

“Pocketbook Politics: The Impact of Wealth on Political Preferences and Participation”

Appendix

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A Additional Tables and Figures: Survey

Table A1: Selecting Sample of Survey Respondents

	Kombi	Triss-Lumpsum	Triss-Monthly	Total
	(1)	(2)	(3)	(4)
Time Period	1998-2011	1994-2011	1997-2011	1994-2011
# Prizes Awarded	499	5,057	824	6,380
<u>Original Restrictions</u>				
# Quality Control	7	190	36	233
# Share Prize	0	342	61	403
# Multiple Winners in Group	0	8	0	8
# Age <18 at Win	0	19	0	19
# Born < 1941	230	12	119	1552
# <4 Valid Controls (Kombi)	3	0	0	3
# Deceased Before 2011	0	1	0	1
<u>Statistics Sweden</u>				
# Deceased, Emigrated, No Address	18	229	38	285
<u>Survey Population</u>				
# Prizes	241	3065	570	3876
# Controls	964	0	0	964
<i>N</i>	1,205	3,065	570	4,840
# Unique Individuals	1,196	3,061	570	4,820
<u>Respondents Sample</u>				
Survey Respondents	909	1,977	365	3,251
Abbreviated Survey	20	78	13	111
<i>N</i>	929	2,055	378	3,362
# Unique Individuals	920	2,051	378	3,344

This table summarizes the procedure by which we arrived at our final Survey Population. Failed quality control includes winners without information about ticket balance (Kombi only), missing or incorrect personal identification number, uncertainty about the identity of the winner, and so on. The table also reports survey participation by lottery (columns 1-3) and overall (column 4) and the number of players who participated who responded to the abbreviated telephone survey. We dropped prizes if the winning player's personal identification number ("PIN") could not be reliably determined or if key covariates (e.g., information about the number of tickets owned in Kombi) were missing. From each of the two Triss samples, we dropped subjects for whom we had indications that the winning ticket was jointly owned. We also dropped a small number of Triss players who won multiple prizes under the same prize plan. We restricted the sample to prizes won by players aged 18 or above at the time of win and who were at most 75 years of age when surveyed. For each large-prize event in Kombi, we sought to identify suitable experimental controls. A non-winning player was deemed a suitable control if their sex, year of birth and number of tickets owned (in the month of win) were identical to that of the winner. For three large-prize winners, we were unable to identify four controls satisfying these criteria; we therefore dropped them. In a final step, we added four experimental controls for each large-prize winner in Kombi.

Table A2: Distribution of Prizes Awarded in Survey Population and Respondents Sample

	Survey Population				Respondents Sample			
	All	Kombi	Triss...		All	Kombi	Triss...	
			Lumpsum	Monthly			Lumpsum	Monthly
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
0	964	964	0	0	747	747	0	0
5K to 10K	811	0	811	0	554	0	554	0
10K to 50K	1,896	0	1,896	0	1,261	0	1,261	0
50K to 100K	211	0	211	0	138	0	138	0
100K to 200K	340	213	42	85	247	163	27	57
200K to 400K	322	21	43	258	216	14	34	168
400K to 600K	149	4	26	119	104	4	18	82
600K to 1M	135	2	36	97	87	0	23	64
>1M	12	1	0	11	8	1	0	7
Prize Sum (\$M)	410.7	44.4	128.3	237.9	277.2	33.3	86.1	157.8
% of Survey Pop.					67%	75%	67%	66%
<i>N</i>	4,840	1,205	3,065	570	3,362	929	2,055	378
% of Survey Pop.					69%	77%	67%	66%

This table compares the distribution of prizes in the Respondents Sample and in the Survey Population. In Triss-Monthly, prize amount is defined as the net present value of the monthly installments won, assuming the annual discount rate is 2%.

Table A3: Testing for Conditional Random Assignment of Lottery Prizes in Survey

	Survey Population				Respondents Sample			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Kombi	X	X	X		X	X	X	
Triss-Monthly	X	X		X	X	X		X
Triss-Lumpsum	X	X		X	X	X		X
Fixed Effects	None	Group ID	Group ID	Group ID	None	Group ID	Group ID	Group ID
<i>N</i>	4,840	4,840	1,205	3,635	3,362	3,362	929	2,433
<u>Pre-Lottery Characteristics</u>								
Age (Beta/SE)	0.525	1.049	N/A	1.045	0.274	0.798	N/A	0.709
<i>p</i> (analytical)	0.599	0.294	N/A	0.296	0.784	0.425	N/A	0.478
Age ² (Beta/SE)	-0.710	-0.782	N/A	-0.809	-0.366	-0.550	N/A	-0.485
<i>p</i> (analytical)	0.478	0.435	N/A	0.419	0.714	0.582	N/A	0.628
Female (Beta/SE)	0.952	0.792	N/A	0.809	1.006	0.959	N/A	1.002
<i>p</i> (analytical)	0.341	0.429	N/A	0.418	0.314	0.338	N/A	0.317
College (Beta/SE)	0.750	1.516	-0.278	1.732	1.150	1.508	0.086	1.619
<i>p</i> (analytical)	0.453	0.130	0.781	0.083	0.250	0.132	0.932	0.106
Married (Beta/SE)	0.118	-0.594	-0.971	-0.290	0.127	-0.769	-1.375	-0.303
<i>p</i> (analytical)	0.906	0.552	0.332	0.772	0.899	0.442	0.169	0.762
Swedish (Beta/SE)	-1.197	-1.060	-1.091	-0.844	-1.497	-1.318	-1.503	-1.028
<i>p</i> (analytical)	0.231	0.289	0.275	0.399	0.135	0.187	0.133	0.304
# Children (Beta/SE)	-0.080	0.836	1.552	0.437	0.297	-0.049	0.599	-0.210
<i>p</i> (analytical)	0.936	0.403	0.121	0.662	0.766	0.961	0.549	0.833
Capital Income (Beta/SE)	0.098	-0.043	-1.609	0.157	-0.290	-0.593	-1.649	-0.446
<i>p</i> (analytical)	0.922	0.965	0.108	0.876	0.772	0.553	0.100	0.656
Labor Income (Beta/SE)	0.839	0.382	-0.314	0.477	1.199	0.652	-0.244	0.748
<i>p</i> (analytical)	0.402	0.702	0.754	0.633	0.230	0.514	0.808	0.455
<u>Joint Test of Baseline Covariates</u>								
<i>F</i> -statistic	0.716	1.247	1.054	1.262	0.889	1.256	1.021	1.265
<i>p</i> (analytical)	0.694	0.261	0.389	0.253	0.535	0.256	0.410	0.251
<i>p</i> (resampling)	0.635	0.324	0.375	0.337	0.365	0.219	0.415	0.323

This table reports results from Diagnostic Test 2 in the pre-analysis plan (Cesarini, Lindqvist, and Östling, 2016). Each column reports results from a regression in which the dependent variable is the lottery prize. In all specifications, we control for baseline characteristics measured at $t = -1$. Under the null hypothesis of conditional random assignment, variables determined before the lottery should not have any predictive power conditional on the group-identifier fixed effects. The table shows t -statistics, that is, coefficient estimates divided by their standard errors. The resampling-based p -values are constructed by performing 10,000 simulations to approximate the distribution of covariate coefficients under the null hypothesis of zero treatment effects, as described in the main text.

Table A4: Testing Endogenous Selection into the Respondents Sample

	Mail-in Survey		Phone Survey	Mail-in or Phone
	(1)	(2)	(3)	(4)
Effect (\$100K)	-0.0057	-0.0024	0.0077	-0.0024
SE	(0.0040)	(0.0059)	(0.0183)	(0.0058)
p (analytical)	0.154	0.677	0.675	0.682
p (resampling)	0.150	0.681	0.635	0.674
N	4,840	4,840	501	4,840
Proportion	67.2%	67.2%	22.2%	69.5%
Group FEs	No	Yes	Yes	Yes

This table reports the results from Diagnostic Test 1 in the pre-analysis plan (Cesarini, Lindqvist, and Östling, 2016). The first two columns report coefficient estimates from a regression of an indicator variable equal to 1 for subjects who returned a mail-in survey and 0 for subjects who did not, on prize amount won. The results without group identifier fixed effects are shown in column 1 and the results with the group identifier fixed effects are in column 2. Column 3 shows the results from an analogous specification estimated among players invited to the abbreviated telephone survey (see Figure A1). Here, the dependent variable is an indicator equal to one for subjects who agreed to participate. Finally, column 4 shows the results from a specification in which survey participation is defined as either having returned the mail-in survey or having answered the abbreviated telephone survey. Across all specifications, we fail to see any indications that survey participation was impacted by the outcome of the lottery.

Table A5: Treatment-effect Estimates in the Survey Population and Respondents Sample

	$t = 0$ Net Wealth		$t = 0$ Total Debt		$t = 1$ Capital Income		$t = 1$ Labor Income	
	Survey Population	Respondents Sample	Survey Population	Respondents Sample	Survey Population	Respondents Sample	Survey Population	Respondents Sample
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Effect (\$100)	53.256	53.523	-2.392	-1.178	0.722	0.532	-1.196	-1.211
SE	(3.836)	(5.110)	(0.978)	(1.500)	(0.197)	(0.178)	(0.180)	(0.219)
p (analytical)	<0.001	<0.001	0.015	0.433	<0.001	0.003	<0.001	<0.001
p (resampling)	<0.001	<0.001	0.001	0.185	<0.001	0.003	<0.001	<0.001
Mean	84,637	90,951	43,387	44,482	-331	-195	32,857	33,966
SD	137,053	141,577	54,072	53,325	8,329	8,918	22,677	23,175
N	1,976	1,403	1,976	1,403	4,129	2,901	4,129	2,901
Years-of-Win	2000-2007		2000-2007		1994-2009		1994-2009	
Restrictions	2000-2007		2000-2007		1994-2009		1994-2009	

This table reports the results from Diagnostic Test 3 in the pre-analysis plan (Cesarini, Lindqvist, and Östling, 2016). We estimated the treatment effect of lottery wealth on a number of register-based outcome variables in the Survey Population and examined whether the coefficients moved appreciably when the estimation sample was restricted to the Respondents Sample. In all specifications, we control for baseline characteristics and dependent variable measured at $t = -1$. “Mean” and “SD” refers to the mean and standard deviations of the dependent variables. The sample restrictions in columns 1-4 are needed because the outcomes – wealth and debt at year-end in the year of the lottery event – are only available in government registers 1999-2007. Hence, the analyses are restricted to the subset of players who won during this period. Estimates in column 1-4 data are restricted to the lotteries that pay lump-sum prizes (Kombi and Triss-Lumpsum). The sample restrictions in 5-8 reflect the fact that the last year for which we have income data for the Survey Population is 2010. As discussed in the Analysis Plan, evidence of systematic differences between the two sets of coefficient estimates could, but need not, be an indication of endogenous selection into the Respondents Sample. We find no evidence of systematic differences in the coefficient estimates. In columns 1, 3, 5, and 7 we report estimates from the Survey Population (the smaller sample sizes in columns 1 and 3 reflect the fact that financial variables are only available 2000-2007 and net wealth and debt at year-end in the year of the lottery event is only defined for players who won in these years). In columns 2, 4, 6, and 8, we report the results from exactly analogous analyses conducted with non-respondents omitted from the estimation sample. For all pre-specified outcomes – $t = 0$ net wealth, $t = 0$ debt, $t = 1$ capital income, and $t = 1$ labor income – the estimated treatment effects are similar in magnitude.

Table A6: Definitions of Primary Survey Outcomes

Name	Definition	Mean	SD
Capital Taxation	Index (4-20) of three questions about reintroducing bequest, wealth and property taxes and one question about reducing the capital income tax.	13.7	3.57
Capital vs Labor	Constructed from two questions asking respondents to give the percentage rate at which they would like capital income and labor income to be taxed. The outcome variable is the sample percentile of the difference between the stated preferred labor income tax and preferred capital income tax (both constrained to be integers between 1% and 100%).	50.4	28.6
Public vs Private	Index (5-20) of five questions about attitudes to the size of the public sector, reduction of labor taxes, privatization of publicly owned companies, private provision of health care, and a prohibition for private providers of tax-funded welfare services to pay dividends.	12.5	3.75
Redistribution	Index (4-20) of four questions about reduction of income inequality, increased support to rural areas, introduction of a six-hour work day for all workers and investments to achieve parity between women and men.	8.54	2.52
Left-Right	“In political matters, people talk of left and right. How would you place your views on this scale, generally speaking?” Likert scale from 0 (“Left”) to 10 (“Right”).	5.07	2.64
Meritocratic Beliefs	“To what extent do you think success in life is determined by luck and connections rather than hard work?” Likert scale from 0 (“Success only depends on luck and connections”) to 10 (“Success only depends on hard work”). Mean	5.80	2.01
Moral Values	Index of seven questions that ask the respondent to rate the moral defensibility of different behaviors on a Likert scale from 0 (“Never defensible”) to 10 (“Always Defensible”). Questions about goods that Östling (2009) classifies as inferior (benefit fraud and avoiding public transport fares) are reverse-coded. The index is defined as the sum of the seven numerically coded responses.	25.0	5.68

The tables shows the definitions of our primary outcomes as well as the means and standard deviations prior to standardization. Index outcome variables are calculated by summing the responses to the items included in the index. We set the variable to missing if more than one of the items it is composed of is missing. If exactly one item is missing, we replace the missing value by the sample mean and then generate the variable. All outcomes are standardized and scaled so that a higher value indicates attitudes that are self-serving for a lottery winner and/or more to the political right: lower taxes on capital, less redistribution, more private ownership, stronger belief in meritocracy etc.

