

Manipulation Check

The following two questions will be primarily used to investigate whether the Street Prize changes participants' perceptions about inequality in their neighborhood:

1. "How much inequality do you think there is between the poorer and the richer people in your neighborhood?"

Participants will answer this question using a scale from 0 ("No inequality at all") to 10 ("A lot of inequality").

2. "Over the last few months, has the gap between the poorer and the richer people in your neighborhood changed?"

Participants will answer this question using a scale from -5 ("Has narrowed considerably") to +5 ("Has widened considerably").

Although the effect of the Postcode Lottery on inequality in the Netherlands as a whole is negligible, it is possible that treatment households may perceive that the inequality increased more broadly and not just in their neighborhood. To explore this possibility, participants will also be asked the following two questions:

3. "How much inequality do you think there is between the poorer and the richer people in the Netherlands?"

Participants will answer this question using a scale from 0 ("No inequality at all") to 10 ("A lot of inequality").

4. "Over the last few months, has the gap between the poorer and the richer people in the Netherlands changed?"

Participants will answer this question using a scale from -5 ("Has narrowed considerably") to +5 ("Has widened considerably"). We will use the latter two questions for explorative purposes.

Heterogeneous Treatment Effects

The extent to which households perceive that their neighbors got richer (because of the lottery) might decline with the distance of a household to the winning postcode. We will therefore explore whether the treatment effects depend on the distance to the winning postcode (e.g., by restricting the sample to households who live closer to the winning postcode). Similarly, we will explore whether treatment effects

are higher for households with a lottery subscription¹ (because they might pay more attention to the lottery). Finally, we also plan to explore differences between households with high and low income.

Participants Living in Winning Postcodes

We will also administer the online survey to individuals living in postcodes that won the Street Prize or in postcodes that won a consolation prize. Since we will also collect data on whether participants (or someone in their households) have a lottery subscription, in principle we will be able to estimate the effects of winning the Street Prize by comparing subscribers in postcodes that won the Street Prize to subscribers in postcodes that won consolation prizes. We will conduct an explorative analysis, acknowledging that we may be underpowered to detect any such effects.

Notice that lottery non-subscribers in winning postcodes will also be surveyed. Lottery non-subscribers in postcodes that won the Street Prize also experience some of their neighbors getting richer, but their own financial circumstances do not change. For this reason, we will have an alternative specification in which the treatment group will include:

- households living adjacent to (but outside) a postcode that won the Street Prize as well as
- non-subscribers living in the postcode that won the Street Prize

while the control group will include:

- households living adjacent to (but outside) a postcode that won a consolation prize as well as
- non-subscribers living in the postcode that won a consolation prize

¹ Participants are asked about whether they were playing 3 months ago such that lottery participation is not endogenous to the lottery outcomes that are used for identification.