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An Empirical Note on Religiosity and Social Trust using German Survey Data

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Abstract

In this empirical research note, we use a large scale German household survey data set to analyze the correlation between religiosity and social trust. Religiosity takes into account religious affiliations (Catholic, Protestant, other Christian, Muslim/Islam, other religions, none) and the frequency of church attendance. In order to measure social trust, we use three outcome variables (willingness to take risks in trusting strangers, frequency of lending personnel belongings or money to friends). Our main findings in multivariate linear and ordered Probit regressions are: (1) Muslims tend to be less trusting towards strangers and they less often lend personnel belongings but not money to friends than other religious groups and non affiliated persons. (2) Catholics and Protestants do not differ significantly from each other and tend to be more trusting towards strangers but not towards friends than other religious groups and non affiliated persons. (3) Church attendance seems to play only a minor role in the context our social trust measures.

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1. Introduction

Social trust, as one form of social capital, was found to be positively associated with important economic outcomes. From a macroeconomic perspective, the level of individual trust towards others is essential for economic growth (Tabellini 2010), the investment to GDP ratio (Knack and Keefer 1997), and governmental efficiency (La Porta *et al.* 1997). Because a high level of social trust in a society lowers transaction costs of economic exchange, social capital also plays a crucial role in interpersonal exchange (Putnam 1993) and in investment decisions (Guiso *et al.* 2008). While building up social trust, religion plays a crucial role (Putnam 2000). The effect of religion on generalized trust might partly arise because of specific religious teachings and partly due to the institutional character of religiosity. Religions shape an individual's view on other persons and hence how to interact with them. Religious participation fosters the forming of an individual's attitude towards trust in others through the building up of social networks and cooperativeness (Putnam 2000; Ruffle and Sosis 2007). Through regular engagement in religious organizations individuals can learn how to interact with others and how to cooperate.

As the empirical link between religiosity and trust can best be studied at the microeconomic level (Guiso *et al.* 2003, 2006), the focus of this empirical research note is on the extent to which religious beliefs and religious activity are associated with differences in individual trusting attitudes and behavior in Germany. While most contributions to the literature dealing with the impact of religion on social trust focus on a cross-section of countries (La Porta *et al.* 1997; Guiso *et al*. 2003; Arruñada 2010) or on North America (Putnam 2000; Welch *et al.* 2004), only few further country case studies for Israel (Ruffle and Sosis 2010), the Netherlands (Renneboog and Spaenjers 2012), and Germany (Traunmüller 2009, 2011) are available. Our research note differs in some important ways from, and complements, previous research. Compared to most studies, which focus mainly on Christian religions, we are explicitly taking non-Christian religions into consideration, which in Germany are mainly Muslims. Furthermore, we study individual risk assessments in trusting matters and we assess the consequences of heterogeneity in religiosity and risk attitudes for actual trusting behavior. For this purpose, we use data from the German Socio-Economic Panel (GSOEP), which is a large scale household survey and contains information about religiosity and trust. At first, we analyze the individual willingness to take risks in the area of interpersonal interaction with strangers. Showing faith in other people is a risky decision in the sense that, for example, due to imperfect contracts or information asymmetries, one's good faith in others might be betrayed. In order to assess the behavioral relevant impact of individual trusting attitudes, we further study the influence of trusting attitudes on individual trusting behavior as measured by the frequency of lending personal belongings or money to friends.

2. Data and Empirical Strategy

The German Socio-Economic Panel (GSOEP) is a large representative panel survey of private households and persons in Germany, which provides a rather stable set of core questions asked every year (e.g., employment, education, income) and yearly topics with additional detailed questions (e.g., Dohmen *et al.* 2011). The 2003 wave includes information about individual religion, church attendance, and behavioral trust measures. The 2004 wave includes questions about risk taking preferences in different aspects of peoples' lives. We focus on a sample of

13,414 individuals who are aged between 18 and 65 years and have no missing values in any of the variables used in the subsequent analysis.

Our explanatory variables of main interest are individuals' religious affiliation and church attendance. The religious affiliation indicates whether an individual is attributed to one of the following religions: Catholicism, Protestantism, other Christian religions, Islam, or adherents to other religions. For each religion, we generate a dummy variable and non-religious people serve as the reference category in our regressions. Table 1 gives a first description of the religious composition in our sample. The Roman Catholic Church and the Protestant Church, as the main representative organizations of the Christian belief in Germany, account for almost 61 percent of the sample. Mainly due to migration within the last decades (e.g., many Turkish guest workers stayed permanently with their families in Germany), Muslims represent the largest portion of non-Christian religions in Germany with a share of about 2 percent in our sample. In addition to these main religions, there are other religions (0.4 percent) such as Hindus and Buddhists as well as other Christian denominations (1.7 percent) such as Christian Orthodox. A large proportion of the sample, namely 35 percent, does not belong to any religious affiliation. We refer to this last group, which includes agnostics and atheists, as non-religious people.