Table A7: Pairwise Correlations Between Primary Survey Outcomes

	Capital Taxation	Capital vs Labor	Public vs Private	Redistri- bution	Left-Right Placement	Meritocratic Beliefs
Capital vs Labor	0.421					
Public vs Private	0.464	0.186				
Redistribution	0.353	0.230	0.350			
Left-Right	0.472	0.253	0.513	0.413		
Meritocratic Beliefs	0.117	0.123	0.144	0.048	0.128	
Moral Values	0.160	0.025	0.147	0.212	0.187	-0.046

This table shows pairwise correlations between the primary survey outcomes.

Table A8: Robustness Analyses for Primary Survey Outcomes

	Capital Taxation	Capital vs Labor	Public vs Private	Redistri- bution	Left-Right Placement	Merit. Beliefs	Moral Values
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
<u>Original Estimate</u>							
Effect (\$100K)	0.044	0.006	0.009	-0.001	0.022	-0.028	0.005
SE	(0.016)	(0.015)	(0.017)	(0.016)	(0.015)	0.018	0.015
<u>Reweight Estimate</u>							
Effect (\$100K)	0.052	0.001	0.018	0.001	0.070	-0.020	
SE	(0.017)	(0.015)	(0.019)	(0.018)	(0.021)	(0.025)	
<i>p</i> (analytical)	0.002	0.925	0.343	0.962	0.001	0.408	
<i>p</i> (resampling)	0.012	0.942	0.455	0.969	0.004	0.420	
<i>N</i>	3,227	3,029	3,204	3,256	3,219	3,308	
<u>Drop Large Prizes (above \$580K)</u>							
Effect (\$100K)	0.032	-0.012	-0.019	-0.024	0.003	-0.016	0.018
SE	(0.023)	(0.027)	(0.024)	(0.025)	(0.026)	(0.026)	(0.027)
<i>p</i> (analytical)	0.164	0.654	0.426	0.343	0.907	0.535	0.510
<i>p</i> (resampling)	0.214	0.657	0.458	0.342	0.902	0.519	0.439
<i>N</i>	3,132	2,939	3,109	3,161	3,123	3,211	3,084

This table reports the results from two pre-registered robustness analyses. In the first robustness analyses, we weight each abbreviated survey respondent such that the weighted fraction of mail-in survey respondents in the estimation sample matches the population fraction of 31%. This robustness check is not feasible for the two outcomes that were measured in the abbreviated survey. The second robustness check reports the results when excluding very large prizes, defined as a prize above 4M SEK in the pre-analysis plan.

Table A9: Heterogeneous Effects for Primary Survey Outcomes

	Year of Lottery		Prize Type		Disp. Income		Age at Win		Sex		
	1994 to 2005 to 2004 2011		Lumpsum Monthly		Below Above Median Median		Below At least Age 51 51		Male Female		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Capital Taxation	Effect (\$100K)	0.017	0.068	0.041	0.035	0.036	0.051	0.052	0.043	0.039	0.049
	SE	0.024	0.019	0.025	0.018	0.032	0.018	0.019	0.027	0.022	0.023
	<i>p</i>	0.484	0.000	0.105	0.061	0.259	0.005	0.007	0.106	0.077	0.034
	<i>p</i> equal <i>N</i>	0.097 1,610	1,617	0.833 1,971	365	0.677 1,366	1,857	0.783 1,630	1,597	0.776 1,690	1,537
Capital vs Labor	Effect (\$100K)	-0.009	0.024	0.004	0.009	-0.001	0.015	-0.005	0.017	-0.003	0.019
	SE	0.023	0.020	0.022	0.022	0.026	0.020	0.021	0.022	0.019	0.025
	<i>p</i>	0.707	0.230	0.852	0.675	0.970	0.448	0.830	0.462	0.892	0.427
	<i>p</i> equal <i>N</i>	0.285 1,510	1,519	0.875 1,869	341	0.624 1,259	1,765	0.495 1,558	1,471	0.477 1,633	1,396
Public vs Private	Effect (\$100K)	0.000	0.016	0.011	0.001	-0.033	0.040	0.010	0.010	0.023	-0.001
	SE	0.023	0.025	0.025	0.025	0.027	0.023	0.023	0.028	0.023	0.024
	<i>p</i>	0.992	0.504	0.651	0.976	0.221	0.084	0.659	0.707	0.321	0.980
	<i>p</i> equal <i>N</i>	0.624 1,600	1,604	0.768 1,956	361	0.040 1,350	1,850	0.990 1,624	1,580	0.486 1,682	1,522
Redistribution	Effect (\$100K)	-0.007	0.001	0.016	-0.011	-0.036	0.024	-0.001	0.006	-0.002	0.004
	SE	0.019	0.026	0.024	0.025	0.024	0.023	0.024	0.022	0.023	0.023
	<i>p</i>	0.714	0.959	0.500	0.668	0.126	0.309	0.983	0.790	0.919	0.869
	<i>p</i> equal <i>N</i>	0.795 1,628	1,628	0.438 1,992	368	0.071 1,380	1,872	0.846 1,643	1,613	0.850 1,693	1,563

Table A9: Heterogeneous Effects for Primary Survey Outcomes (Continued)

	Year of Lottery		Prize Type		Disp. Income		Age at Win		Sex		
	1994 to 2005 to 2004 2011		Lumpsum Monthly		Below Median	Above Median	Below Age 51	At least 51	Male	Female	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Left-Right Placement	Effect (\$100K)	0.011	0.027	0.015	0.031	0.002	0.048	0.040	0.004	0.010	0.037
	SE	0.020	0.021	0.023	0.020	0.026	0.020	0.019	0.023	0.020	0.023
	<i>p</i>	0.598	0.192	0.515	0.125	0.933	0.015	0.035	0.858	0.602	0.104
	<i>p</i> equal	0.576		0.585		0.161		0.236		0.371	
	<i>N</i>	1,609	1,610	1,965	361	1,361	1,854	1,621	1,598	1,684	1,535
Meritocratic Beliefs	Effect (\$100K)	-0.048	-0.014	-0.032	-0.028	-0.032	-0.025	-0.040	-0.013	-0.017	-0.056
	SE	0.022	0.026	0.025	0.028	0.024	0.026	0.026	0.021	0.024	0.025
	<i>p</i>	0.028	0.593	0.199	0.304	0.183	0.326	0.122	0.521	0.475	0.026
	<i>p</i> equal	0.323		0.916		0.851		0.428		0.261	
	<i>N</i>	1,647	1,661	2,025	372	1,417	1,887	1,661	1,647	1,710	1,598
Moral Values	Effect (\$100K)	-0.020	0.036	-0.017	0.016	-0.020	0.023	0.005	0.008	-0.001	0.012
	SE	0.020	0.022	0.024	0.018	0.024	0.020	0.020	0.021	0.021	0.022
	<i>p</i>	0.298	0.092	0.485	0.364	0.413	0.249	0.798	0.697	0.969	0.593
	<i>p</i> equal	0.051		0.272		0.172		0.917		0.678	
	<i>N</i>	1,583	1,597	1,941	357	1,360	1,816	1,579	1,601	1,644	1,536

This table reports the results from the five pre-registered heterogeneity analyses. Columns 1 and 2 show results separately for winners before or after January 1, 2005. Columns 3 and 4 show the results separately for Triss-Lumpsum and Triss-Monthly winners. Columns 5 and 6 display results separately for those above or below the median income in a representative sample. This analysis is based on individual disposable income (in the pre-lottery year) and compared to the population median which is calculated conditional on the respondent's sex and age category (18-27, 28-37, ..., 68+) in the year prior to the win. Column 7 and 8 show the result for winners above or below the median age in the sample. Finally, columns 9 and 10 show the results separately for men and women. All regressions include the baseline control variables measured at $t = -1$, indicator variable for the dimension of heterogeneity being examined (e.g. 1 if female in the sex-heterogeneity analyses), and interactions between the indicator and the baseline characteristics. We also control for group identifier fixed effects and their interactions with the indicator.

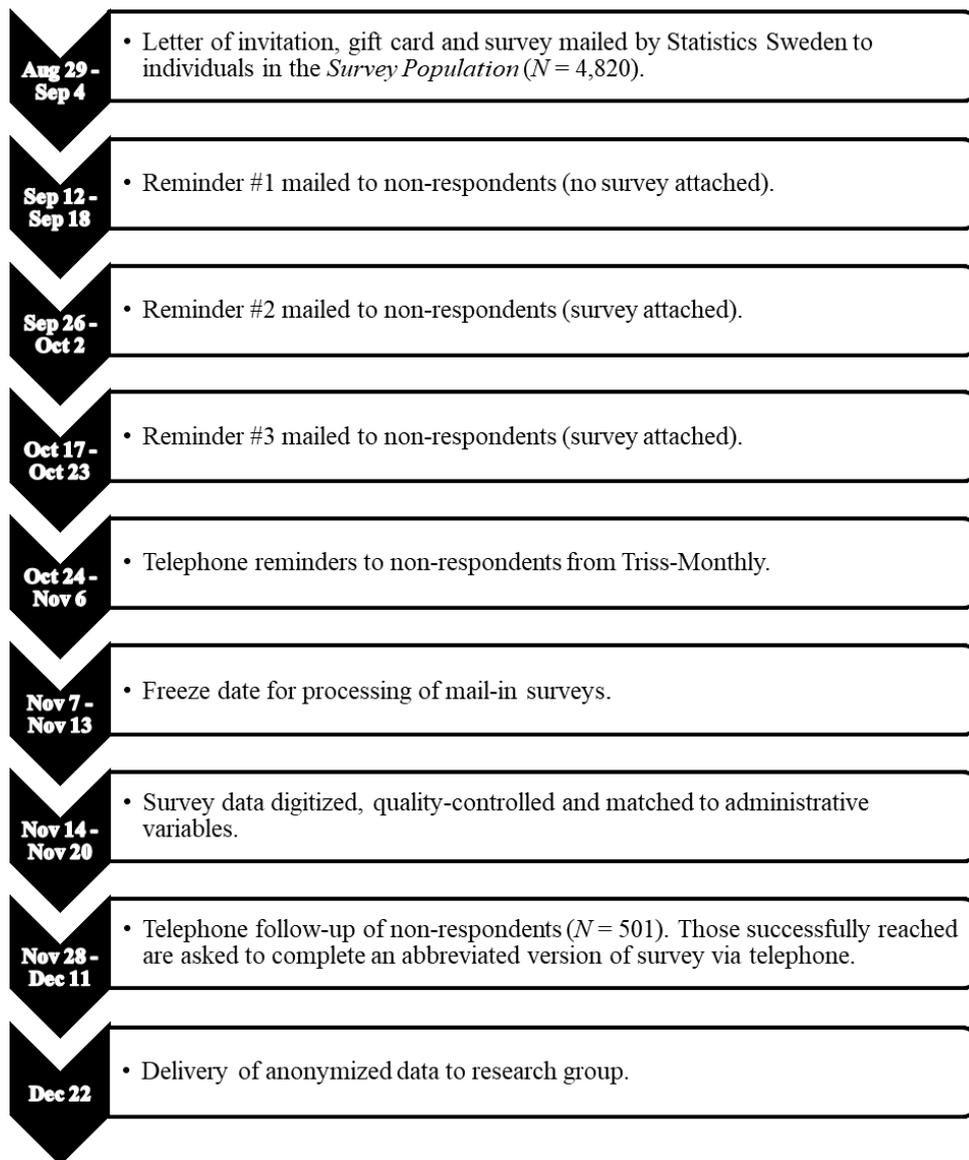


Figure A1: Schematic overview of survey-data-collection timeline

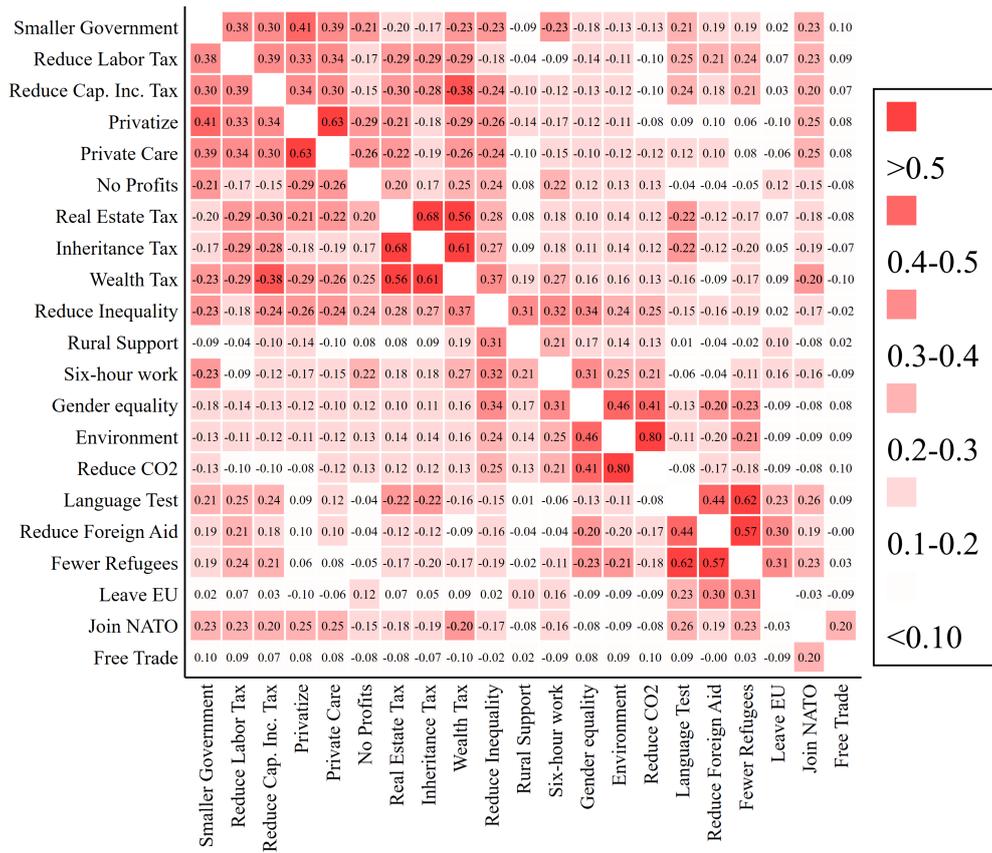


Figure A2: Pairwise Correlations Between Attitudes to Policy Proposals

The figure shows the pairwise correlation between all 21 policy proposals included in the survey. The proposals are shown in the order of appearance in the survey and labeled so that a higher value indicates support for the listed proposal.

