"Does Wealth Inhibit Criminal Behavior? Evidence from Swedish Lottery Winners and Their Children"

Online Appendix

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A Institutional Background and Data on Crime

A.1 Swedish Legal System

The primary legislative source of the law in Sweden is the Swedish Code of Statutes (*Svensk författningssamling*; SFS). The SFS contains a collection of all laws passed before the Swedish legislature and any revisions made to these. Laws in the SFS are headlined by the year in which they were passed, together with a four digit number unique to the year of passing. SFS also contains the Swedish Penal Code (*Brottsbalken, BRB*) which is the primary source of criminal law. The Penal Code outlines provisions on what constitutes various types of crime in Sweden and provides ranges of standard sanctions to be imposed in the event of violations of the code. A separate section of the code expands upon the sanctions, and provides alternative sanctions that may be applied depending on the gravity of the crime and the accused's personal circumstances.

Criminal cases are tried in one of 48 district courts (tingsrätten). Appeals of decisons made in the district courts are heard before one of six courts of appeal (hovrätten). The Supreme Court (Högsta domstolen) is the highest court in the Swedish judiciary and the final instance for appeals. The Supreme Court typically hears high profile cases, and those that have the potential to set a precedent for future judgements.

A.2 Crime Data

We use the register of conviction decisions (*register över lagförda personer*) maintained and provided by the Swedish National Council for Crime Prevention (*Brottsförebyggande rådet,* or *BRÅ* for short) to measure criminal behavior. The unit of observation in this data set is a conviction, corresponding to either a court sentencing, a prosecutor imposed fine, or a waiver of prosecution. Prosecutor-imposed fines (*strafföreläggande*) are common for minor offenses and are used when a prosecutor offers an offender the opportunity to accept a fine in exchange for not taking the case to trial.A waiver of prosecution (*åtalsunderlåtelse*) refers to a process by which the prosecutor declines pressing charges, despite there being no doubt as to the accused having committed the crime at question – often established through an admission of guilt. Prosecution waivers are common for juvenile offenders (below the age of 18) or for adult offenders who are also being charged for more serious offenses, implying the crime in question is unlikely to affect the sentence. The register does not include fines for minor offenses issued by police, customs and related officials (*ordningsbot*).

Our extract from the register spans the years 1975–2017 and contains convictions of individuals aged 15 (the age of criminal responsibility in Sweden) or older at the time of infraction. Individuals are identified by unique personal identification numbers that allow

matching to the lottery data, as well as data on individual background characteristics from Statistics Sweden. In the data, each conviction can comprises up to 25 crimes. The Swedish judicial system defines crimes by the principle of instance such that a single crime typically corresponds to violations occuring at the same time and place. In turn, each crime can be a violation of up to three sections of the law, including crimes against the Swedish Penal Code and violations of other laws in the SFS. For example, a single conviction in our data may contain the single crime of fraud through forgery, where fraud is a crime according to chapter 9, article 1 of the Swedish Penal Code, and forgery is a crime according to chapter 14, article 1 of the Swedish Penal Code.

For each section of the law, we observe the chapter, article, and paragraph for crimes against the Swedish Penal Code, and the exact statute and applicable paragraph for other crimes in the SFS. We also observe ID numbers uniquely assigned to each section of the law for which we have a key with descriptive titles. Using this information, we classify crimes into the following broad initial categories: property crimes, violent crimes, drug crimes, white-collar crimes, traffic crimes, and other crimes. Property crimes include theft, robbery, fraud, embezzlement, and related types of crime. To simplify the interpretation of property crimes as a type of crime motivated by economic gain, we do not classify vandalism as a property crime. Violent crimes include (but are not limited to) assualt, unlawful threats, defamation and sexual assault. We also include possession of illegal weapons in this category. Drug-related crimes include impaired driving, possession of illegal drugs, bootlegging and smuggling. White-collar crimes include various crimes related to tax evasion, violation of company law, benefit fraud and money laundering. Traffic crimes include, for example, impaired and reckless driving and driving without a license. Notably, many minor traffic offenses (e.g. moderate levels of speeding) do not result in entries in the registry. Our final category—"other crimes"—is a residual category including all violations of Swedish law not included in any of the other categories. Examples of such crimes include arson, counterfeiting, rioting, incitement, and poaching. A more comprehensive list of the crimes we assign to each category is included in Table A1. Importantly, a given crime can belong to multiple categories. For instance, we classify driving under the influence of narcotics as both a traffic and a drug crime.