Table 1: Descriptive statistics for religious affiliations and religious activity

			Church attendance			
Religious affiliation		Total	Never	Less than monthly	At least monthly	At least weekly
No religion (34.84%)	n	4,673	4,280	359	27	7
	% (row)	100%	91.59%	7.68%	0.58%	0.15%
Catholic (28.64%)	n	3,842	1,129	1,563	568	582
	% (row)	100%	29.39%	40.68%	14.78%	15.15%
Protestant (32.38%)	n	4,343	1,669	2,052	439	183
	% (row)	100%	38.43%	47.25%	10.11%	4.21%
Other Christian (1.68%)	n	225	40	54	32	99
	% (row)	100%	17.78%	24.00%	14.22%	44.00%
Islam/Muslim (2.06%)	n	276	117	83	40	36
	% (row)	100%	42.39%	30.07%	14.49%	13.04%
Other religion (0.41%)	n	55	11	5	7	32
	% (row)	100%	20.00%	9.09%	12.73%	58.18%
Total (100%)	n	13,414	7,246	4,116	1,113	939
	% (row)	100%	54.02%	30.68%	8.30%	7.00%

Regular engagement in organizations was found to create and contribute to generalized trust among individuals (Putnam 1993). While building up social relationships and networks in these organizations, individuals learn how to interact with others and how to cooperate. In order to illustrate the social dimension inherent in trust we use church attendance as proxy for public religious practice in religious organizations. Being actively involved in a religious community as well as taking actively part in church rituals, as opposed to personal prayer or money donations, has the potential to build up trust between the attendees. Moreover, the frequency of church attendance can be interpreted as a proxy for religious commitment. We consider a categorical variable for church attendance, which measures how often a person attends religious services on average. The categories are less than monthly, at least monthly, at least weekly, or never

attending religious services, which serves as reference group in our regressions. Table 1 reports the distribution of the regularity of church attendance in the sample. Although almost two thirds of all observations in the sample are religiously affiliated, about 54 percent of all observations in the sample never attend religious services. Only about 15 percent are taking regularly part in formal religious activities, i.e., they visit a church at least monthly or weekly. The cross tabulation shows interesting differences between the affiliations. About 29 percent of Catholics, 38 percent of Protestants, and 43 percent of Muslims never attend church. About 30 percent of Catholics, 14 percent of Protestants, and 28 percent of Muslims visit a church at least monthly or weekly. For other Christian and other religious affiliations, the church attendance frequencies are much higher.

At first, we analyze the impact of religiosity on risk taking preferences in trusting strangers in order to assess the extent to which religion contributes to the heterogeneity in individual risk attitudes. Following Dohmen *et al.* (2011), risk taking depends on the context of the situation. For our analysis we rely on a question on the willingness to take risks in trusting strangers. To elicit information about the propensity to trust strangers, respondents were asked to rate their willingness to take risks in trusting strangers on an 11-point Likert scale between "0 - risk-averse" and "10 - fully prepared to take risks". We apply ordinary least squares (OLS) regressions, because the dependent variable measuring risk-raking attitudes can be treated as quasi-continuous.

The explanatory variables of interest are religious affiliation and church attendance that have been discussed above. In order to control for individual differences that might be correlated with religiosity as well as risk taking preferences, we include variables for gender, German citizenship, secondary schooling degrees, apprenticeship and university degree, employment status, monthly net household income, age and its squared term, health status, number of children in the household, number of friends, and the German Federal States. In an additional specification, we also include individuals' general risk taking preferences. This approach can mitigate potential unobserved heterogeneity issues, as the general risk taking variable controls for unobserved factors that might influence risk taking preferences in general and not trust towards strangers. Thus, the estimated parameters can be interpreted as deviation of the risk preferences in trusting strangers from general risk taking preferences. Table 2 presents descriptive statistics for all variables.