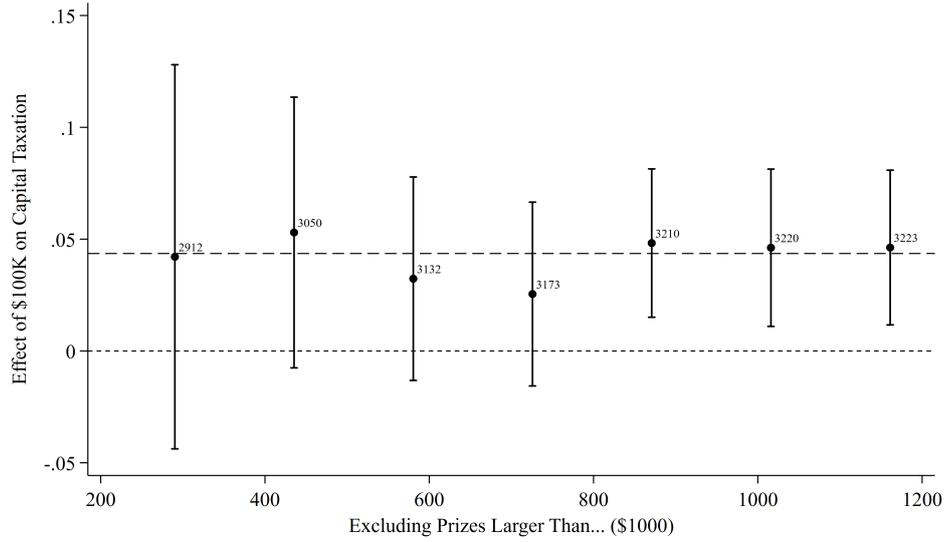


Figure A3: Effect of Lottery Wealth on Capital Taxation Index Excluding Large Prizes (Post Hoc)

The figure shows the effect of lottery wealth on the capital taxation index when excluding prizes above 2,3,...,8 million SEK. The dashed line correspond to the baseline estimate when all prizes are included and the numbers in the graph indicates the number of observations used in the estimation.

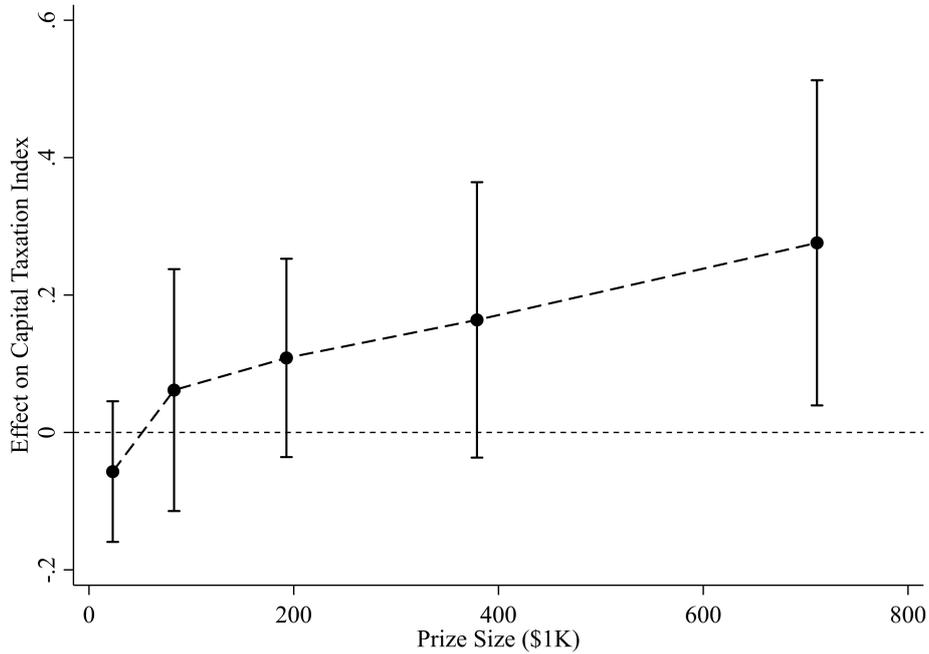


Figure A4: Effect of Lottery Wealth on Capital Taxation Index (Post Hoc)

The figure shows the results when regressing the capital taxation index on six categorical dummy variables for prize size (0 to 10K, 10 to 50K, 50K to 150K, 150 to 300K, 300 to 500K, and above 500K). The omitted category are lottery winnings of less than 10K (including the controls in Kombi that do not win). The coefficients are plotted at the average prize size within each category.

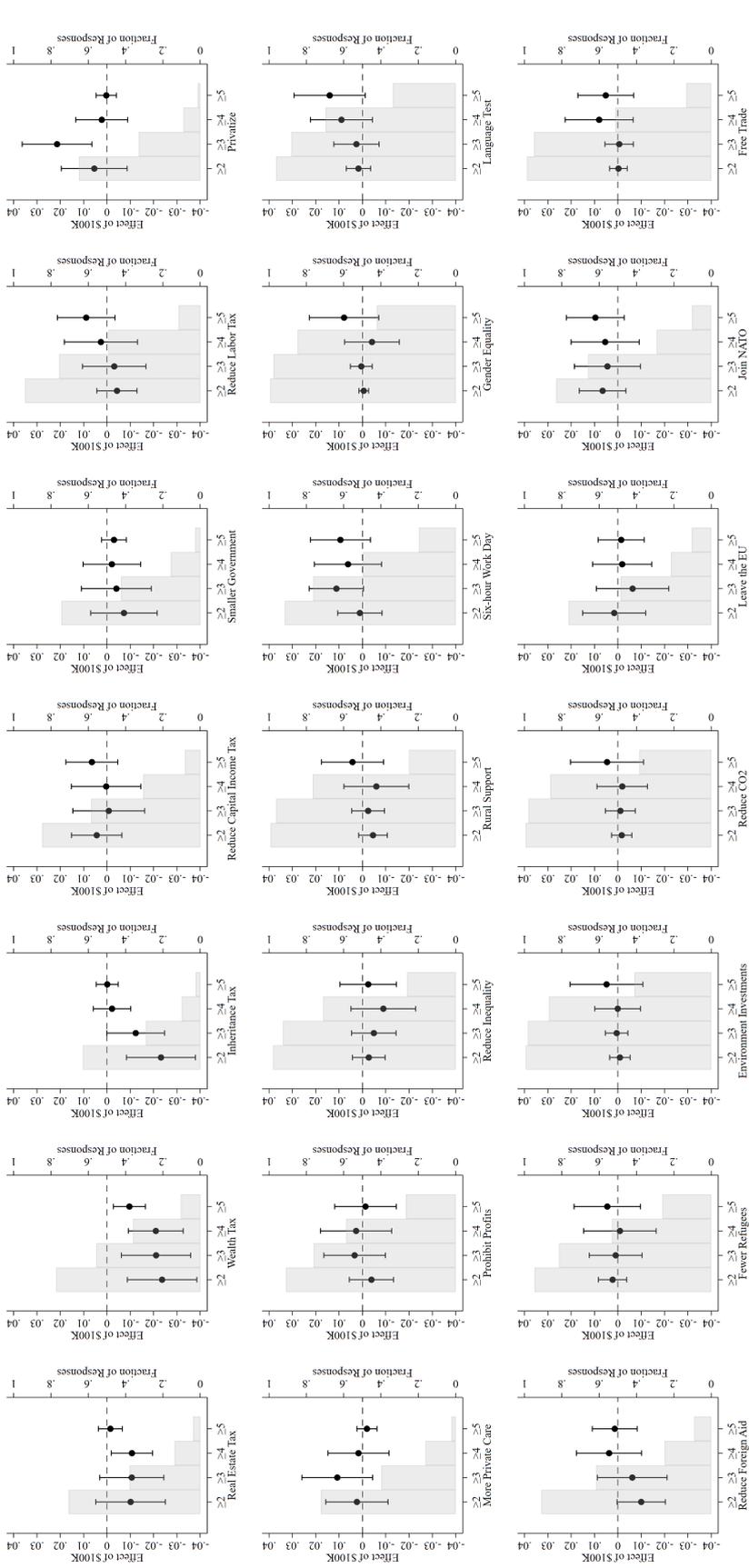


Figure A5: Effect of Lottery Wealth on Policy Proposals Defined as Binary Outcomes (Post Hoc)

The survey contained 21 questions asking about support for different policy proposals allowing answers ranging from “Very bad proposal” (coded as 1) to “Very good proposal” (coded as 5). The figure shows the estimated effect of lottery wealth when support for each policy proposal is coded as an indicator variable set equal to 1 for responses at or above each value of the response scale, and zero otherwise. The grey bars shows the share of respondents who report support for to the policy proposal equal to or higher than the value stated on the horizontal axis.

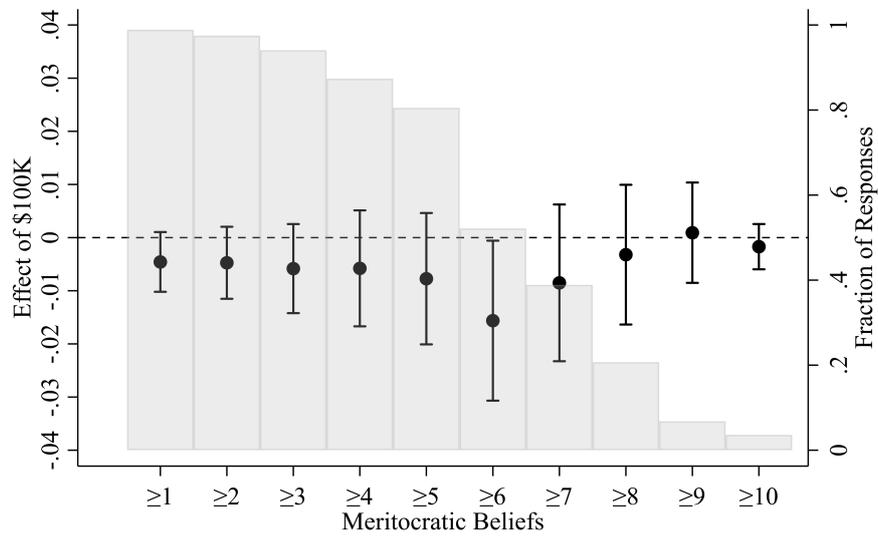
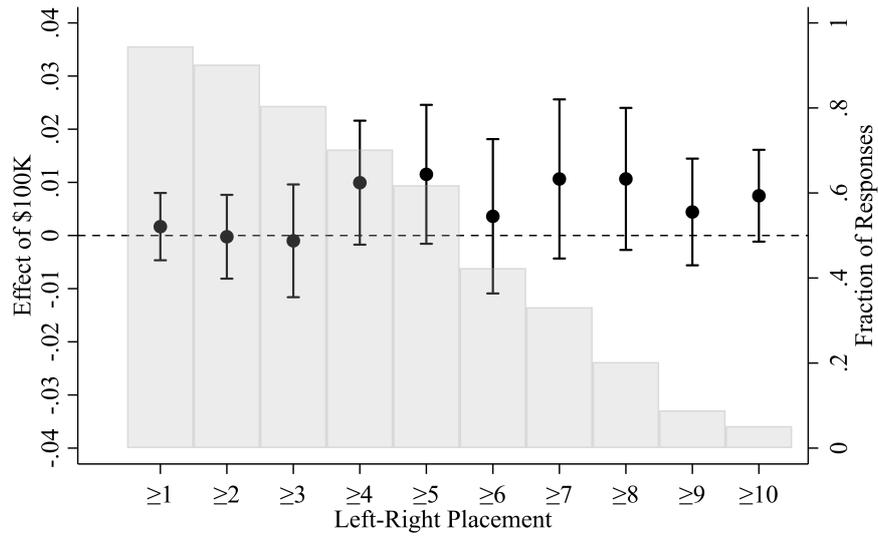


Figure A6: Effect of Lottery Wealth on Left-Right Placement and Meritocratic Beliefs Defined as Binary Outcomes (Post Hoc)

Left-right placement and meritocratic beliefs are based on a survey question allowing responses from 0 to 10. The figure shows the estimated effect of lottery wealth when the outcome is coded as an indicator variable set equal to 1 for responses at or above each value of the response scale, and zero otherwise. The grey bars shows the share of respondents who gave a response equal to or higher than the value stated on the horizontal axis.

