9			**Spec (4): Wave 5**		
	γ	**δ**	**Δ**	**γ**	**δ**	**Δ**
Total assets (log)	2.5	3.8	9.3	2.0	0.7	1.5
Risk aversion	−10.2	−0.5	4.6	−15.5	−0.4	6.4
Social contact freq.	3.8	0.5	1.9	2.5	0.4	0.9
Income (log)	1.1	1.2	1.2	2.8	0.8	2.1
Education (ISCED)	1.7	0.5	0.9	1.7	0.5	0.8
Liabilities (log)	0.6	1.1	0.7	−0.1	3.9	−0.3
Cognition	2.2	0.2	0.4	2.9	0.1	0.3
Self-rated health	1.3	0.4	0.5	1.5	0.6	0.9
Male	2.3	0.1	0.3	2.0	0.1	0.1
Age	0.2	1.5	0.3	0.2	0.03	0.01
BMI	−0.5	0.02	−0.01	−0.6	0.004	−0.003
Height	0.4	0.1	0.02	−0.01	−0.001	0.00001
Trust (0–10)				0.02	1.5	0.03
Left–right (0–10)				0.4	0.5	0.2
Sum of contributions			19.8			13.0
Baseline (Nordic only)			42.1			32.2
Full model (Nordic)			22.3			19.2
Change			−19.8			−13.0
% of baseline explained			47.0%			40.3%