In the next step, we analyze actual individual trusting behavior towards friends. Using survey questions, we are following Glaeser *et al.* (2000), who found that survey questions on an individual's past trusting behavior are good predictors of actual trusting behavior. These questions are also given by the GSOEP in the year 2003:

> ''How often do you lend personal possessions to your friends (e.g., CDs, clothes, bicycle, etc.)?''

> "How often do you lend money to your friends?''

As the frequencies of lending personal possession and money to friends are ordinal measures (1: very often, 2: often, 3: sometimes, 4: seldom, 5: never), we apply ordered Probit regressions to estimate the impact of religiosity on the frequency of lending personal possession or money to friends. We use in principal the same set of explanatory variables as in the OLS

regressions for risk taking preferences. In order to account explicitly for differences in risk taking with respect to trust, we include the above risk preference measure for trust in an additional specification.

Table 2: Descriptive statistics

	Mean	Std. Dev.	Min.	Max.
Risk taking preferences (0: risk averse, 10: fully prepared to take risks):				
Willingness to trust strangers	3.4971	2.3646	0	10
General risk taking	4.7046	2.2294	0	10
Trust behavior towards friends (1: very often, 2: often, 3: sometimes, 4: seldom, 5: never):				
Frequency of lending personal belongings to friends	3.1910	1.0201	1	5
Frequency of lending money to friends	4.2537	0.8353	1	5
Religious affiliation (ref. non):				
Catholic (d)	0.2864		0	1
Protestant (d)	0.3238		0	1
Other Christian (d)	0.0168		0	1
Islam/Muslim (d)	0.0206		0	1
Other religion (d)	0.0041		0	1
Church attendance (ref.: never):				
Less than monthly (d)	0.3068		0	1
At least monthly (d)	0.0830		0	1
At least weekly (d)	0.0700		0	1
Control variables:				
Female (d)	0.5139		0	1
German citizenship (d)	0.9597		0	1
Medium school degree (d)	0.3679		0	1
High school degree (d)	0.3118		0	1
Apprenticeship degree (d)	0.6965		0	1
University degree (d)	0.2231		0	1
Unemployed (d)	0.0833		0	1
Employed (d)	0.7206		0	1
Age (in years)	42.8783	12.7421	18	65
Age squared/100	20.0089	10.9677	3.24	42.25
Monthly net household income (in 1000 Euros)	2.9991	2.2673	0.25	100.00
Health status (1: very good, 5: bad)	2.4732	0.8941	1	5
Number of children in household	0.8796	1.0541	0	12
Number of friends	4.5891	3.8647	0	60
16 German federal states (d)				

Notes: Number of observations is 13,414 for all variables. (d) denotes dummy variables.

3. Regression Results

Table 3 presents the OLS regression results for religiosity and the willingness to take risks in trusting strangers. The first specification includes only religious affiliation and the control variables (gender, German citizenship, secondary schooling degrees, apprenticeship and university degree, employment status, monthly net household income, age and its squared term, health status, number of children in the household, number of friends, and German Federal States). In order to save space, the results for the control variables are not presented and discussed in this research note but can be requested from the authors. It can be seen that the only statistical significant coefficient has been estimated for Muslims, whereas the other religious

affiliations (Catholics, Protestants, other Christian, and other religions) do not seem to significantly differ from each other and from non affiliated persons. Muslims are on average 0.42 points less willing to take risks in trusting strangers compared to the reference group of non affiliated persons and in this case also to Catholics and Protestants. As the mean willingness to take risks in trusting strangers is about 3.5 (see Table 2), the absolute mean effect of 0.42 points is a relative mean effect of 12 percent. This result is robust to the inclusion of our variables for church attendance in the second specification. Church attendance itself has no significant effect on the willingness to take risks in trusting strangers.

Table 3: The impact of religion on the willingness to take risks in trusting strangers

	(1)	(2)	(3)
Religious affiliation (ref. non):			
Catholic	0.0001	0.0344	0.1357**
	(0.0604)	(0.0681)	(0.0647)
Protestant	0.0106	0.0368	0.1101*
	(0.0539)	(0.0596)	(0.0568)
Other Christian	-0.1970	-0.1531	0.0766
	(0.1827)	(0.1893)	(0.1726)
Islam/Muslim	-0.4197**	-0.3881**	-0.1481
	(0.1642)	(0.1666)	(0.1576)
Other religion	-0.0380	0.0046	-0.0980
	(0.3235)	(0.3281)	(0.2858)
Church attendance (ref.: never):			
Less than monthly		-0.0366	0.0101
		(0.0514)	(0.0483)
At least monthly		-0.1009	-0.0349
		(0.0802)	(0.0747)
At least weekly		-0.0538	0.0655
		(0.0926)	(0.0831)
General risk taking			0.3721***
			(0.0093)
Control variables as in Table 2	Yes	Yes	Yes
Constant	4.0142***	4.0026***	1.6875***
	(0.3129)	(0.3129)	(0.2964)
R^2	0.0723	0.0724	0.1835

