

**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, baseline)	1.2	16.8	82.0	100
Percent of liquid wealth (model, Splurge=0)	1.6	18.7	79.7	100
Avg. lottery-win-year MPC				
(model, incl. splurge)	0.78	0.61	0.38	0.54
Avg. lottery-win-year MPC				
(model, splurge=0)	0.70	0.53	0.23	0.43

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, baseline)	0.12	0.98	3.85	95.06
Percent of liquid wealth (model, Splurge=0)	0.10	1.07	4.24	94.60
Avg. lottery-win-year MPC				
(model, incl. splurge)	0.74	0.61	0.48	0.32
Avg. lottery-win-year MPC				
(model, splurge=0)	0.69	0.53	0.36	0.14

Note: Panel (A) shows percent of liquid wealth held by each education group in the 2004 SCF and in the model. It also shows the average MPCs after a lottery win for each education group. The 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. The MPCs are averaged across individuals within each education group. Panel (B) shows the same numbers for the population sorted into different quartiles of the liquid wealth distribution.