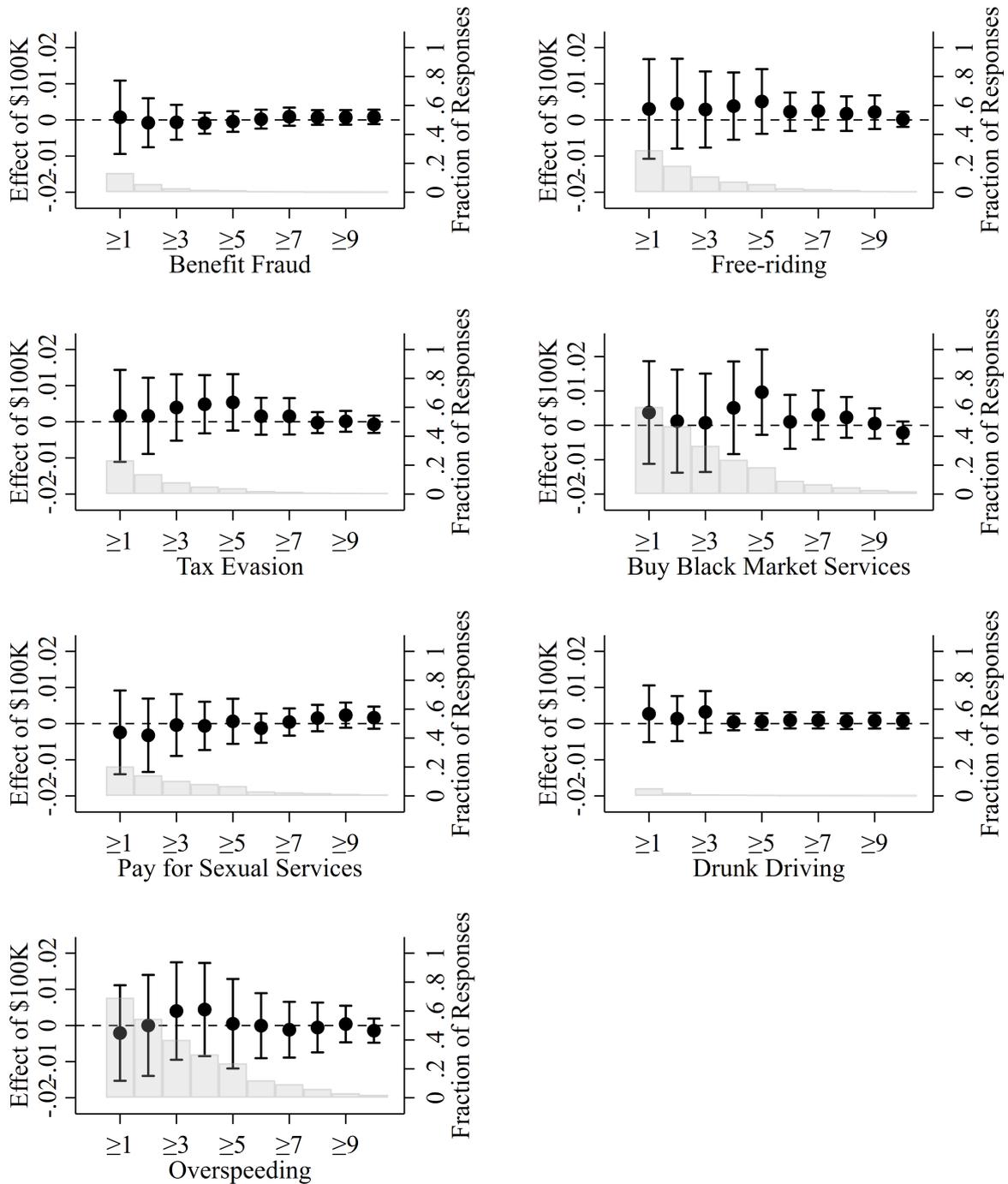


Figure A7: Effect of Lottery Wealth on Moral Values Defined as Binary Outcomes (Post Hoc)
 The index of moral values is constructed from underlying questions asking about the moral acceptability of different behaviors allowing responses ranging from 0 (“Can never be defended”) to 10 (“Can always be defended”). The figure shows the estimated effect of lottery wealth for each question when the outcome is coded as an indicator variable set equal to 1 for responses at or above each value of the response scale, and 0 otherwise. The grey bars shows the share of respondents who gave a response equal to or higher than the value stated on the horizontal axis.

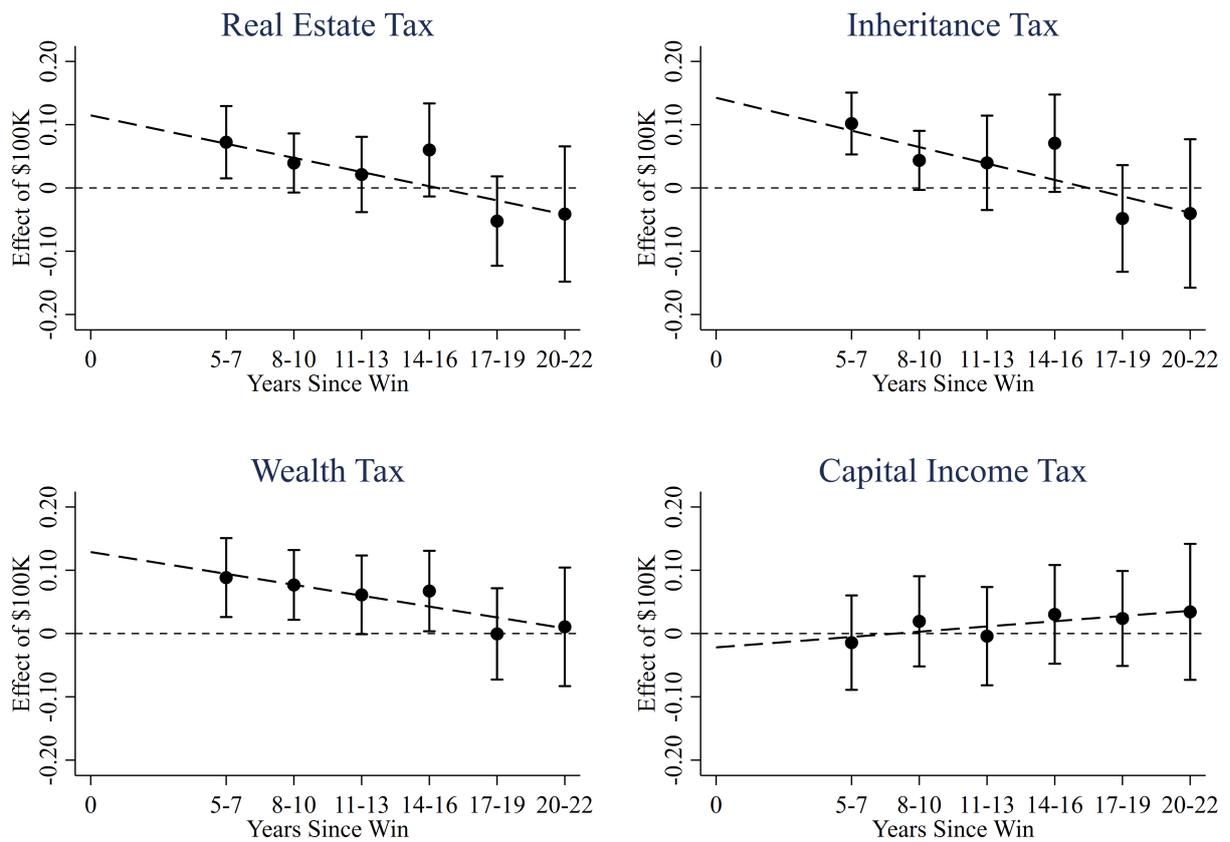


Figure A8: Treatment-Effect Heterogeneity by Year Won in Survey (Post Hoc)

This figure depicts estimates from post hoc analyses of treatment-effect heterogeneity by year won for the sub-components of the capital taxation index. The line shown is from a regression of the treatment-effect estimates weighting each point in proportion to the inverse of the variance of the estimate.

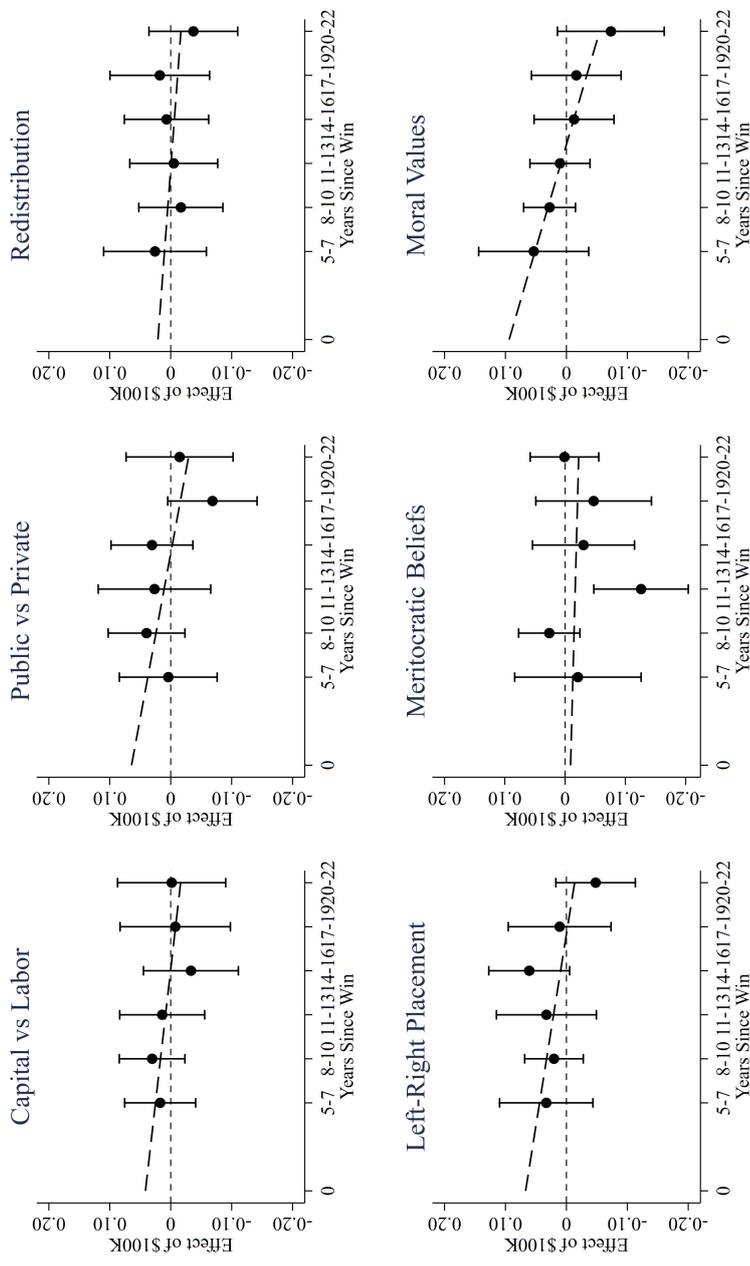


Figure A9: Treatment-Effect Heterogeneity by Year Won for Primary Survey Outcomes (Post Hoc)
 This figure depicts estimates from post hoc analyses of treatment-effect heterogeneity by year won for all primary outcomes. The line shown is from a regression of the treatment-effect estimates weighting each point in proportion to the inverse of the variance of the estimate.

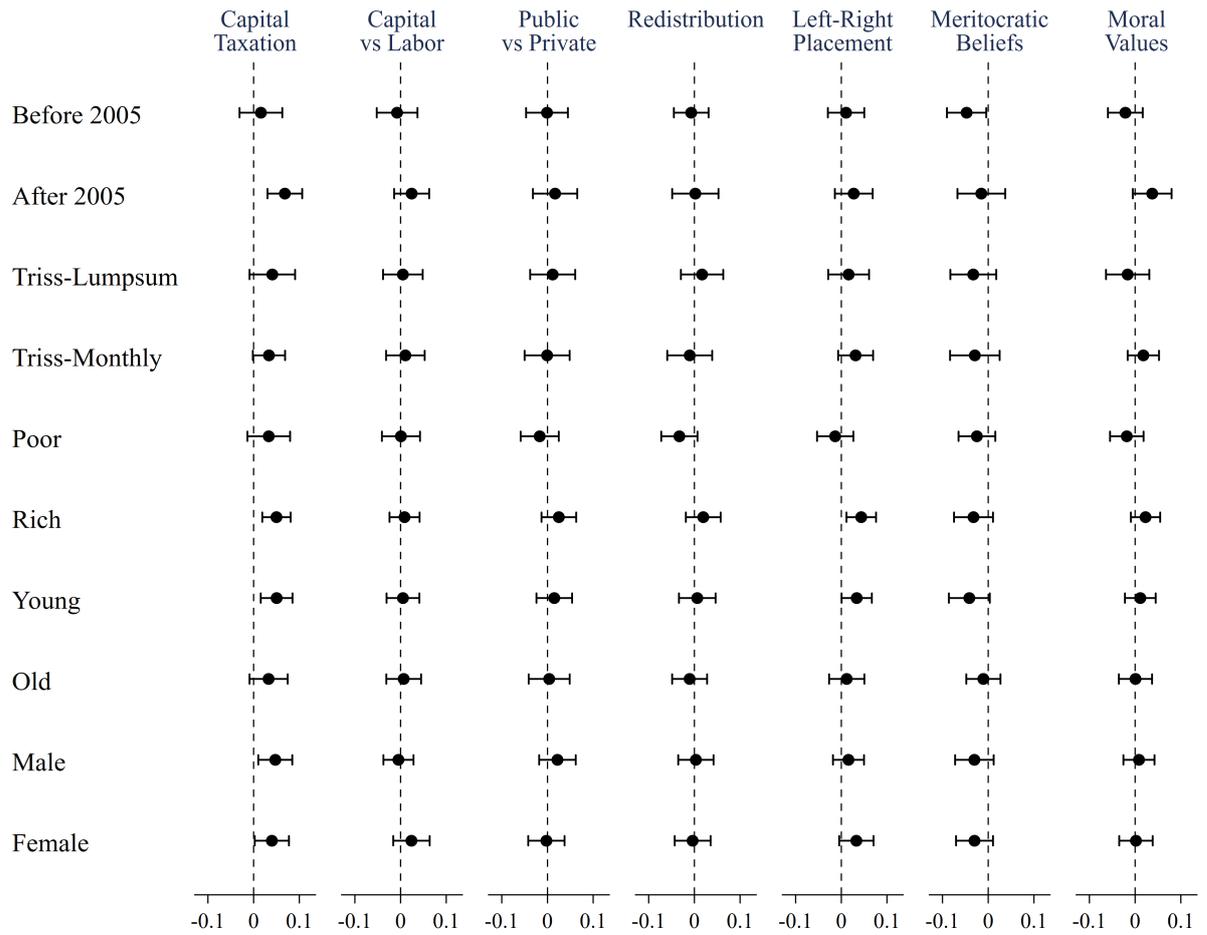


Figure A10: Treatment-Effect Heterogeneity for Primary Survey Outcomes
The figure shows estimated treatment effects of \$100,000 in subsamples defined in the pre-analysis plan (Cesarini, Lindqvist, and Östling, 2016). For underlying data, see Table A9.