Each conviction can also be associated with up to three sentences. The data contain a wide variety of sentences ranging from fines, to community service, to time in prison. Fines are by far the most common form of punishment, imposed on over 60% of all convictions in our data, and are generally handed out to those convictions deemed less serious than those punishable by some form of detention. A unique feature of the Swedish criminal justice system is day fines (*dagsböter*), which are typically handed out in convictions punishable by fine that are of a more serious nature. Day fines consist of two components: a number

Table A1: Initial Crime Categories

Categories	Criminal code chapters (BRB) and Swedish Code of Statutes paragraphs (SFS)
Property	BRB: 8 (theft/robbery); 9 (fraud); 10 (embezzlement); 11 (accounting violations).
Violent	BRB: 3 (murder/assault); 4 (threats/kidnapping); 5 (defamation); 6 (sexual assault). SFS: 1988:254; 1973:1176; 1996:67 (weapons possession).
Drug	SFS: 1951:649 (impaired driving); 1968:64 (possession of illegal drugs); 1991:1969 (doping); 1994:1738 (bootlegging); 2000:1225 (smuggling).
White collar	SFS: 1971:69; 1975:1385; 2005:551; 1977:1160; 1977:1166; 1990:1342; 2000:1086; 2000:377; 1998:204; 1993:768; 2009:62; 2007:612; 2014:307; 2016:1307; 1923:116; 1994:1565; 1978:478; 1988:327; 1953:272; 2006:227.
Traffic	SFS: 1951:649; 1998:1276; 1972:603; 1972:595; 2002:925; 1972:599; 2001:558; 1988:327; 2009:211; 1995:521; 2001:650; 2007:612; 2004:865; 1994:1297; 1986:300; 2006:227; 1998:488; 1977:722; 1962:150.
Other	All crimes not included in any of the categories above.

The table shows the exact coding of criminal code chapters (BRB) and the coding of the most common codes from the Swedish Code of Statutes (SFS).

of fines and an amount that is calculated based on one's annual pre-tax income. The total fine amount—the number of fines multiplied by the amount—is then due in one installment no more than 30 days following issuance of the fine. For less serious convictions punishable by fine, simple lump-sum fines (*penningböter*) are usually imposed.

Apart from fines, most forms of punishment constitute some form of restriction of freedom. These punishments range from to community service and probation for lesser crimes to long prison sentences for the most severe crimes. In many cases, underage offenders ages 15–20 are sentenced to either juvenile care (*ungdomsvård*) or juvenile detention (*sluten ungdomsvård*) delivered outside of the adult correctional system. We define all sentences that involve some restriction of freedom as *detention* and the subset that involve serving time in prison as *jail*.

Although we focus on convictions, we also have access to data on suspects from the Suspects Registry (*Misstankeregistret*). This registry, which is compiled by the Swedish National Council for Crime Prevention, includes information on individuals suspected on reasonable grounds during 1995-2017. The Suspects Registry data include a rough categorization of the type of crime, but for the purpose of this pre-analysis plan we only focus on the occurrence of being a suspect.

Figure A1: Persons Brought in Contact with the Criminal Justice System

Source: United Nations Office on Drugs and Crime.

A.3 Crime in Sweden in an International Comparison

Although comparisons of criminality across boarders are difficult given differences in legal systems, enforcement, and record keeping practices, we can look to data from a number of sources to place crime in Sweden in an international context. The United Nations Office on Drugs and Crime (UNODC) collects and publishes data documenting the pervasiveness of crime across countries. Figure A1 displays the number of persons brought in formal contact with the criminal justice system in 2005 for a sample of OECD countries. Although Sweden appears in the bottom half of the ranking, it is close to the median among the European countries in the sample (11th out of 19).

