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The design of welfare:

unraveling taxpayers' preferences

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Abstract

We study Dutch taxpayers' preferences in designing a social welfare system. With help of a choice experiment we ask 2000 respondents to make choices between policy packages, characterized by different levels of income for welfare recipients, of obligations, of sanctions, of earnings and gifts disregards, and of taxes for the average Dutch household. The results show that respondents are in favor of relatively generous benefits and disregards, but also find monitoring and activation very important. Both self-interest and altruism, as well as trust in the government, appear to shape respondents' preferences. Respondents' preferences line up with their voting behavior.

Keywords: social welfare programs; choice experiment; distributional preferences

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1. Introduction

This study investigates public support for different characteristics of social welfare programs. Social welfare programs protect families against falling below a basic income level. The optimal design of these programs requires a trade-off between insurance, efficiency, and redistribution.

Optimal levels of social insurance are frequently investigated based on the widely used analyses of Baily (1978) and Chetty (2006). Baily (1978) showed that the optimal benefit level of unemployment insurance in a stylized static model depends on three parameters: risk aversion, the consumption-smoothing benefit of unemployment insurance, and the elasticity of unemployment durations with respect to the benefit rate (which captures the moral hazard cost of benefit provision due to behavioral response).

Note that in the design of a social welfare program, decisions need to be made on more components than just the benefit level. For instance, eligibility criteria also play a pivotal role. Do beneficiaries need to actively seek employment? Are they required to participate in active labor market programs? These and other conditions have been extensively studied in relation to the efficiency and insurance function of social welfare programs (e.g. Tatsiramos and van Ours 2014; Card, Kluve, and Weber 2018; Leung and O'Leary 2020; Verho, Hämäläinen, and Kanninen 2022), but, as far as we know, not in relation to distributional preferences.

Whereas insurance concerns transfers from a good to a bad state, redistribution involves transfers from rich to poor. The latter may bring about redistributive benefits, which are overlooked in standard models on optimal social insurance that focus on representative agents. Although preferences for redistribution have been extensively studied[2], these studies typically do not specify the policy instrument and conditions for redistribution.

This study bridges the gap between studies investigating the efficiency of conditions in social welfare programs on the one hand, and studies on distributional preferences, which usually do not specify conditions, on the other hand. While studies on the efficiency of conditions in social welfare programs yield indications of the cost of various aspects of the design of such

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[2] Alesina & Giuliano (2011) provide a review of the theoretical literature, and De Bresser & Knoef (2022) provide a review on the methods used to measure distributive preferences.

programs, the present study yields measures of the willingness to pay for such aspects. This is important because in the design of social welfare programs, it is not only insurance and efficiency that play a role, but also social support. Our study focuses on distributional preferences with regard to the lower end of the income distribution and examines the public support for various "carrots" and "sticks" in social welfare programs. By studying multiple dimensions of a social welfare program, we build upon the health economics literature, where it is quite common to study trade-offs among different dimensions of health care policies (e.g. Akaichi, Costa-Font, and Frank 2020; Boyer et al. 2020; de Bresser, Knoef, and van Ooijen 2022).

We survey more than 2000 individuals in the LISS panel, a representative panel of the Dutch population. We presented the respondents with a choice experiment. In a choice situation, they were shown two alternative policy packages, characterized by the following attributes: a) the level of disposable income for welfare recipients, b) whether recipients have an obligation to search for a job, c) what sanctions are available to the municipality, d) whether the recipients have to perform an unpaid socially useful activity in return for their benefits, e) what amount of earnings can be disregarded, f) what level of gifts can be disregarded, and finally g) the costs of welfare expressed in yearly taxes paid by the average Dutch household. Respondents were asked to distribute 100 points between both policy packages, where more points indicated a stronger preference for a package. This method enables us to elicit how respondents make trade-offs between the different dimensions of a welfare system. We estimate preference parameters for the various attributes mentioned. We also study how these preference parameters correlate with the respondents' own income (a measure of self-interest), risk aversion (a measure of how important one finds insurance), preference for equality (a measure for preference regarding redistribution), generalized trust, and trust in government (which may measure the extent to which one assumes the government is capable of efficiently executing social welfare policies).

The contributions of this paper to the literature are threefold. First, as far as we know we are the first study investigating social support for means-tested social welfare. Although there is a strand of literature examining distributional preferences, most of these studies do not specify the policy instrument to change inequality. Some studies focus on support for specific taxes or forms of income support (Kuziemko et al. 2015; Stantcheva 2021). However, in our study, we

also take into account conditions of redistribution. Second, whereas some sociological studies used vignettes to investigate the perceived deservingness of different target groups of social welfare programs (e.g. Kootstra 2016; Gielens, Roosma, and Achterberg 2019), we investigate the conditions of a social welfare program for a general target group. Third, our paper relates to an emerging literature in political science that measures multidimensional policy preferences using choice experiments to let respondents make trade-offs among dimensions of policy packages. In particular, a number of studies examine the preferences of the public for a universal basic income vs. conditional welfare benefits (Nettle et al. 2023; Rincón 2023; Rincón, Vlandas, and Hiilamo 2022; Stadelmann-Steffen and Dermont 2020). We focus on the preferences of the public for the organization of means-tested welfare.

The results show that people find it very important that welfare recipients have an obligation to search for a job and that they perform an unpaid socially useful activity in return for their benefits. People also favor sanctions in the form of benefit cuts for recipients who do not show sufficient efforts, but the larger the cuts in benefits, the lower the support. At the same time, they are also positive towards additional income for welfare recipients, towards earnings disregards and gift disregards. The clear negative coefficient we estimate on the costs of welfare to the taxpayer enables us to compute willingness-to-pay for different attributes of a welfare system.

We find that respondents with higher incomes are more supportive of an obligation to search for a job and of high sanctions in case of insufficient search efforts. This may be interpreted as evidence of self-interest. But self-interest is not the only motive that relates to the answers. Even after controlling for income, individuals with a stronger preference for an equal income distribution are more willing to pay taxes to finance welfare and are less supportive of sanctions for insufficient search efforts. Respondents who place higher trust in the government are more supportive of the obligation to search for a job or to perform a socially useful activity chosen by the municipality. Finally, we do not find evidence of a link between self-assessed risk attitudes of the respondents and their preferences for attributes of the welfare system.

The remainder of the paper is organized as follows. Section 2 describes the institutional context, after which section 3 describes relevant characteristics of individuals and social welfare programs. Section 4 describes the method, after which section 5 describes the results. Section 6 concludes the paper.

2. Institutional context in the Netherlands

Social welfare in the Netherlands plays a crucial role in preventing poverty and providing support for those facing financial difficulties in the Netherlands. It is meant as a safety net for those who have no other sources of income or wealth. It serves as the ultimate social safety net once all other forms of assistance have been depleted (for instance, unemployment benefits, which are capped at a maximum duration of two years). In 2021, the monthly benefits amounted to €1022 for a single person per month and €1536 for a couple. This corresponds to respectively 70% and 100% of the full-time net minimum wage and is relatively generous compared to most other countries. Social welfare recipients are often also eligible for additional support, such as rent benefit. Municipalities are responsible for the disbursement of welfare benefits and facilitating the reintegration of individuals into the labor market.

With the introduction of the Social Assistance Act of 1963, state-provided social welfare replaced the poverty relief previously offered by churches and charities. Following the economic downturn in the 70s and 80s, the number of applicants increased dramatically. In the 1990s and 2000s, a substantial number of long-term unemployed individuals transitioned into social welfare due to reforms in unemployment insurance (Cremers 2018). Consequently, the focus shifted progressively from providing income to activating the recipients. The Work and Social Assistance Act was introduced in 2003, giving more discretion to municipalities and case managers in the provision of social assistance and the organization of reintegration activities. While the aim was to enable more tailor-made support, it also created inequalities among municipalities regarding the conditions of welfare (Eleveld and van Vliet 2013).

Currently the Participation Act of 2015 is in place. Individuals are eligible for means-tested welfare benefits conditional on actively searching for a job and participating in reintegration activities offered by the municipality. The Participation Act also allows municipalities to require benefit recipients to participate in socially beneficial unpaid activities in exchange for their benefits. In case benefit recipients do not show sufficient effort towards re-integration in the labor market, the municipality is entitled to cut their benefits. The default sanction specified in the law is cutting benefits by 100% for a month. In practice, there is, however, quite some variation across municipalities in what is required from benefit recipients and the stringency of sanctions (Inspectie SZW 2017; van Echtelt et al. 2019). Benefit recipients who work are

allowed to keep 25% of their earnings without consequences for their benefits, up to a maximum of 200€ a month for a period of maximum six months. Benefit recipients are required to declare all sources of income to the municipality, including gifts received from other people. Municipalities handle gifts differently and have varying policies regarding deductions from benefits.

The Netherlands is an interesting case to focus on for two reasons. First, the move from a relatively generous system to the introduction of several conditions for benefit recipients focusing more on activation is illustrative of a more general trend in many countries. Second, social welfare has been a subject of public debate in the Netherlands in the year leading up to the survey. Particularly, regarding the treatment of gifts received by welfare recipients in calculating benefits levels, and the requirement for these recipients to engage in socially beneficial activities in return for benefit receipt. The humanity of the rules was questioned, which shows the interest in social support for the conditions of social welfare. This prominence in the public debate means that the respondents of our survey were well aware of the context around the design of welfare.

3. Discrete choice experiment

3.1. Attribute selection

Figure 1 lists the attributes and levels used in the experiment. They originate from the literature and have been thoroughly discussed with professionals from two large Dutch municipalities (Amsterdam and Rotterdam).

First, the benefit level is a key variable in the trade-off between insurance and efficiency in unemployment and welfare programs (Baily 1978; Chetty 2006). We use disposable income of welfare recipients, consisting of welfare benefits and possible additional benefits (mainly housing benefits), because it is easy to grasp for respondents and is the most relevant amount for incentive and insurance motives. The chosen income levels correspond to the "absolute minimum", and "not much but sufficient", as defined by the Netherlands Institute for Social Research (Commissie Draagkracht 2021 Appendix 2), and a slightly higher level of disposable income. In the literature it is widely acknowledged that higher levels of benefits are associated with longer unemployment durations (e.g. Tatsiramos and van Ours 2014). However, evidence

suggests that at very low income levels, higher income might alleviate financial stress and consequently improve decision-making and foster re-integration into the labor market (Haushofer and Fehr 2014; Mesén-Vargas and Van der Linden 2019).

Next to the benefit level, the requirements imposed on welfare recipients are important in the design of welfare programs (Besley and Coate 1992). These requirements are measured by two attributes: whether they are required to search for a job or follow training to find work, and whether they are required to participate in socially beneficial unpaid activities in return for their benefit. Obligations to search for a job and/or participate in socially beneficial unpaid activities are a crucial feature of a welfare system, making it different from a universal basic income scheme. Lammers et al. (2013) and Hullegie & Van Ours (2014) show that such obligations can limit the inflow into benefits and stimulate outflow. Mogstad & Pronzato (2012) show that workfare improved labor market participation and increased the earnings of lone mothers in Norway, but had detrimental effects for a sizable subgroup of lone mothers. In the Netherlands, some municipalities allow welfare recipients the freedom to select their activity (or recognize voluntary work or caregiving responsibilities already undertaken by welfare recipients as a valid contribution in exchange for their benefits), whereas other municipalities enforce a specific activity. These two possibilities are taken up as separate levels for the socially useful activity attribute.

The credibility of requirements is to a great extent dependent on sanctions imposed on recipients who do not meet them. The imposition of sanctions has been demonstrated to stimulate job search (Lalive, van Ours, and Zweimüller 2005; van den Berg, van der Klaauw, and van Ours 2004; van den Berg and van der Klaauw 2019). Moreover, Van der Klaauw & Van Ours (2013) show that sanctions can have a positive effect on outflow from benefits. Nevertheless, jobs that have been accepted after the imposition of a sanction tend to be at a lower level and more often temporary (Arni, Lalive, and Van Ours 2013; van den Berg, Uhlendorff, and Wolff 2022; van den Berg and Vikström 2014). The Dutch law prescribes a benefit cut by 100% for a month for recipients who do not meet the activation requirements, but allows for exceptions, and this possibility is widely used by municipalities (Inspectie SZW 2017). For this reason, we take up four different levels of benefit cuts that range from 0 to 100%.

The possibility of earning income and receiving gifts on top of benefits without affecting the benefits has been extensively studied. In the Netherlands, earnings disregards have been found to encourage greater labor market participation among vulnerable groups, but has not shown an influence on inflow into or outflow from benefits (de Boer et al. 2020; Knoef and Van Ours 2016). In this study we selected levels of earnings and gifts that were significant but not as high as to become implausible. Concerning gifts, it is relevant to consider whether they are earmarked for certain expenses that can improve the labor market perspectives of the recipient. We included a lifestyle course as an example.

Figure 1 Attributes and levels

Attribute	Levels
Average **disposable income** of a single welfare recipient per month (welfare + possible additional benefits)	€1150
	€1250
	€1400
Do welfare recipients **have to search for a job** and follow training to find work?	Yes
	No
If welfare recipients do not cooperate with reintegration activities, **benefits are cut for a month by:**	No cut
	25%
	50%
	100%
Do welfare recipients have to perform a **socially useful activity** in return for their benefit?	No
	Yes, and the recipient chooses the activity.
	Yes, and the municipality chooses the activity.
How much may welfare recipients **earn** per month on top of their welfare benefits?	€0
	Max €150
	Max €300
What amount of **gifts** may welfare recipients keep per month without their benefits being lowered? (The amount can be in money or in kind.)	None
	Max €150 to be used freely
	Max €300 to be used freely
	Max €300 to be used for a "fit and healthy lifestyle" training
Amount of **taxes** that an average household in the Netherlands pays for welfare per year:	€700
	€900
	€1100

Finally, the costs of the welfare system for taxpayers are a critical aspect. One of the main reasons behind capping benefit levels imposing requirements on welfare recipients is to limit the costs of the welfare system. We formulate costs as annual expenses for the average Dutch household in order to make it both intuitive and plausible. Although we initially mentioned to respondents that welfare costs average 800 euros per household today, we avoided using that specific value within the choice experiment, to prevent potential status quo bias.

In sum, our design consists of seven attributes with varying levels per attribute.