B Additional Tables: Participation

Table B1: Distribution of Prizes Awarded in Participation Samples

	Winners				Children			
	PLS	Kombi	Triss	Triss	PLS	Kombi	Triss	Triss
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Lumpsum	Monthly			Lumpsum	Monthly
0	0	40,701	0	0	0	2,440	0	0
5K to 10K	363,982	0	1,192	0	91,492	0	463	0
10K to 50K	2,524	0	2,614	0	777	0	943	0
50K to 100K	292	0	305	0	74	0	117	0
100K to 200K	457	415	61	104	129	51	24	30
200K to 400K	482	35	58	292	133	1	25	100
400K to 600K	0	7	40	160	0	0	7	41
600K to 800K	0	2	35	86	0	2	12	32
800K to 1M	0	1	33	41	0	0	14	22
Above 1M	0	2	0	19	0	0	0	4
Prize Sum (\$M)	396.2	84.7	196.8	304.0	112.4	9.9	71.1	99.9
<i>N</i>	367,737	41,163	4,338	702	92,605	2,494	1,605	229

This table shows the distribution of prizes in the Winner and Children Participation Samples. In Triss-Monthly, prize amount is defined as the net present value of the monthly installments won, assuming the annual discount rate is 2.

Table B2: Test of Conditional Random Assignment of Lottery Prizes (Adults)

	No FE	Lottery FE
	(1)	(2)
Age	0.000	0.711
Age ²	0.003	0.549
Age ³	0.015	0.456
Female	0.166	0.697
Immigrant	0.004	0.650
Married	0.113	0.737
Income (logs)	0.000	0.168
College	0.000	0.555
College missing	0.020	0.509
Previous turnout	0.000	0.436
Below 18	0.000	0.548
Abstained	0.000	0.535
Previous nomination	0.486	0.274
Below 18	0.001	0.715
Not Swedish	0.002	0.410
F (analytical)	32.745	0.729
p (analytical)	0.000	0.757
p (resampling)	0.000	0.806
N	413,940	413,940

This table reports the p -values of individual coefficients and tests of joint significance from a regression with lottery wins as the dependent variable for the Winner Participation Sample. The table shows the results both with and without controls for lottery group fixed effects. Standard errors are clustered at the level of the individual. The resampling-based p -values are obtained by simulating the distribution of F statistic under the null hypothesis of zero treatment effects 10,000 times.

Table B3: Test of Conditional Random Assignment of Lottery Prizes (Children)

	Full Sample		Max 3 Children	
	No FE	Lottery FE	No FE	Lottery FE
	(1)	(2)	(3)	(4)
Age	0.083	0.438	0.211	0.697
Age ²	0.377	0.111	0.690	0.322
Age ³	0.541	0.072	0.859	0.255
Female	0.016	0.039	0.091	0.108
First-born	0.273	0.000	0.000	0.013
Second-born	0.440	0.000	0.000	0.031
Third-born	1.000	0.049	0.000	0.321
Parent age	0.923	0.704	0.245	0.676
Parent age ²	0.610	0.760	0.075	0.771
Parent age ³	0.338	0.883	0.027	0.921
Parent female	0.437	0.301	0.424	0.117
Parent immigrant	0.021	0.350	0.050	0.191
Parent married	0.002	0.173	0.005	0.064
Log income	0.000	0.757	0.000	0.890
Parent college	0.000	0.356	0.000	0.668
Parent college missing	0.000	0.825	0.000	0.748
Parent turnout	0.001	0.240	0.001	0.313
Parent below 18	0.000	0.284	0.000	0.446
Parent abstained	0.034	0.558	0.022	0.245
Parent candidacy	0.580	0.566	0.482	0.652
Parent below 18	0.471	0.226	0.972	0.223
Parent not Swedish	0.281	0.281	0.312	0.356
F (analytical)	5.812	2.020	6.661	1.414
p (analytical)	0.000	0.003	0.000	0.094
p (resampling)	0.271	0.007	0.282	0.200
N	110,392	110,392	96,933	96,921

This table reports the p -values of individual coefficients and tests of joint significance from a regression with parental lottery wins as the dependent variable. The sample consists of players' pre-lottery children for whom we observe at least one participation outcome. The table shows results for the full sample as well as when the sample is restricted to children of winners that had at most three children at the time of winning. The table shows results both with and without lottery group fixed effects. Standard errors are clustered at the family level. The resampling-based p -values are obtained by simulating the distribution of F statistic under the null hypothesis of zero treatment effects 10,000 times.

Table B4: Additional Tests of Conditional Random Assignment of Lottery Prizes (Children)

	Full Sample	Max 3 Children	Large Groups	Weighted
	(1)	(2)	(3)	(4)
Age	0.438	0.697	0.877	0.547
Age ²	0.111	0.322	0.484	0.320
Age ³	0.072	0.255	0.375	0.278
Female	0.039	0.108	0.801	0.076
First-born	0.000	0.013	0.002	0.012
Second-born	0.000	0.031	0.003	0.019
Third-born	0.049	0.321	0.217	0.207
Parent age	0.704	0.676	0.869	0.360
Parent age ²	0.760	0.771	0.829	0.438
Parent age ³	0.883	0.921	0.728	0.568
Parent female	0.301	0.117	0.446	0.373
Parent immigrant	0.350	0.191	0.774	0.162
Parent married	0.173	0.064	0.229	0.081
Log income	0.757	0.890	0.460	0.709
Parent college	0.356	0.668	0.333	0.266
Parent college missing	0.825	0.748	0.642	0.813
Parent turnout	0.240	0.313	0.278	0.109
Parent below 18	0.284	0.446	0.265	0.400
Parent abstained	0.558	0.245	0.494	0.352
Parent candidacy	0.566	0.652	0.659	0.952
Parent below 18	0.226	0.223	0.608	0.168
Parent not Swedish	0.281	0.356	0.875	0.194
F (analytical)	2.020	1.414	1.460	1.470
p (analytical)	0.003	0.094	0.075	0.072
p (resampling)	0.007	0.200	0.108	0.139
N	110,392	96,921	102,092	110,392

This table reports the p -values of individual coefficients and tests of joint significance from a regression with parental lottery wins as the dependent variable. The sample consists of players' pre-lottery children for whom we observe at least one participation outcome. The table shows the results with lottery group fixed effects for the full sample, for the sample with at most three children, with lottery groups with 30 or fewer individuals excluded as well as a specification that weights the sample with the inverse of the number of pre-lottery children in the sample. Standard errors are clustered at the family level. The resampling-based p -values are obtained by simulating the distribution of F statistic under the null hypothesis of zero treatment effects 10,000 times.

Table B5: Non-linear Effects of Lottery Wealth on Political Participation (Adults)

	Turnout National	Turnout EU	Political Candidacy
	(1)	(2)	(3)
<i>Omitting Large Prizes</i>			
Effect (\$100K)	0.114	-0.218	-0.180
SE	(0.319)	(0.611)	(0.126)
p	0.721	0.721	0.154
N	335,796	288,010	413,122
<i>Squared Winnings</i>			
Effect (\$100K)	-0.139	-0.340	-0.137
SE	(0.374)	(0.759)	(0.155)
p	0.709	0.654	0.378
Prize ²	3.529	-3.972	1.087
SE	(3.903)	(9.066)	(1.563)
p	0.366	0.661	0.487
N	335,989	288,205	413,349

This table reports the treatment effect of \$100K on the three primary participation outcomes. We control for baseline controls measured at $t = -1$ and group-identifier fixed effects in all specifications. Standard errors are clustered at the level of the individual.

Table B6: Effects of Lottery Wealth on Political Participation over Time (Adults)

	Second National	Third National	Second EU
	(1)	(2)	(3)
Effect (\$100K)	-0.016	-1.266	0.150
SE	(0.271)	(0.741)	(0.517)
p	0.954	0.088	0.771
N	250,241	108,266	207,059

This table reports the treatment effect of \$100K on voter turnout after the first post-lottery election. See Brännlund et. al. (2020) for a detailed description of how these variables are constructed. We control for baseline controls measured at $t = -1$ and group-identifier fixed effects in all specifications. Standard errors are clustered at the level of the individual.

Table B7: Heterogeneous Effects of Lottery Wealth on Political Participation (Adults)

	Income		Education		Turnout	
	Poor	Rich	No College	College	Abstained	Voted
	(1)	(2)	(3)	(4)	(5)	(6)
<i>Turnout National</i>						
Effect (\$100K)	0.107	0.002	-0.126	0.610	1.622	0.072
SE	(0.449)	(0.279)	(0.303)	(0.242)	(1.721)	(0.237)
<i>p</i>	0.811	0.996	0.678	0.012	0.346	0.762
Heterogeneity <i>p</i>	0.842		0.058		0.372	
<i>N</i>	323,341		323,341		243,887	
<i>Turnout EU</i>						
Effect (\$100K)	-0.380	-0.752	-0.760	-0.102	-2.713	-0.211
SE	(0.669)	(0.587)	(0.499)	(0.923)	(0.981)	(0.519)
<i>p</i>	0.570	0.200	0.127	0.912	0.006	0.684
Heterogeneity <i>p</i>	0.677		0.530		0.024	
<i>N</i>	275,054		275,054		202,590	
<i>Political Candidacy</i>						
Effect (\$100K)	-0.139	-0.026	0.068	-0.695	-0.258	-0.039
SE	(0.096)	(0.155)	(0.108)	(0.261)	(0.154)	(0.112)
<i>p</i>	0.149	0.867	0.527	0.008	0.092	0.728
Heterogeneity <i>p</i>	0.535		0.007		0.248	
<i>N</i>	399,563		399,563		295,508	

This table reports the treatment effect of \$100K on the three primary participation outcomes for the adult sample split by pre-lottery income, education and voter turnout. We control for baseline controls measured at $t = -1$ and group-identifier fixed effects in all specifications. Standard errors are clustered at the level of the individual.

Table B8: Effects of Lottery Wealth on Political Participation by Lottery (Adults)

	PLS	Kombi	Triss Lumpsum	Triss Monthly
	(1)	(2)	(3)	(4)
<i>Turnout National</i>				
Effect (\$100K)	0.070	0.359	-0.430	0.418
SE	(0.417)	(0.611)	(0.484)	(0.429)
p	0.867	0.557	0.375	0.330
Heterogeneity p			0.587	
N			335,989	
<i>Turnout EU</i>				
Effect (\$100K)	-0.781	1.353	-1.446	-0.624
SE	(0.896)	(1.141)	(0.687)	(0.796)
p	0.383	0.236	0.035	0.433
Heterogeneity p			0.218	
N			288,205	
<i>Political Candidacy</i>				
Effect (\$100K)	0.023	-0.251	-0.044	-0.075
SE	(0.174)	(0.274)	(0.173)	(0.174)
p	0.893	0.360	0.800	0.665
Heterogeneity p			0.866	
N			413,349	

This table reports the treatment effect of \$100K on the three primary participation outcomes for each lottery sample separately. We control for baseline controls measured at $t = -1$ and group-identifier fixed effects in all specifications. Standard errors are clustered at the level of the individual.

Table B9: Heterogeneous Effects on Children’s Political Participation (Post Hoc)

	Household Income		Child Age		Parental Turnout	
	Poor	Rich	0-9	9-18	Abstained	Voted
	(1)	(2)	(3)	(4)	(5)	(6)
<i>Turnout National</i>						
Effect (\$100K)	-1.980	0.423	-0.232	-0.903	2.434	-1.722
SE	(1.059)	(0.746)	(0.887)	(0.878)	(1.589)	(0.999)
<i>p</i>	0.062	0.571	0.794	0.304	0.125	0.085
Heterogeneity <i>p</i>	0.051		0.567		0.027	
<i>N</i>	92,043		92,043		44,486	
<i>Turnout EU</i>						
Effect (\$100K)	-1.216	0.063	0.386	-0.227	1.416	-1.716
SE	(1.046)	(1.167)	(1.169)	(0.977)	(2.261)	(0.965)
<i>p</i>	0.245	0.957	0.741	0.816	0.531	0.075
Heterogeneity <i>p</i>	0.409		0.671		0.202	
<i>N</i>	92,925		92,925		44,642	
<i>Political Candidacy</i>						
Effect (\$100K)	0.012	-0.050	0.065	-0.123	-0.206	-0.256
SE	(0.157)	(0.154)	(0.242)	(0.101)	(0.332)	(0.133)
<i>p</i>	0.940	0.745	0.790	0.221	0.535	0.053
Heterogeneity <i>p</i>	0.778		0.472		0.888	
<i>N</i>	96,205		96,205		45,878	

This table reports the treatment effect of \$100K on the three primary participation outcomes for the child sample split by pre-lottery household income, child age at the time of the lottery event, parental voter turnout. We control for baseline controls measured at $t = -1$ and group-identifier fixed effects in all specifications. Standard errors are clustered at the family level.

