Teachers Teaching Teachers: The Role of Networks on Financial Decisions

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Internet Appendix

Additional Tables and Figures

Table IA.I
CORRELATION MATRIX OF TEACHER CHARACTERISTICS

	Pay	Tenure	Grad Degree	Age	Female
Pay	1				
Tenure	0.52	1			
Grad Degree	0.29	0.17	1		
Age	0.47	0.48	0.24	1	
Female	-0.16	0.04	-0.02	-0.0001	1

This table shows the correlation coefficients among teacher characteristics.

Table IA.II
Robustness for Table II

Panel A: Alternative measure of Peer Refinances

	(1)	(2)	(3)	(4)	(5)
Peer Refinances	11.854***	10.851***	9.492***	6.554**	6.618**
	(5.55)	(5.08)	(3.97)	(2.05)	(2.08)
Savings ($, ×10,000)	48.903***	49.243***	53.010***	56.310***	56.307***
	(6.46)	(6.46)	(6.74)	(5.45)	(5.45)
1(Underwater)	-7.638	-9.089	-7.887	-5.400	-4.712
	(-1.10)	(-1.16)	(-0.93)	(-0.57)	(-0.50)
Percent Underwater	-10.605	5.204	14.607	-33.544	-58.994
	(-0.13)	(0.05)	(0.12)	(-0.24)	(-0.42)
Teacher Characteristics	N	N	N	N	Y
MSA-Year FE	Y	N	N	N	N
District-Year FE	N	Y	N	N	N
Campus-Year FE	N	N	Y	N	N
Campus-Month FE	N	N	N	Y	Y
N	303,467	303,467	303,467	303,467	303,467
R^2	0.024	0.032	0.055	0.242	0.242

Panel B: Alternative measure of Savings

	(1)	(2)	(3)	(4)	(5)
Peer Refinances	11.075***	10.153***	9.164***	6.281*	6.343*
	(4.81)	(4.39)	(3.62)	(1.93)	(1.96)
Savings ($, ×10,000)	44.621***	45.032***	48.668***	54.139***	54.126***
	(6.66)	(6.70)	(7.00)	(5.41)	(5.40)
1(Underwater)	-9.967	-11.383	-10.167	-8.621	-7.888
	(-1.45)	(-1.46)	(-1.21)	(-0.93)	(-0.85)
Percent Underwater	-18.839	-7.812	-3.728	-47.085	-72.377
	(-0.23)	(-0.07)	(-0.03)	(-0.33)	(-0.51)
Teacher Characteristics	N	N	N	N	Y
MSA-Year FE	Y	N	N	N	N
District-Year FE	N	Y	N	N	N
Campus-Year FE	N	N	Y	N	N
Campus-Month FE	N	N	N	Y	Y
N	303,467	303,467	303,467	303,467	303,467
R^2	0.024	0.032	0.055	0.242	0.242

This table shows OLS regressions in which the dependent variable is a 0/1 indicator of refinances, and the main variable of interest is *Peer Refinances*, a variable that captures the number of peers having undertaken a mortgage refinance in the previous 3-month period, scaled by the size of the peer group. In Panel A, the main difference with Table II is the definition of *Peer Refinances*, which only considers refinances done by peers in the last two months (instead of three months). Panel B, in turn, uses an alternative measure of savings which assumes a term of 30 years. Reported are the effects of a one standard deviation change in *Peer Refinances*, and *t*-statistics in parentheses are heteroskedasticity-robust and clustered by MSA-year. ***p<0.01, **p<0.05, *p<0.1.

Table IA.III
Teacher Characteristics and Group Characteristics

	Employment Characteristics			Demographics				
	Age	Pay	Grad Degree	Female	White	Black	Asian	Hispanic
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Peer Group Average	0.030***	0.042***	0.006	0.075***	0.026**	0.009	-0.001	0.011
	(3.31)	(3.95)	(0.66)	(8.10)	(2.36)	(0.63)	(-0.11)	(0.87)
Campus Average	0.424***	0.830***	0.407***	0.469***	0.863***	0.891***	0.139***	0.878***
	(26.35)	(86.22)	(20.64)	(30.65)	(71.43)	(56.50)	(4.19)	(57.23)
N	187,369	187,369	187,369	187,369	187,369	187,369	187,369	187,369
R^2	0.024	0.254	0.017	0.038	0.287	0.286	0.001	0.303

This table shows OLS regressions of a teacher's characteristic on the average of her peer group (*Peer Group Average*) and the average of all teachers within the campus but outside the teacher's peer group (*Campus Average*), using all teachers in the TEA records. Reported t-statistics in parentheses are heteroskedasticity-robust and clustered by campus. ***p<0.01, **p<0.05, *p<0.1.