Notes: OLS regressions for the willingness to take risks in trusting strangers (0: risk averse, 10: fully prepared to take risks). Number of observations is 13,414 in all specifications. Robust standard errors in parentheses. Coefficients are significant at * 10%, ** 5%, and *** 1%.

The third specification additionally includes the general risk taking preferences of individuals in order to reduce potential omitted variables biases stemming from unobserved heterogeneity. The estimated coefficients in this third specification can therefore be interpreted as the deviation of the willingness to take risks in trusting strangers from general risk taking preferences, i.e., we estimate in principal the effects on the difference between the willingness to take risks in trusting strangers and general risk taking. Whereas the coefficients for church attendance are still not significant, the results for religious affiliation change noteworthy. Because religious people are on average more risk averse in general (Bartke and Schwarze 2008; Dohmen *et al.* 2011), the estimated coefficients in the first and second specifications largely reflect this general risk attitude. When controlling for the general risk preference, Catholics and Protestants seem to be more willing to take risks in trusting strangers than other religious groups and non

affiliated persons, whereas the effect for being Muslim is not statistical significant anymore. In order to check the robustness of our results, we have re-estimated all three specifications with ordered Probit regressions for the willingness to take risks in trusting strangers, which support our OLS results.

In the next step, we analyze trust towards friends, for which the frequencies of lending personnel belongings or money to friends are used as proxies. The ordered Probit regression results for the frequencies of lending personnel belongings to friends are presented in Table 4. We have again estimated three specifications, for which the estimated coefficients are presented in the first three columns. The only significant coefficient for religious affiliation is estimated for Muslims, which indicates that Muslims less often lend personnel belongings to friends than other religious groups and non affiliated persons. Based on the third specification, we have computed average marginal effects for the probabilities to be in the five different frequency categories. It can be seen that Muslims are on average 2.2 percentage points less likely to very often, 5.2 percentage points less likely to often, 2.6 percentage points less likely to sometimes, 4.8 percentage points more likely to seldom, and 5.3 percentage points more likely to never lend personnel belongings to friends. This result is at least partly in line with our previous finding that Muslims show lower willingness to trust in strangers, because the definition of strangers might include friends and Muslims might favor family ties. The results for church attendance indicate a non uniform relationship, because persons with few church attendances per year lend more often personnel belongings to friends than persons who attend church more frequently or who never go to church. Furthermore, the results from the third specification support the consistency of our trust measures, because we find indeed a strong correlation between the willingness to take risks in trusting strangers and the frequency of lending personnel belongings to friends.

Table 5 presents the ordered Probit regression results for the frequencies of lending money to friends. The first noteworthy finding is that Muslims do not significantly differ in this trust dimension from Catholics, Protestants, and non affiliated persons. Other Christian affiliations show the only significant difference, as they more often lend money to friends than all other groups. We find again a non uniform relationship of church attendance and the frequency of lending money to friends. Persons attending church less than monthly more often and persons attending church at least weekly less often lend money to friends. Again, the results from the third specification support the consistency of our trust measures, because the willingness to take risks in trusting strangers is strongly correlated with the frequency of lending money to friends.

4. Conclusion

In sum, our regression results indicate that Muslims are on average less willing to take risks in trusting strangers compared to Christians, who seem to be even more willing to trust strangers than non religious people, at least if the lower general risk taking preference of religious people is taken into account. This might indicate that Muslims strongly favor interactions within a tight network of family and friends as opposed to unknown transaction partners. Moreover, we find no significant differences between the two major religious affiliations in Germany, namely between Catholics and Protestants. Church attendance does not seem to play an important role in this trust dimension. The regression results for trusting behavior towards friends suggest that Muslims less often lend personnel belongings but not money to friends, whereas other Christian religions (e.g.,

Orthodox) than Catholics and Protestants more often lend money but not personnel belongings to friends. Furthermore, we find no differences between non affiliated persons, Catholics, and Protestants with respect to trust behavior towards friends. The impact of church attendance is not so clear cut, as persons with low church attendance rates more often lend personnel belongings and money to friends than persons with higher church attendance rates and than non church goers. At last, we want to mention a major caveat in the causal interpretation of our results for religious affiliation in the context of our trust variables. Although we can expect religious affiliations to be exogenous to a large extent, the belonging to a minor religious group such as being Muslim can be correlated with discriminatory experiences that might reduce the willingness to take risks in trusting strangers or in making social relationships.

