

All Equal in the Sight of God: Religion and Wealth Inequality in the Late Nineteenth Century

Livio Di Matteo, Department of Economics, Lakehead University,
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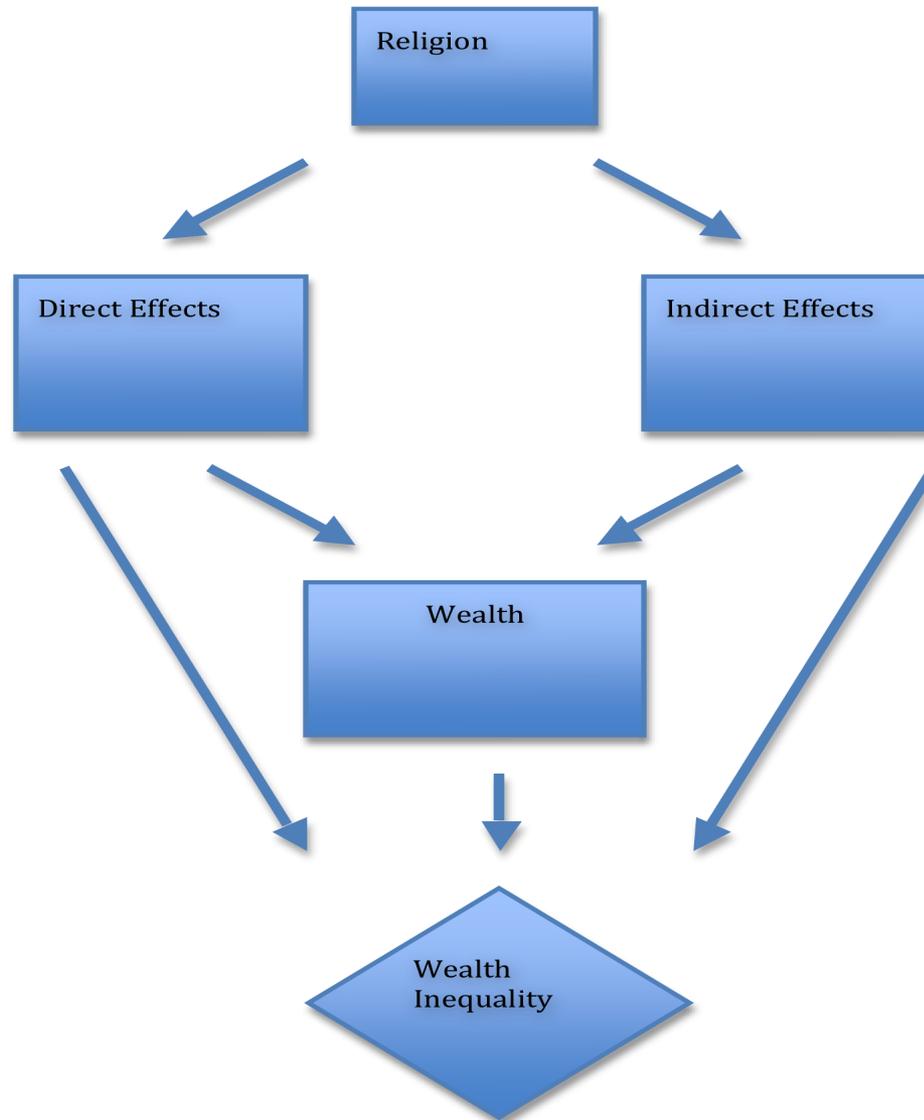
Introduction

- Distribution of wealth by religious affiliation for 1892/1902 census-linked Ontario probate data examined.
- How much wealth inequality was a function of economic and demographic factors and how much can be ascribed to factors like religious affiliation?
- Religion mattered.

How does Religion Affect Wealth and Inequality?

- Keister (2003, 2008)
 - Direct effects
 - Values and attitudes towards wealth; social networks
 - Indirect effects
 - Differences in fertility, educational attainment. Age at marriage