Table B10: Effects of Lottery Wealth on Children’s Political Participation (Post Hoc)

	Full Sample	Max 3 Children	Large Cells	Weighted
	(1)	(2)	(3)	(4)
<i>Turnout National</i>				
Effect (\$100K)	-0.933	-0.700	-1.606	-0.764
SE	(0.616)	(0.664)	(0.778)	(0.639)
<i>p</i> (analytical)	0.130	0.292	0.039	0.232
<i>p</i> (resampling)	0.157	0.325	0.063	0.245
<i>N</i>	104,810	92,043	96,961	104,810
<i>Turnout EU</i>				
Effect (\$100K)	-0.099	-0.193	-1.197	0.224
SE	(0.705)	(0.774)	(0.886)	(0.740)
<i>p</i> (analytical)	0.888	0.803	0.177	0.762
<i>p</i> (resampling)	0.889	0.811	0.199	0.764
<i>N</i>	105,778	92,925	97,841	105,778
<i>Political Candidacy</i>				
Effect (\$100K)	-0.025	-0.047	-0.132	-0.076
SE	(0.108)	(0.122)	(0.074)	(0.109)
<i>p</i> (analytical)	0.818	0.700	0.074	0.486
<i>p</i> (resampling)	0.832	0.728	0.188	0.539
<i>N</i>	109,604	96,205	101,356	109,604

This table reports the treatment effect of \$100K on indicator variables for turnout and political candidacy for winners’ children. The table shows the results for the full sample, for the baseline sample with at most three children, with lottery groups with 30 or fewer individuals excluded as well as a specification that weights the sample with the inverse of the number of pre-lottery children in the sample. We control for baseline controls measured at $t = -1$ and group-identifier fixed effects in all specifications. Standard errors are clustered at the family level. The resampling-based *p*-values are obtained by simulating *t* statistics 10,000 times under the null hypothesis of zero treatment effects.

C Translation of Survey Questions

Below we provide English translations of the survey questions used in this paper. The original Swedish version of the survey is provided in the pre-analysis plan.

1. Which of the political parties is closest to you?
 - Centerpartiet (The Centre Party)
 - Liberalerna (f.d. Folkpartiet) (The Liberals)
 - Kristdemokraterna (The Christian Democrats)
 - Moderaterna (The Moderate Party)
 - Socialdemokraterna (The Social Democratic Party)
 - Vänsterpartiet (The Left Party)
 - Miljöpartiet (The Green Party)
 - Sverigedemokraterna (The Sweden Democrats)
 - Piratpartiet (The Pirate Party)
 - Feministiskt initiativ (The Feminist Initiative)
 - Junilistan (The June List)
 - Annat parti (Other party)
2. In political matters, people talk of left and right. How would you place your views on this scale, generally speaking? 0: Left ... 10: Right.
3. To what extent do you believe that people in general can be trusted? 0: You cannot be careful enough ... 10: Most people can be trusted.
4. To what extent do you think success in life is determined by luck and connections rather than hard work? 0: Success only depends on luck and connections ... 10: Success only depends on hard work.
5. To what extent do you believe that cooperation is needed in order to become successful? 0: Cooperation is necessary for success ... 10: It is possible to become successful on one's own

6. Do you believe that having money is important to be happy? 0: Money is not indispensable for happiness ... 10: Money is indispensable for happiness

7. Below are some proposals that have figured in the political debate. What is your opinion about each proposal? Very bad proposal / Bad proposal / Neither good nor bad proposal / Good proposal / Very good proposal.

- Reduce the public sector
- Reduce the tax on labor income
- Reduce the tax on capital income
- Sell government-owned companies and businesses to private buyers
- Privatize more health care services
- Prohibit paying dividends in tax-financed health care, schools, elderly care and child care
- Reintroduce the property tax
- Reintroduce the inheritance tax
- Reintroduce the wealth tax
- Reduce income differences in the society
- Increase economic support to rural areas
- Introduce six-hour workday for all paid work
- Invest in increasing the equality between women and men
- Invest more in preventing environmental degradation
- Reduce carbon dioxide emissions
- Introduce language tests to be eligible for Swedish citizenship
- Reduce aid to developing countries
- Admit fewer refugees to Sweden
- Sweden should leave the EU
- Sweden should apply for a NATO membership

- Sweden should work for increased free trade in the world
8. The average municipal tax on labor income is currently 32 percent. How high do you think that the municipal income tax should be? ___ percent
9. The tax on capital income, such as interest income and dividends, are in most cases 30 percent. How high do you think that the tax on capital income should be? ___ percent
10. How well do the following statements fit your views? 1: Fits very well ... 5: Fits very poorly
- My future is already determined by fate
 - People can overcome any obstacle if they really want to
 - Life is hard to predict since it is often completely random
 - Like other animals, human behavior follows natural laws
 - People have a completely free will
 - Willpower can always overcome bodily urges
11. To what extent do you believe that the following behaviors are morally defensible? 0: Can never be defended ... 10: Can always be defended
- Collect sickness benefit without being sick
 - Not paying when riding the bus, train or subway
 - Avoid to pay tax when one is bound to pay tax by law
 - Buy services on the black market
 - Pay for sexual services
 - Drive a car while intoxicated
 - Drive a car faster than the current speed limit

D Comparison to Previous Lottery Studies

We compare our estimates to three previous papers on lottery winners' political attitudes. The study most closely related to ours is Doherty, Gerber, and Green (2006) who surveyed 342 U.S. lottery winners. All winners participated in the same lottery, but some purchased tickets individually and others as a part of a group. The prizes ranged from \$48K to \$15.1M and were awarded between 1983 and 2000; winners were surveyed in 2002 and prize amounts are expressed in 2002 dollars. Lottery prizes were paid out as annual installments over twenty years. The individual prizes in their data were substantially larger than the prizes in our lotteries: 83 percent of prizes were larger than \$1M whereas only 2 percent of our prizes are larger than \$1M. The group prizes are more similar in magnitude to the prizes in our data (7 percent above \$1M). Identification in Doherty et al (2006) relies on comparing winners of different amounts, but for group prizes part of the variation is due to the size of the group splitting the prize. Doherty, Gerber, and Green (2006) report a statistically significant positive effect of lottery wealth on support for the elimination of the estate tax, but no statistically significant effects on five other economic-political questions. Because they only report ordered probit estimates, it is difficult to make a direct quantitative comparison to our findings. To make a crude comparison, we use descriptive statistics on attitudes toward the estate tax by prize distribution quintiles reported in the working paper version of Doherty, Gerber, and Green (2006). We set all prizes in each quintile equal to the midpoint of the corresponding prize range. The exception is the top quintile, for which the maximum prize is not stated. As the general prize level is lower for the group prizes, we set the maximum individual prize to \$8M and the maximum group prize to \$1M, thereby generating different top quintile midpoints for each type of prize. The resulting average prize is very similar to that reported in the paper (\$1.8M). Regressing their binary indicator for elimination of the estate tax on the individual prizes gives an estimate of 0.003 per \$100K won ($SE = 0.001$) whereas the estimate for group prizes is 0.023 per \$100K ($SE = 0.014$). Because group prizes are smaller, the larger estimate for group prizes suggests diminishing marginal effects of wealth. If we recode our question about reintroducing the inheritance tax in our data as a binary variable where 1 denotes not supporting a reintroduction of the tax, the estimated effect varies between 0.002 and 0.023 per \$100K depending on which value on the five-point scale we use as cutoff.

In another study of U.S. lottery winners, Peterson (2016) estimates the effect of lottery winnings between 2000 and 2012 on party registrations in 2013. His sample includes 1,933 lottery prizes between \$10K to \$1.7M, which is similar to the prize range in our data. Just like Doherty, Gerber, and Green (2006), identification relies on comparing winners of different amounts in the same lottery. Peterson (2016) estimates the effect of log winnings on an indicator for Republican registration to be 0.015 ($SE = 0.008$). The median prize was \$113,898, so the

marginal effect per \$100K evaluated at the median prize is $100,000 \times 0.015/113,898 \approx 0.013$.¹⁵ He also reports the results from a regression using the dollar value of prizes where the estimated effect is substantially smaller, 0.0035 per \$100K won ($SE = 0.0035$). These estimates can be compared to our estimate for supporting right-wing political parties (see Section 5) of 0.016 ($SE = 0.008$). We prefer a specification with prizes in dollars instead of logarithms as we find a logarithmic functional form implausible for the range of prizes in our and Peterson’s study. For example, a logarithmic specification implies that the marginal effect of the last lottery dollar for someone who won a \$10,000 prize is 170 times larger than the effect for a winner of a \$1.7M prize.

Whereas Peterson’s main estimate is smaller than ours, Oswald and Powdthavee (2014) estimate a substantially larger effect of lottery wealth. Their main outcome is a measure of strength of political partisanship on a seven-point scale ranging from strong identification with Labour to strong identification with the Conservative party. They use data from the British Household Panel Survey which includes winners of lottery prizes from different lotteries ranging from £1 to £185K during the years 1996 and 2009. There are 8,984 lottery prizes awarded, of which 541 are above £500. The total prize sum is about £2M, which is order of magnitudes smaller than the current study (\$277M) and the other two lottery studies discussed above (\$613M expressed in 2002 dollars in Doherty, Gerber, and Green, 2006; a lower bound of \$231M in Peterson, 2016). In one of their main specifications, Oswald and Powdthavee (2014) estimate that winners of prizes above £500 increase their strength of right-wing political partisanship by 0.124 ($SE = 0.044$). Their dependent variable has a standard deviation of 1.46, so the standardized effect is 0.085. The paper does not report the average prize for winners above £500, but in a related paper Apouey and Clark (2015) also use data on lottery winners from BHPS and report that the average lottery prize below £500 is £61.64. Under the assumption that the same average holds for Oswald and Powdthavee (2014), the average large prize is £2,745, implying the effect size is 3.17 SD units per £100K won ($SE = 1.13$). Expressed in 2011 US dollars, the effect is 1.50 SD units per \$100K. This estimate can be compared to our most similar outcome, the question about left-right placement, for which the estimated effect is 0.022 ($SE = 0.015$) per \$100K won. The large standard errors in Oswald and Powdthavee (2014) implies that they were underpowered to detect effect sizes of similar magnitude to what we find in this paper.

¹⁵Peterson (2016) does not report whether nominal or real amounts are used, so we do not try to adjust his estimates for inflation.

E Representativeness

To gauge sample representativeness, we compare the lottery sample to a representative sample matched on sex and age.

E.1 Survey and Respondents Sample

The top panel of Table E1 compares pre-lottery baseline characteristics in the Respondents Sample and the Survey Population with a representative sample of Swedish adults drawn in 2010. The starkest difference shown in Table E1 is that lottery players are more likely to be born in Sweden (92.4% versus 83.8%). But because the representative sample was drawn in 2010 and the share of foreign-born increased substantially in the lottery years, the difference in the share foreign-born understates the representativeness of the lottery players at the time of winning. Players are similar to the Swedish population in terms of marital status and number of children residing in their household. Lottery players are less likely to have attended college and have higher labor incomes on average, though differences are modest in both cases (25.8% versus 30.1% and \$35,000 versus \$32,000, respectively). Labor income includes pre-tax wage earnings, self-employment income and income support, but exclude pension income and unemployment benefits. Capital income includes dividends, interest income as well as capital gains from selling assets net of any capital losses and interest payments made. Because it is common to make substantial mortgage interest payments, capital income is often negative.

The bottom panel of Table E1 compares political attitudes of lottery players to the nationally representative SOM survey conducted by University of Gothenburg during the fall of 2016. Table E1 only includes questions that were identically or very similarly worded in the two surveys. Because lottery players are surveyed after winning the lottery, the table also includes a separate column reporting the average only for those who won small prizes (below \$20K). Table E1 reveals that the political attitudes of our pooled sample are overall similar to the nationally representative survey. One exception is that Kombi players are more likely to support left-wing parties, which is unsurprising given that the lottery is owned by the largest left-wing party (the Social Democrats). Specifically, 65.1% of Kombi controls support left-wing parties, whereas 42.6% of small-prize winners in Triss support does so. Another exception is that lottery players also appears to be somewhat less supportive of reducing the size of the government. Overall, the similarity in baseline characteristics and political attitudes is reassuring, though we cannot rule out that players who select into the lottery differ from the population in unobservables in ways that could impair the generalizability of our findings.

Table E1: Representativeness of Survey Respondents

	Respondents Sample				Survey Population	Representative Sample
	Kombi	Triss-Lumpsum	Triss-Monthly	Pooled		
	(1)	(2)	(3)	(4)		
Year of Birth	1951.1	1957.2	1957.5	1955.6	1957.3	1955.6
Female	40.0%	52.1%	49.2%	48.4%	46.5%	48.4%
College	24.0%	26.1%	28.0%	25.8%	22.1%	30.1%
Swedish-born	95.2%	91.2%	91.5%	92.4%	90.7%	83.8%
Married	53.3%	53.8%	53.7%	53.7%	48.4%	51.0%
# Children	0.33	0.69	0.62	0.58	0.62	0.56
Capital Income (\$)	-625	-978	-691.4	-848	-964	-26
Labor Income (\$)	37,454	33,431	37,160	34,963	33,874	32,074
<i>N</i>	929	2,055	378	3,362	4,840	373,276
	Kombi	Triss-Lumpsum	Triss-Monthly	Pooled	Small-prize Winners	National SOM Survey
	(7)	(8)	(9)	(10)	(11)	(12)
Support Left	64.8%	42.8%	36.1%	48.4%	50.8%	42.3%
Support Right	21.1%	37.2%	43.7%	33.3%	31.0%	40.1%
Support Nationalist	9.4%	14.3%	14.1%	12.9%	12.9%	15.6%
Smaller Government (1-5)	2.20	2.41	2.43	2.35	2.33	2.82
Private Care (1-5)	2.13	2.38	2.35	2.31	2.88	2.38
Reduce Inequality (1-5)	4.07	3.81	3.74	3.88	3.90	3.89
Rural Support (1-5)	4.09	3.93	3.88	3.97	4.00	4.20
Gender Equality (1-5)	4.33	4.20	4.21	4.24	4.25	4.30
Reduce Foreign Aid (1-5)	2.78	2.91	2.82	2.87	2.87	2.74
Fewer Refugees (1-5)	3.40	3.62	3.59	3.56	3.55	3.60
Leave EU (1-5)	2.53	2.60	2.51	2.57	2.60	2.50
Join NATO (1-5)	2.67	2.99	2.87	2.88	2.87	3.01
Trust (0-10)	5.85	5.81	6.09	5.86	5.82	6.69
<i>N</i>	854	1,796	327	2,977	1,893	1,487

This table reports descriptive statistics for the baseline controls and selected survey items in the Respondents Sample. The baseline controls are also reported separately for the Survey Population. Because the survey items are measured after the lottery event, column (11) also report averages for lottery players that won less than \$20K. To help gauge representativeness, column (6) provides descriptive statistics for the baseline covariates for a representative sample draw in in 2010 after reweighting to match the sex and age distribution of the Respondents Sample. All time-varying variables are measured the year prior to the lottery event. Similarly, column (12) reports survey items from the representative national SOM survey conducted during the fall of 2016 after reweighting to match the sex and age distribution of the Respondents Sample. Only survey items that are available in both surveys are included in the table. The number of observations varies for each survey item, the total observation count on the bottom row shows the survey item with the fewest respondents. The survey question about party preferences and the trust question were phrased somewhat differently in the two surveys.