3.2. Experimental design

Based on the attributes and their levels, we constructed a Bayesian D-optimal design with four varying attributes for each choice task in the experiment (Kessels, Jones, and Goos 2011; Kessels et al. 2011; Kessels, Jones, and Goos 2015). The design consisted of 40 choice tasks that we grouped into five blocks of eight choice tasks. Respondents were randomized to one of the five blocks and each block was rated by about the same number of respondents. The design is Bayesian in the sense that we incorporated the knowledge that low welfare costs are generally preferred over high costs in the design generation where we expressed some uncertainty around this belief. We did not specify any prior preference ordering for the other attributes, but we allowed for quite some preference variation regarding these attributes. The design is determinant or D-optimal because it allows for the most precise estimation of all attribute main effects and the two-way attribute interactions between the obligation to search for a job and the need for recipients to perform a socially useful activity or not, and between the possibility of obtaining extra earnings and the possibility of obtaining gifts. The underlying design generating model is the multinomial logit model.[3]

In the design we ensured that only realistic policy packages were included by imposing certain restrictions on the design generation. First, we excluded packages involving no obligation to search for a job and one of the three benefit cuts (or sanctions) for welfare recipients who are not engaging satisfactorily. Second, for the sake of credibility, we imposed some restrictions on combinations of cost levels with other attribute levels: we did not allow low levels of disposable income for recipients in combination with the obligation to search for a job, high

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[3] We constructed the design using the coordinate-exchange algorithm in the JMP Pro 16 software (SAS Institute, Cary, NC, USA).

benefit cuts, the need to perform a socially useful activity chosen by the municipality, and high welfare costs. Also vice versa, high levels of disposable income for recipients in combination with no obligation to search for a job, no need to perform a socially useful activity, and low costs were not considered.

3.3. Survey

Respondents were first given general information about the way social welfare is organized in the Netherlands: level of benefits, conditions for receipt, possible sanctions, rules pertaining to earnings and to gifts received while on welfare, and costs of welfare in terms of taxes per average household. They were told that they would be asked to choose between policy packages that describe the rules for welfare recipients aged 27 to 65 who are able to work and who do not have care responsibilities for young children. They were then shown a choice screen as in Figure 2, displaying two policy packages characterized by seven attributes. To lower the cognitive burden for the respondents, the packages differed only on four of the seven attributes in each choice task (Kessels, Jones, and Goos 2011 p. 53). Those were highlighted in yellow. Respondents were asked to distribute 100 points between both policy packages, giving more points to the option that they liked better. After practicing with one task, they answered eight similar choice tasks. A block of eight choice tasks was assigned randomly to each respondent. Respondents were then asked to explain how they made their choices in an open question. Finally, a number of debriefing questions asked about their experience with the questionnaire.[4]

We ask respondents to distribute 100 points between two policy packages to indicate their preference among them. This method is closely related to asking respondents how likely they would choose one of the two alternatives (Blass, Lach, and Manski 2010). However, instead of eliciting choice probabilities, distributing 100 points is generally better understood by the general public (Charness, Gneezy, and Rasocha 2021; Gigerenzer and Hoffrage 1995).

Blass et al. (2010), their followers, and most discrete choice experiments in economics ask respondents to indicate their preferences as consumers. However, discrete choice experiments have also been used to measure preferences for public policy in health economics (Gyrd-Hansen, Kjær, and Seested Nielsen 2016; Reckers-Droog, van Exel, and Brouwer 2019),

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[4] The questionnaire and the codebook in Dutch and in English can be downloaded from https://www.dataarchive.lissdata.nl/study_units/view/1195

including experiments that involve distributing a fixed budget across health programs (e.g. Skedgel and Regier 2015).

Figure 2 Example of a choice screen

	Policy package A	Policy package B
Average **disposable income** of a single welfare recipient per month (welfare + possible additional benefits)	€ 1250	€ 1400
Do welfare recipients **have to search for a job** and follow training to find work?	Yes	Yes
If welfare recipients do not cooperate with reintegration activities, **benefits are cut for a month by:**	50%	50%
Do welfare recipients have to perform a **socially useful activity** in return for their benefit?	Yes, and the recipient chooses the activity.	Yes, and the municipality chooses the activity.
How much may welfare recipients **earn** per month on top of their welfare benefits?	0€ (All earnings lead to lower benefits.)	Max 150€
What amount of **gifts** may welfare recipients keep per month without their benefits being lowered? (The amount can be in money or in kind.)	Max 300€ to be used freely	Max 300€ to be used freely
Amount of **taxes** that an average household in the Netherlands pays for welfare per year:	€ 700	€ 900

Please distribute 100 points between policy packages A and B, giving more points to the option that you like better.

Carson & Groves (2007) show that asking respondents in a survey whether to provide a new public good subject to coercive payment, or which of two new public goods should be provided, is incentive compatible. This is arguably what we are doing in our choice experiment. Accordingly, Hainmueller et al. (2015) show that choices in a choice experiment are widely consistent with voting behavior.

3.4. Model

We estimate respondents' trade-offs between different characteristics of the policy packages by adopting the analysis approach of Blass et al. (2010). To do so, we interpret the point distribution provided by respondents over two policy packages as an indication of the likelihood that they would vote for one of the two in a referendum. Based on this assumption, we formulate the utility that individual i derives from policy package j as follows:

$$U_{ij} = x_{ij}\beta + \varepsilon_{ij}$$

where x_{ij} is a vector of characteristics of policy package j observed by individual i, β is the vector of preference parameters we are interested in, and ε_{ij} is an i.i.d. error term that follows an extreme value Type I distribution.

Using this random utility model, the pseudo-reported subjective probability of individual i favoring policy package j, $j = 1, 2$, in a choice set, as indicated by the number of points q given to the policy packages, takes the multinomial logit form:

$$q_{ij} = \frac{e^{x_{ij}\beta}}{\sum_{h=1}^{2} e^{x_{ih}\beta}}$$

Applying the log-odds transformation to the subjective probabilities of the two policy packages j and k of a choice set yields the following equation:

$$ln\frac{q_{ij}}{q_{ik}} = (x_{ij} - x_{ik})\beta + u_{ijk} \tag{1}$$

where u_{ijk} is an error term that reflects measurement error.

To allow for heterogeneity in preferences across groups of individuals, we will interpret x_{ij} as a vector of attributes of the policy packages as well as interactions of these attributes with characteristics of the respondents.

We could apply OLS to equation (1) to obtain estimates for the preference parameters in β. However, we transformed reported points of 0 into 1 because a value of 0 yields log odds of minus infinity when it is in the numerator of the odds or plus infinity when in the denominator. Using OLS estimates may then be problematic as they can be sensitive to this transformation.

Therefore, in line with Blass et al. (2010), we choose to estimate equation (1) using a median regression, since the median of a random variable is invariant to transformations that do not alter the ordering of values relative to the median. We calculated standard errors by a cluster bootstrap, the clusters being the individual respondents, as in Wiswall & Zafar (2018), with 100 replications. We performed all estimations using Stata 17.

3.5. Mechanisms

Finally, we aim for a better understanding of the mechanisms behind preferences for certain welfare programs. We focus on the most important drivers of preferences for social insurance and redistribution found in the literature. Therefore, we examine the role of self-interest, social preferences, and trust by conducting heterogeneity analyses with regard to the following variables: income, risk aversion, inequality aversion, generalized trust, and trust in the government.

Income

A first potential motive to support redistribution through welfare benefits is self-interest: individuals may support welfare because they expect to benefit from it themselves. Cruces et al. (2013) and Kuziemko et al. (2015) show that people's support for redistribution is influenced by their position in the income distribution. Corneo & Grüner (2002) show that people are more supportive of redistributive policies if they expect to gain from them. Corneo & Grüner (2002) and Stantcheva (2021) find evidence that people with higher income are less supportive of redistribution through taxes. Benabou & Ok (2001) and Alesina & La Ferrara (2005) show that future income prospects are associated with preferences for redistribution. Moreover, in a large-scale distributional experiment, Fisman et al. (2022) also find that individuals that experienced an increase in income became more self-interested.

We use a household's monthly gross income as a proxy for self-interest: the higher someone's household income, the less likely he or she is or will be a net beneficiary and the more likely he or she is to be a net contributor to welfare benefits. Household income is quite persistent in the Netherlands (De Nardi et al. 2021). Moreover, even if a high-income household experiences a highly negative income shock, welfare is also means-tested with regard to wealth. As a result, it will generally take a long time before someone qualifies for assistance. When a high income

level is associated with less support for costly welfare programs, and with more support for obligations and sanctions, this suggests that self-interest plays a role.

Risk aversion

If self-interested people support welfare benefits because they see it as insurance for themselves, their degree of risk aversion shapes their value of insurance. The Baily formula (Baily 1978; Chetty 2006) shows that the optimal level of unemployment benefit depends positively on risk aversion. Furthermore, some studies show that preferences for redistribution are shaped by an insurance motive (Durante, Putterman, and van der Weele 2014) or relate to risk aversion (Cojocaru 2014).

When self-interest plays a role, we expect that individuals who are more risk averse put more weight on insurance, and are therefore more supportive of higher benefit levels, and less supportive of obligations and sanctions.

Inequality aversion

It is well established in the literature that people are not motivated by self-interest nor risk preferences only, but also have social preferences, i.e., also care about the outcomes of others. Preferences for redistribution and taxation have recently been studied in the context of incentivized experiments. In the lab, Durante et al. (2014) find that most subjects are willing to pay to reduce income inequality in groups. In large-scale incentivized experiments, Fisman et al. (2021) find that subjects are sensitive, among others, to the income of the bottom earner, and Fisman et al. (2022) find that subjects are motivated by fair-mindedness and a preference for equality. Fehr et al. (2022) also find that experimental measures of altruistic concern and inequality aversion are associated with more support for redistributive policies. Furthermore, Stantcheva (2021) finds that respondents who think inequality is a serious problem are also more likely to support redistribution through taxes.

When social preferences play a role, we expect individuals who are more averse to inequality to be more supportive of relatively costly welfare programs and of increasing the income of benefit recipients, and to be less supportive of obligations and sanctions.

Generalized trust

As emphasized by Bowles & Gintis (2000), support for redistributive policies may not relate to self-interest or social preferences only, but may also be conditional upon cooperation of the recipients of welfare benefits: one may be willing to redistribute only towards individuals of whom one thinks they have made a reasonable fair effort to earn their living. Therefore, placing trust in individuals to act responsibly as benefit receivers could be an important factor in explaining support for redistribution.

Many studies in political science indeed argue that the development of the welfare state is positively correlated to the level of trust in society.[5] Closer to the set-up of our study, Algan et al. (2016) show that individuals are more supportive of the welfare state when they think they are surrounded by more trustworthy individuals, because they are less likely to think that the beneficiaries of the welfare state cheat. Relatedly, support for redistribution is likely to be stronger if one believes that welfare recipients are without income for reasons outside of their control, rather than relying on welfare without putting enough effort into earning income. Indeed, beliefs that economic success is rather due to luck than to merit have been shown to relate positively to support for redistribution, both in surveys (Alesina, Stantcheva, and Teso 2018; Fong 2001) and in incentivized experiments (Fehr, Epper, and Senn 2022; Jiménez-Jiménez, Molis, and Solano-García 2020).

When trust plays a role, we expect individuals who are more trusting to be more supportive of increasing welfare benefits, less supportive of obligations and sanctions, and less reluctant to pay taxes to fund a welfare program.

Trust in government

Support for redistributive policies is also related to respondents' trust in government (Alesina, Stantcheva, and Teso 2018; Stantcheva 2021; Yamamura 2014). In our setting, trust in government could play a role either because of the respondents' beliefs about what is the

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[5] (Hetherington 1998; 2004; B. Rothstein and Uslaner 2005; Bo Rothstein, Samanni, and Teorell 2010; Bergh and Bjørnskov 2011; Bjørnskov and Svendsen 2013; Habibov, Cheung, and Auchynnikava 2017; Camussi, Mancini, and Tommasino 2018)

appropriate role of the government, or because of respondents' beliefs about the effectiveness and efficiency of government intervention.

When governmental trust plays a role in the preferred design of social welfare programs, we expect individuals who place higher trust in the government to be less reluctant to pay taxes to finance social welfare, and possibly more supportive of increasing the income of welfare recipients, especially when trust in the government also relates to the belief that the government should intervene to redistribute income. Individuals who trust the government more may also be more supportive of obligations and sanctions if trust means that they believe that the government is able to enforce these in an appropriate way.

Overview

Appendix Table 4 presents an overview of the hypothesized relations formulated above. Given the nature of the data, we can only report correlations between respondents' characteristics and their answers in the choice experiment, but we cannot claim to uncover causal mechanisms. For instance, some unobserved characteristics of respondents may correlate with both their preference for redistribution and their trust in others and in government. Experience with receiving social welfare, or proximity to social welfare recipients, may also be a relevant mechanism, which we could not study with our data.

4. Data

This section describes the sample, defines variables, and presents descriptives.

Our survey was fielded in July 2021 using the Longitudinal Internet Studies for the Social Sciences (LISS) panel, administered by CentERdata at Tilburg University. The LISS panel is recruited through address-based sampling to ensure there is no self-selection bias, and households without a computer and/or internet connection are provided with one for free. The panel is representative of the Dutch population (Van der Laan 2009) and receives online questionnaires on different topics each month. Panel members receive financial rewards for completing the questionnaire and the response rate is high. The survey was sent to 2879 individuals, and 2137 of them filled in the survey entirely (a response rate of 74%). We excluded 80 participants from the sample due to doubts about the data quality (mainly

respondents who filled in the same point distribution for every choice). Our final sample consists of 2057 respondents. Table 1 reports descriptive statistics of the main demographic characteristics of the sample and of the main variables we use to study the mechanisms behind preferences for the design of the welfare system.

Table 1 Descriptive statistics

Variable	N	Mean	Median	Sd	Min	Max
Female	2057	0.52	1	0.50	0	1
Age	2057	54.39	58	18.33	16	103
Education level: low	2050	0.25	0	0.43	0	1
Education level: middle	2050	0.34	0	0.48	0	1
Education level: high	2050	0.40	0	0.49	0	1
Gross monthly household income	1893	4748.20	4200	3085.89	0	48000
Self-assessed risk attitude (2018)	778	4.88	5	2.22	0	10
Preference for equality	1962	3.82	4	0.94	1	5
Generalized trust	1922	5.98	7	2.35	0	10
Trust in government	1964	6.24	7	2.13	0	10

Income

We use the household's monthly gross income, as measured in the LISS panel. Table 1 shows that the mean and median income in the sample are at 4748 and 4200 euros respectively, which is slightly below the median and mean for the whole Dutch population (CBS 2024), probably due to an underrepresentation of extremely high incomes in the LISS panel.