A major factor that affects crime statistics and hinders not only international comparisons, but also longitudinal studies of crime, is differences in willingness to report crimes across jurisdictions and time. In countries where crime is high, low willingness to report crimes through official channels will result in crime statistics that underestimate the true rate of criminality. In an attempt to bypass differences in police reporting rates, the International Crime Victim Survey (ICVS) elicits data on criminality by surveying households

Figure A2: Percentage of Households Victim to Property Crime and Assault, 1994-1999

Source: International Crime Victim Survey.

across countries directly. Figure A2 plots the percentage of households that are victims of crime between 1994 and 1999 for the sample of countries covered by the 2000 ICVS. For both property crime (9th out of 15) and assault (7th out of 15), Sweden falls roughly in the middle of the pack.

To provide a picture of the relative willingness to report crimes in Sweden, Figure A3 plots the percentage of property crimes and assaults that survey respondents reported to police between 1994-1999. For both types of crime, Sweden falls roughly in the middle of the ranking of countries covered in the survey.

A.4 Descriptive Statistics of Crime in Sweden

This subsection documents basic patterns of crime in Sweden based on our data from the Swedish National Council for Crime Prevention. To this end, we use three representative samples of 50,000 Swedes each, drawn in 1990, 2000 and 2010 by Statistics Sweden. We

Figure A3: Share of Crimes Reported, 1994–1999

Source: International Crime Victim Survey.

begin by showing how the fraction of the population convicted of a crime varies by sex and age For each sample, we follow all individuals ages 15–79 for five years from the year the sample was drawn. People who die or move abroad within this five-year period are coded as missing. In line with previous research from Sweden (Wikström 1990), Figure A4 shows men are much more likely than women to commit crimes, and that the propensity to commit crimes decreases with age for both genders.

Panel A of Table A2 shows the share of men and women convicted of different types of crime during the five years from the year the sample was drawn. About one out of 14 men (7.24%) are convicted of at least one crime, compared with one out of every 63 women (1.58%). The most common type of crime is traffic crime for men and property crime for women. The relative difference in criminal behavior between men and women is largest for violent crimes, where men are more than seven times more likely to be convicted.

Panel B of Table A2 shows fines are the most common form of punishment. Notably, the share of women who receive a harsher sentence is smaller than the share of men who do. Whereas the relative risk of being sentenced to paying a fine is 4.5 times larger for men, the relative risk of serving jail time is more than 14 times larger.

Panel C shows the distribution of convicted individuals by number of crimes. More than half of convicted men and two thirds of convicted women are only convicted of one

Figure A4: Criminal Activity by Age and Gender in the Representative Sample

The figure shows the share of men and women in different age groups from representative samples drawn in 1990, 2000 and 2010 who have been convicted for at least one crime within the next five years.

crime during the five-year period we study. A relatively small group of individuals are convicted of five crimes or more, yet this group is responsibe for 57% of all recorded crimes in our data.

We now describe the relationship between criminal behavior and income, using the same representative samples as above. Because income while young or old may be poor proxies of life-time income, we restrict attention to individuals aged 30-54 at the time the sample was drawn (e.g., 1990, 2000, or 2010). We assign individuals into income deciles based on their average household disposable income during the five years prior to the draw relative to others of the same gender, age (five-year intervals) and sampling year. To avoid simulaneity bias, we measure the share convicted during the five years after the sample was drawn.

Figure A5 shows criminal behavior is strongly related to income. Whereas 18.7% of men in the lowest income decile are convicted of a crime, the same is true for only 3.5% of men in the highest decile. Though the level is much lower for women, the relative difference in criminal behavior is similar: women in the bottom decile are about seven times more likely to be convicted of a crime relative to women in the top decile. In unshown analyses, we find the gradient for men is similar when we use their own disposable income instead

Table A2: Descriptive Statistics of Convictions in a Representative Sample

A. By type of crime (% of sample)

	Men	Women
Any	7.24	1.58
Property	1.87	0.69
Violent	1.63	0.22
Drug	1.06	0.18
White collar	0.25	0.06
Traffic	3.78	0.53
Other	2.00	0.30

B. By type of sentence (% of sample)

	Men	Women
Fine	5.95	1.32
Detention (including jail)	1.96	0.23
Jail	1.13	0.08

C. By perpertrator number of crimes

	Men	Women
1	57.0	66.2
2	16.7	15.1
3	6.8	6.4
4	4.4	3.2
≥ 5	15.1	9.1

The table shows descriptive statistics of convictions for three representative samples of Swedish men and women between age 15 and 79 drawn in 1990, 2000, and 2010.