Figure 1
Religion, Wealth & Inequality



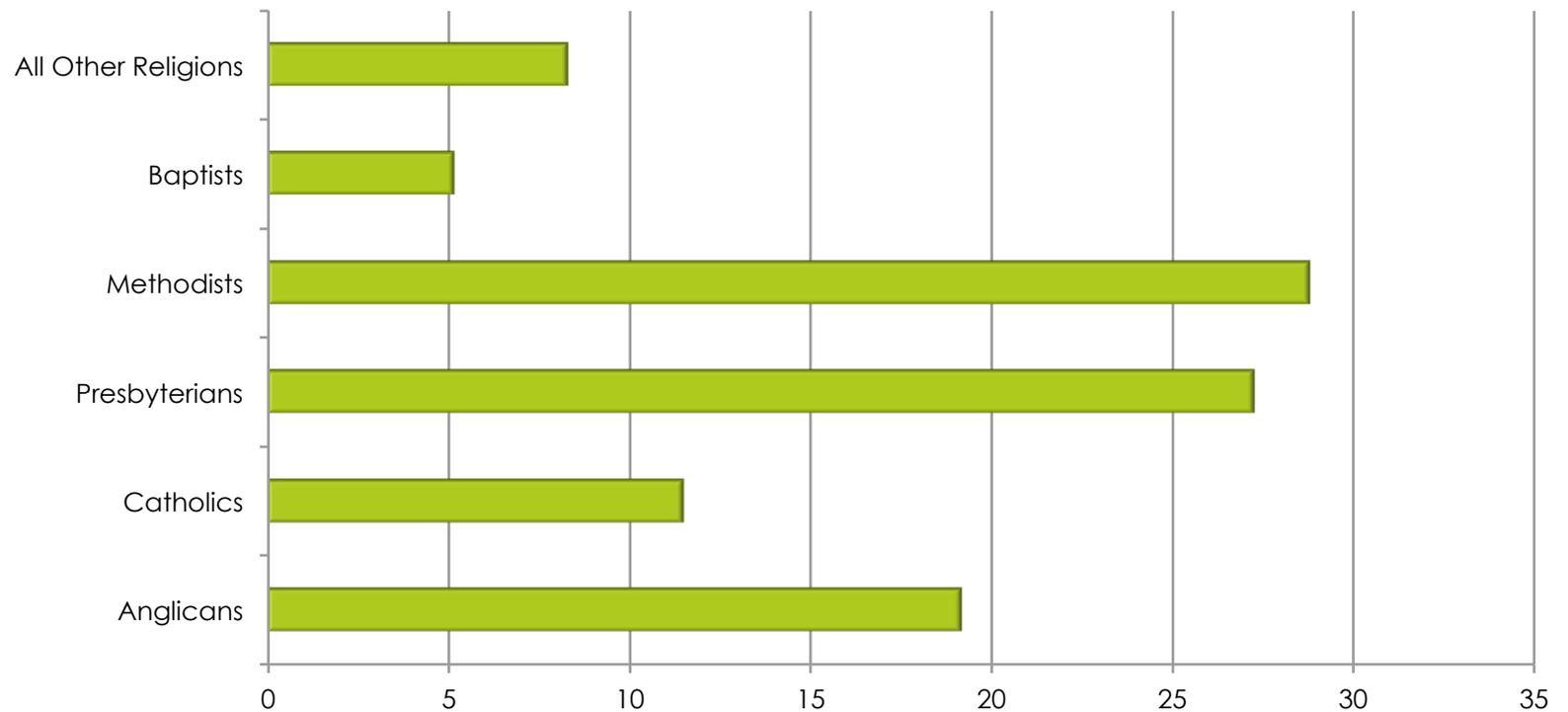
Religion in Nineteenth Century Ontario

- Differences exist in wealth levels and growth rates across religious affiliations in late nineteenth century Ontario
- Anglicans the establishment church with its economic power established early on via the land grants system
- Orange Order may have played a role in reducing economic opportunities for Roman Catholics whose average wealth was below that of Anglicans and Presbyterians
- The function of religious affiliation as an “investment club.”
- Different practices regarding tithing, church maintenance, etc...