E.2 Participation Samples

Table E2 shows a comparison of the sample used in the study of lottery winners' participation and a representative sample. The table shows the baseline pre-lottery characteristics for each lottery separately and for the pooled sample (with each lottery weighted by its share of the treatment variation). The income measure is the same as we use in our main analysis: disposable income left-censored at 60,000 SEK, measured at the individual level for winners and at the household level for children of winners. Table E2 shows lottery players are less likely to have immigrated to Sweden and to hold a college degree, but somewhat more likely to have voted in the previous election (71.7% vs. 67.4%) or have run for political office (3.0% vs. 2.4%).

Table E3 shows a corresponding set of baseline characteristics for the children in our intergenerational sample, and for their parents. Children of lottery-playing parents have similar birth order, while the parents are less likely to be immigrants and college educated, but have somewhat higher incomes and political participation.

Table E2: Representativeness (Adults)

	PLS	Kombi	Triss Lumpsum	Triss Monthly	Pooled	Matched Sample
	(1)	(2)	(3)	(4)	(5)	(6)
Age	57.690	61.736	51.001	50.020	53.948	53.948
Female	0.524	0.427	0.507	0.469	0.493	0.493
Immigrant	0.027	0.016	0.058	0.053	0.043	0.085
Married	0.587	0.558	0.508	0.511	0.537	0.534
Log Income	9.962	10.168	10.091	10.179	10.086	10.046
College	0.187	0.174	0.180	0.212	0.189	0.235
Turnout	0.643	0.846	0.735	0.714	0.717	0.674
Candidacy	0.023	0.062	0.025	0.030	0.030	0.024
<i>N</i>	367,737	41,163	4,338	702	413,940	4,139,400

This table reports mean values for demographic and political variables for the Winner Participation Sample, by lottery (columns 1-4) and pooled (column 5). All time-varying variables are measured prior to the lottery event. The pooled sample has been weighted by each lottery's share of the identifying variation (defined as the total within-cell variation in prize amount). The matched sample in column 6 is generated by matching each player to ten individuals randomly selected individuals from the total population with the same sex and birthyear, and then weighting by the corresponding lottery's share of the identifying variation.

Table E3: Representativeness (Children)

	PLS	Kombi	Triss Lumpsum	Triss Monthly	Pooled	Matched Sample
	(1)	(2)	(3)	(4)	(5)	(6)
Age	9.402	12.360	10.066	11.306	10.270	10.270
Female	0.491	0.468	0.470	0.537	0.490	0.490
First-born	0.482	0.435	0.534	0.533	0.515	0.492
Second-born	0.392	0.403	0.378	0.354	0.378	0.340
Third-born	0.124	0.160	0.088	0.114	0.106	0.122
Fourth-born	0.002	0.002	0.001	0.000	0.001	0.045
Parent age	40.325	44.389	39.832	41.956	40.644	40.359
Parent female	0.493	0.502	0.495	0.415	0.477	0.477
Parent immigrant	0.041	0.035	0.066	0.083	0.062	0.137
Parent married	0.732	0.546	0.553	0.555	0.600	0.632
Log Income	10.842	11.007	10.932	11.025	10.932	10.868
Parent college	0.341	0.299	0.232	0.231	0.264	0.295
Parent turnout	0.471	0.826	0.720	0.694	0.654	0.554
Parent candidacy	0.028	0.051	0.019	0.031	0.025	0.019
<i>N</i>	92,605	2,494	1,605	229	96,933	969,330

This table reports mean values for demographic and political variables for the Child Participation Sample, by lottery (columns 1-4) and pooled (column 5). All time-varying variables are measured prior to the lottery event. The pooled sample has been weighted by each lottery's share of the identifying variation (defined as the total within-cell variation in prize amount). The matched sample in column 6 is generated by matching each player to ten individuals randomly selected individuals from the total population with the same sex and birthyear, and then weighting by the corresponding lottery's share of the identifying variation.

F Comparison to Wealth Gradients (Post Hoc)

As mentioned in the main text, we also compare our lottery estimates for the primary survey outcomes to wealth gradients. The results of this comparison are shown in Table F1 and Figure F1.

Table F1: Comparison to Wealth Gradients for Primary Survey Outcomes (Post Hoc)

	Taxation		Political Attitudes			Beliefs and Values	
	Capital Taxation	Capital vs Labor	Public vs Private	Redistri- bution	Left-Right Placement	Meritocratic Beliefs	Moral Values
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Effect	0.044	0.006	0.009	-0.001	0.022	-0.028	0.005
SE	(0.016)	(0.015)	(0.017)	(0.016)	(0.015)	(0.018)	(0.015)
Wealth 2007	0.106	0.116	0.023	0.089	0.075	0.007	0.042
SE	(0.017)	(0.015)	(0.016)	(0.014)	(0.015)	(0.015)	(0.015)
<i>p</i> equal	0.007	<0.001	0.558	<0.001	0.013	0.118	0.081
Effect 2016	0.113	0.027	0.033	0.008	0.056	-0.049	0.049
SE	(0.029)	(0.030)	(0.038)	(0.039)	(0.033)	(0.043)	(0.033)
Wealth 2016	0.079	0.087	0.017	0.067	0.056	0.006	0.031
SE	(0.012)	(0.011)	(0.012)	(0.011)	(0.011)	(0.011)	(0.011)
<i>p</i> equal	0.285	0.055	0.680	0.138	0.994	0.211	0.612

This table compares the effect of lottery wealth to wealth gradients estimated using small-prize winners (below \$20K). Effects and gradients are expressed per \$100K. Gradients in the top panel are estimated using registered net wealth in 2007 (winsorized at the 0.5th and 99.5th percentile). The wealth gradients are estimated controlling flexibly for age and sex. The bottom panel show gradients divided by 1.33 and estimated effects of lottery prizes after multiplying the prize variable by $\max\{0, 1 - 0.05t\}$, where t is the number of years that passed between winning and the survey. Because the “*p*equal” refers to the p -value obtained from a Wald test that the lottery estimate and the gradient estimate are equal. Standard errors are clustered at the level of the individual.

The filled circles in Figure F1 show estimated wealth gradients for our primary outcomes based on household net wealth in 2007. The gradients are estimated controlling for sex, a fourth-order polynomial in age and sex-by-age interactions. For example, \$100K higher wealth is associated with a 0.106 SD units higher capital taxation index. This is considerably larger than our lottery-based estimate of 0.044 SD units per \$100K won. However, both the lottery estimate and the gradient reflects a relationship with wealth measured many years prior to the survey. Further, while lottery wealth is spent down over time (see Figure 1), the opposite is true for wealth that players have accumulated prior to winning. For example, between 1999 and 2007, the net wealth of households that had not yet won increased by 33%.¹⁶ Assuming the

¹⁶The fact that agents accumulate wealth over the life cycle while an exogenous wealth shock is consumed

same rate of increase, \$100K in 2007 corresponds to \$133K at the end of 2016, the year of the survey. Rescaling the gradient for the capital taxation index accordingly results in a gradient with respect to current wealth of $0.106/1.33 = 0.080$ SD units per \$100K (indicated by the leftmost filled square in Figure F1). This re-scaled gradient can be compared to the re-scaled lottery-based estimate in Section 3.2 of 0.113 SD units per \$100K (indicated by the leftmost hollow square in Figure F1). Although this comparison relies on strong assumptions, we note that it is possible to rationalize the entire gradient between wealth and the capital taxation index as a causal effect of wealth.

For the other primary outcomes, Figure F1 shows that the wealth gradients have the expected signs, whereas lottery estimates are smaller (or of the opposite sign) compared to the gradient. Performing the corresponding re-scaling of both the gradient and lottery estimates as for the capital taxation index, however, tend to move the gradient and causal estimates closer to each other. After re-scaling, we cannot reject that gradients and treatment effects are statistically distinguishable for any of the primary outcomes (see Table F1).

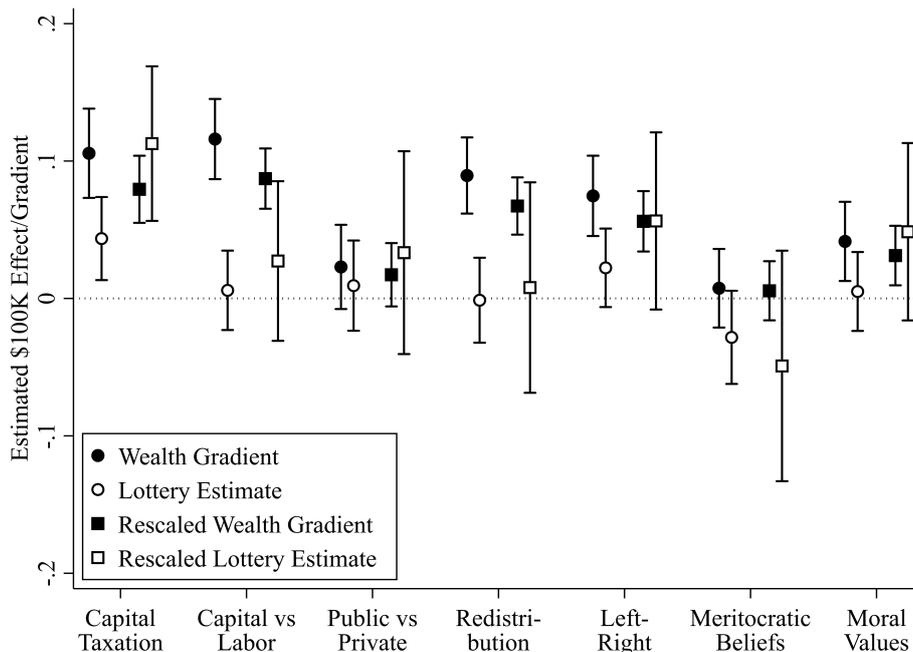


Figure F1: Comparison to Wealth Gradients (Post Hoc)

This figure compares the effects of lottery wealth to wealth gradients estimated using small-prize winners (below \$20K). Effects and gradients are expressed per \$100K. The solid circles show gradients estimated using registered net wealth in 2007 (winsorized at the 0.5th and 99.5th percentile) controlling flexibly for age and sex. The solid squares shows the same gradients divided by 1.33. The hollow circles shows the baseline lottery estimates and the hollow squares show estimated effects of lottery prizes when the prize variable is multiplied by $\max\{0, 1 - 0.05t\}$, where t is the number of years that passed between winning and the survey.

might appear contradictory, but it is consistent with a simple life-cycle model (see e.g. Cesarini et al., 2017).

G Twin Analysis (Post Hoc)

In this section, we present post hoc analyses focused on elucidating the mechanisms underlying the observed income and wealth gradients. To advance our understanding of this question, we draw upon a sample from the Swedish Twin Registry (STR). Originating in the 1950s, the STR encompasses nearly all twins born in Sweden since 1886, comprising a dataset with over 200,000 twins (Zagai et al., 2019). For our study, we utilize a subset of monozygotic (MZ) and same-sex dizygotic (DZ) twin pairs for whom we have complete information on relevant measures of income, wealth, and political traits.

We employ measures that maximize the overlap between the lottery sample and the twin sample. Income and wealth are quantified utilizing data from administrative registries. More specifically, income is measured by the average disposable household income (left-censored at 60,000 SEK) spanning 2004-2008. Wealth is measured as net wealth in 2007 (the final available year in the Wealth Registry). To address extreme values, we have winsorized the income and wealth variables at the 0.5th and 99.5th percentiles. Both income and wealth are expressed in units of year-2011 SEK and converted to USD.

Political preference measures are derived from the SALTY survey within the Swedish Twin Registry (STR). The SALTY survey, conducted during 2009–2010, encompasses a total sample of 11,482 individuals born between 1943 and 1958. It contains measures of various factors, such as economic, social, and political attitudes and behavior. Importantly for our purposes, and as explained in the pre-analysis plan, the lottery survey was partially built upon the SALTY survey, enabling us to create political preference measures in the twin sample that are either identical or closely resemble the outcomes used in the primary analyses based on the lottery sample. Specifically, we will utilize the SALTY survey to construct the following six outcomes:

1. Capital Taxation
2. Public/Private Attitudes
3. Attitudes Toward Redistribution
4. Left-Right Placement
5. Meritocratic Beliefs
6. Moral Values

The first three of these outcomes stem from the participants’ responses to a battery of policy proposals included in the SALTY survey. Respondents were required to evaluate each proposal on a 5-point Likert scale, ranging from “Very good proposal” to “Very bad proposal”. *Capital*

Taxation is measured using a single policy proposal: “Keep property taxes”*. *Public/Private Attitudes* is an additive index derived from responses to the following four proposals: “Reduce the size of the public sector”, “Decrease taxes”, “Sell public companies to private buyers”, and “Allow more private options in the provision of tax-funded health care”. *Redistribution* constitutes an additive index based on responses to three proposals: “Decrease income inequality in society”*, “Increase the economic support to rural areas”*, and “Introduce 6-hour working day for all employees”*. *Left-Right Placement* is measured using responses the following question: “In politics you sometimes talk about left and right. Where would you place yourself on a 1-10 scale where 1 stands for left and 10 stands for right?”. *Meritocratic Beliefs* relies on a single item from a battery wherein respondents marked the alternative that best describes how they feel: “What happens to me is my responsibility” or “Sometimes, I feel that I don’t have sufficient control over the direction of my life”. *Moral Values* is an additive index based on four items from a battery of questions where respondents judged the defensibility of various behaviors on a 5-point Likert scale, ranging from “Totally acceptable” to “Totally unacceptable”: “To claim sick leave benefits without being sick”, “To avoid paying for public transport”, “To avoid paying taxes if given the opportunity”*, and “Prostitution”*. Items with asterisks are reverse-coded.