Figure A5: The Crime-income Gradient

The figure shows the share of men and women ages 30–54 from representative samples drawn in 1990, 2000 and 2010 who have been convicted of at least one crime within the next five years, split by income decile. Income deciles are assigned based on average household disposable income within the preceding five-year period by gender, age (five-year intervals), and the year the sample was drawn.

of the household's, but is considerably flatter for women.[4] We also find the gradients get steeper (in relative terms) when we restrict attention to more severe types of crimes, as proxied by the type of sentence.While men in the bottom deciles are four times more likely than men in the top to be sentenced to pay a fine, they are 17 times more likely to be sentenced to detention and 21 times more likely to go to prison.

B Lottery Cells

In this section, we provide additional material regarding the construction of cells of lottery players, the prize distribution and tests of the conditional exogeneity of lottery prizes. Table B1 shows the cell construction described in Section 3 of the paper. Table B2 shows the distribution of prizes for the adult and intergenerational samples (the winning parents), respectively.

[4] A likely reason for the flatter own-income gradient for women is that female labor supply is decreasing in spousal income, pushing down the incomes of highly educated women (who are likely to be married to high-income men).

Table B1: Cell Construction Across Lottery Samples

	Time Period	Treatment Variable	Cell Construction	
			Adults	Intergenerational
PLS Fixed Prizes	1986-2003	Prize	Draw×#Prizes	Draw×#Prizes
PLS Odds Prizes	1986-1994	Prize	Draw × Balance	Draw × Balance
Kombi Lottery	1998-2011	Prize	Draw × Balance × ×Age × Sex	Draw × Balance × #Children × "Close" Child Age and Gender
Triss-Lumpsum	1994-2011	Prize	Year × Prize Plan	Year × Prize Plan
Triss-Monthly	1997-2011	NPV	Year × Prize Plan	Year × Prize Plan

Notes: This table summarizes the cells constructed for each of the lotteries in the sample. Institutional knowledge of the way in which prizes were allocated in each of the lotteries allows us to construct groups of players (cells) of in which the lottery prize amounts were as good as randomly assigned. The cell construction column details the characteristics players must share to be placed in the same cell.

B.1 Testing Randomization

Key to our identification strategy is that the variation in amount won within cells is random. If the identifying assumptions underlying the lottery cell construction are correct, characteristics determined before the lottery should not predict the amount won once we condition on cell fixed effects, because, intuitively, all identifying variation comes from within-cell comparisons. To test for violation of conditional random assignment in the winner sample, we estimate the following model:

$$L_{i,0} = \mathbf{Z}_{i,-1}\lambda + \mathbf{R}_{i,-1}\rho + \mathbf{X}_i\eta + \nu_i, \tag{B.1}$$

where $L_{i,0}$ is the prize (in million SEK, about \$150,000) awarded to lottery player i at $t = 0$, $\mathbf{Z}_{i,-1}$ is a vector of pre-win socio-economic characteristics measured the year prior to the lottery, including a third-order polynomial in age interacted with gender; log of household disposable income, indicator variables for whether the individual was born in a Nordic country, was married and had a college degree.[5] $\mathbf{R}_{i,-1}$ is a vector of pre-win criminal behavior, including dummy variables for being convicted for each of the six main sub-categories of crime listed above during the five-year period prior to the lottery draw and a dummy for any kind of criminal conviction since 1975. $\mathbf{X}_i$ is the vector of cell fixed effects conditional on which lottery prizes are randomly assigned.

For the intergenerational sample, we estimate

[5]Household disposable income is defined as the sum of own and (if married) spousal disposable income. Own and spousal disposable income are winsorized at the 0.5th and 99.5th percentiles for the year in question before summing them. To avoid a disproportionate influence for values close to zero, we winsorize household disposable income at SEK 40,000 (about \$6000) before applying the logarithmic transformation.