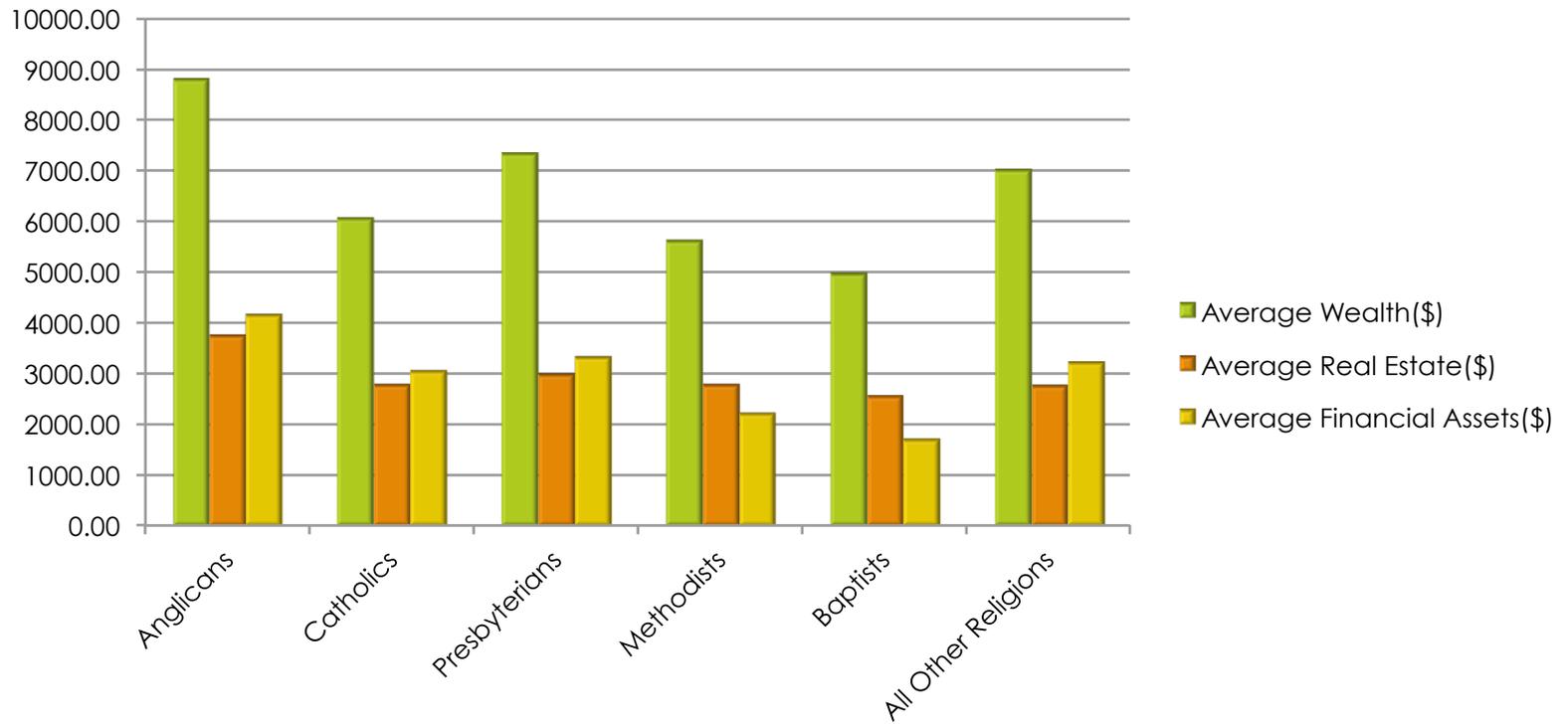
The Data

- 7,156 census-linked probated decedents from the counties and districts of Ontario, Canada for the years 1892 (3,515) and 1902 (3,641)
- Socio economic information including religion
- Detailed wealth data

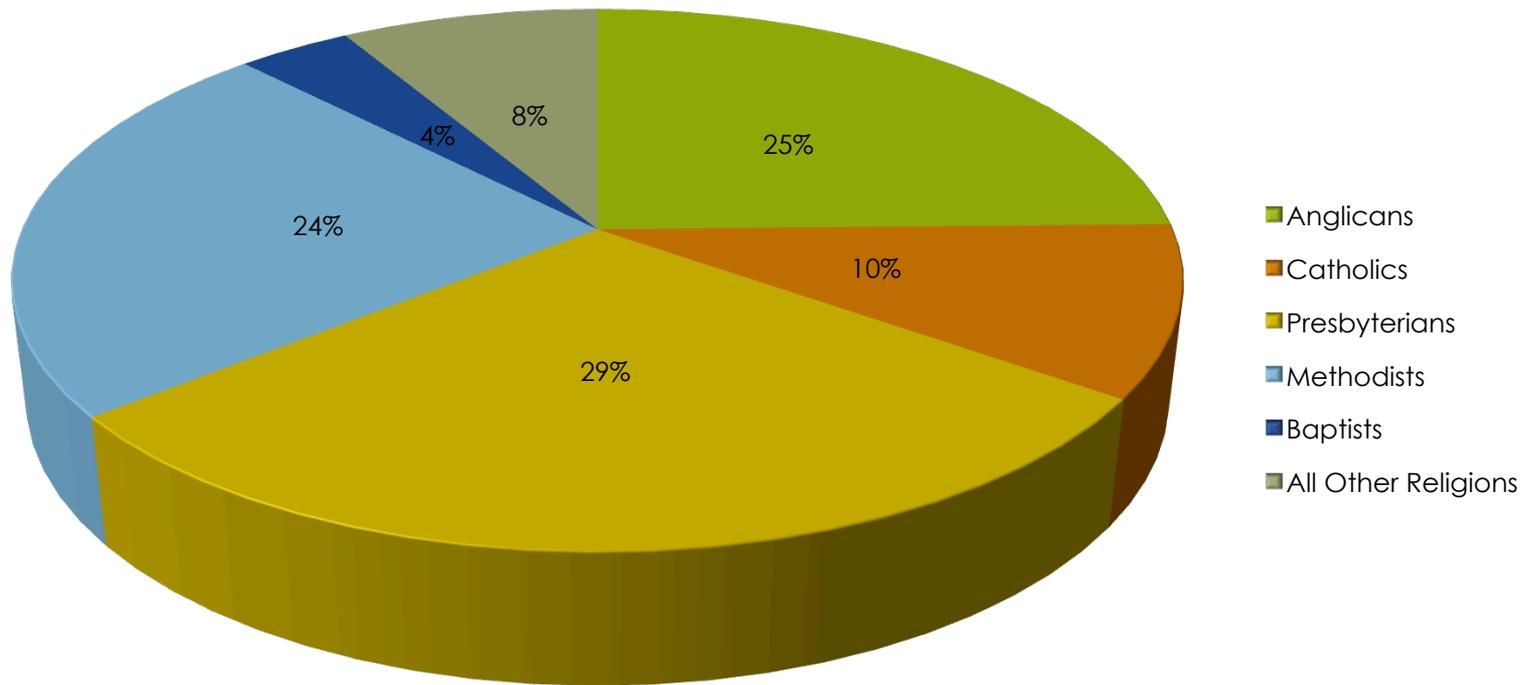
Percent Distribution of Probated Decedents by Religion