Risk aversion

The 2018 wave of the LISS panel contains a question about self-assessed risk attitude, validated by Dohmen et al. (2011). Respondents are asked: "How do you see yourself: Are you generally a person who is fully prepared to take risks or do you try to avoid taking risks?." They are asked to give their answers on a scale from 0 to 10. Table 1 shows that 778 respondents out of our sample of 2057 were already present in the panel in 2018 and have answered this question. The distribution of their answers is not skewed (a histogram is given in Figure 10 in the Appendix).

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We therefore define a dummy variable that classifies an individual as ready to take risks if their answer is strictly higher than five (as in Charness et al. 2020).

Inequality aversion

To measure social preferences, we make use of a question that respondents of our panel answered in the yearly LISS core questionnaire on "Politics and Values": "Where would you place yourself on a scale from 1 to 5, where 1 means that differences in income should increase and 5 means that these should decrease?". The average answer was 3.82 (Table 1). The distribution of answers is right-skewed, with about 60 percent of respondents choosing a 4 or a 5 (see Figure 11 in the Appendix). We therefore define a dummy variable for preference for equality that takes the value 1 if a respondent's answer was 4 or 5, and 0 if the answer was less than 4.

Generalized trust

Generalized trust is measured every year in the LISS panel using the question: "Generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people?." Respondents could choose a value ranging from 0 ("You can't be too careful.") to 10 ("Most people can be trusted."). Table 1 shows that the average answer was 5.98. Because the distribution of generalized trust is right-skewed in our sample (see Figure 12 in the Appendix), we define a dummy variable for trust that takes the value 0 if the respondent's answer is lower than 7, and 1 if it is 7 or higher.

We also use a measure of beliefs about the role of effort vs. luck in economic success as a robustness check. The question "Do you think that a person's economic success is primarily determined by his own efforts, or by luck" was asked to respondents of the LISS panel in 2018. They could choose an answer ranging from 1, meaning "In the long term, hard work usually leads to a better life" to 10, meaning "Generally speaking, hard work does not bring success. It is more a question of luck and knowing the right people." (see Figure 13 in the Appendix). We define a dummy variable to split the sample in two roughly equal halves, which takes the value 0 if the respondent chose a value below 6, and 1 if he or she chose a higher value, indicating a belief that luck is more important than effort.

Trust in government

In the LISS panel, trust in government is measured by the question: "Can you indicate, on a scale from 0 to 10, how much confidence you personally have in each of the following institutions?" where 0 means no confidence at all and 10 means full confidence. We use the question about confidence in the Dutch government. Table 1 shows that the average answer is 6.24. Because the distribution of trust in government is right-skewed in our sample (see Figure 14 in Appendix), we define a dummy variable for trust in government that takes the value 0 if the respondent's answer is lower than 7, and 1 if it is 7 or higher.

Figure 3 shows how points were distributed between alternatives in the sample. Only a fraction of individuals gave all (100) or no (0) points to alternative A. A large majority of respondents chose a more nuanced distribution of points between both alternatives. This confirms the added value of asking respondents to distribute points across alternatives compared to asking them to make a discrete choice.

Figure 3 Distribution of points
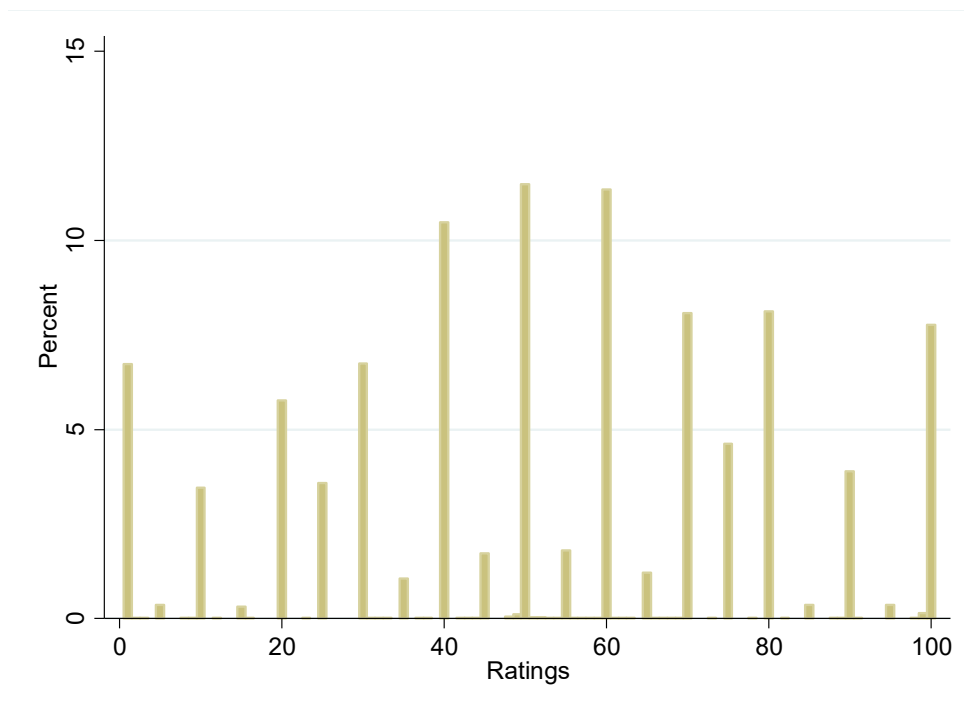
5. Results

5.1. Respondents' preferences

Preferences for characteristics of the welfare system

Figure 4 presents the coefficients from the median regression of point distribution on the characteristics of the policy packages, along with their confidence interval. The coefficients reflect people's preferences relative to the reference categories (no obligation to search for a job, no socially useful activity, no earnings disregard, no gifts disregard, and no sanction). Extended estimation results are reported in column (1) of Table 5 in the Appendix.

The coefficient of 0.5 for the obligation to apply for a job and take courses to find work means that a policy package with these obligations is expected to receive 50 percent more points than an identical package without these obligations. Similarly, Rincón et al. (2022) find in a choice experiment that the Finnish public is more favorable to income support that is conditional upon looking for work or not being able to work than of unconditional income support. However, Rincón (2023) finds no important role for job search requirements in a similar study in Spain, and Nettle et al. (2023) find that job search requirements do not significantly influence preferences for income support in the UK.

Respondents are also more likely to choose scenarios in which welfare recipients are required to take part in an activity in return for their benefits. They have a slight preference for the municipality to determine the content of this activity (significant at 5% level). This goes against Rincón et al (2022), who find that a requirement to do community work lowers support for a universal basic income scheme in Finland.

Furthermore, respondents find it desirable that welfare recipients are allowed to earn additional income and receive gifts without having their benefits reduced. Higher amounts even seem to be valued more (statistically significant at 1% level for additional earning, but not statistically significant for gifts).

Respondents also prefer policy packages that impose sanctions when the welfare recipient does not cooperate in finding a job, but they prefer lighter sanctions. Interestingly, the imposition of

a sanction of 100 percent of the benefit, the legal requirement at present, is not considered better than the absence of a sanction.

Finally, respondents positively value welfare recipients' (higher) disposable income. But on the other hand, they negatively value its consequence: the average Dutch household has to pay more taxes to provide welfare. Respondents assign eight percent fewer points to a policy package that costs one hundred euros more on an annual basis. Nettle et al. (2023) also find that UK respondents have a preference for more generous benefit levels and lower taxes, all other things equal.

Figure 4 Preferences for characteristics of social welfare
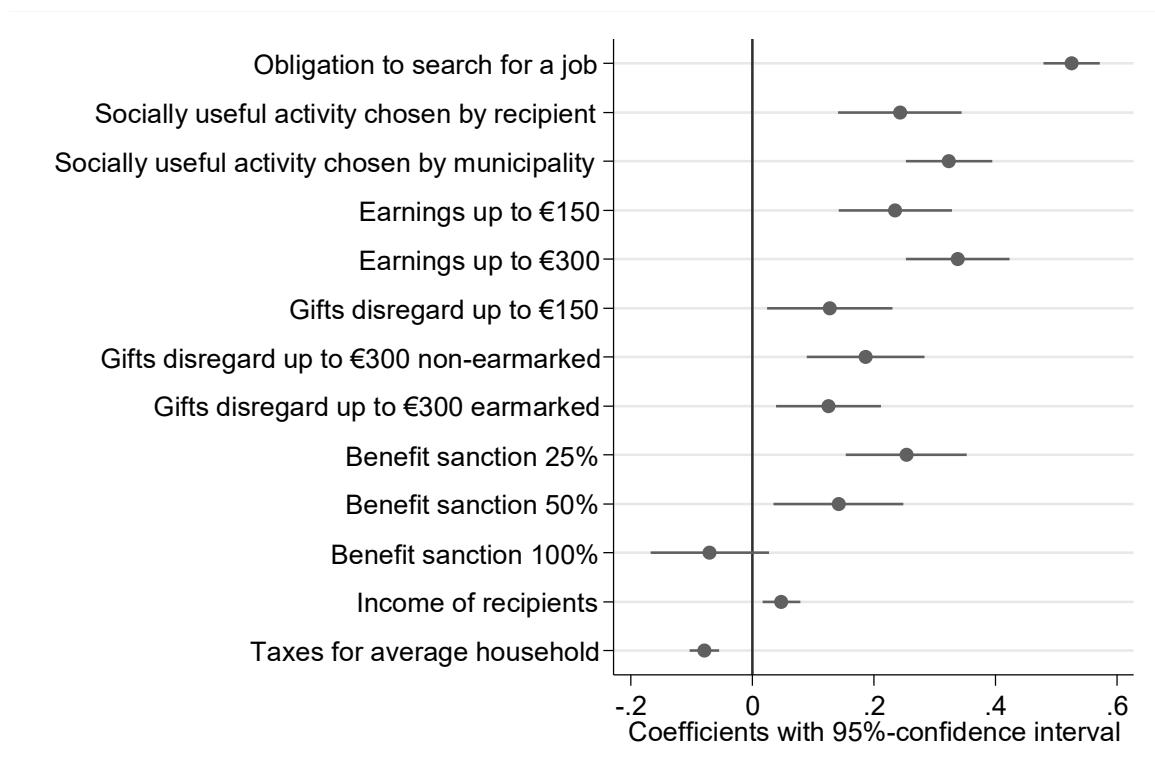
Note: the reference categories are: no obligation to search for a job, no activity, no earnings disregards, no gifts disregards, and no benefit sanctions. Income of recipients and taxes for average household measured in hundreds of euros.

As a robustness check, we estimate the same model treating the respondents' answers as discrete choices. All 2057 respondents evaluated eight choice sets, resulting in 16456 pairs of points summing to 100. A total of 1907 pairs involved ties, for which points of 50-50 were distributed for the two alternative policy packages in a choice set. These cannot be used in the

binary choice model. We transformed the remainder of 14549 pairs of unequal point data into binary choices, which we used to estimate a conditional logit model. We clustered the standard errors at the respondent level. Column (2) of Table 5 in the Appendix shows the results. Because the points reported by the respondents express subjective choice probabilities, the coefficients of the conditional logit in column (2) and the quantile regression in column (1) are directly comparable. The relative magnitudes of the coefficients are similar in both columns.

Willingness to pay

Using the estimated coefficient on the taxes for the average household, it is possible to compute the willingness to pay of the Dutch public for various aspects of the welfare system. A particularly interesting aspect to look at is the willingness to pay (in taxes per year) to increase the disposable income of welfare recipients by one euro (per month). Based on the estimated coefficients, this willingness to pay amounts to 0.62 euros, with a 95%-confidence interval ranging from 0.24 to 0.99 euros. If we multiply this amount by the number of households in the Netherlands (8 million), and divide it by the number of welfare recipients at the time of the study (409 000), we obtain a total willingness to pay of 12.05 euros per welfare recipient per year (with a 95%-confidence interval ranging from 5 to 19 euros), almost exactly the 12 euros that are needed in a year to raise the disposable income of the welfare recipients by one euro per month. However, this simple back-of-the envelope cost calculation does not take into account the potential behavioral effects of raising the disposable income of welfare recipients. To say something about the optimal level of disposable income for welfare recipients in the eyes of the Dutch public, one would have to confront this willingness to pay with an estimate of the elasticity of labor supply to the level of disposable income for welfare recipients.[6]

Here, it is worth stressing that the preferences of the Dutch public are not the only relevant input to confront with cost estimates for policy makers to decide upon the design of social welfare. Other normative considerations may very well play a role.

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[6] The willingness to pay for the other aspects of the welfare system tends to exceed back-of-the envelope calculations of the costs of such measures excluding their behavioral effects, but remains in a comparable order of magnitude (see Collewet et al. 2022 for the calculations).

5.2. Heterogeneity in preferences

To better understand the extent to which self-interest, social preferences, and trust are related to preferences for welfare state programs, in this section, we interact the attributes of the welfare system with income, risk attitudes, preference for income equality, general trust, and trust in government. As some characteristics of the respondents are moderately correlated (see Table 6 in the Appendix), we also estimate a model that includes interactions between all attributes and all characteristics as a robustness check. The estimation results of this model are reported in Figure 15 and Table 13 in the Appendix.

Household income

First, we study heterogeneity in preferences by household income. Figure 5 shows how the preferences of respondents differ between the poorer and the richer half of the sample in terms of gross monthly household income. Estimation results can be found in Table 7 in the Appendix.

Respondents in the low-income group are less in favor of work obligations and of an activity chosen by the municipality in return for benefits. They are less favorable to sanctions amounting to 100% of the benefits. These differences are statistically significant, but they are not robust to correcting for multiple hypothesis testing (see Table 7 in the Appendix). However, after controlling for other respondent characteristics (see Table 13), the preference of the richer half of the sample for an obligation to search for a job and for sanctions that amount to 100% of the benefits is statistically significant in a way that is robust to multiple hypothesis testing. In contrast to our expectations, poorer respondents are less favorable to earnings disregards. This might be due to the fact that lower income earners dislike the idea of benefit recipients approaching their own income levels by topping up their benefits. The other differences between the high- and low-income groups have the expected sign, but are not statistically significant.