Table B2: Distribution of Prizes Awarded

	A. Winners (adult analyses)					B. Parents (intergenerational analyses)				
				Triss...					Triss...	
	All	PLS	Kombi	Lumpsum	Monthly	All	PLS	Kombi	Lumpsum	Monthly
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
0	37,041	0	37,041	0	0	4,272	0	4,272	0	
1K to 10K	286,828	286,828	0	0	0	58,259	58,259	0	0	
10K to 100K	23,005	21,766	0	1,239	0	5,011	4,691	0	320	
100K to 500K	4,715	2,237	0	2,478	0	1,211	500	0	711	
500K to 1M	497	279	20	198	0	101	52	0	49	
1M to 2M	1,290	638	356	54	242	245	132	44	13	56
2M to 4M	440	29	20	87	304	112	9	1	23	79
>4M	218	0	5	65	148	53	0	1	17	35
N	354,034	311,777	37,442	4,121	694	69,264	63,643	4,318	1,133	170
Sum (M SEK)	6,127	2,360	489	1,255	2,023	1,372	499	55	332	487
% of variation.	100.0	26.9	10.8	36.0	26.3	100.0	26.1	5.6	46.5	21.8

Notes: This table shows the distribution of prizes in the sample of adult winners between age 18 and 74, and among winning parents in the same age range. All prizes are after tax and measured in year-2010 SEK. In Triss-Monthly, prize amount is defined as the net present value of the monthly installments won, assuming the annual discount rate is 2%.

$$L_{i,0} = \mathbf{Z}_{p,-1}\lambda_p + \mathbf{R}_{p,-1}\rho_p + \mathbf{C}_{-1}\mu + \mathbf{X}_i\eta + \nu_i, \tag{B.2}$$

where $\mathbf{Z}_{p,-1}$ is a vector of pre-win socio-economic characteristics of child j's biological parents and $\mathbf{R}_{p,-1}$ is a vector of the parents' criminal history. $\mathbf{Z}_{p,-1}$ includes third-order polynomials in the mother's and father's age, the log of the average of the parents' combined disposable income during the five years preceding the lottery draw, and indicator variables for whether each parent was born in a Nordic country, was married and had a college degree. $\mathbf{R}_{p,-1}$ is the same vector of pre-win criminal behavior as in model B.1 above, except we include the mother's and father's criminal record separately. $\mathbf{C}_{i,-1}$ is a vector of child-specific pre-win controls, including a third-order polynomial in age at the time of win interacted with gender and a dummy for being born in a Nordic country.

As stated in the Plan, our test of exogeneity in models B.1 and B.2 is whether we can reject the null hypothesis of joint insignificance of all predetermined covariates for all lotteries combined. As also stated in the Plan, we focus on the permutation-based p-values constructed by simulating the F-statistic for joint significance under the null hypothesis of zero treatment effects (Young 2019) and cluster the standard errors at the level of the player (adult sample) and family (intergenerational sample).

Table B3 shows that, for the adult sample, the p-values based on clustered standard errors are always above 0.05 (the cutoff stipulated in the Plan), regardless of whether we consider the full sample or each lottery individually. Although this finding is reassuring, the fact that we don't reject joint insignificance in the specification without cell fixed effects (column 1) raises the concern that our test may have limited power. As further discussed in Section 4 below, the combined skewness of both lottery prizes and criminal behavior implies statistical inference based on standard errors that adjust for heteroskedasticity may be unreliable. To the extent that F-statistics based on clustered standard errors exhibit high variability also under the null, actual differences across samples are harder to detect. As a post-hoc supplement, Table B3 therefore also reports permutation-based p-values for F-statistics based on unadjusted standard errors. In this case, we reject the null of joint significance when the cell fixed effects are not included. Still, the p-values with cell fixed effects included are always above 0.05.

B.2 Deviations from the Pre-analysis Plan

A coding mistake in the selection of Kombi controls implies that we cannot re-create the exact sample used in the Plan. As specified in the pre-analysis plan (henceforth, "the Plan"), we select up to 100 controls (matched on tickets in the month of the draw, age and gender) to each winners in the Kombi sample. When more than 100 controls are

