This paper employs Swedish data containing security level information on households' stock holdings to investigate how consumption responds to changes in stock market returns. We exploit the households' portfolio weights in previous years as an instrument for the actual capital gains and dividends payments. Normalizing both consumption and stock market returns by average income, we find that unrealized capital gains lead to a marginal propensity to consume (MPC) of 13 percent for the bottom 50% of the wealth distribution, while it is flat at 5 percent for the rest of the distribution. We also find that households' consumption is significantly more responsive to dividend payouts across all parts of the wealth distribution.