Table IA.IV
Alternative Refinements of Peer Groups

Panel A: Common Age

	(1)	(2)	(3)	(4)	(5)
Peer Refinances	7.245***	6.336***	4.987**	3.779	3.842
common age group	(3.75)	(3.32)	(2.39)	(1.41)	(1.42)
Peer Refinances	9.251***	8.940***	8.983***	6.132	6.202
different age group	(4.93)	(4.58)	(4.05)	(1.57)	(1.59)
Savings ($, ×10,000)	49.060***	49.470***	53.023***	55.955***	55.912***
	(6.47)	(6.48)	(6.67)	(5.41)	(5.41)
1(Underwater)	-7.799	-9.174	-8.613	-5.382	-4.734
	(-1.09)	(-1.15)	(-1.01)	(-0.54)	(-0.47)
Percent Underwater	-36.040	-25.252	7.299	-54.718	-81.225
	(-0.42)	(-0.22)	(0.06)	(-0.36)	(-0.53)
Teacher Characteristics	N	N	N	N	Y
MSA-Year FE	Y	N	N	N	N
District-Year FE	N	Y	N	N	N
Campus-Year FE	N	N	Y	N	N
Campus-Month FE	N	N	N	Y	Y
N	298,397	298,397	298,397	298,397	298,397
R^2	0.024	0.033	0.056	0.242	0.242

Panel B: Common Gender

	(1)	(2)	(3)	(4)	(5)
Peer Refinances	8.508***	7.939***	6.515***	4.487	4.562
common gender	(4.33)	(3.87)	(2.77)	(1.37)	(1.40)
Peer Refinances	9.737***	8.743***	9.141***	6.964	7.041
different gender	(3.44)	(3.06)	(3.01)	(1.60)	(1.60)
Savings ($, ×10,000)	49.065***	49.475***	53.030***	55.958***	55.910***
	(6.48)	(6.48)	(6.67)	(5.42)	(5.41)
1(Underwater)	-7.788	-9.162	-8.577	-5.358	-4.714
	(-1.09)	(-1.15)	(-1.01)	(-0.53)	(-0.47)
Percent Underwater	-36.140	-25.328	6.800	-55.000	-81.479
	(-0.42)	(-0.22)	(0.05)	(-0.36)	(-0.53)
Teacher Characteristics	N	N	N	N	Y
MSA-Year FE	Y	N	N	N	N
District-Year FE	N	Y	N	N	N
Campus-Year FE	N	N	Y	N	N
Campus-Month FE	N	N	N	Y	Y
N	298,397	298,397	298,397	298,397	298,397
R^2	0.024	0.033	0.056	0.242	0.242

This table shows OLS regressions in which the dependent variable is a 0/1 indicator of refinances, and the main variable of interest is *Peer Refinances*, a variable that captures the number of peers having undertaken a mortgage refinance in the previous 3-month period, scaled by the size of the peer group. The main difference with Table V is the segmentation of *Peer Refinances* into two mutually exclusive groups. The first group contains peers with the same characteristic as the individual, while the second group contains peers who differ in the characteristic. In Panel A, peers are defined as belonging in the same age group if the absolute difference in ages is less than 10 years. Panel B, in turn, segments the peer group based on having the same gender as the individual. Reported are the effects of a one standard deviation change in *Peer Refinances*, and *t*-statistics in parentheses are heteroskedasticity-robust and clustered by MSA-year. ***$p<0.01$, **$p<0.05$, *$p<0.1$.

Table IA.V

FIRST STAGE REGRESSIONS

	(1)	(2)	(3)	(4)
Avg. Peer Savings	0.385***	0.381***	0.400***	0.401***
	(4.90)	(4.86)	(4.80)	(4.82)
Savings ($, ×10,000)	-0.074***	-0.070**	-0.034	-0.027
	(-2.82)	(-2.60)	(-0.90)	(-0.71)
1(Underwater)	-0.044	-0.057	-0.071	-0.054
	(-0.64)	(-0.83)	(-1.16)	(-0.87)
Percent Underwater	-0.490	-0.016	-0.114	-0.071
	(-0.50)	(-0.02)	(-0.14)	(-0.09)
Teacher Characteristics	N	N	N	Y
MSA-Year FE	Y	N	N	N
District-Year FE	N	Y	N	N
Campus-Year FE	N	N	Y	Y
N	245,201	245,201	245,201	245,201
R^2	0.032	0.080	0.211	0.211

This table reports the first stage of the 2SLS IV regressions of Table VI. The dependent variable, *Peer Refinances*, instrumented for in the second stage, is the number of a teacher's peers who have undertaken a mortgage refinance in the previous 3-month period, scaled by the size of the teacher's peer group. We use the average net savings conditional on refinancing of a teacher's peer group, *Avg. Peer Savings*, as an exogenous instrument to estimate *Peer Refinances*. The variables *Avg. Peer Savings* and *Peer Refinances* have been standardized. Reported t-statistics in parentheses are heteroskedasticity-robust and clustered by MSA-year. ***p<0.01, **p<0.05, *p<0.1.

Table IA.VI
First Mover and Follower Characteristics

	Trigger	Follower	Difference	t-statistic
Unpaid Balance ($)	138,700.9	138,190.5	510.4	0.13
Savings ($)	6,087.8	6,600.1	-512.3	-1.07
Pay ($)	47,807.3	46,954.8	852.5	2.08
Tenure	6.17	6.33	-0.167	-0.48
Technical Class	0.26	0.27	-0.001	-0.06
Grad Degree	0.27	0.26	0.008	0.37
Age	41.64	41.33	0.307	0.61
Female	0.67	0.63	0.041	1.72

This table compares the characteristics of teachers that refinance independently of their peers with those of teachers who follow their peers.