Figure 5 Preferences of respondents with lower vs. higher income
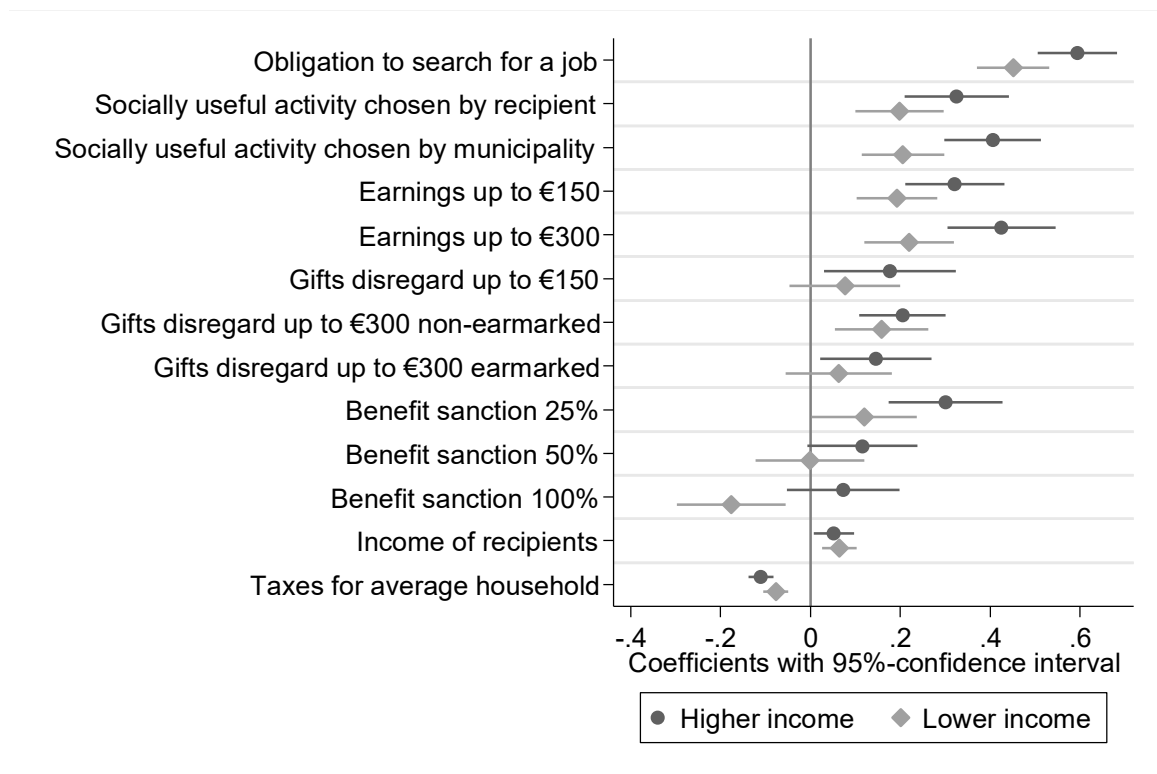
Note: the reference categories are: no obligation to search for a job, no activity, no earnings disregards, no gifts disregards, and no benefit sanctions. Higher income is the upper half and lower income is the lower half of the income distribution.

Risk aversion

Second, we focus on self-assessed risk attitudes. Self-assessed risk attitudes were measured in a random sub-sample of the LISS panel in 2018, leading to a reduction of 50% of the original full sample that we use for our baseline analysis. The coefficients for the more and the less risk averse half of the sample are shown in Figure 6. Estimation results are reported in Table 8 in the Appendix.

The estimation results show that self-assessed risk attitudes do not significantly correlate with preferences for the characteristics of the welfare system in our experiment. To test the robustness of this result, we tested for different measures of risk preferences, including lottery choices (see Table 14 in the Appendix), but no significant pattern can be found. Note that the lack of statistical significance could also be due to the reduced sample size.

Figure 6 Preferences of respondents with stronger vs. weaker risk preference

Note: the reference categories are: no obligation to search for a job, no activity, no earnings disregards, no gifts disregards, and no benefit sanctions.

Inequality aversion

Third, we turn to studying the role of social preferences. Figure 7 shows how the preferences differ between the lower and upper half of the sample in terms of preference for income equality. Table 9 in the Appendix reports the estimation results. Respondents with a stronger preference for equality are less supportive of introducing obligations to search for a job, and of an activity selected by the municipality in return for receiving benefits. They are more supportive of earnings disregards up to 300 euros a month and of earmarked gift disregards up to 300 euros a month, compared to no disregards. They are less supportive of sanctions. Also, they are more supportive of taxes to finance social welfare, and of a higher income for welfare recipients. This shows that social preferences are correlated with the support for attributes of social welfare programs. These differences are statistically significant, but only the differences

regarding the obligation to search for a job, the benefit sanction of 100% and the taxes still show statistical significance after controlling for multiple hypothesis testing (Table 9).

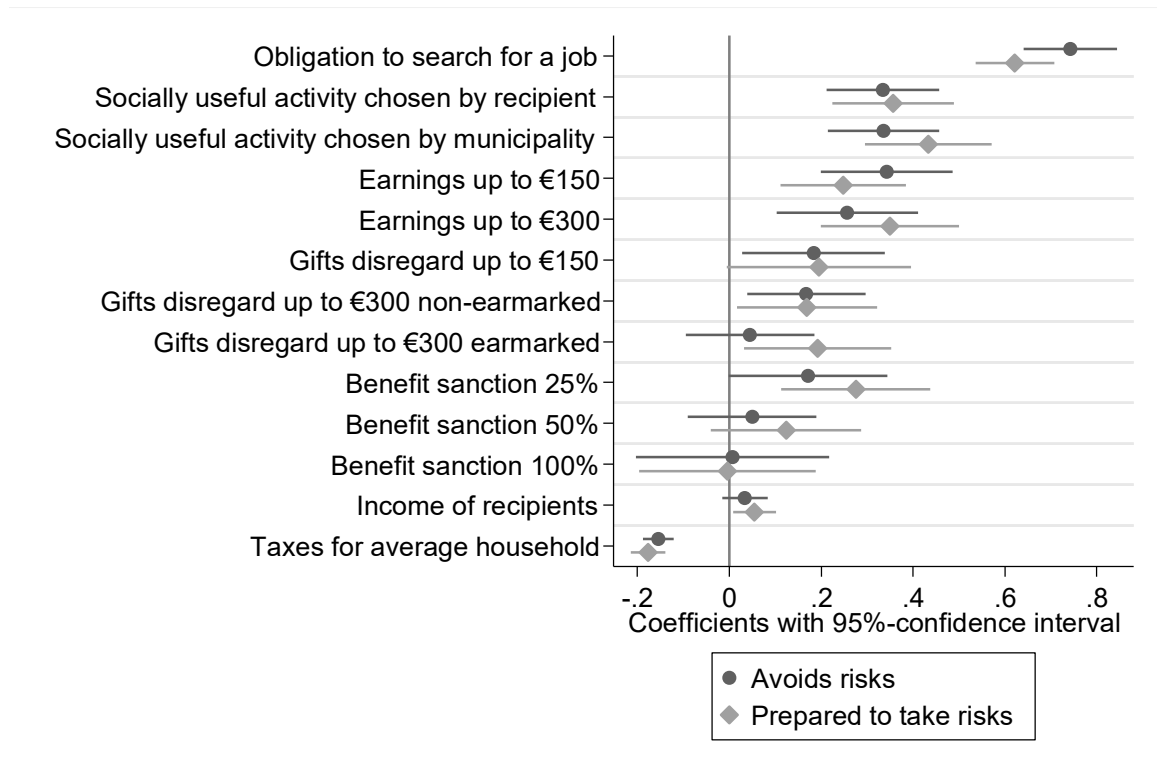*Figure 7 Preferences of respondents with weaker vs. stronger preference for income equality*

Note: the reference categories are: no obligation to search for a job, no activity, no earnings disregards, no gifts disregards, and no benefit sanctions.

Generalized trust

Fourth, we study how general trust relates to respondents' preferences. Figure 8 shows how preferences differ between the more and the less trusting half of the sample. Estimation results are reported in Table 10 in the Appendix. Respondents who are more trusting in general are more favorable to earnings disregards, which matches our expectations. They are also more supportive of earmarked gifts disregards up to 300 euros a month (compared to no gifts disregard), and less supportive of benefit sanctions of 100% of benefits (compared to no sanctions). These differences are statistically significant, but the significance is not robust to multiple hypothesis testing (see Table 10). More trusting people support obligations to search for a job and to perform socially useful activities in return for benefits more, which is not in line with our expectations. The preference for an obligation to search for a job appears

statistically significant and robust to multiple hypothesis testing. However, the significance disappears after controlling for government trust (see Table 13 in the Appendix). The other interactions with taxes and recipients' income have the expected sign but are not statistically significant.

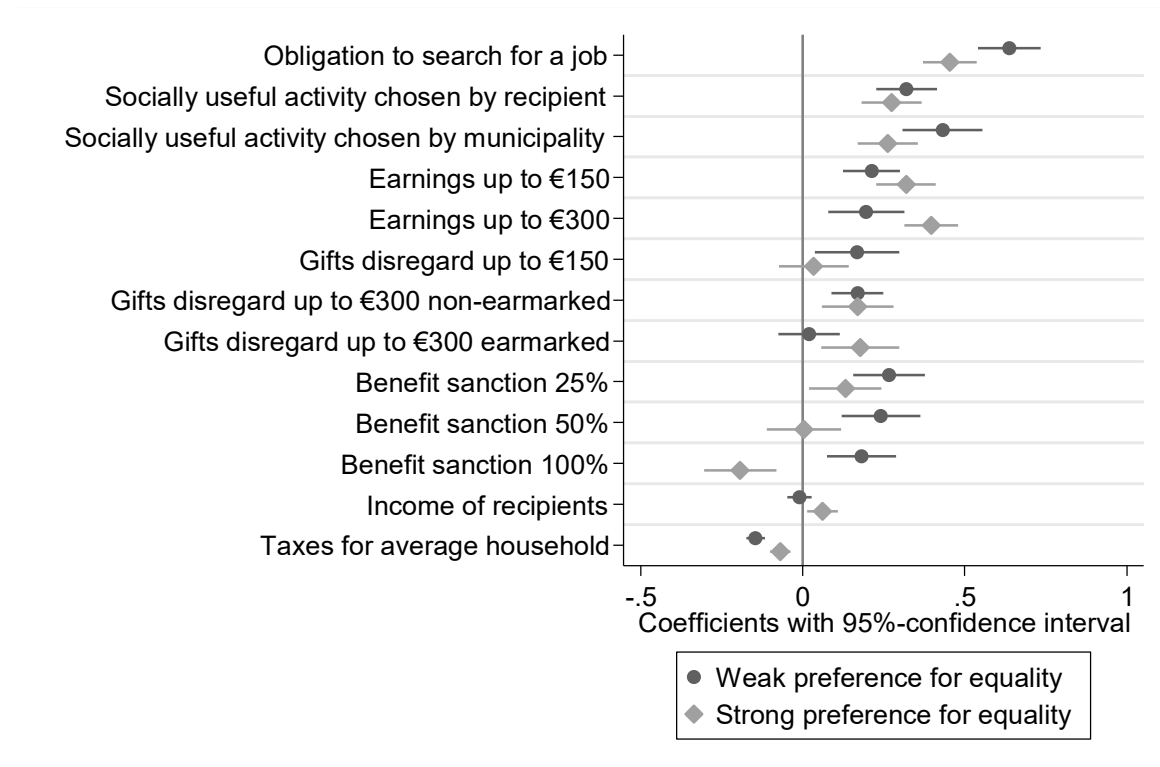*Figure 8 Preferences of respondents with lower vs. higher general trust*

Note: the reference categories are: no obligation to search for a job, no activity, no earnings disregards, no gifts disregards, and no benefit sanctions.

As an alternative measure of trust in welfare recipients, we also used a measure of the belief held by respondents that economic success is due to luck rather than effort. The results are reported in Table 11. Due to the fact that this belief was measured in the LISS panel in 2018, the sample we can use for estimation is halved. Respondents who believe that luck plays a larger role in economic success are less in favor of an activity in return for benefits, and less supportive of benefit sanctions of 25% of benefits, which is in line with our expectations. However, they are also less in favor of earnings disregards up to €300 (compared to no earnings disregards), which is not in line with our hypotheses. These differences are statistically

significant, but the significance is not robust to multiple hypothesis testing. Other interactions are not statistically significant, which may in part be due to the reduced sample size.

Trust in government

Finally, we study the relation between respondents' preferences and their trust in the government. Figure 9 shows how preferences differ between respondents with lower versus higher trust in government. Table 12 in the Appendix reports the estimation results. As expected, respondents who trust the government more are also more supportive of an obligation to search for a job and of an activity chosen by the municipality in return for benefits. These differences are statistically significant, and robust for multiple hypothesis testing (see Table 12). Most of the other interactions have the expected sign but are not statistically significant.

