

Table 1 Model fit with respect to non-targeted moments

Panel A: Non-targeted moments by education group

	Dropout	Highschool	College	Population
Percent of liquid wealth (data)	0.8	17.9	81.2	100
Percent of liquid wealth (model)	1.2	17.5	81.3	100
Avg. lottery-win-year MPC	0.78	0.59	0.38	0.53

Panel B: Non-targeted moments by wealth quartile

	WQ 4	WQ 3	WQ 2	WQ 1
Percent of liquid wealth (data)	0.14	1.60	8.51	89.76
Percent of liquid wealth (model)	0.12	1.01	3.90	94.96
Avg. lottery-win-year MPC	0.32	0.47	0.60	0.73

Note: Percent of liquid wealth held by each group in the 2004 SCF and in the model, and average MPCs after a lottery win for each group. MPCs are calculated for each individual for the year of a lottery win, taking into account that the win takes place in a random quarter of the year that differs across individuals.