

Preliminaries:

The codes are written in Stata. The following packages/ado files are required:

- colorpalette
- copydesc
- dm79 (svmat2)
- egenmore
- estout
- ftools
- grstyle
- gtools
- labelsof
- mipolate
- reghdfe
- savesome
- st0594 (lasso2)
- survwgt
- tuples
- vallab
- winsor2

Folder “PSID”:

- **The folder “codes”** contains the do-files to create the PSID dataset. The output data are stored under “data”. The files must be run in the order of their numbering. Paths need to be adapted in 00_MASTER.
- **The folder “raw_data”** contains the following data used in creating the dataset:
 1. CPS_data.dta: CPS data on the share of Black households and age groups from <https://cps.ipums.org/cps/>.
 2. homeownership.xls: homeownership rate (RHORUSQ156N) from <https://fred.stlouisfed.org>
 3. psid_raw_data.txt: The PSID raw dataset from <https://simba.isr.umich.edu/default.aspx>
 4. PSID_State_Codes.dta: PSID state codes from <https://psidonline.isr.umich.edu/data/Documentation/PSIDStateCodes.pdf>

Folder “SCF”:

- **The folder “codes”** contains the do-files to create the SCF+ dataset. The output data are stored under “data”. The files must be run in the order of their numbering. Paths need to be adapted in 00_MASTER.
- **The folder “raw_data”** contains the following data used in creating the dataset:
 1. The folder “FFA” contains files from the Financial Accounts at <https://www.federalreserve.gov/datadownload/Choose.aspx?rel=z1>. The Excel sheets are named after the corresponding FA tables and contain direct download links.
 2. The folder “SCF” has to contain the raw SCF data. The historical data can be downloaded from ICPSR (<https://www.icpsr.umich.edu/web/ICPSR/series/55>). The modern SCF data (“SCF extracts”) are provided as part of the replication package. The data can be downloaded from the Federal Reserve Board’s webpage (<https://www.federalreserve.gov/econres/scfindex.htm>). All datasets should be named “SCFYyyy.txt”, where yyy is the corresponding survey year.

- The do-file 00_transform_data.do helps to rename and format a few variables consistently before running the codes in the folder “codes”.
 - The folder 2019_prices contains the SCF “extracts” from 1989-2019 in 2019 prices.
 - The folder 2022_prices contains the SCF “extract” from 2022 in 2022 prices. The code 0b_read_new_waves.do converts them to 2019 prices.
3. The folder SFCC contains data from the 1962-63 SFCC. The data can be downloaded from the Federal Reserve Board’s webpage (https://www.federalreserve.gov/econres/scf_6263.htm) and should be named “sfcc196263.dta”.
 4. census_agehgroup.dta, census_blackhgroup.dta, census_collegehgroup.dta, census_homeowner.dta: CPS data on age groups, the share of Black households and the share of college graduates from the CPS (<https://cps.ipums.org/cps/>), the Decennial Census
 5. census_homeowner.dta: homeownership rate (RHORUSQ156N) from <https://fred.stlouisfed.org> and <https://www2.census.gov/programs-surveys/decennial/tables/time-series/coh-owner/owner-tab.txt>
 6. CPI2019.dta: Consumer Price Index Retroactive Series (R-CPI-U-RS) from <https://www.bls.gov/cpi/research-series/r-cpi-u-rs-home.htm>
 7. Households.dta: total number of households in thousands (TTLHH) from <https://fred.stlouisfed.org>

Folder “supplementary_data”:

- The folder contains the following supplementary data used for the paper:
 1. census_price_indices.xlsx: average sales price of kinds of single-family houses sold <https://www.census.gov/construction/nrs/data/series.html>
 2. CPS_unemployment.dta: CPS data on unemployed households from <https://cps.ipums.org/cps/>.
 3. FA_HEW_data.xlsx: data on mortgages and real estate from the Financial Accounts at <https://www.federalreserve.gov/datadownload/Choose.aspx?rel=z1>. The Excel contains a direct download link.
 4. minimum_wage.dta: federal minimum hourly wage for nonfarm workers (FEDMINNFRWG) from <https://fred.stlouisfed.org>
 5. mortgage_interest.dta: 30-year fixed-rate mortgage interest rate (MORTGAGE30US) at annual frequency from <https://fred.stlouisfed.org>
 6. mortgage_rates_20_22.xls: 30-year fixed-rate mortgage interest rate (MORTGAGE30US) at monthly frequency from <https://fred.stlouisfed.org>.
 7. Ngram_Viewer_HEL.xlsx: Google Ngram Viewer data for the term “home equity loan” from https://books.google.com/ngrams/graph?content=home+equity+loan&year_start=1950&year_end=2008&corpus=17&smoothing=0&share=&direct_url=t1%3B%2Chome%20equity%20loan%3B%2Cc0
 8. NIPA.xlsx: data from the National Income and Product Accounts, Tables 2.1 and 1.1.5, from <https://www.bea.gov/itable/> (direct download links for the tables are in the Excel file).

Paper replication:

- The file `household_debt.do` produces the results shown in the paper and stores them in the **folder “output”**.
- No special hardware infrastructure is needed to run the code
- Constructing the dataset and replicating the results took less than 2 hours on a standard desktop computer. Producing only the paper results after the data have been compiled will take only a few minutes.