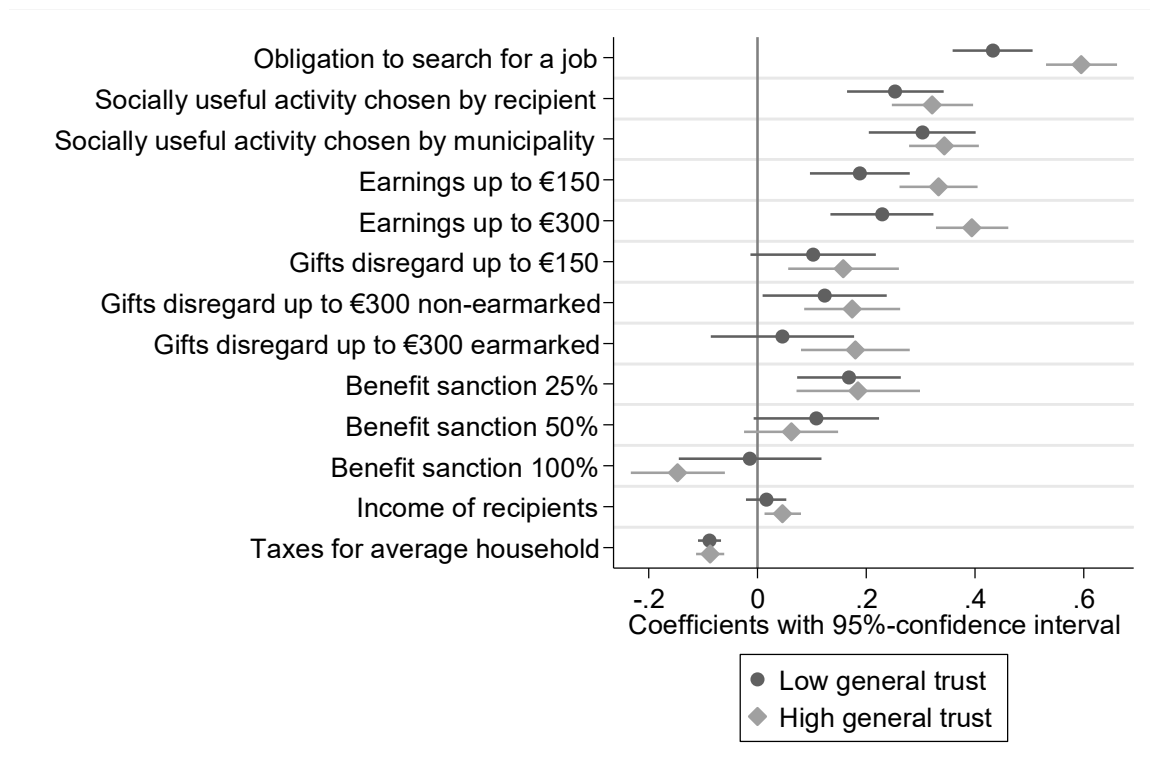*Figure 9 Preferences of respondents with lower vs. higher trust in government*

Note: the reference categories are: no obligation to search for a job, no activity, no earnings disregards, no gifts disregards, and no benefit sanctions.
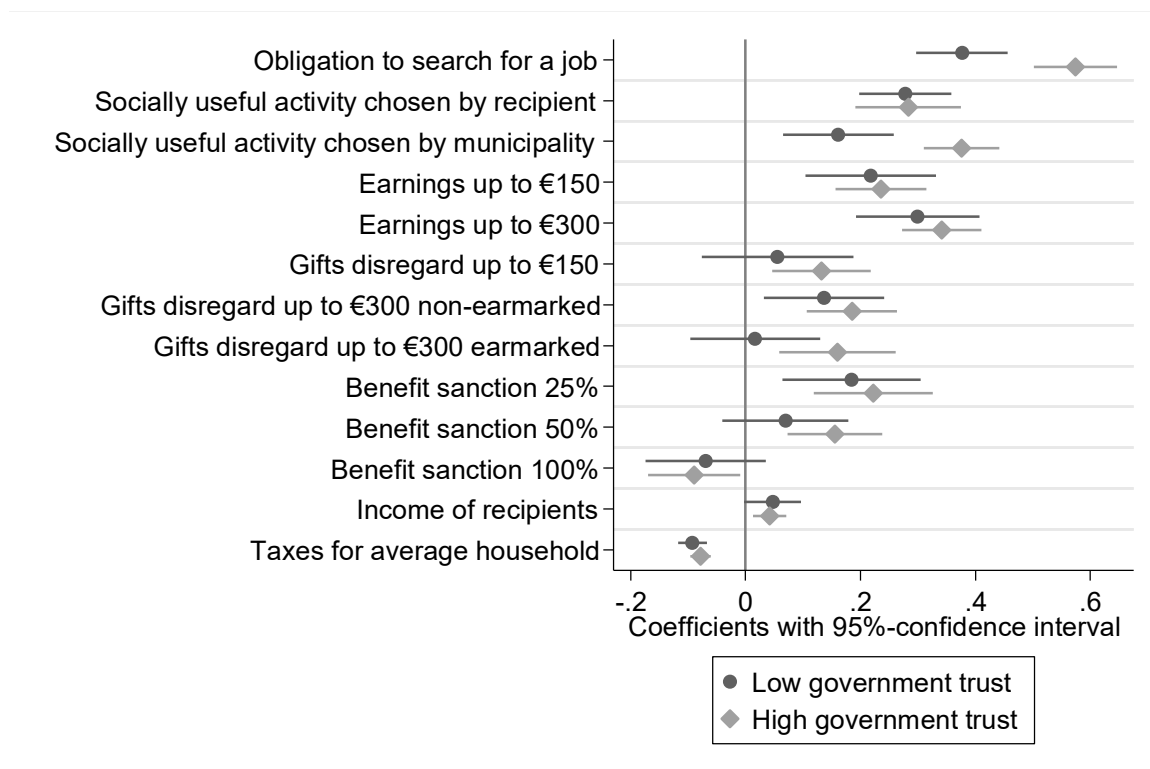
Overview

Table 2 below provides an overview of the observed signs of interactions between individual characteristics of respondents and attributes of the welfare system. The colors indicate whether the observed sign matches the hypothesized one, and the degree of statistical significance.

Table 2 Observed relationships between respondents' characteristics and attributes of the welfare system

	Income	Risk attitude	Preference for income equality	Generalized trust	Government trust
Obligation to search for a job	+	-	-	+	+
Socially useful activity chosen by recipient	+	+	-	+	+
Socially useful activity chosen by municipality	+	+	-	+	+
Earnings up to €150	+	-	+	+	+
Earnings up to €300	+	+	+	+	+
Gifts disregard up to €150	+	+	-	+	+
Gifts disregard up to €300 non-earmarked	+	+	+	+	+
Gifts disregard up to €300 earmarked	+	+	+	+	+
Benefit sanction 25%	+	+	-	+	+
Benefit sanction 50%	+	+	-	-	+
Benefit sanction 100%	+	-	-	-	-
Income of recipients	-	+	+	+	-
Taxes for average household	-	-	+	+	+

	Not significant
	Hypothesis supported by sign of coefficient, difference statistically significant
	Hypothesis supported by sign of coefficient, difference statistically significant and robust to multiple hypothesis testing
	Hypothesis contradicted by sign of coefficient, difference statistically significant
	Hypothesis contradicted by sign of coefficient, difference statistically significant and robust to multiple hypothesis testing

We conclude that preferences for attributes of the welfare system mostly correlate with income (suggesting self-interest), preference for income equality, and government trust. Generalized trust appears to play a smaller role, and we do not find evidence of a significant relationship between risk attitudes and preferences for attributes of the welfare system.

Table 13 and Figure 15 in the Appendix report the estimation results of a model in which the attributes of the welfare system are interacted with income, preference for income equality, general trust and government trust simultaneously. These variables are all measured in the same year as we collected our data, resulting in a minimal loss of observations. The patterns observed when interacting with the five characteristics simultaneously are very similar to those observed when the interactions are included separately in the model.

5.3. Consistency with voting behavior in the past election

Since our research design was not incentive-compatible, it is interesting to relate respondents' distributed points in our choice experiment to actual choices they made during the Parliamentary election that took place in the Netherlands just a couple of months before our survey, in March 2021. In doing so, we follow Hainmueller et al. (2015), De Bresser and Knoef (2022) and Nettle et al. (2023), who compare choices made in a choice experiment with voting behavior in order to check the validity of the choice experiment. Respondents of the LISS panel were asked to report for which party they voted.

We classify the parties voted for into four categories, using the Chapel Hill Expert Survey Europe 2019 (Jolly et al. 2022). We divide the parties along two dimensions: whether they are more or less favorable to redistribution of wealth from the rich to the poor, and whether redistribution is a salient issue for the party. The classification of parties is reported in Table 15 in the Appendix. We interact the attributes of the welfare system with these four categories. The default is "anti-redistribution, redistribution salient," the category which received the most votes in the 2021 election. The results are reported in Table 3.

As one would expect, we find that respondents who voted for parties which favor redistribution and for which redistribution is salient are less supportive of obligations to search for a job and of an activity chosen by the municipality in return for receiving benefits. They are also less favorable to sanctions, less reluctant to pay taxes to finance social welfare, and more favorable

to a higher income for benefit recipients. The findings are very similar for voters for parties which favor redistribution but for which redistribution is not salient, except for the willingness to give higher incomes to benefit recipients. Those who voted for parties who do not favor redistribution but for whom redistribution is not salient are similar to the baseline in terms of their preferences for most attributes, but they are less supportive of an obligation to search for a job and of a socially useful activity chosen by the municipality. It is interesting to note that those who voted for other parties, did not vote, or did not report their vote, are clearly less favorable to earnings disregards than the baseline category.

Taken altogether, these results show that the preferences expressed in our survey and self-reported voting behavior are fairly consistent, which makes us confident that our respondents answered our survey seriously and truthfully. These findings are also in line with those of Lara & Shores (2022), who find that preferences for income equality and income mobility are related to partisanship, and with those of Nettle et al. (2023) on the relationship between partisanship and preferences for conditional welfare vs. universal benefits.

Table 3 Interactions between preferences for attributes of the welfare system and vote cast in the last parliament election

	baseline: anti-redistribution redistribution salient		attribute interacted with: pro redistribution redistribution salient		pro redistribution redistribution not salient		anti-redistribution redistribution not salient		other party, no vote, or no answer	
Obligation to search for a job	0.6703***	(0.0461)	-0.2398***	(0.0629)	-0.3177***	(0.0781)	-0.1866*	(0.0963)	-0.1594***	(0.0608)
Socially useful activity chosen by recipient	0.1761***	(0.0625)	0.1397	(0.0915)	0.0040	(0.0974)	0.0334	(0.0976)	0.0334	(0.0790)
Socially useful activity chosen by municipality	0.3893***	(0.0503)	-0.2312***	(0.0787)	-0.2293**	(0.0993)	-0.2196*	(0.1147)	-0.1309**	(0.0655)
Earnings up to €150	0.2942***	(0.0589)	-0.0290	(0.0848)	-0.0380	(0.1136)	-0.0230	(0.1052)	-0.1785**	(0.0716)
Earnings up to €300	0.3157***	(0.0571)	0.0812	(0.0809)	0.0563	(0.1047)	-0.0252	(0.0980)	-0.1557**	(0.0755)
Gifts disregard up to €150	0.1188*	(0.0679)	0.0499	(0.1062)	-0.0930	(0.1209)	-0.0612	(0.1278)	0.0837	(0.0953)
Gifts disregard up to €300 non-earmarked	0.1713***	(0.0504)	0.1029	(0.0916)	0.0317	(0.1081)	-0.1715	(0.1054)	0.0561	(0.0846)
Gifts disregard up to €300 earmarked	0.1199*	(0.0620)	0.0620	(0.1024)	-0.0467	(0.1206)	-0.1806	(0.1292)	0.0278	(0.0805)
Benefit sanction 25%	0.1647***	(0.0627)	-0.1478	(0.1066)	-0.0832	(0.1472)	0.0659	(0.1350)	0.0881	(0.0899)
Benefit sanction 50%	0.0736	(0.0619)	-0.2820***	(0.0915)	-0.1488	(0.1129)	0.0403	(0.1110)	0.1823**	(0.0919)
Benefit sanction 100%	-0.0401	(0.0813)	-0.3523***	(0.1205)	-0.2767*	(0.1423)	0.1881	(0.1492)	0.1031	(0.1040)
Income of recipients	0.0414**	(0.0173)	0.0639**	(0.0302)	-0.0040	(0.0370)	-0.0205	(0.0469)	0.0038	(0.0234)
Taxes for average household	-0.1258***	(0.0188)	0.0802***	(0.0287)	0.0548*	(0.0289)	0.0388	(0.0304)	0.0325	(0.0260)
N choices	16456									
N individuals	2057									

6. Conclusions

This paper studies how individuals make trade-offs among different characteristics of a welfare system: the benefit level, possibilities for recipients to receive income on top of their benefits, the costs of the system, and the requirements imposed on benefit recipients along with sanctions in case those requirements are not met. We ran a choice experiment in a representative sample of more than 2000 Dutch respondents.

With this study we connect two areas of research. One the one hand there is research exploring the efficiency of conditions in social welfare programs. On the other hand, there is research on distributional preferences, which usually does not focus on specific conditions. Support for redistribution, however, may strongly depend on the way it is organized.

Our results show that respondents are in favor of both relatively generous benefits and possibilities to receive additional income. However, the imposition of obligations on the benefit recipients in return for the benefits received also appear to be important. We investigate underlying mechanisms, and find that these preferences are driven by self-interest, altruistic preferences, and trust in the government. We do not find evidence that risk aversion plays a role.

Our results are relevant in the design of social welfare programs, as it is not only insurance and efficiency that play a role, but also social support. Even if the preferences of the general public are certainly not the only relevant normative input to confront with cost estimates in order to determine the optimal design of social welfare, recognizing the importance of social support in program design can enhance the overall well-being of individuals and communities.

