Table A1: Income Inequality in Sweden and in the Three Most Populous Municipalities, 1978-2017.

Year	Sweden	Stockholm	Malmö	Gothenburg
		Theil's T		
1978	0.114	0.103	0.108	0.112
1985	0.109	0.113	0.102	0.106
1990	0.110	0.126	0.119	0.118
1995	0.151	0.204	0.159	0.169
2000	0.323	0.564	0.292	0.281
2005	0.257	0.362	0.255	0.281
2010	0.289	0.491	0.297	0.309
2017	0.331	0.516	0.313	0.335
		Gini		
1978	0.248	0.235	0.240	0.244
1985	0.246	0.239	0.235	0.241
1990	0.239	0.252	0.238	0.242
1995	0.270	0.306	0.276	0.279
2000	0.317	0.397	0.325	0.323
2005	0.318	0.377	0.337	0.335
2010	0.350	0.415	0.379	0.367
2017	0.360	0.427	0.374	0.371

Note: The table presents the levels of inequality measured by Theil's Index (T) and the Gini Index. All measures are based on continuous individual-level disposable income adjusted for inflation using the 2017 CPI as the baseline. The figures are based on the income data of individuals aged between 18 and 65.

Table A2: Descriptive statistics of variables used in fixed-effects regressions.

		Year					
		1990	1995	2000	2005	2010	2017
Variables							
Gini	*mean*	0.23	0.25	0.28	0.29	0.32	0.32
	sd	0.02	0.03	0.05	0.04	0.04	0.04
Log(population)	*mean*	10.12	10.13	10.15	10.16	10.19	10.23
	sd	0.74	0.75	0.77	0.78	0.80	0.82
Population	*mean*	36,235	37,088	38,359	39,441	41,346	44,293
	sd	57,813	60,532	64,802	67,219	73,226	81,354
Proportion of non-Western	*mean*	0.03	0.05	0.05	0.06	0.09	0.14
	sd	0.03	0.04	0.05	0.05	0.06	0.08
Regional GDP	*mean*	172.46	198.02	255.00	306.08	354.61	427.16
	sd	29.30	26.45	47.28	56.93	67.38	84.48
Proportion of 65+ 65+	*mean*	0.17	0.17	0.17	0.18	0.19	0.21
	sd	0.04	0.04	0.04	0.03	0.03	0.04
Proportion of those receiving social assistance	*mean*	0.05	0.08	0.05	0.05	0.05	0.05
	sd	0.02	0.02	0.02	0.02	0.02	0.02
Proportion of those with max. compulsory education	*mean*	0.69	0.69	0.65	0.60	0.54	0.47
	sd	0.08	0.09	0.09	0.09	0.09	0.09

Table A3: Estimated Effects of Income Inequality on Income Segregation. Coefficients from OLS regressions with municipality fixed effects, 1990-2017 (5-year intervals)

	Model1	Model 2	Model 3	Model 4
	b	b	b	b
Gini	0.116‡	0.226‡	0.122‡	0.148‡
Gini X Gini		-0.145†	-0.095*	0.109
1990	(*ref.*)	(*ref.*)	(*ref.*)	(*ref.*)
1995	-0.001	-0.002†	-0.002‡	0.014†
2000	-0.002†	-0.004‡	-0.002*	0.033‡
2005	-0.002*	-0.004‡	-0.004*	0.029‡
2010	-0.001	-0.003*	-0.005	0.019*
2017	0.004†	0.001	-0.008*	0.025†
1990 X Gini				(*ref.*)
1995 X Gini				-0.077‡
2000 X Gini				-0.151‡
2005 X Gini				-0.143‡
2010 X Gini				-0.116‡
2017 X Gini				-0.146‡
Log(population)			0.026‡	0.030‡
Prop. non-Western			0.119‡	0.116‡
Prop. 65+			-0.027*	-0.021
Prop. social assistance			0.009	0.016
Prop. compulsory education			-0.023	-0.030
Regional GDP			-0.000	-0.000
Constant	-0.016‡	-0.033‡	-0.260‡	-0.314‡
N	1,314	1,314	1,314	1,314
Adjusted R2	0.860	0.861	0.911	0.914