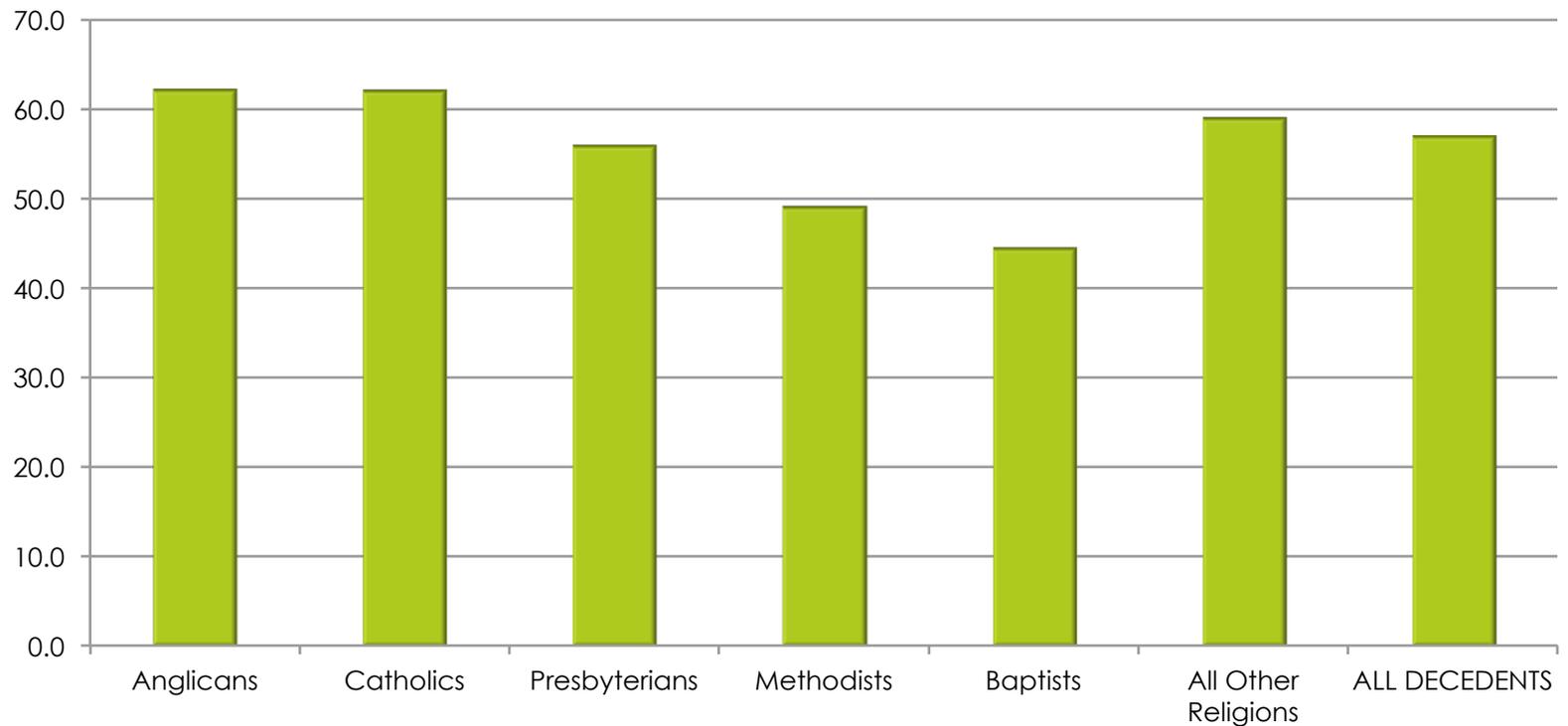
Wealth by Religious Affiliation



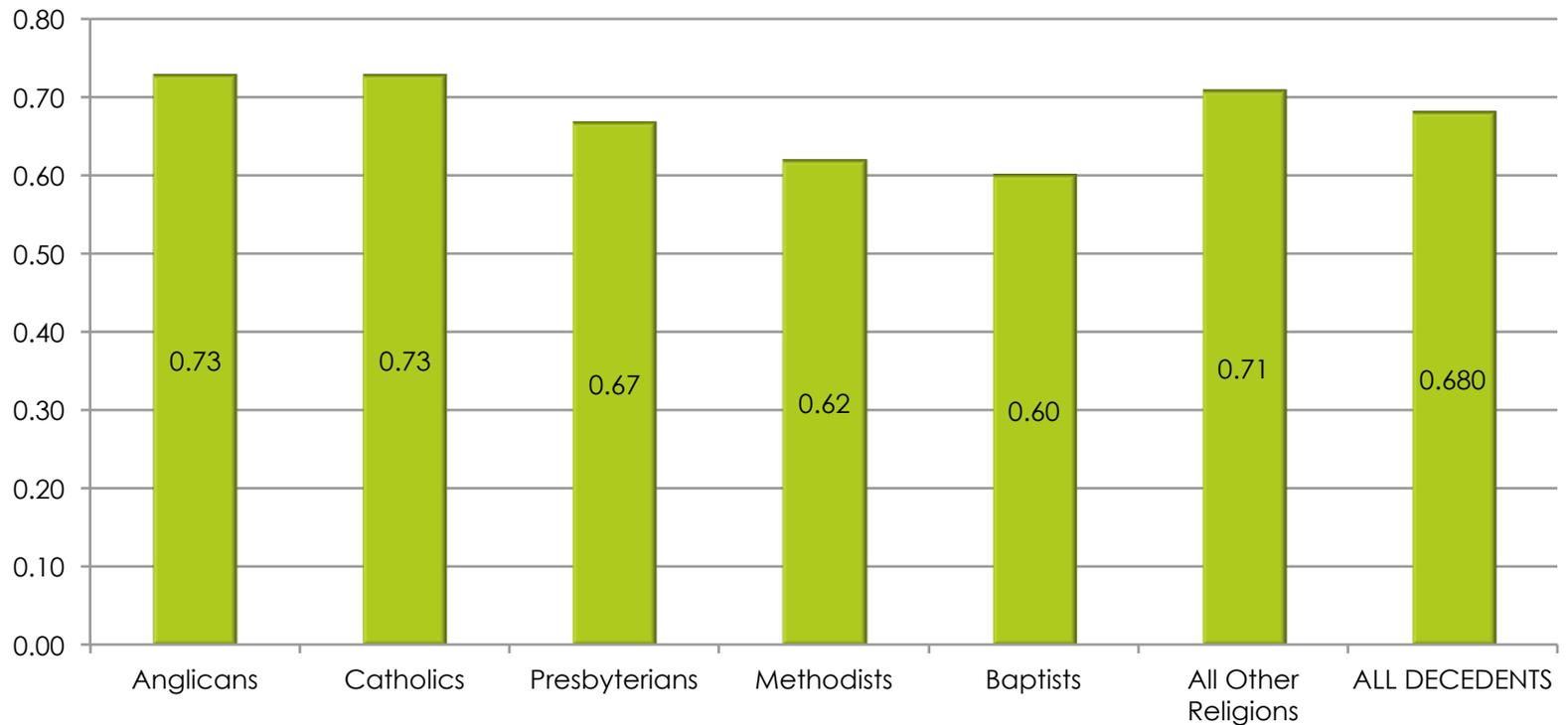
Wealth Share by Religious Affiliation



Wealth Share of Top 10%



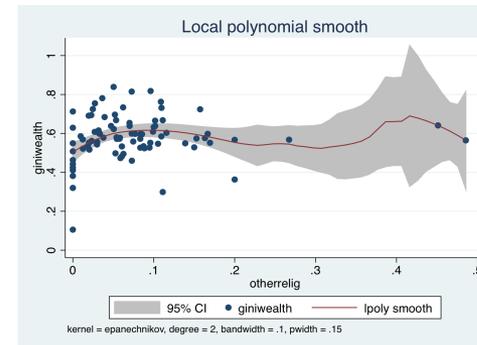
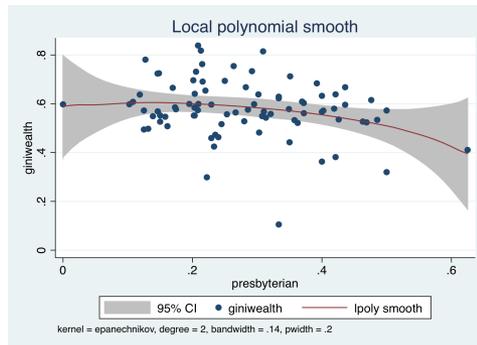
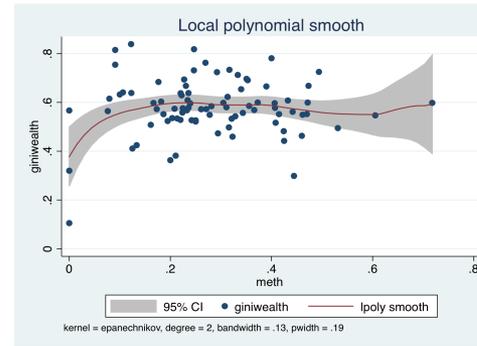
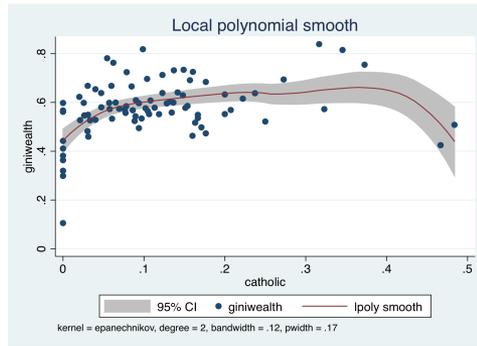
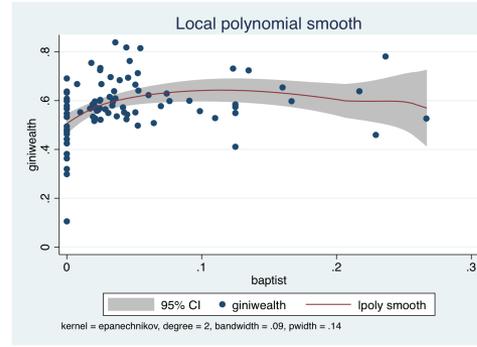
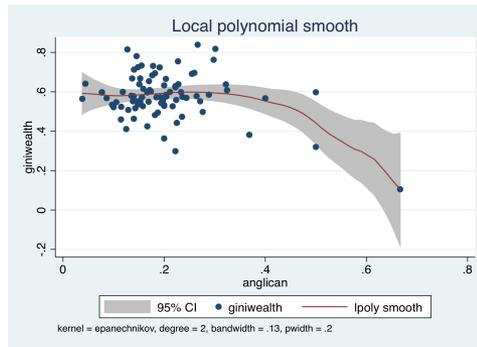
Gini Coefficient



Broad correlations at County level

- Slight positive correlation between Catholic share and inequality; negative correlation between Presbyterian and Anglican share and inequality
- Inequality positively associated with average wealth, literacy & ownership of stocks and shares
