



Land lotteries, long-term wealth, and political selection

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Abstract

Does personal wealth cause individuals to select into public office? This study exploits the 1805 and 1807 Georgia land lotteries to investigate the hypothesis that wealth increases political power. Most eligible males participated in the lotteries and more than one-in-ten participants won a land prize worth over half of median property wealth. I find no evidence that lottery wealth increases the likelihood of officeholding or running for office, and argue that those null findings are informative because the estimates are not practically different from zero. The absence of a treatment effect implies that commonly observed cross-sectional correlations between personal wealth and officeholding are likely explained by selection effects.

Keywords Candidacy · Natural experiment · Officeholding · Wealth shock

JEL Classification D72 · N31 · N41

1 Introduction

A problem in representative democracies is that elected officials might use their power to defend vested interests rather than advance the interests of their constituents. Personal wealth is expected to reduce the opportunity costs of holding public office and also may make it more important for wealthy citizens to seek elective or appointive positions. While several studies have examined the effect of officeholding on wealth accumulation (e.g., Eggers and Hainmueller 2009; Querubin and Snyder 2013; Truex 2014), research on the extent to which wealth affects officeholding is more limited.

Natural experiments that exploit exogenous variation in personal wealth can be used to identify wealth's causal effects on officeholding. State-run lotteries that randomly distribute land titles to individuals satisfy that objective because winning a land title represents an exogenous shock to personal wealth. Rossi (2014), for instance, exploits the

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