We utilize a discordant-twin design to investigate the mechanisms behind the observed income and wealth gradients. The foundation of the discordant-twin design involves dividing the variance of observed traits into components shared by siblings in a twin pair and components unique to each twin. Non-shared or unique environmental influences (E) encapsulate the distinct experiences to which each twin has been exposed. Shared variance can be further categorized into two sources: common environmental influences shared by the siblings in a twin pair (C) and additive genetic effects (A). The strength of this design lies in the genetic similarity of MZ twins, who are identical, whereas DZ twins share an average of 50% of their segregating genes.

Associations at the individual level between observed traits (e.g., as estimated from an individual-level regression of political preferences on wealth) may be influenced by potential confounding from genetic (A), shared environmental (C), and unique environmental (E) effects. Associations within DZ twin pairs discordant for exposure are free from confounding by shared environmental effects (C) and partially control for A effects. Associations within MZ twin pairs discordant for exposure are unconfounded by both shared environmental (C) and genetic (A) effects. However, neither within-pair comparison addresses confounding due to E factors.

To clarify the rationale behind this analysis, we depict the hypothetical impact of an exposure (e.g., wealth) on an outcome (e.g., political preferences) under different conditions: at the individual level (IL), disregarding twin-pair membership, and within MZ and DZ twin pairs discordant on exposure, as illustrated in Figure G1. In the first scenario in Figure G1, the estimated effect remains consistent across specifications (at the individual level as well as within

DZ and MZ twin pairs). This pattern of estimates is consistent with an association that is not confounded by genetic (A) or shared environmental (C) factors. The second scenario illustrates a situation where the association is entirely confounded by genetic effects (A). At the opposite extreme, the third scenario suggests that the individual-level relationship is entirely explained by shared environmental effects (C). The two rightmost examples display partial confounding due to both genetic and shared environmental effects. In scenario 4, confounding is mostly due to additive genetic effects, whereas the association in scenario 5 is to a large extent explained by shared environmental effects.

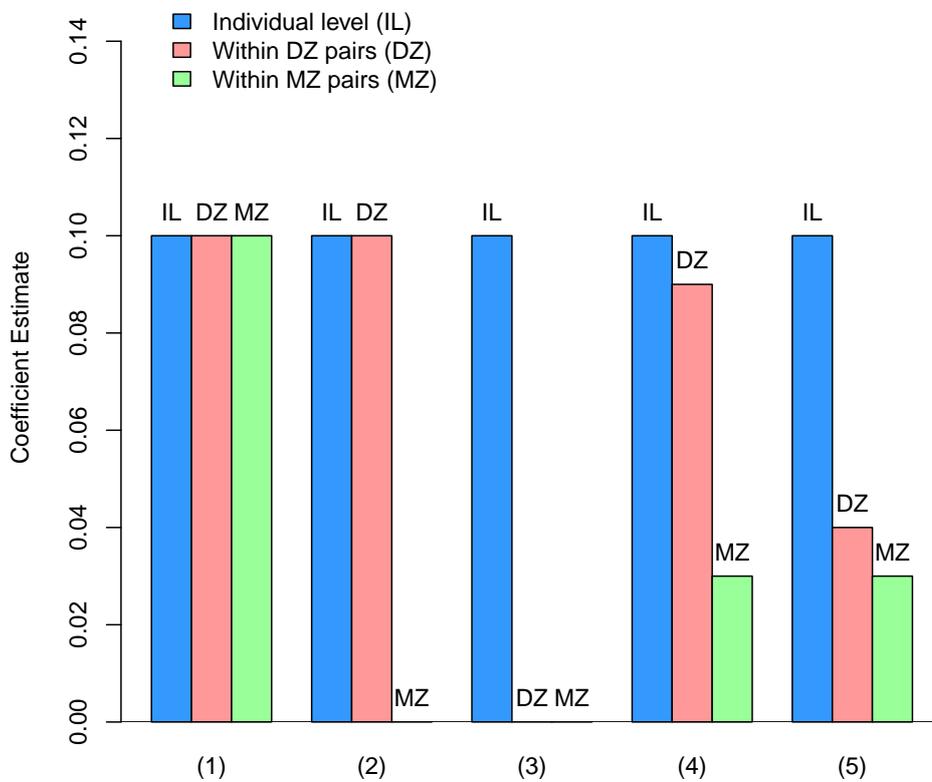


Figure G1: Logic of the Discordant-twin Design

This figure illustrates five scenarios by portraying the hypothetical effect of an exposure on an outcome under three different specifications: Individual level association (IL; without considering twin-pair membership) and within monozygotic (MZ) and dizygotic (DZ) twin pairs discordant on exposure. The figure is adapted from McGue, Osler, and Christensen (2010).

Figure G2 and G3 and display the estimated income and wealth gradients for the six political preference outcomes. To maximize comparability with our lottery sample, the sample is restricted to twins born between 1935 and 1979. The individual-level models are based on the

complete set of DZ and MZ twin pairs, controlling for fixed effects related to birth year, sex, and their interactions, with standard errors clustered at the twin-pair level. The DZ and MZ models include fixed effects for twin pairs. Wealth is measured in increments of 100,000 USD, whereas income is rescaled to increments of 10,000 USD. All outcomes are standardized to have a mean equal to 0 and a standard deviation equal to 1.

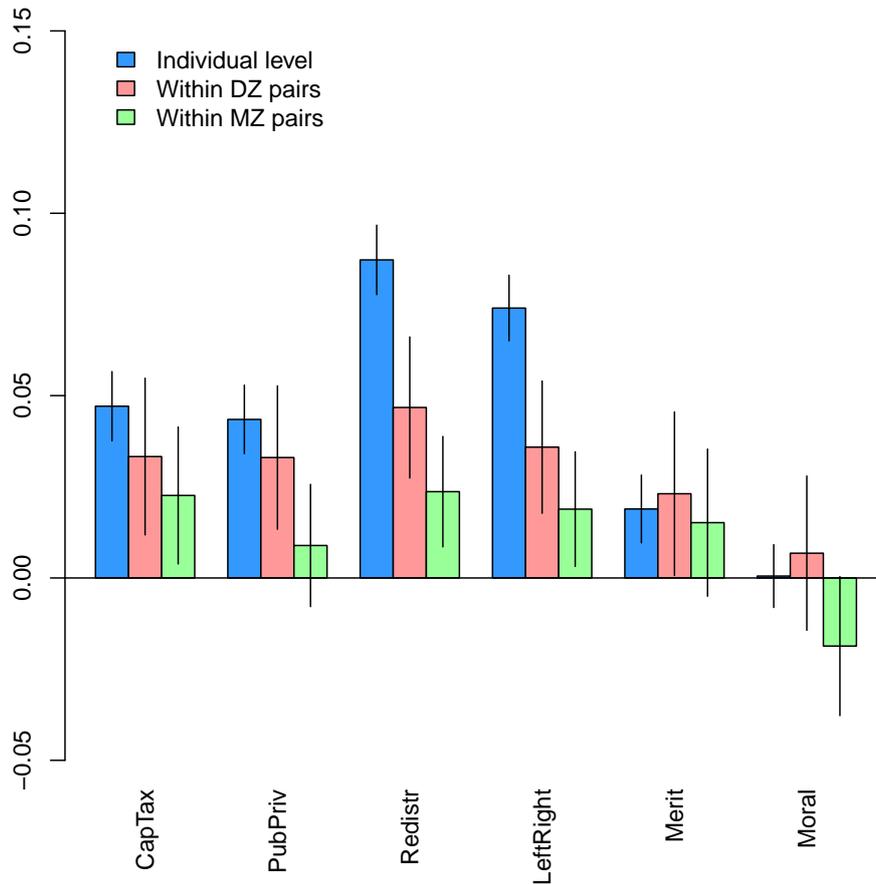


Figure G2: Discordant-twin Analysis of Income Gradients

This figure displays estimated effects and 95% confidence intervals of income on six political preference outcomes under three different specifications: Individual level association (IL; without considering twin-pair membership) and within monozygotic (MZ) and dizygotic (DZ) twin pairs discordant on exposure. The IL models include controls for birth-year fixed effects, sex, and their interactions, with standard errors clustered at the twin-pair level. The within DZ and MZ models include fixed effects for twin pairs. The number of twin pairs is approximately 3,800 (900 MZ pairs and 1,000 DZ pairs).

The estimates for the four political preference outcomes *Capital Taxation*, *Public/Private Attitudes*, *Attitudes Toward Redistribution*, and *Left-Right Placement* in Figure G2 suggest that the income gradients are largely explained by confounding factors. This is evident from the significant differences in coefficient magnitudes between the IL and MZ models. Confounding can be attributed to both A and C effects, especially for *Public/Private Attitudes*. For three

of these outcomes, however, the gradient remains significant also in the MZ model, which is consistent with a causal role of income for these outcomes. For Meritocratic Beliefs and Moral Values, there are little signs of confounding, but the gradients are rather weak or non-existent in these cases to start with.

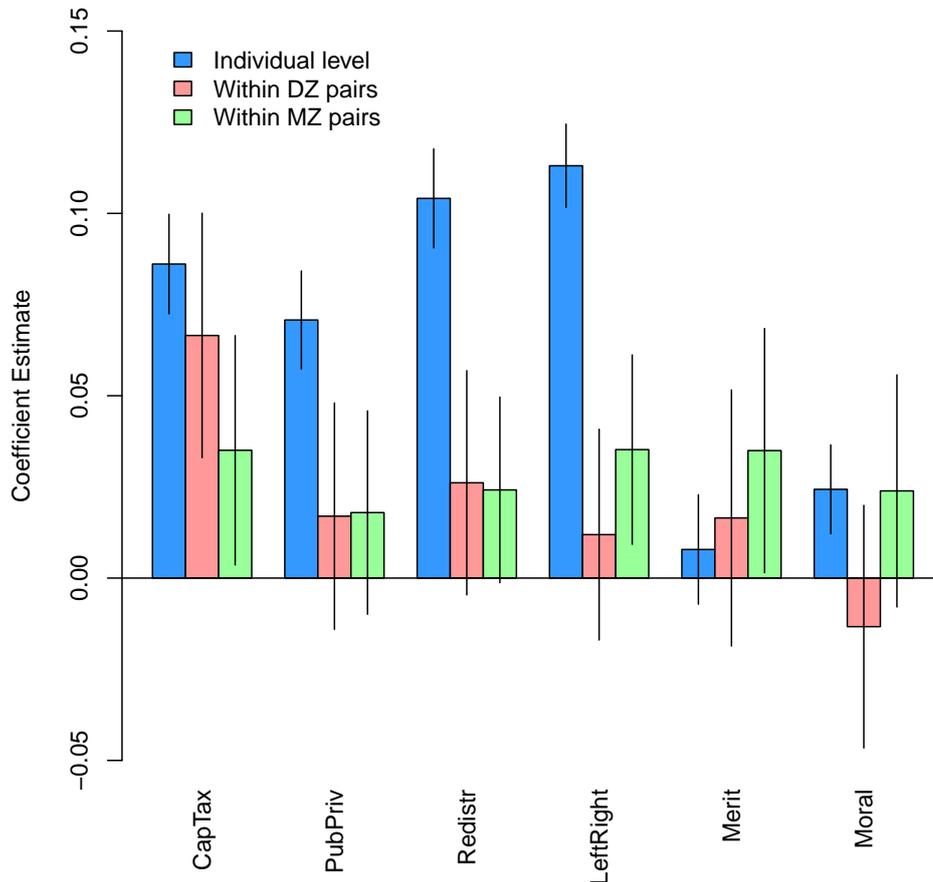


Figure G3: Discordant-twin Analysis of Wealth Gradients

This figure displays estimated effects and 95% confidence intervals of wealth on the six political preference outcomes under three different specifications: Individual level association (IL; without considering twin-pair membership) and within monozygotic (MZ) and dizygotic (DZ) twin pairs discordant on exposure. The IL models include controls for birth-year fixed effects, sex, and their interactions, with standard errors clustered at the twin-pair level. The within DZ and MZ models include fixed effects for twin pairs. The number of twin pairs is approximately 3,800 (900 MZ pairs and 1,000 DZ pairs).

Figure G3 shows the corresponding results for wealth gradients. The results are quite similar to Figure G2, although there is less evidence of genetic confounding for the wealth gradients. One exception is the results for *Capital Taxation*. The gradually decreasing effect from the individual level to the DZ and MZ models implies that the wealth gradient is partly explained by both genetic and shared environmental confounders. Interestingly, and consistent with the lottery results, the impact on capital taxation remained significant within both DZ and MZ

twins discordant on wealth.

The results presented in Figure G2 and G3 align closely with the findings reported by Ahlskog and Brännlund (2022). In their study, which utilizes similar data to ours (a sample of twins from STR matched to administrative data and survey information), they investigate whether wealthy individuals tend to vote for right-wing parties and hold right-wing preferences (free-market preferences, redistributive preferences, left-right orientation, and support for property tax). By leveraging wealth variation within identical twin pairs, Ahlskog and Brännlund (2022) demonstrate that the strong descriptive associations between wealth and support for right-wing parties and preferences are largely non-causal. Instead, these associations are primarily driven by environmental confounders shared within twin pairs.