- Inequality negatively associated with farm employment and proportion of population aged 30-49 years.

County Level Gini Coefficients Versus Religious Group Share by Religion



Regression I

- County Level
 - Inequality measures constructed by county/district for 1892 and 1902 (43 divisions)
 - Regression of inequality measure on average county characteristics

County Regression Results

	OLS Gini	Theil
Average Wealth	<i>0.00002</i>	<i>0.00012</i>
Average Age	0.00370	-0.00496
Proportion Aged 30-49 Years	<i>-0.36921</i>	<i>-0.96095</i>
Proportion Male	-0.12137	-0.67240
Proportion Farmer	-0.11401	-0.02747
Proportion Urban	0.08443	-0.16289
Proportion Canadian-Born	-0.03727	-0.10776
Proportion Anglican	-0.04978	0.00475
Proportion Catholic	<i>0.37336</i>	<i>0.85543</i>
Proportion Presbyterian	0.11186	0.03880
Proportion Baptist	<i>0.53106</i>	<i>1.51586</i>
Proportion Methodist	0.16444	0.19047
Average Real Estate to Wealth Ratio	-0.14345	-0.27806
Proportion Reporting Stocks	0.07810	0.22073
Average Number of Children	0.01358	0.01030
Proportion Reporting Children	-0.20332	-0.55019
Proportion Married	0.06052	0.41971
Proportion Married Spouse Deceased	-0.08184	0.11362
Proportion single	0.05651	0.42275
Proportion Literate	-0.00055	0.04652
Eastern	-0.01085	-0.00501
Western	0.05702	0.36726
Northern	0.00654	<i>0.12438</i>
Huron	-0.00209	-0.00266
Year	4.35136	5.76933
F(24, 60)	12.97	12.15
Adj R-squared	0.7737	0.7612
n	85	85

*bold italic denotes significant at 5% level; italic at the 10% level.