Note: The unit of observation is municipalities. The sample includes observations (municipality-year) that have more than 10,000 inhabitants in a given year (231 municipalities out of 290 total over the six time points). All analyses include municipality fixed effects. Time-varying municipality level population characteristics (Model 3) include log(population size), proportion of ethnic minorities, proportion of population above age 65, proportion of working age population receiving social welfare assistance, proportion of adults above 25 with only compulsory school education, and regional gross domestic product.
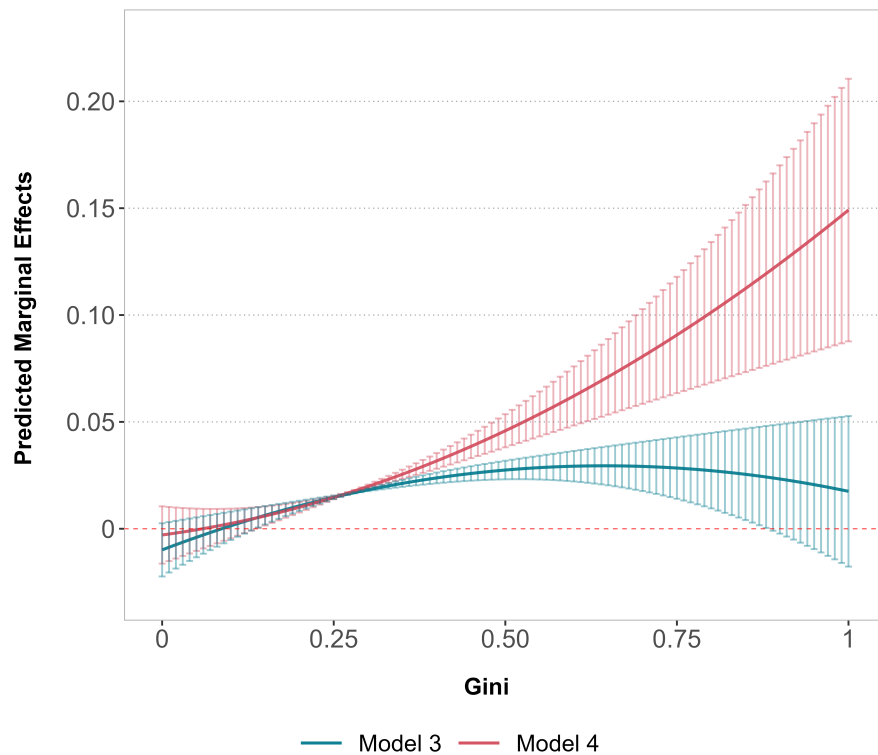
* $p < 0.05$, † $p < 0.01$, ‡ $p < 0.001$

Figure A1: Predicted income segregation. *Note:* Predicted margins of income segregation based on income inequality measured with Gini (x-axis) from OLS regressions with municipality-level fixed effects. 1990-2017. Note: The unit of observation is municipality-years. Analyses also include year fixed effects, as well as time-varying municipality characteristics. Full models are presented in Table A3.
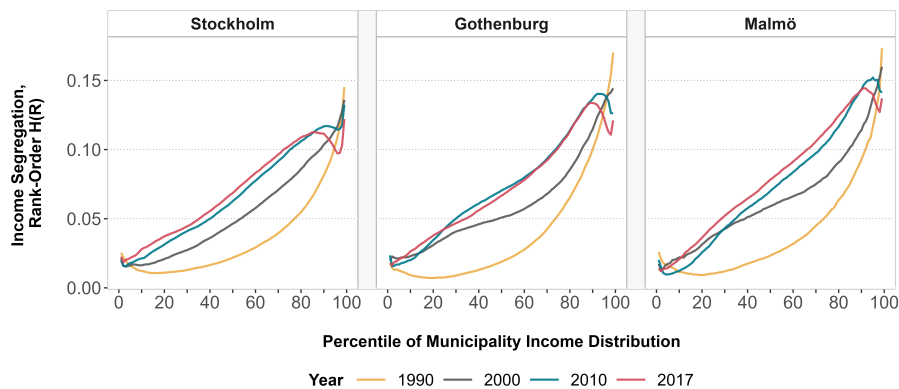