Table B3: Testing for Conditional Random Assignment of Lottery Prizes

	Adult Sample				
	All		Kombi	Triss	PLS
	(1)	(2)	(3)	(4)	(5)
p (clustered)	0.160	0.177	0.294	0.146	0.553
p (unadjusted)	0.000	0.618	0.060	0.159	0.226
N	354,034	354,034	37,442	4,815	311,777
Cell FE	No	Yes	Yes	Yes	Yes
	Intergenerational Sample				
	All		Kombi	Triss	PLS
	(6)	(7)	(8)	(9)	(10)
p (clustered)	0.665	0.073	0.145	0.147	0.912
p (unadjusted)	0.001	0.181	0.946	0.117	0.678
N	120,159	120,159	6,768	2,298	111,093
Cell FE	No	Yes	Yes	Yes	Yes

Notes: The table reports resampling-based p-values for joint significance of the covariates in model B.1 (adult sample) and B.2 (intergenerational sample) from 10,000 perturbations of the prize vector, as described in the main text. Standard errors are either unadjusted or clustered at the level of the player (adult sample) or the family (intergenerational sample).

available, we select 100 controls randomly. Because of a missing a "sortseed" command in our Stata code, we are unable to generate exactly the same set of controls as used in the Plan. However, since the procedure for selecting the Kombi controls are unchanged, the ex ante sampling properties of both samples are the same. The coding mistake does thus not affect the credence of our identification, though it does imply minor differences in terms of sample size, descriptive statistics and the assessment of which specification is optimal. We comment on these issues below.

First, because a few restrictions are imposed on the sample after selecting the controls, sample sizes used in the paper differ slightly from those reported in the Plan. To be precise, there are 26 fewer observations in the adult estimation sample (354,034) compared to the Plan (354,060) in the adult sample and 8 more observations in the intergenerational sample (69,264 vs. 69,256), which includes one observation from the Triss-Lumpsum lottery which was excluded from the Plan due to another small coding mistake.

Second, comparing Table 1 with Table 5 in the Plan shows the descriptive statistics of the samples are very similar. For example, the share with any conviction in the previous five years is 3.88% in the estimation sample compared to 3.87% in the Plan. Demographic characteristics like share females (48.8% in both sample), share married (54.1% in both samples) and share with a college degree (20.2% vs. 20.1%) are also very similar.

Finally, re-running the analyses for statistical power (see Section 5.3 in the Plan) does not yield different conclusions regarding the adult sample (the full sample with age range 18-74 is still optimal), but suggest statistical power is somewhat higher if we consider a time horizon of $t = 9$ rather than of $t = 7$ (see the discussion in Section 4). However, the difference in power is tiny (91.9% vs. 92.4%). In the main analyses reported in the paper, we followed the Plan and focused on criminal behavior at $t = 7$. Figure C1 shows the main conclusion of the paper — that we can reject substantial reductions in criminal behavior following lottery wins — would be slightly strengthened were we to focus on criminal behavior at $t = 9$ instead of $t = 7$. The optimal specification for the child analyses is unchanged compared to the Plan.

C Additional Results

Figure C1: Adult Sample: Effect over Time

The figure shows the results from model 1 with t varying from 1 to 10. 95 percent confidence intervals based on the maximum of the four types of standard errors discussed in Section 4.

Table C1: Adult Sample: Robustness

				Type of Crime					Type of Sentence	
	Any Suspicion	Any Crime	Any Crime	Economic Gain	Violent	Drug	Traffic	Other	Fine	Detention
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Effect (M SEK)*100	-0.388	0.065	0.641	0.057	0.020	-0.061	0.070	0.393	0.609	0.079
SE	0.301	0.245	0.332	0.146	0.108	0.067	0.229	0.208	0.310	0.146
p (resampling)	0.251	0.791	0.046	0.681	0.813	0.516	0.734	0.012	0.049	0.524
p (analytical)	0.199	0.791	0.054	0.698	0.853	0.367	0.758	0.059	0.050	0.588
Mean dep. var.*100	2.930	2.451	2.729	0.605	0.265	0.062	1.654	0.517	2.439	0.308
Effect/mean	-0.133	0.027	0.235	0.094	0.075	-0.974	0.043	0.760	0.250	0.257
N	152,173	152,173	325,602	325,602	325,602	325,602	325,602	325,602	325,602	325,602
Sample	Suspect sample			Prize no more than 4M SEK						

Notes: This table reports results similar to Table 2, with the following differences: the dependent variable in column 1 is an indicator equal to one in case a player was suspected of a crime within six years of the lottery draw (data available from 1995 onwards); the sample in column 2 is restricted to the same sample as in column 1, and the sample in columns 3-10 is restricted to people who won 4M SEK or less.