Discussion

- Inequality is positively and significantly related to the proportion of Catholics within a county and the proportion of Baptists. There is no other significant relationship with the other religious affiliations.

Regression II

- ▣ Individual Dispersion from Average
 - ▣ Two Measures (D1 & D2)
 - ▣ $D1_i = \text{Log} ((W_i+1)/\underline{W})$
 - ▣ $D2_i = ((W_i-\underline{W})/\underline{W})$
 - ▣ Regression
 - ▣ $D = f(Z_1, \dots, Z_n)$

Results for Log of Ratio of Wealth to Average Wealth

	OLS	OLS (Weighted)
AGE	0.0798	0.0805
AGESQ	-0.0006	-0.0006
URB	0.2636	0.2235
SEX	0.2081	0.4390
ENGLISH	-0.1042	-0.1960
IRISH	-0.1136	-0.1130
SCOT	-0.0192	-0.1165
USA	-0.1492	-0.0881
OTHBIRTH	-0.2419	-0.2174
OCC1	1.9008	2.1129
OCC2F	1.5634	1.5364
OCC2NF	1.3717	1.2974
OCC3	0.6907	0.6869
OCC4	0.3671	0.3805
OCC6	0.7419	1.0061
MARRIED	-0.0091	0.0583
MARSPD	-0.0657	0.1040
CATHOLIC	-0.1325	-0.1085
PRESB	0.0062	-0.0540
BAPTIST	-0.1134	-0.1133
METH	-0.0953	-0.1639
OTHREL	-0.1297	-0.2389
LITERATE	0.3536	0.3130
NORTHERN	-0.4620	-0.1022
WESTERN	-0.1880	-0.1772
HURONIA	-0.2160	-0.0128
EASTERN	-0.1544	-0.0543
CHILDN	0.0592	0.0322
FW	0.0535	-0.0373
YEAR1902	-0.0810	-0.1667
CONSTANT	-5.1257	-5.3028
R-squared	0.243	0.279

***Bold** denotes significant at 5%

****Bold Italics** denotes significant at 10%.

Results for Ratio of Wealth minus average wealth to average wealth

	OLS	OLS (Weighted)
AGE	0.0529	0.0213
AGESQ	-0.0004	0.0000
URB	0.4896	0.2798
SEX	0.2087	0.3832
ENGLISH	-0.2197	-0.2755
IRISH	-0.2311	-0.1996
SCOT	-0.2413	-0.3282
USA	0.1113	0.1863
OTHBIRTH	-0.4327	-0.3063
OCC1	2.3354	2.1740
OCC2F	0.7629	0.4668
OCC2NF	0.8930	0.4982
OCC3	0.4418	0.1481
OCC4	0.0141	0.0064
OCC6	0.2578	0.4231
MARRIED	-0.0640	0.0304
MARSPD	-0.0738	-0.0422
CATHOLIC	-0.0954	-0.1327
PRESB	-0.1134	-0.0483
BAPTIST	-0.3512	-0.1874
METH	-0.3652	-0.2684
OTHREL	-0.1375	-0.2251
LITERATE	0.3393	0.2765
NORTHERN	-0.6205	-0.2497
WESTERN	-0.5927	-0.4097
HURONIA	-0.7073	-0.4117
EASTERN	-0.4857	-0.3199
CHILDN	0.0880	0.0512
FW	0.4252	0.1029
YEAR1902	-0.1678	-0.1602
CONSTANT	-2.7253	-1.9272
R-squared	0.057	0.0770

*Bold denotes significant at 5%

**Bold Italics denotes significant at 10%.

Discussion

- The results for both measures of individual wealth dispersion find that the difference between wealth and the average is positively and significantly (at the 5% level) related to
 - age at death, urbanization, higher occupational status, number of children, being literate
- After controlling for these variables, the results for religious affiliation show that Catholics, Methodists and those of All Other Religions are often negatively and significantly associated with greater differences in individual wealth from the average. (i.e. less dispersion)

Religion a factor in wealth inequality after controlling for other variables

- Exact mechanism whereby religion can affect the distribution of wealth and income even after controlling for other factors unclear.
- Additional indirect effects?
 - Feedback effects between religion, occupation and fertility
- Gender composition differences?
 - Baptists had higher percentage of female decedents
- Differences in intergenerational wealth transmission across religious groups?