Our findings for religiosity and trust differ to some degree from previous findings. Traunmüller (2009, 2011) does not find negative correlations between Muslims and general trust attitudes, whereas we find evidence that Muslims have a lower willingness to face risks when trusting strangers and that Muslims less frequently lend personnel belongings to friends. Moreover, Traunmüller (2009, 2011) reports evidence for Germany that Protestants tend to be more trusting in general than other religious groups and non affiliated persons, whereas we do not find any significant differences between Catholics and Protestants. Our findings for Germany are in line with findings for the USA by Welch et al. (2004), who also find few significant effects of denominations on social trust (general trust, trust towards co-workers and neighbors) and no significant differences between Catholics and mainline Protestants. Unlike La Porta *et al.* (1997) for macro data, we do not find in our German micro data that hierarchical religions such as Christianity reduce trust and social capital. Like Renneboog and Spaenjers (2012) for the Netherlands, we find that Catholics and Protestants have on average even a higher willingness than non religious people to trust strangers. Thus, these findings contradict the notion of Putnam (1993) that many religions and their organizations such as the Catholic Church discourage the formation of social capital due to hierarchical structures and restrictions imposed on society. Christian religions seem rather to build up social capital and thus might encourage cooperation and trade with personally unknown individuals (Guiso *et al.* 2009). Contrary, personal connections play a more important role in commercial lives of Muslims, which might be problematic in a globalized world in which anonymous social interactions are of increasing importance.

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Table 4: The impact of religion on the frequency of lending personal belongings to friends

				Average marginal effects based on specification (3)				
	(1)	(2)	(3)	very often	often	sometimes	seldom	never
Religious affiliation (ref. non):								
Catholic	-0.0105	0.0352	0.0369	-0.0035	-0.0071	-0.0022	0.0068	0.0061
	(0.0276)	(0.0311)	(0.0311)	(0.0030)	(0.0060)	(0.0019)	(0.0057)	(0.0051)
Protestant	-0.0143	0.0308	0.0328	-0.0031	-0.0063	-0.0020	0.0061	0.0054
	(0.0248)	(0.0276)	(0.0276)	(0.0027)	(0.0053)	(0.0016)	(0.0051)	(0.0045)
Other Christian	-0.0332	0.0134	0.0069	-0.0007	-0.0013	-0.0004	0.0013	0.0011
	(0.0742)	(0.0776)	(0.0779)	(0.0076)	(0.0151)	(0.0045)	(0.0145)	(0.0126)
Islam/Muslim	0.2632***	0.2959***	0.2793***	-0.0222***	-0.0519***	-0.0261**	0.0476***	0.0526***
	(0.0889)	(0.0897)	(0.0909)	(0.0060)	(0.0160)	(0.0114)	(0.0138)	(0.0194)
Other religion	0.0386	0.0777	0.0781	-0.0072	-0.0150	-0.0052	0.0143	0.0131
	(0.1652)	(0.1674)	(0.1657)	(0.0145)	(0.0316)	(0.0128)	(0.0297)	(0.0291)
Church attendance (ref.: never):								
Less than monthly		-0.1108***	-0.1130***	0.0109***	0.0219***	0.0066***	-0.0210***	-0.0184***
		(0.0238)	(0.0238)	(0.0023)	(0.0046)	(0.0014)	(0.0045)	(0.0038)
At least monthly		0.0014	-0.0032	0.0003	0.0006	0.0002	-0.0006	-0.0006
		(0.0370)	(0.0369)	(0.0033)	(0.0071)	(0.0027)	(0.0067)	(0.0064)
At least weekly		-0.0684	-0.0709*	0.0066	0.0137*	0.0046*	-0.0131*	-0.0118*
		(0.0426)	(0.0425)	(0.0041)	(0.0083)	(0.0025)	(0.0079)	(0.0069)
Willingness to trust strangers			-0.0452***	0.0043***	0.0087***	0.0029***	-0.0083***	-0.0075***
			(0.0041)	(0.0004)	(0.0008)	(0.0003)	(0.0008)	(0.0007)
Control variables as in Table 2	Yes	Yes	Yes					
Cut point 1	-0.9844***	-0.9706***	-1.1584***					
	(0.1401)	(0.1402)	(0.1414)					
Cut point 2	0.0371	0.0510	-0.1292					
	(0.1399)	(0.1400)	(0.1411)					
Cut point 3	1.1283***	1.1431***	0.9695***					
	(0.1402)	(0.1403)	(0.1413)					
Cut point 4	2.1573***	2.1739***	2.0035***					
	(0.1409)	(0.1410)	(0.1419)					
Pseudo R^2	0.0478	0.0485	0.0518					