Table C2: Adult Sample: Heterogeneous Effects

	Age		Sex		Disp. Income		Prior Crime	
	Below Age 50	At least Age 50	Male	Female	Below Median	Above Median	No	Yes
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Effect (MSEK)*100	0.226	0.252	0.545	0.014	0.279	0.303	0.354	-0.396
SE	0.371	0.264	0.409	0.160	0.410	0.245	0.207	0.821
p	0.584	0.624	0.217	0.994	0.491	0.541	0.106	0.760
p equal	0.961		0.265		0.963		0.534	
N	120,277	205,519	159,136	166,660	133,261	192,535	300,526	25,270

Notes: This table reports the results from four pre-registered heterogeneity analyses. Columns 1 and 2 show results separately for winners age 50 and younger at the time of the draw. Columns 3 and 4 show the results separately for male and female winners. Columns 5 and 6 display results separately for those above or below the median disposable household income in the same age-year-sex cell in the representative sample (where age is defined by five-year intervals). Columns 7 and 8 show the results for winners depending on whether they have any recorded conviction from 1975 up to the year prior to the draw. All regressions include the same set of covariates as in model 1 plus interactions between all covariates (including the cell fixed effects) and an indicator for the relevant dimension of heterogeneity. Standard errors are the maximum of unadjusted, heteroskedasticity-robust and clustered at the level of the player. The p-values for both individual coefficients and for equality between coefficients are based on 10,000 permutations of the prize vector.

Table C3: Adult Sample: Benchmarking (Effect of Log Income)

		Type of Crime					Type of Sentence	
	Any Crime	Economic Gain	Violent	Drug	Traffic	Other	Fine	Detention
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Lottery Estimate.*100	1.495	0.222	0.155	-0.353	-0.098	0.969	1.542	-0.149
SE	1.176	0.624	0.598	0.227	0.888	0.589	1.117	0.472
N	325,788	325,788	325,788	325,788	325,788	325,788	325,788	325,788
Lottery Gradient*100	-2.972	-1.531	-0.734	-0.655	-1.232	-0.684	-2.316	-1.403
SE	0.637	0.421	0.303	0.310	0.446	0.323	0.577	0.399
N	244,246	244,246	244,246	244,246	244,246	244,246	244,246	244,246
p equal effects	0.001	0.020	0.185	0.432	0.246	0.014	0.002	0.042
Rep. Gradient*100	-3.926	-1.841	-1.240	-1.139	-1.677	-1.185	-2.967	-1.718
SE	0.165	0.102	0.083	0.079	0.125	0.089	0.149	0.100
N	88,029	88,029	88,029	88,029	88,029	88,029	88,029	88,029
p equal effects	0.000	0.001	0.021	0.001	0.073	0.000	0.000	0.001

Notes: The lottery (causal) estimates are based on regressions where the log of average household income in the five years preceding the lottery draw plus an annuity for the lottery win (assuming prizes are annuitized over 20 years) is instrumented with the lottery win. The set of controls are the same as in model 1. The lottery sample gradients are estimated from the sample of winners who won less than SEK 200K and did not receive study aid in the year prior to the lottery with observations weighted to match the identifying variation in each lottery (this weighting explains the larger standard errors for the lottery sample gradients as the relatively few Triss winners get a large weight). The representative sample gradients has been weighted to match the sex and age-distribution in the lottery samples (weighted by the identifying variation in each lottery). The reported standard error is the maximum of standard errors which are unadjusted, heteroskedasticity-robust and clustered at the level of the player. The *p*-values for equal effects come from a stacked regression and are based on the maximum of standard errors which are unadjusted, heteroskedasticity-robust or clustered at the level of the player. The discrepancy in the number of observations for the rescaled lottery estimate compared to Table 2 is due to eight singleton observations being dropped from the observation count in the IV regression.