Inheritance

- Primogeniture versus Multi-geniture
 - Estate division can affect distribution over time
- Nineteenth Century Ontario had own variant
 - Impartible
 - Partible
 - Impartible/Partible

Evidence for Wentworth County 1872-1892: Estates

Estate Partibility by Religion for Decedents with Living Children, Wentworth County, Ontario, 1872-1892

Percentage Share

	Partible	Impartible	Partible-Impartible	Other*	N
Anglicans	39.4	10.6	9.1	40.9	66
Roman Catholics	26.3	15.8	5.3	52.6	19
Presbyterians	33.3	3.9	11.8	51.0	51
Baptists	37.5	12.5	12.5	37.5	8
Methodists	42.3	14.1	9.9	33.8	71
Other Religions	50.0	20.0	20.0	10.0	10

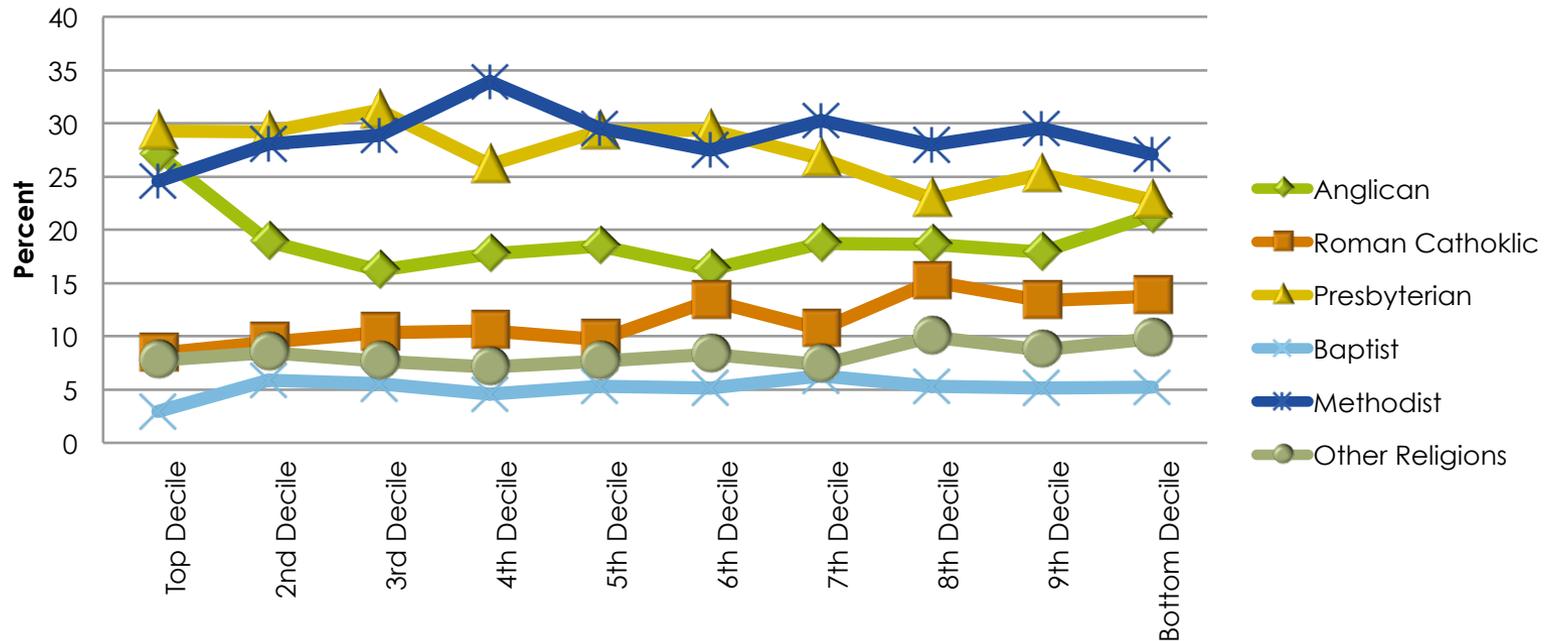
*Intestate, all to surviving spouse, or not classifiable

Discussion

- Methodists had the largest shares of partible estate division and they also had the most equitable wealth distribution.
- Roman Catholics had the lowest share of partible and second highest impartible share estate division and one of the most inequitable wealth distributions.
- However, Anglicans had a high partible share and high inequality. Presbyterians had second lowest share of partible estate division and the lowest impartible share and had a fairly high degree of equality in wealth distribution.

One Other Possibility-Wealth Affects Religious Choice – But Evidence Suggests Unlikely in this data

Religious Affiliation by Decile Share



Conclusions

- Inequality generally higher as the proportion of Roman Catholics and Baptists in a county increased.
- At the individual wealth level, being Roman Catholic or Methodist was negatively associated with greater dispersion of wealth from average wealth. Thus religious affiliation appears to be a contributor to the wealth inequality of the nineteenth century though the mechanism is unclear.
- Feedback effect? Intergenerational wealth transmission practices?