Appendix II*: Table 1 Characteristics of Bonus and non-Bonus Recipients

	Christmas Bonus		*Summer Bonus*		March Bonus	
	Bonus	**No Bonus**	**Bonus**	**No Bonus**	**Bonus**	**No Bonus**
Number of Households	11,234	3,103	12,290	5,232	2,720	8,707
Bonus (fraction of regular monthly income)	2.16 (0.86)		1.86 (0.85)		0.54 (0.37)	
Annual Income (including bonus, in logs)	6.49 (0.44)	6.37 (0.44)	6.52 (0.36)	6.36 (0.42)	6.59 (0.32)	6.41 (0.41)
Age	40.9 (8.42)	42.3 (8.88)	40.8 (8.36)	41.9 (8.83)	41.9 (8.58)	41.1 (8.63)
Family Size	3.69 (1.09)	3.55 (1.13)	3.69 (1.08)	3.60 (1.13)	3.71 (1.10)	3.66 (1.10)
Homeowner (fraction)	0.50	0.53	0.50	0.52	0.53	0.50

Note: Sample includes employed male household heads between the ages of 25 and 60.

Appendix II: Table 2 Fraction of Workers with Bonus by Industry

Industry	*Christmas Bonus*	*Summer Bonus*	March Bonus
Government	1.00	1.00	1.00
Construction	0.63	0.44	0.03
Manufacturing	0.77	0.65	0.03
Utilities	0.86	0.85	0.25
Transportation and Communications	0.76	0.69	0.19
Wholesale and Retail Trade	0.74	0.60	0.03
Finance and Insurance	0.77	0.72	0.11
Real Estate Services	0.67	0.50	0.06
Other Services	0.82	0.76	0.40

* To supplement our study on bonus payments to public employees, Appendix II reports some results with Japanese bonus payments in general (including private employees). This part is a part of our joint work with Chang-Tai Hsieh.

Appendix II: Table 3 Fraction of Workers with Bonus by Firm Size

Firm Size (number of employees)	*Winter Bonus*	*Summer Bonus*	**March Bonus**
1-4	0.50	0.29	0.02
5-9	0.55	0.31	0.02
10-29	0.64	0.44	0.04
30-99	0.68	0.54	0.06
100-299	0.76	0.63	0.06
300-499	0.76	0.71	0.07
500-999	0.81	0.69	0.08
>1000	0.81	0.73	0.08

Appendix II: Table 4 Contemporaneous Marginal Propensity to Consume from Bonus Income

	Dependent Variable: $C_t - C_{t-1}$			
	OLS		**IV**	
	Nondurables	**Semidurables**	**Nondurables**	**Semidurables**
Panel A: Average MPC for All Bonuses				
$Bonus_t$ (x 100)	1.96	0.99	2.17	1.19
	(0.22)	(0.08)	(0.21)	(0.08)
Panel B: MPC for Christmas, Summer, and March Bonus				
Christmas $Bonus_t$ (x 100)	2.66	1.05	2.90	1.47
	(0.35)	(0.14)	(0.38)	(0.15)
Summer $Bonus_t$ (x 100)	1.46	0.91	2.03	1.09
	(0.27)	(0.09)	(0.26)	(0.09)
March $Bonus_t$ (x 100)	2.07	2.63	2.01	1.29
	(2.68)	(0.56)	(0.86)	(0.31)

Notes: N=118,283 (24,880 Households). Panel A presents regressions of the change in consumption on the bonus income in the month. Panel B presents regressions of the change in consumption on the Christmas bonus, the Summer bonus, and the March bonus. IV estimates use indicator variable for whether a household received a bonus in the month as an instrument for the amount of the bonus. All regressions include age of the household head, change in family size, and a full set of indicator variables for year and month. Standard errors (in parentheses) are clustered by household to allow for arbitrary correlation of errors within households.

Appendix II: Table 5 Marginal Propensity to Consume from Bonus: Specification Checks

	Dependent Variable: $C_t - C_{t-1}$			
	OLS		IV	
	Nondurables	**Semidurables**	**Nondurables**	**Semidurables**
Panel A: Entire Sample with Household Fixed Effects				
$Bonus_t$ (x 100)	2.26	1.15	2.46	1.34
	(0.26)	(0.09)	(0.24)	(0.09)
Panel B: June vs. July Bonus Recipients				
Summer $Bonus_t$ (x 100)	1.39	0.94	2.02	1.19
	(0.31)	(0.11)	(0.32)	(0.12)
Panel C: March vs. Summer/Winter Bonus Recipients				
March $Bonus_t$ (x 100)	2.11	2.51	2.25	1.29
	(2.71)	(0.56)	(0.92)	(0.33)
Panel D: Non-Bonus Recipients				
Hypothetical $Bonus_t$ (x 100)	0.47	0.35		
	(0.40)	(0.18)		

Notes: Panel A includes household fixed effects (N=118,283, Households=24,880). Panel B only includes households that receive a summer bonus (N=38,156, Households=7,859). Panel C only includes households that receive a bonus (N=78,453, Households=16,242). Panel D only includes households that do not receive a bonus (N=39,175, Households=8,637). Hypothetical Bonus used in Panel D is the "predicted bonus" of non-bonus recipients based on the coefficients of a regression on the bonus-receiving sample of the bonus amount on annual income, firm size, and a set of indicator variables for year. All regressions include age of the household head, change in family size, and a full set of indicator variables for year and month. Standard errors (in parentheses) are clustered by household.

Appendix II: Table 6 Consumption Response to Bonus Income over Time

	Dependent Variable: $\sum_{i=0}^{n} C_{t+i} - C_{t-1}$			
	OLS		IV	
	Nondurables	**Semidurables**	**Nondurables**	**Semidurables**
Panel A. Contemporaneous Change				
Bonus$_t$ (x 100)	1.75	0.88	2.51	1.27
	(0 .41)	(0.19)	(0.46)	(0.18)
Panel B. Over Two Months				
Bonus$_t$ (x 100)	5.53	1.98	4.14	1.93
	(0.57)	(0.22)	(0.64)	(0.22)
Panel C: Over Three Months				
Bonus$_t$ (x 100)	9.16	2.75	5.85	2.29
	(0.76)	(0.27)	(0.86)	(0.27)
Panel D: Over Four Months				
Bonus$_t$ (x 100)	13.12	3.76	7.93	2.86
	(0.97)	(0.33)	(1.10)	(0.33)
Panel E: Over Five Months				
Bonus$_t$ (x 100)	10.92	4.51	6.64	3.08
	(0.84)	(0.40)	(0.94)	(0.40)

Note: Sample includes households with data for four consecutive months after December or after June or July (Households=5,274). Dependent variable is $\sum_{i=0}^{n} C_{t+i} - C_{t-1}$, where t is December, June, or July, and n is 1 (panel A), 2 (panel B), 3 (panel C), 4 (panel D), or 5 (panel E). All regressions include age of the household head, change in family size, and a full set of indicator variables for year. Standard errors (in parentheses) are clustered by household.