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8. Appendix

8.1. Tables

Table 4 Hypotheses about the relationship between respondents' characteristics and their preferences for attributes of the welfare system

	Income	Risk attitude	Preference for income equality	Generalized trust	Government trust
Obligation to search for a job	+	+	-	-	+
Socially useful activity chosen by recipient	+	+	-	-	+
Socially useful activity chosen by municipality	+	+	-	-	+
Earnings up to €150	-	-	+	+	+
Earnings up to €300	-	-	+	+	+
Gifts disregard up to €150	-	-	+	+	+
Gifts disregard up to €300 non-earmarked	-	-	+	+	+
Gifts disregard up to €300 earmarked	-	-	+	+	+
Benefit sanction 25%	+	+	-	-	+
Benefit sanction 50%	+	+	-	-	+
Benefit sanction 100%	+	+	-	-	+
Income of recipients	-	-	+	+	+
Taxes for average household	-	-	+	+	+

Table 5 Regression results for the main model

	(1)	(2)
Obligation to search for a job	0.5259***	0.8608***
	(0.0236)	(0.0330)
Socially useful activity chosen by recipient	0.2433***	0.4647***
	(0.0519)	(0.0387)
Socially useful activity chosen by municipality	0.3241***	0.4059***
	(0.0363)	(0.0412)
Earnings up to €150	0.2354***	0.4991***
	(0.0475)	(0.0381)
Earnings up to €300	0.3386***	0.5575***
	(0.0436)	(0.0402)
Gifts disregard up to €150	0.1277**	0.2064***
	(0.0527)	(0.0481)
Gifts disregard up to €300 non-earmarked	0.1868***	0.1604***
	(0.0495)	(0.0437)
Gifts disregard up to €300 earmarked	0.1260***	0.2490***
	(0.0441)	(0.0393)
Benefit sanction 25%	0.2536***	0.3392***
	(0.0508)	(0.0487)
Benefit sanction 50%	0.1422***	0.1118**
	(0.0547)	(0.0465)
Benefit sanction 100%	-0.0696	-0.1389***
	(0.0498)	(0.0501)
Income of recipients	0.0483***	0.0823***
	(0.0158)	(0.0166)
Taxes for average household	-0.0783***	-0.1451***
	(0.0123)	(0.0117)
Constant	0.0280	0.0889***
	(0.0196)	(0.0245)
N	16456	29098
N Individuals	2057	2057
Pseudo R^2	0.0668	0.1261

(1) Median regression based on points; (2) Conditional logit based on discrete choices

Table 6 Correlations among characteristics of the respondents

	Lower income	Preference for income equality	General trust	Government trust	Risk attitude
Lower income	1				
Preference for income equality	0.1913	1			
General trust	-0.1265	0.0328	1		
Government trust	-0.1217	-0.0688	0.252	1	
Risk attitude	-0.008	-0.0498	0.0717	0.0106	1

Table 7 Interacting attributes with belonging to the lower half of the sample in terms of income

	coef	se	p	rwolf p
Obligation to search for a job	0.593	(0.045)	**0.000**	**0.010**
Obligation to search for a job # Lower income	-0.142	(0.057)	**0.013**	0.248
Socially useful activity chosen by recipient	0.326	(0.059)	**0.000**	**0.010**
Socially useful activity chosen by recipient # Lower income	-0.127	(0.062)	**0.039**	0.584
Socially useful activity chosen by municipality	0.406	(0.055)	**0.000**	**0.010**
Socially useful activity chosen by municipality # Lower income	-0.200	(0.070)	**0.004**	0.248
Earnings up to €150	0.321	(0.056)	**0.000**	**0.010**
Earnings up to €150 # Lower income	-0.129	(0.080)	0.108	0.693
Earnings up to €300	0.425	(0.061)	**0.000**	**0.010**
Earnings up to €300 # Lower income	-0.206	(0.082)	**0.012**	0.248
Gifts disregard up to €150	0.177	(0.075)	**0.018**	0.248
Gifts disregard up to €150 # Lower income	-0.100	(0.091)	0.272	0.792
Gifts disregard up to €300 non-earmarked	0.205	(0.049)	**0.000**	**0.059**
Gifts disregard up to €300 non-earmarked # Lower income	-0.046	(0.072)	0.521	0.851
Gifts disregard up to €300 earmarked	0.146	(0.063)	**0.021**	0.307
Gifts disregard up to €300 earmarked # Lower income	-0.083	(0.085)	0.333	0.792
Benefit sanction 25%	0.301	(0.065)	**0.000**	**0.010**
Benefit sanction 25% # Lower income	-0.181	(0.083)	**0.030**	0.515
Benefit sanction 50%	0.116	(0.062)	**0.062**	0.614
Benefit sanction 50% # Lower income	-0.117	(0.091)	0.199	0.792
Benefit sanction 100%	0.073	(0.064)	0.253	0.792
Benefit sanction 100% # Lower income	-0.248	(0.092)	**0.007**	0.248
Income of recipients	0.052	(0.023)	**0.023**	0.287
Income of recipients # Lower income	0.013	(0.030)	0.664	0.851
Taxes for average household	-0.110	(0.014)	**0.000**	**0.010**
Taxes for average household # Lower income	0.033	(0.021)	0.106	0.693
Constant	0.036	(0.023)	0.113	
Observations	15144			
N Individuals	1893			

Note: The last column of the table reports the p-values after correcting for multiple hypothesis testing using the Romano-Wolf procedure (Clarke, Romano, and Wolf 2020; Romano and Wolf 2016).

Table 8 Interacting attributes with self-assessed risk attitude

	coef	se	p	rwolf p
Obligation to search for a job	0.742	(0.052)	**0.000**	**0.010**
Obligation to search for a job # Risk attitude	-0.120	(0.064)	**0.059**	0.951
Socially useful activity chosen by recipient	0.334	(0.062)	**0.000**	**0.010**
Socially useful activity chosen by recipient # Risk attitude	0.022	(0.086)	0.798	1.000
Socially useful activity chosen by municipality	0.336	(0.062)	**0.000**	**0.010**
Socially useful activity chosen by municipality # Risk attitude	0.098	(0.093)	0.295	1.000
Earnings up to €150	0.343	(0.073)	**0.000**	**0.010**
Earnings up to €150 # Risk attitude	-0.094	(0.095)	0.323	1.000
Earnings up to €300	0.257	(0.079)	**0.001**	**0.020**
Earnings up to €300 # Risk attitude	0.093	(0.107)	0.384	1.000
Gifts disregard up to €150	0.183	(0.079)	**0.021**	0.634
Gifts disregard up to €150 # Risk attitude	0.012	(0.131)	0.925	1.000
Gifts disregard up to €300 non-earmarked	0.168	(0.066)	**0.011**	0.495
Gifts disregard up to €300 non-earmarked # Risk attitude	0.002	(0.097)	0.986	1.000
Gifts disregard up to €300 earmarked	0.045	(0.072)	0.529	1.000
Gifts disregard up to €300 earmarked # Risk attitude	0.147	(0.108)	0.173	1.000
Benefit sanction 25%	0.171	(0.088)	**0.052**	0.713
Benefit sanction 25% # Risk attitude	0.104	(0.130)	0.424	1.000
Benefit sanction 50%	0.050	(0.071)	0.487	1.000
Benefit sanction 50% # Risk attitude	0.074	(0.110)	0.501	1.000
Benefit sanction 100%	0.007	(0.107)	0.949	1.000
Benefit sanction 100% # Risk attitude	-0.011	(0.159)	0.945	1.000
Income of recipients	0.034	(0.025)	0.179	1.000
Income of recipients # Risk attitude	0.021	(0.031)	0.505	1.000
Taxes for average household	-0.155	(0.017)	**0.000**	**0.010**
Taxes for average household # Risk attitude	-0.022	(0.026)	0.398	1.000
Constant	0.034	(0.025)	0.179	
Observations	6224			
Individuals	778			

Note: The last column of the table reports the p-values after correcting for multiple hypothesis testing using the Romano-Wolf procedure (Clarke, Romano, and Wolf 2020; Romano and Wolf 2016).

Table 9 Interacting attributes with preference for income equality

	coef	se	p	rwolf p
Obligation to search for a job	0.637	(0.049)	**0.000**	**0.010**
Obligation to search for a job # Preference for income equality	-0.183	(0.069)	**0.008**	**0.079**
Socially useful activity chosen by recipient	0.320	(0.048)	**0.000**	**0.010**
Socially useful activity chosen by recipient # Preference for income equality	-0.047	(0.071)	0.510	0.861
Socially useful activity chosen by municipality	0.432	(0.063)	**0.000**	**0.010**
Socially useful activity chosen by municipality # Preference for income equality	-0.169	(0.080)	**0.034**	0.208
Earnings up to €150	0.213	(0.045)	**0.000**	**0.059**
Earnings up to €150 # Preference for income equality	0.107	(0.069)	0.120	0.545
Earnings up to €300	0.196	(0.060)	**0.001**	**0.069**
Earnings up to €300 # Preference for income equality	0.201	(0.078)	**0.010**	0.158
Gifts disregard up to €150	0.168	(0.066)	**0.011**	0.208
Gifts disregard up to €150 # Preference for income equality	-0.134	(0.081)	0.100	0.545
Gifts disregard up to €300 non-earmarked	0.169	(0.041)	**0.000**	0.129
Gifts disregard up to €300 non-earmarked # Preference for income equality	0.001	(0.064)	0.991	0.990
Gifts disregard up to €300 earmarked	0.020	(0.048)	0.677	0.941
Gifts disregard up to €300 earmarked # Preference for income equality	0.157	(0.081)	**0.054**	0.386
Benefit sanction 25%	0.266	(0.057)	**0.000**	**0.050**
Benefit sanction 25% # Preference for income equality	-0.134	(0.075)	**0.073**	0.545
Benefit sanction 50%	0.242	(0.062)	**0.000**	**0.069**
Benefit sanction 50% # Preference for income equality	-0.237	(0.088)	**0.007**	0.168
Benefit sanction 100%	0.182	(0.055)	**0.001**	0.168
Benefit sanction 100% # Preference for income equality	-0.374	(0.083)	**0.000**	**0.010**
Income of recipients	-0.010	(0.019)	0.591	0.931
Income of recipients # Preference for income equality	0.071	(0.028)	**0.011**	0.208
Taxes for average household	-0.145	(0.015)	**0.000**	**0.010**
Taxes for average household # Preference for income equality	0.076	(0.022)	**0.001**	**0.020**
Constant	0.047	(0.023)	**0.039**	
Observations	15696			
N Individuals	1962			

Note: The last column of the table reports the p-values after correcting for multiple hypothesis testing using the Romano-Wolf procedure (Clarke, Romano, and Wolf 2020; Romano and Wolf 2016).

Table 10 Interacting attributes with general trust

	coef	se	p	rwolf p
Obligation to search for a job	0.432	(0.038)	**0.000**	**0.010**
Obligation to search for a job # General trust	0.163	(0.047)	**0.001**	**0.059**
Socially useful activity chosen by recipient	0.253	(0.045)	**0.000**	**0.010**
Socially useful activity chosen by recipient # General trust	0.068	(0.058)	0.241	0.911
Socially useful activity chosen by municipality	0.303	(0.050)	**0.000**	**0.010**
Socially useful activity chosen by municipality # General trust	0.040	(0.063)	0.530	0.990
Earnings up to €150	0.188	(0.047)	**0.000**	**0.020**
Earnings up to €150 # General trust	0.145	(0.057)	**0.011**	0.446
Earnings up to €300	0.229	(0.048)	**0.000**	**0.010**
Earnings up to €300 # General trust	0.165	(0.054)	**0.002**	0.257
Gifts disregard up to €150	0.103	(0.059)	**0.082**	0.644
Gifts disregard up to €150 # General trust	0.055	(0.078)	0.475	0.990
Gifts disregard up to €300 non-earmarked	0.124	(0.058)	**0.034**	0.257
Gifts disregard up to €300 non-earmarked # General trust	0.051	(0.073)	0.486	0.990
Gifts disregard up to €300 earmarked	0.046	(0.067)	0.493	0.990
Gifts disregard up to €300 earmarked # General trust	0.134	(0.081)	**0.099**	0.653
Benefit sanction 25%	0.168	(0.048)	**0.001**	0.158
Benefit sanction 25% # General trust	0.017	(0.070)	0.807	1.000
Benefit sanction 50%	0.108	(0.059)	**0.065**	0.644
Benefit sanction 50% # General trust	-0.046	(0.069)	0.505	0.990
Benefit sanction 100%	-0.013	(0.067)	0.843	1.000
Benefit sanction 100% # General trust	-0.133	(0.073)	**0.067**	0.733
Income of recipients	0.016	(0.019)	0.391	0.990
Income of recipients # General trust	0.030	(0.022)	0.163	0.911
Taxes for average household	-0.088	(0.011)	**0.000**	**0.010**
Taxes for average household # General trust	0.001	(0.017)	0.948	1.000
Constant	0.030	(0.018)	**0.084**	
Observations	15376			
Individuals	1922			

Note: The last column of the table reports the p-values after correcting for multiple hypothesis testing using the Romano-Wolf procedure (Clarke, Romano, and Wolf 2020; Romano and Wolf 2016).

Table 11 Interacting attributes with belief about role of luck in economic success

	coef	se	p	rwolf p
Obligation to search for a job	0.529	(0.034)	**0.000**	**0.010**
Obligation to search for a job # Success due to luck	-0.097	(0.078)	0.216	0.762
Socially useful activity chosen by recipient	0.319	(0.058)	**0.000**	**0.010**
Socially useful activity chosen by recipient # Success due to luck	-0.190	(0.089)	**0.033**	0.257
Socially useful activity chosen by municipality	0.377	(0.045)	**0.000**	**0.010**
Socially useful activity chosen by municipality # Success due to luck	-0.250	(0.095)	**0.008**	0.149
Earnings up to €150	0.316	(0.051)	**0.000**	**0.010**
Earnings up to €150 # Success due to luck	-0.113	(0.084)	0.177	0.792
Earnings up to €300	0.447	(0.065)	**0.000**	**0.010**
Earnings up to €300 # Success due to luck	-0.223	(0.098)	**0.023**	0.257
Gifts disregard up to €150	0.043	(0.059)	0.465	0.911
Gifts disregard up to €150 # Success due to luck	0.107	(0.102)	0.295	0.881
Gifts disregard up to €300 non-earmarked	0.145	(0.049)	**0.003**	0.257
Gifts disregard up to €300 non-earmarked # Success due to luck	-0.028	(0.075)	0.708	0.970
Gifts disregard up to €300 earmarked	0.087	(0.048)	**0.068**	0.792
Gifts disregard up to €300 earmarked # Success due to luck	-0.022	(0.086)	0.798	0.970
Benefit sanction 25%	0.207	(0.065)	**0.001**	0.149
Benefit sanction 25% # Success due to luck	-0.193	(0.103)	**0.062**	0.584
Benefit sanction 50%	0.053	(0.071)	0.459	0.911
Benefit sanction 50% # Success due to luck	-0.150	(0.099)	0.128	0.792
Benefit sanction 100%	-0.203	(0.066)	**0.002**	0.149
Benefit sanction 100% # Success due to luck	-0.041	(0.103)	0.687	0.970
Income of recipients	0.057	(0.018)	**0.001**	0.257
Income of recipients # Success due to luck	-0.029	(0.030)	0.338	0.911
Taxes for average household	-0.091	(0.019)	**0.000**	**0.010**
Taxes for average household # Success due to luck	0.038	(0.030)	0.200	0.663
Constant	0.036	(0.026)	0.169	
Observations	7728			
Individuals	966			

Note: The last column of the table reports the p-values after correcting for multiple hypothesis testing using the Romano-Wolf procedure (Clarke, Romano, and Wolf 2020; Romano and Wolf 2016).