Table C4: Intergenerational Sample: Robustness

				Type of Crime					Type of Sentence	
	Any Suspicion	Any Crime	Any Crime	Economic Gain	Violent	Drug	Traffic	Other	Fine	Detention
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Effect (M SEK)*100	0.023	-0.099	0.430	-0.069	-0.325	-0.243	1.097	-0.768	0.056	0.126
SE	0.850	0.812	1.003	0.624	0.451	0.507	0.778	0.579	0.879	0.517
p (resampling)	0.965	0.915	0.664	0.940	0.534	0.624	0.098	0.170	0.939	0.766
p (analytical)	0.979	0.902	0.668	0.912	0.471	0.632	0.160	0.185	0.949	0.808
Mean dep. var.*100	13.584	9.913	10.545	3.944	2.019	1.537	4.112	3.386	8.454	1.767
Effect/mean	0.002	-0.010	0.041	-0.018	-0.161	-0.158	0.267	-0.227	0.007	0.071
N	83,144	83,144	115,210	115,210	115,210	115,210	115,210	115,210	115,210	115,210
Sample	Suspect sample			Prize no more than 4M SEK						

Notes: This table reports results similar to Table 3, with the following differences: the dependent variable in column 1 is an indicator equal to one in in the event that a lottery player's child was suspected of a crime within six years of the lottery draw (data available from 1995 onwards); the sample in column 2 is restricted to the same sample as in column 1, and the sample in column (3)–(10) is restricted to children whose parent won 4M SEK or less.

Table C5: Intergenerational Sample: Heterogeneous Effects

	Parental Disp. Income		Age		Sex	
	Below Median	Above Median	Below Age 10	At least 10	Sons	Daughters
	(1)	(2)	(3)	(4)	(5)	(6)
Effect (MSEK)*100	0.311	0.019	-0.524	0.749	-0.817	1.031
SE	1.001	0.900	1.037	1.015	1.104	0.825
p	0.715	0.983	0.592	0.574	0.497	0.453
p equal	0.826		0.331		0.180	
N	57,698	57,608	52,085	63,221	58,648	56,658

Table C6: Intergenerational Sample: Benchmarking (Effect of Parental Log Income)

		Type of Crime					Type of Sentence	
	Any Crime	Economic Gain	Violent	Drug	Traffic	Other	Fine	Detention
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Causal Estimate*100	0.618	-2.021	-4.054	-1.512	2.454	-3.643	-3.089	-3.052
SE	5.240	2.911	2.098	2.418	3.269	2.699	4.098	1.966
N	115,304	115,304	115,304	115,304	115,304	115,304	115,304	115,304
Lottery Gradient*100	-2.169	-1.534	-1.436	-1.000	-1.623	-0.635	-2.427	-1.099
SE	2.221	1.268	1.261	1.417	1.669	1.075	1.956	0.898
N	95,610	95,610	95,610	95,610	95,610	95,610	95,610	95,610
p equal effects	0.626	0.876	0.203	0.852	0.267	0.266	0.871	0.337
Rep. Gradient*100	-7.046	-3.956	-2.567	-2.004	-3.028	-2.006	-5.659	-2.499
SE	0.441	0.309	0.241	0.273	0.272	0.242	0.378	0.262
N	58,221	58,221	58,221	58,221	58,221	58,221	58,221	58,221
p equal effects	0.147	0.510	0.369	0.843	0.095	0.511	0.494	0.761

Notes: This table presents estimates of the causal effect of lottery wealth on crime based on regressions where the log of average parental income in the five years prior to the lottery draw plus an annuity for the lottery win (assuming prizes are annuitized over 20 years) is instrumented with the lottery win. The set of controls are the same as in model 2. The lottery sample gradients are estimated from the sample of children whose parents won less that SEK 200K with observations weighted to match the identifying variation in each lottery (this weighting explains the larger standard errors for the lottery sample gradients as the relatively few Triss winners get a large weight). The representative sample gradients has been weighted to match the sex and age-distribution in the lottery samples (weighted by the identifying variation in each lottery). Standard errors reported are either unadjusted heteroskedasticity-robust, or clustered at the level of the player, whichever is largest. The p-values for equal effects come from a stacked regression and are derived from the largest of the three sets of standard errors. The discrepancy in the number of observations for the rescaled lottery estimate compared to Table 3 is due to two singleton observations being dropped from the observation count in the IV regression.