Notes: ML-Ordered Probit regressions for the frequency of lending personal belongings to friends (1: very often, 2: often, 3: sometimes, 4: seldom, 5: never). Number of observations is 13,414 in all specifications. Robust standard errors in parentheses. Coefficients and marginal effects are significant at * 10%, ** 5%, and *** 1%.

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Table 5: The impact of religion on the frequency of lending money to friends

				Average marginal effects based on specification (3)				
	(1)	(2)	(3)	very often	often	sometimes	seldom	never
Religious affiliation (ref. non):								
Catholic	0.0393	0.0523	0.0540	-0.0006	-0.0028	-0.0090	-0.0071	0.0196
	(0.0296)	(0.0339)	(0.0339)	(0.0004)	(0.0018)	(0.0056)	(0.0045)	(0.0123)
Protestant	0.0001	0.0183	0.0197	-0.0002	-0.0011	-0.0033	-0.0025	0.0071
	(0.0262)	(0.0295)	(0.0295)	(0.0004)	(0.0016)	(0.0049)	(0.0038)	(0.0107)
Other Christian	-0.2148***	-0.2070**	-0.2130**	0.0034**	0.0137**	0.0375**	0.0213***	-0.0759**
	(0.0810)	(0.0855)	(0.0853)	(0.0017)	(0.0062)	(0.0155)	(0.0067)	(0.0299)
Islam/Muslim	-0.0688	-0.0657	-0.0853	0.0012	0.0050	0.0146	0.0099	-0.0307
	(0.0907)	(0.0919)	(0.0928)	(0.0014)	(0.0057)	(0.0162)	(0.0100)	(0.0333)
Other religion	-0.1812	-0.1804	-0.1813	0.0028	0.0114	0.0317	0.0189	-0.0648
	(0.1611)	(0.1646)	(0.1617)	(0.0030)	(0.0114)	(0.0292)	(0.0133)	(0.0569)
Church attendance (ref.: never):								
Less than monthly		-0.0673***	-0.0690***	0.0009**	0.0038***	0.0116***	0.0087***	-0.0249***
		(0.0259)	(0.0260)	(0.0003)	(0.0014)	(0.0044)	(0.0032)	(0.0094)
At least monthly		0.0871**	0.0830**	-0.0009**	-0.0041**	-0.0134**	-0.0118*	0.0302**
		(0.0411)	(0.0411)	(0.0004)	(0.0019)	(0.0065)	(0.0061)	(0.0149)
At least weekly		-0.0220	-0.0247	0.0003	0.0013	0.0041	0.0032	-0.0089
		(0.0451)	(0.0452)	(0.0005)	(0.0024)	(0.0075)	(0.0058)	(0.0164)
Willingness to trust strangers			-0.0481***	0.0006***	0.0026***	0.0080***	0.0062***	-0.0174***
			(0.0044)	(0.0001)	(0.0003)	(0.0007)	(0.0006)	(0.0016)
Control variables as in Table 2	Yes	Yes	Yes					
Cut point 1	-0.7287***	-0.7246***	-0.9159***					
	(0.1488)	(0.1488)	(0.1505)					
Cut point 2	0.1229	0.1265	-0.0636					
	(0.1459)	(0.1459)	(0.1474)					
Cut point 3	1.1249***	1.1288***	0.9444***					
	(0.1459)	(0.1459)	(0.1472)					
Cut point 4	2.2443***	2.2492***	2.0721***					
	(0.1465)	(0.1465)	(0.1477)					
Pseudo R^2	0.0632	0.0638	0.0680					

Notes: ML-Ordered Probit regressions for the frequency of lending money to friends (1: very often, 2: often, 3: sometimes, 4: seldom, 5: never). Number of observations is 13,414 in all specifications. Robust standard errors in parentheses. Coefficients and marginal effects are significant at * 10%, ** 5%, and *** 1%.