Figure A2: Trend in rank-order income segregation by income percentile in three Swedish cities between 1990 and 2017. *Note:* Segregation is measured using the rank-order information theory index (H^R). The values for each income percentile show the degree of segregation between the population group located below the threshold for that percentile, and the group that is equal to and above the threshold in 1990, 2000, 2010, and 2017. Calculations are based on DeSO-sized neighborhoods.
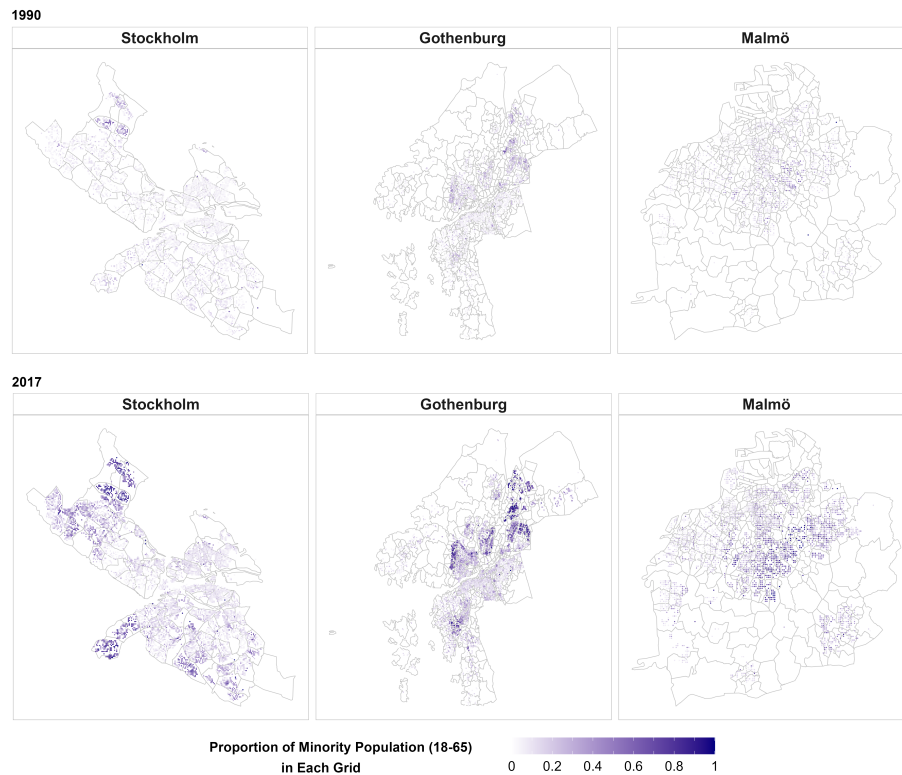
Figure A3: Proportion of non-Western ethnic minorities in each 100 by 100-meter residential grid in 1990 and 2017 in the municipalities of Stockholm, Gothenburg, and Malmö. *Note:* Each dot represents a 100 by 100-meter square neighborhood. Neighborhoods are adjacent and non-overlapping. Neighborhood populations comprise adults aged 18-65 in our sample, who were registered as resident within these grids. Grids where only a few people reside are not shown for reasons of privacy.
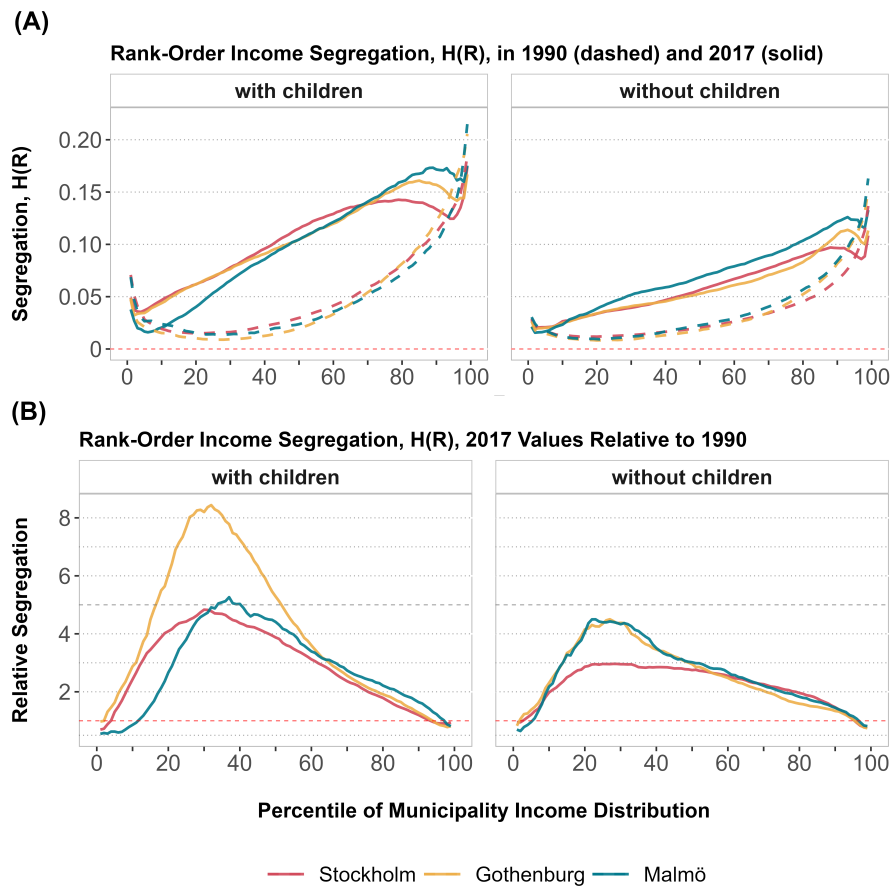
(A)