Table 12 Interacting attributes with trust in government

	coef	se	p	rwolf p
Obligation to search for a job	0.377	(0.041)	**0.000**	**0.010**
Obligation to search for a job # Government trust	0.197	(0.055)	**0.000**	**0.010**
Socially useful activity chosen by recipient	0.278	(0.041)	**0.000**	**0.010**
Socially useful activity chosen by recipient # Government trust	0.006	(0.060)	0.925	1.000
Socially useful activity chosen by municipality	0.162	(0.049)	**0.001**	**0.030**
Socially useful activity chosen by municipality # Government trust	0.214	(0.059)	**0.000**	**0.010**
Earnings up to €150	0.218	(0.058)	**0.000**	**0.010**
Earnings up to €150 # Government trust	0.018	(0.070)	0.797	1.000
Earnings up to €300	0.299	(0.055)	**0.000**	**0.010**
Earnings up to €300 # Government trust	0.042	(0.064)	0.506	0.960
Gifts disregard up to €150	0.056	(0.067)	0.409	0.921
Gifts disregard up to €150 # Government trust	0.077	(0.080)	0.337	0.921
Gifts disregard up to €300 non-earmarked	0.137	(0.053)	**0.010**	**0.069**
Gifts disregard up to €300 non-earmarked # Government trust	0.049	(0.071)	0.491	0.960
Gifts disregard up to €300 earmarked	0.017	(0.058)	0.771	1.000
Gifts disregard up to €300 earmarked # Government trust	0.143	(0.073)	**0.050**	0.485
Benefit sanction 25%	0.185	(0.061)	**0.003**	**0.030**
Benefit sanction 25% # Government trust	0.038	(0.076)	0.619	0.990
Benefit sanction 50%	0.069	(0.056)	0.214	0.901
Benefit sanction 50% # Government trust	0.086	(0.067)	0.197	0.901
Benefit sanction 100%	-0.070	(0.053)	0.192	0.901
Benefit sanction 100% # Government trust	-0.019	(0.070)	0.781	1.000
Income of recipients	0.047	(0.025)	**0.063**	0.257
Income of recipients # Government trust	-0.005	(0.028)	0.862	1.000
Taxes for average household	-0.092	(0.013)	**0.000**	**0.010**
Taxes for average household # Government trust	0.014	(0.017)	0.407	0.950
Constant	0.038	(0.016)	**0.016**	
Observations	15712			
Individuals	1964			

Note: The last column of the table reports the p-values after correcting for multiple hypothesis testing using the Romano-Wolf procedure (Clarke, Romano, and Wolf 2020; Romano and Wolf 2016).

Table 13 Interacting attributes of the welfare system with characteristics of the respondents

	coef	se	p	rwolf p
Obligation to look for work	0.556	(0.059)	**0.000**	**0.010**
Social activity chosen by recipient	0.333	(0.066)	**0.000**	**0.010**
Social activity chosen by municipality	0.368	(0.078)	**0.000**	**0.010**
Earnings up to €150	0.310	(0.063)	**0.000**	**0.020**
Earnings up to €300	0.315	(0.076)	**0.000**	**0.010**
Gifts disregard up to €150	0.205	(0.092)	**0.025**	0.594
Gifts disregard up to €300 non-earmarked	0.156	(0.081)	**0.054**	0.713
Gifts disregard up to €300 earmarked	0.029	(0.097)	0.763	1.000
Benefit sanction 25%	0.277	(0.091)	**0.002**	0.149
Benefit sanction 50%	0.217	(0.075)	**0.004**	0.564
Benefit sanction 100%	0.288	(0.094)	**0.002**	0.119
Income of recipients	0.018	(0.025)	0.488	1.000
Taxes for average household	-0.168	(0.021)	**0.000**	**0.010**
Obligation to look for work # Lower income	-0.151	(0.048)	**0.002**	**0.099**
Social activity chosen by recipient # Lower income	-0.117	(0.068)	**0.086**	0.792
Social activity chosen by municipality # Lower income	-0.145	(0.061)	**0.017**	0.505
Earnings up to €150 # Lower income	-0.091	(0.046)	**0.048**	0.990
Earnings up to €300 # Lower income	-0.070	(0.058)	0.227	1.000
Gifts disregard up to €150 # Lower income	-0.144	(0.075)	**0.056**	0.852
Gifts disregard up to €300 non-earmarked # Lower income	-0.044	(0.068)	0.521	1.000
Gifts disregard up to €300 earmarked # Lower income	-0.052	(0.067)	0.443	1.000
Benefit sanction 25% # Lower income	-0.103	(0.066)	0.119	0.990
Benefit sanction 50% # Lower income	-0.166	(0.059)	**0.005**	0.723
Benefit sanction 100% # Lower income	-0.256	(0.073)	**0.000**	**0.099**
Income of recipients # Lower income	-0.010	(0.020)	0.617	1.000
Taxes for average household # Lower income	0.049	(0.016)	**0.002**	0.198
Obligation to look for work # Preference for income equality	-0.135	(0.048)	**0.005**	0.198
Social activity chosen by recipient # Preference for income equality	-0.003	(0.048)	0.948	1.000
Social activity chosen by municipality # Preference for income equality	-0.105	(0.055)	**0.055**	0.941
Earnings up to €150 # Preference for income equality	0.001	(0.055)	0.983	1.000
Earnings up to €300 # Preference for income equality	0.105	(0.056)	**0.059**	0.951
Gifts disregard up to €150 # Preference for income equality	-0.038	(0.077)	0.624	1.000
Gifts disregard up to €300 non-earmarked # Preference for income equality	-0.057	(0.061)	0.348	1.000
Gifts disregard up to €300 earmarked # Preference for income equality	0.097	(0.066)	0.139	0.990
Benefit sanction 25% # Preference for income equality	-0.140	(0.072)	**0.050**	0.911
Benefit sanction 50% # Preference for income equality	-0.071	(0.062)	0.255	1.000
Benefit sanction 100% # Preference for income equality	-0.307	(0.064)	**0.000**	**0.030**
Income of recipients # Preference for income equality	0.048	(0.021)	**0.021**	0.852
Taxes for average household # Preference for income equality	0.058	(0.020)	**0.004**	**0.069**
Obligation to look for work # General trust	0.077	(0.050)	0.124	0.990
Social activity chosen by recipient # General trust	0.055	(0.057)	0.328	1.000

Social activity chosen by municipality # General trust	-0.011	(0.059)	0.845	1.000
Earnings up to €150 # General trust	0.099	(0.053)	**0.065**	0.990
Earnings up to €300 # General trust	0.120	(0.048)	**0.012**	0.871
Gifts disregard up to €150 # General trust	-0.013	(0.066)	0.846	1.000
Gifts disregard up to €300 non-earmarked # General trust	0.053	(0.059)	0.371	1.000
Gifts disregard up to €300 earmarked # General trust	0.001	(0.064)	0.987	1.000
Benefit sanction 25% # General trust	0.068	(0.068)	0.322	1.000
Benefit sanction 50% # General trust	-0.125	(0.065)	**0.056**	0.990
Benefit sanction 100% # General trust	-0.039	(0.075)	0.606	1.000
Income of recipients # General trust	0.024	(0.022)	0.268	1.000
Taxes for average household # General trust	0.005	(0.014)	0.730	1.000
Obligation to look for work # Government trust	0.108	(0.052)	**0.037**	0.614
Social activity chosen by recipient # Government trust	-0.015	(0.059)	0.798	1.000
Social activity chosen by municipality # Government trust	0.147	(0.060)	**0.014**	0.545
Earnings up to €150 # Government trust	-0.016	(0.053)	0.757	1.000
Earnings up to €300 # Government trust	-0.075	(0.065)	0.244	1.000
Gifts disregard up to €150 # Government trust	-0.012	(0.075)	0.870	1.000
Gifts disregard up to €300 non-earmarked # Government trust	0.036	(0.072)	0.623	1.000
Gifts disregard up to €300 earmarked # Government trust	0.083	(0.072)	0.255	1.000
Benefit sanction 25% # Government trust	0.022	(0.066)	0.739	1.000
Benefit sanction 50% # Government trust	0.063	(0.070)	0.373	1.000
Benefit sanction 100% # Government trust	-0.076	(0.077)	0.321	1.000
Income of recipients # Government trust	-0.017	(0.022)	0.443	1.000
Taxes for average household # Government trust	0.028	(0.017)	0.110	0.990
Constant	0.041	(0.017)	**0.018**	
Observations	13360			
Individuals	1670			

Note: The last column of the table reports the p-values after correcting for multiple hypothesis testing using the Romano-Wolf procedure (Clarke, Romano, and Wolf 2020; Romano and Wolf 2016).

Table 14 Interacting attributes of the welfare system with various measures of risk preference

Risk measure	General risk	Financial risk	Financial risk	Lotteries
Year of survey	**2018**	**2018**	**2020**	**2020**
sample age range	23 to 103	28 to 69	41 to 71	41 to 71
Obligation to search for a job	0.742***	0.580***	0.576***	0.567***
	(0.052)	(0.053)	(0.053)	(0.058)
Obligation to search for a job # Risk attitude	-0.120*	0.021	0.002	-0.023
	(0.064)	(0.075)	(0.077)	(0.081)
Socially useful activity chosen by recipient	0.334***	0.413***	0.416***	0.421***
	(0.062)	(0.070)	(0.060)	(0.063)
Socially useful activity chosen by recipient # Risk attitude	0.022	-0.026	-0.213**	-0.100
	(0.085)	(0.088)	(0.095)	(0.098)
Socially useful activity chosen by municipality	0.336***	0.380***	0.379***	0.367***
	(0.062)	(0.057)	(0.054)	(0.059)
Socially useful activity chosen by municipality # Risk attitude	0.098	0.015	-0.022	0.053
	(0.093)	(0.089)	(0.089)	(0.098)
Earnings up to €150	0.343***	0.456***	0.313***	0.390***
	(0.073)	(0.059)	(0.068)	(0.093)
Earnings up to €150 # Risk attitude	-0.094	-0.173*	0.015	-0.142
	(0.096)	(0.093)	(0.095)	(0.123)
Earnings up to €300	0.257***	0.457***	0.402***	0.400***
	(0.079)	(0.068)	(0.069)	(0.080)
Earnings up to €300 # Risk attitude	0.093	-0.193*	0.011	-0.025
	(0.107)	(0.101)	(0.100)	(0.125)
Gifts disregard up to €150	0.183**	0.135	0.033	0.020
	(0.079)	(0.090)	(0.078)	(0.084)
Gifts disregard up to €150 # Risk attitude	0.012	-0.242*	0.163	0.071
	(0.131)	(0.129)	(0.113)	(0.114)
Gifts disregard up to €300 non-earmarked	0.168**	0.172**	0.214***	0.156**
	(0.066)	(0.068)	(0.076)	(0.078)
Gifts disregard up to €300 non-earmarked # Risk attitude	0.002	-0.159	-0.021	0.050
	(0.097)	(0.098)	(0.100)	(0.105)
Gifts disregard up to €300 earmarked	0.045	0.146*	0.097*	0.133*
	(0.072)	(0.083)	(0.058)	(0.073)
Gifts disregard up to €300 earmarked # Risk attitude	0.147	-0.267**	0.012	-0.042
	(0.108)	(0.121)	(0.092)	(0.111)
Benefit sanction 25%	0.171*	0.186**	0.184*	0.155*
	(0.088)	(0.084)	(0.094)	(0.089)
Benefit sanction 25% # Risk attitude	0.104	0.030	-0.029	0.048
	(0.130)	(0.118)	(0.140)	(0.147)
Benefit sanction 50%	0.050	0.035	-0.040	0.111
	(0.071)	(0.062)	(0.079)	(0.085)
Benefit sanction 50% # Risk attitude	0.074	0.127	0.141	-0.106
	(0.110)	(0.093)	(0.104)	(0.126)

Benefit sanction 100%	0.007	-0.099	-0.178**	-0.073
	(0.107)	(0.078)	(0.073)	(0.097)
Benefit sanction 100% # Risk attitude	-0.011	-0.056	0.155	-0.133
	(0.159)	(0.125)	(0.120)	(0.137)
Income of recipients	0.034	0.057*	0.045**	0.074**
	(0.025)	(0.030)	(0.021)	(0.035)
Income of recipients # Risk attitude	0.021	0.010	-0.013	-0.020
	(0.031)	(0.033)	(0.034)	(0.039)
Taxes for average household	-0.155***	-0.139***	-0.129***	-0.147***
	(0.017)	(0.019)	(0.022)	(0.018)
Taxes for average household # Risk attitude	-0.022	-0.016	0.004	0.038
	(0.026)	(0.027)	(0.028)	(0.026)
Constant	0.034	0.054*	0.052	0.073**
	(0.025)	(0.030)	(0.033)	(0.029)
N Observations	6224	6064	6512	5488
N Individuals	778	758	814	686
Pseudo R^2	0.0837	0.0773	0.0754	0.0777

Notes: General risk attitude measured by answers to the question: "How do you see yourself: Are you generally a person who is fully prepared to take risks or do you try to avoid taking risks?" Financial risk attitude measured by ratings of the statement: "I am prepared to take the risk of losing money if there is also a chance that I will win money." Lotteries measure based on choices made by respondents between incentivized lotteries.