Rank-Order Income Segregation, H(R), in 1990 (dashed) and 2017 (solid)

(B)

Rank-Order Income Segregation, H(R), 2017 Values Relative to 1990

Figure A4: Trends in income segregation, between 1990 and 2017. *Note:* Segregation is measured using the rank-order information theory index (H^R). Calculations are based on DeSO-sized neighborhoods. (A) Percentile-based rank-order income segregation in 1990 (dashed lines) and in 2017 (solid lines). The values for each income percentile show the degree of segregation between the population group located below the threshold for that percentile, and the group that is equal to and above the threshold. (B) Percentile-based rank-order income segregation in 2017 (as shown in panel A) relative to values in 1990. Values above one (red horizontal line) indicate an increase in segregation, values below one a decrease in segregation.
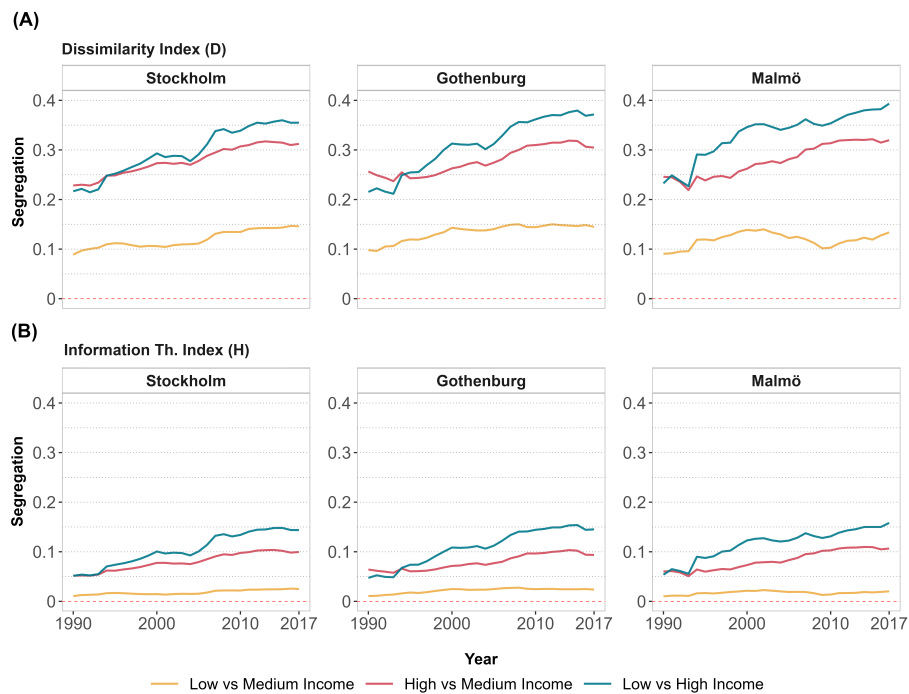
(A)

Figure A5: Trend in residential income segregation between income groups in Swedish municipalities, 1990-2017. *Note:* Segregation is measured with two-group indices using **(A)** Dissimilarity index, and **(B)** Theil's information theory index (H). Groups are defined as Low Income: Bottom quartile; Medium Income: IQR; and High Income: Top quartile. All income groups are based on quartiles for each municipality-year. Calculations are based on DeSO-sized neighborhoods.