Table 15 Classification of parties according to the Chapel Hill Expert Survey Europe 2019

party	lrgen	lrecon	redistribution	redist_salience	sample split on redistribution	sample split on redist_salience
SP	1.38	1.38	0.75	9.25	0	1
GL	2.31	2.38	2.18	6.64	0	1
PvdA	3.62	3.62	2.83	8.00	0	1
DENK	4.36	3.50	3.13	4.86	0	0
PVdD	2.38	3.18	3.11	3.67	0	0
CU	5.08	4.31	4.18	5.33	0	0
FvD	9.54	9.08	8.67	3.82	1	0
SGP	8.54	7.17	7.17	3.60	1	0
PVV	8.69	6.46	5.83	4.18	1	0
D66	5.15	6.23	5.75	5.55	1	1
VVD	7.62	8.15	8.25	7.64	1	1
50PLUS	5.08	4.45	4.40	6.89	1	1
CDA	6.85	6.69	6.00	6.09	1	1

Notes: lrgen: position of the party in 2019 in terms of its overall ideological stance. 0 means extreme left and 10 means extreme right; lrecon: position of the party in 2019 in terms of its ideological stance on economic issues. Parties can be classified in terms of their stance on economic issues such as privatization, taxes, regulation, government spending, and the welfare state. Parties on the economic left want the government to play an active role in the economy. Parties on the economic right want a reduced role for the government. 0 means extreme left and 10 means extreme right; redistribution: position on redistribution of wealth from the rich to the poor. 0 means "Strongly favors redistribution", 10 means "Strongly opposes redistribution"; redist_salience: importance / salience of redistribution. 0 means "Not important at all", 10 means "Extremely important".
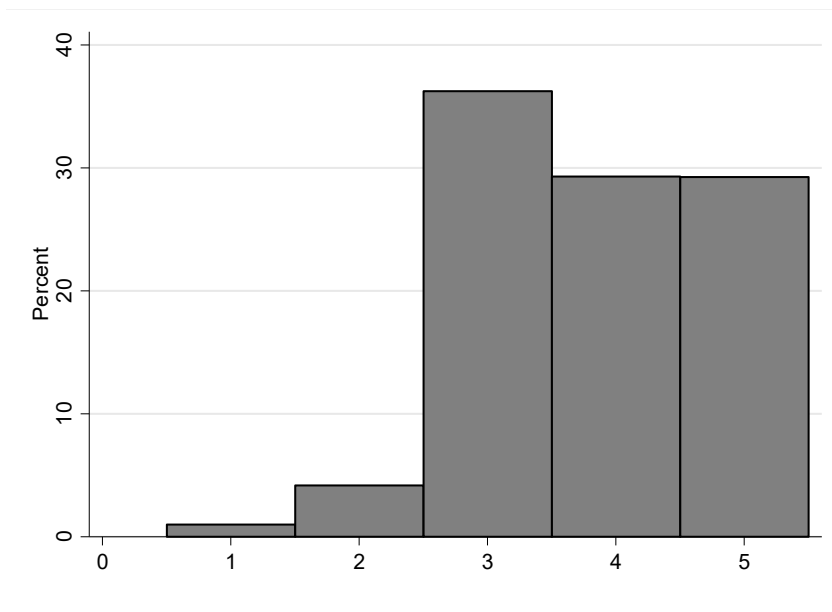
8.2. Figures

*Figure 10 Distribution of self-assessed risk attitudes in the sample*
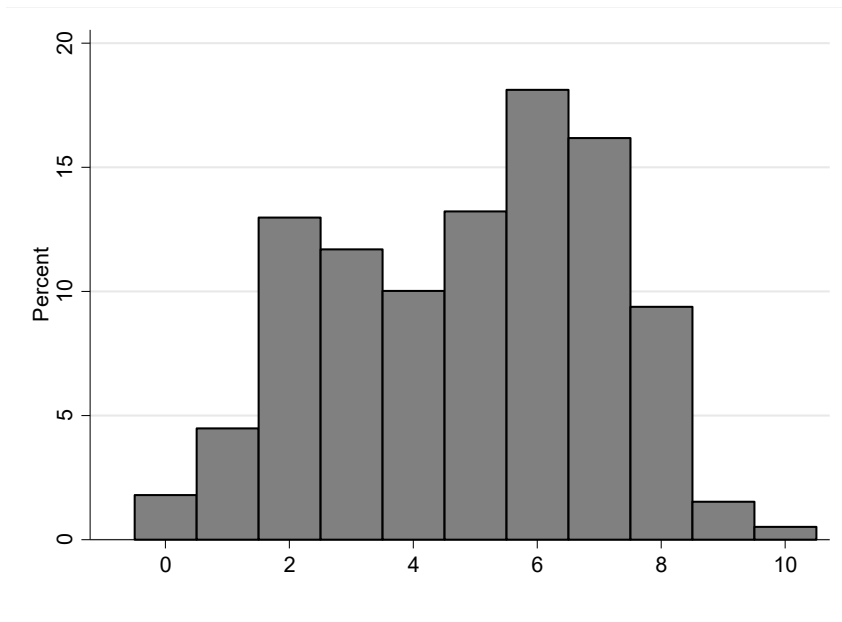
N = 778; Question: "How do you see yourself: Are you generally a person who is fully prepared to take risks or do you try to avoid taking risks?"

*Figure 11 Distribution of preference for income equality in the sample*

N=1962; Question: "Where would you place yourself on a scale from 1 to 5, where 1 means that differences in income should increase and 5 means that these should decrease?"

Figure 12 Distribution of generalized trust in the sample
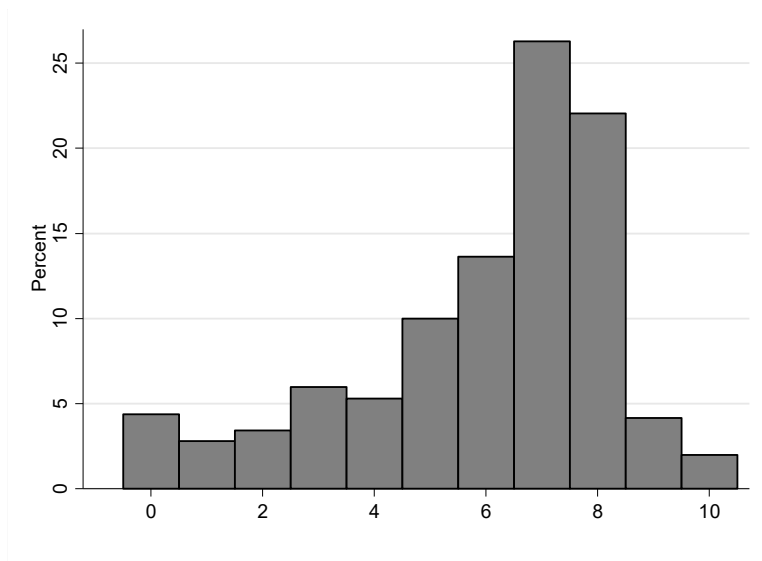
N=1922; Question: "Generally speaking, would you say that most people can be trusted, or that you can't be too careful in dealing with people?". Respondents could choose a value ranging from 0 ("You can't be too careful.") to 10 ("Most people can be trusted.").

Figure 13 Distribution of beliefs about determinants of economic success in the sample
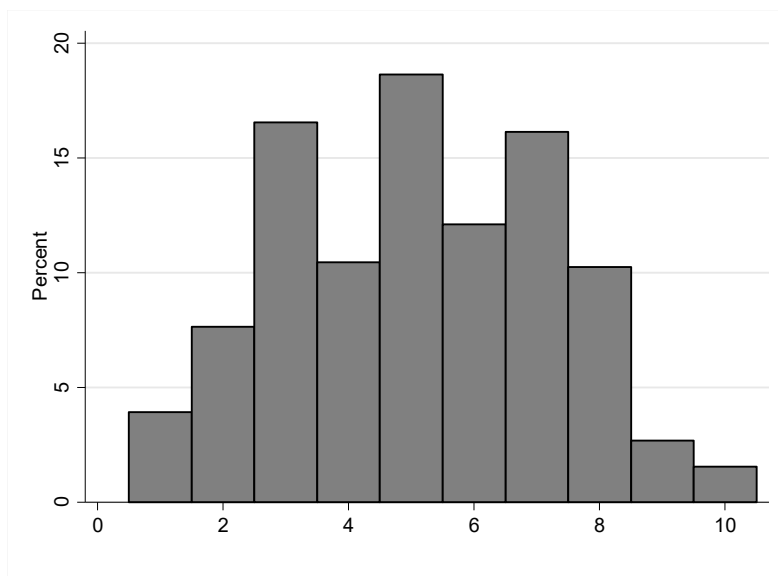

N=966; Question: "Do you think that a person's economic success is primarily determined by his own efforts, or by luck?" where 1 means "In the long term, hard work usually leads to a better life" and 10 means "Generally speaking, hard work does not bring success. It is more a question of luck and knowing the right people."

Figure 14 Distribution of trust in government in the sample
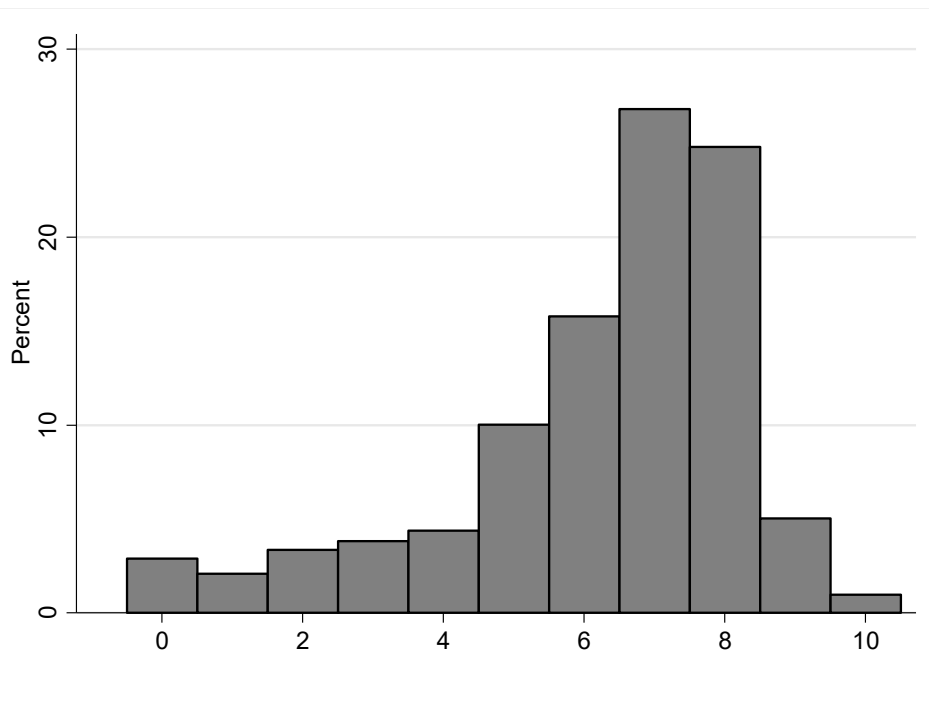
N=1964; Question: "Can you indicate, on a scale from 0 to 10, how much confidence you personally have in each of the following institutions? Dutch government"

Figure 15 Interacting attributes of the welfare system with characteristics of the respondents
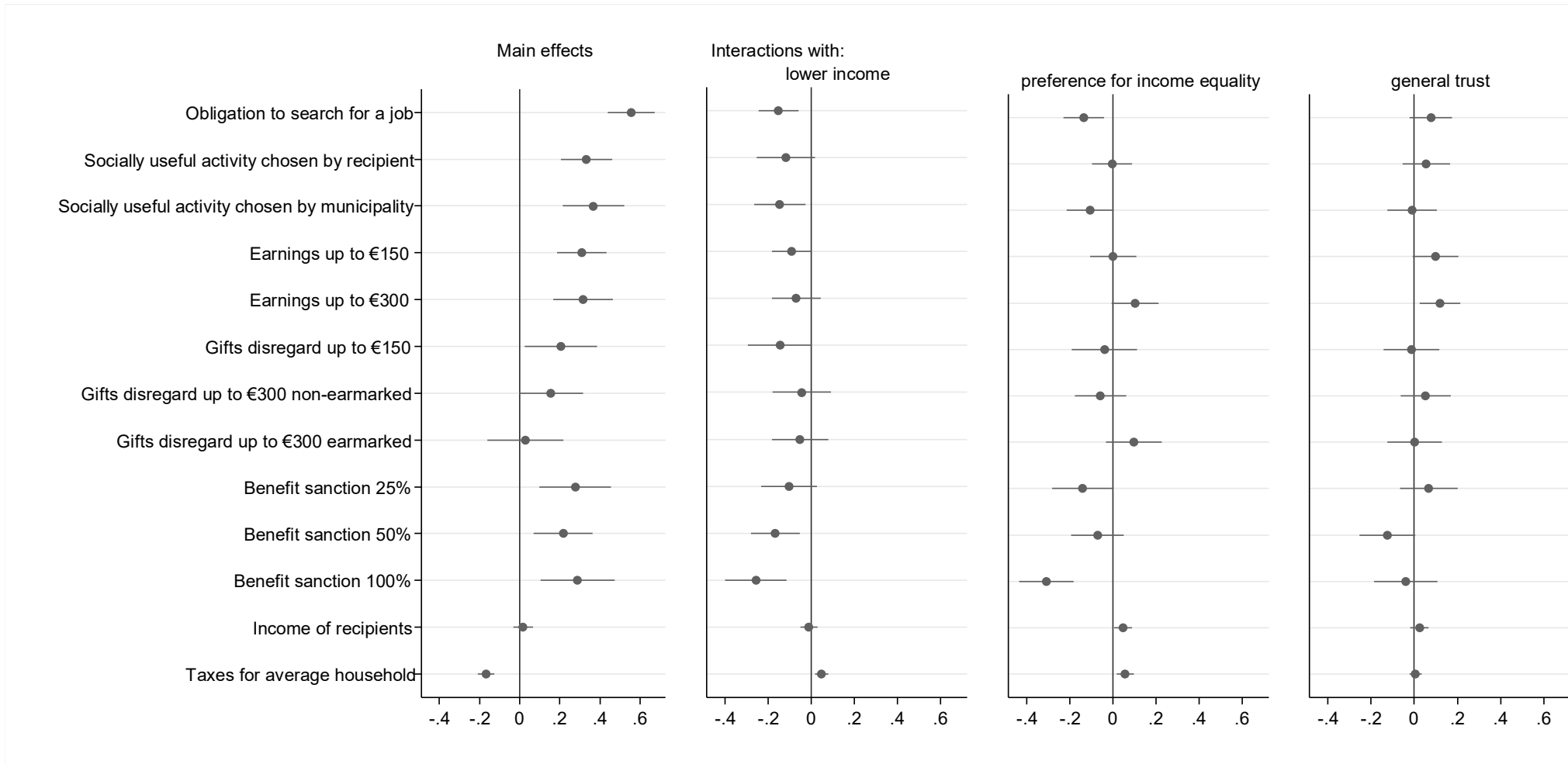
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