

# Gambling Windfall Decisions: Lottery Winners and Employment Behavior

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## Abstract

Based on a 2005 survey among Swedish lottery winners, the article throws new light on what those receiving a sudden windfall do with their existing jobs. Many may continue to work as before the winning, but others may alter their work situation in one way or another. We focus on three possible changes: (i) quitting the job; (ii) going on unpaid full-time leave; and (iii) shortening one's working hours. In our study less than 12% quit working, approximately 24% took unpaid full-time leave, 16% reduced their working hours, but 62% did not make any of these changes. In other words, our results suggest that large windfalls do not generally undermine lottery winners' willingness to get an income from work. However, the size of the winnings had a substantial impact on people's decisions to take unpaid full-time leave and to reduce working hours.

**Keywords:** change in work situation, gambling, leisure, lottery winnings, work

Gambling may result in coming into possession of sudden wealth, which through a variety of ways can precipitate changes in the gambler's life situation. Prize winners thus become able to afford doing things they have long wished for, such as buying a house or a car, going on long vacation trips, paying off loans, or supporting children and grandchildren. Alternatively, the winners may cut back on the time they spend in paid jobs—or even leave them altogether—as the need for income from employment becomes significantly reduced.

In surveys into work attitudes, questions about whether respondents would continue working even if they won or inherited a large sum of money are common. An obvious disadvantage with such a hypothetical approach is that the answers given tell nothing directly about the actual behaviors in these events. Research on what people in fact ended up doing is therefore of greater interest, even if such is not widely available as yet. In this article, our aim is to examine whether lottery winners make use of the opportunity to reduce their work effort. Building on a survey of lottery winners conducted in Sweden in 2005, we present new data contributing to systematic, empirically grounded knowledge on the subject. The first question we pose is whether winners indeed stopped working or not. However, our analysis also allows for the possibility of two alternative outcomes: that the winners took unpaid full-time leave or shortened their working hours. Finally, we will consider possible explanations accounting for the empirical patterns revealed in our materials.

## Research Context

The dream of living the leisurely life is often drawn upon in efforts to promote lotteries (e.g., Binde, 2005; Nibert, 2000). It has also been seen as a major motive behind the actual gambling behavior (e.g., Eldh, 1996; Smith & Razzell, 1975) and thus as something of a threat to the work ethic (cf. Cosgrave & Klassen, 2001). It is the real-life

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responses to the one-of-a-kind chance to realize that fantasy that we want to look at in our analysis.

The sudden windfall offers a potential for major transformation in the prize winner's life:

It touches on almost all the central areas of an individual's life: work, family relationships (through suddenly becoming the rich relative for every member of the family), friendships, social position and leisure activities. It also creates the very real opportunity of being able to live out many of one's wildest fantasies and dreams (Smith & Razzell, 1975, pp. 166–167).

On the other hand, lottery winners have often been found to be eager to preserve their previous identity and remain socially within the boundaries of what in their environment is considered "normal" (Casey, 2003; Eckblad & von der Lippe, 1994; Falk & Mäenpää, 1999; Goldbart, Jaffe & DiFuria, 2008; Larsson 2008). If this is true, we can hardly expect winners to change their work situation drastically. As long as the majority of the able-bodied population of working age remains gainfully employed, it will be too much of a deviation from the norm to simply give up one's job for the life of leisure.

Other options therefore become topical, and indeed much research has been devoted to the life course of lottery winners, their attitudes and concrete behaviors. Studies have investigated whether gamblers become "happier" in the aftermath of their big win, how large lottery winnings affect relations with other people, and how winners end up spending their prize money (Brickman & Bulman, 1977; Brickman, Coates, & Janoff-Bulman, 1978; Casey, 2003; Eckblad & von der Lippe, 1994; Falk & Mäenpää, 1999; Gardner & Oswald, 2001, 2007; Lau & Kramer, 2005; Safran 1973; Smith & Razzell, 1975). The latter focus, on consumption patterns, has also been applied in analyses utilizing the same survey data as the present article (Larsson, 2008). They show that lottery winnings are used primarily for a new house/apartment or a car/other vehicle, home renovation/improvement, loan payments, investments, and savings, but also for travel, leisure, and other types of non-essential consumption. To a lesser degree, winnings have been distributed to family members, friends, and charity organizations. With some variance, these results are in correspondence with findings from studies made elsewhere.

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A related question is what major prize winners opt to do with their work situation. Ability to quit one's job forms a common theme in the fantasies about hitting the jackpot, and sometimes even constitutes a major incentive in gambling (see also Eldh, 1996; Smith & Razzell, 1975). After collecting their prize, however, winners can choose to continue working as usual, using the money from gambling merely to supplement their existing income. Yet another possibility is that they cut down on their time spent on paid work; in this case, just as when people quit working entirely, their total dispensable wealth will be less than it would otherwise be. Of course, the size of the winnings remains crucial here; a substantial influx is required to be freed from the necessity of supporting oneself through paid work. Nonetheless, even a smaller amount will make it easier to work shorter hours or to take periods of leave.

As gambling can be a way of circumventing the principle that rewards should be achieved through work, it has at times been looked upon as a threat to the work ethic, (Binde, 2007; Cosgrave & Klassen, 2001; Furnham, 1990). Insofar as strong behavioral norms exist in society, emphasizing the virtues of earning one's living through employment as opposed to living in idleness, large lottery winnings might also be viewed as representing a negative potential in that they encounter opportunities for withdrawal from the labor market. We here find parallels to contemporary welfare state debates in which the provision of pensions, unemployment benefits, and other forms of social security has been seen by some as also offering an opportunity for disengaging from

productive work (e.g., Lane, 1991; Lindbeck, 2003; cf. also Furåker, 2005, chap. 5).

In this connection, we should ask why people work in the first place. Previous studies have pointed to a variety of motives as to why individuals pursue gainful employment, from the mere practical necessity of making ends meet to the desire for luxury consumption. Elsewhere, sociological research has tackled the role of instrumental attitudes in the relationship between individuals and their jobs (Goldthorpe, Lockwood, Bechhofer & Platt, 1968, pp. 37ff.), narrowing down on the income from employment as the key consideration. Even without having to work in order to survive, one may prefer doing so for the sake of the additional income and the possibility for higher consumption levels that holding a job affords. Importantly, it has been observed that “all work activity, in industrial society at least, tends to have a basically instrumental component” (Goldthorpe et al., 1968, p. 41; emphasis in the original). Yet, we can expect such “pure” instrumental orientations towards work to be more of a key feature in areas where manual labor predominates.

At the same time, sociologists have been eager to emphasize the non-pecuniary, “intrinsic” values of work. The motives for engaging in gainful employment are then to be found in the stimulating nature of the work tasks, work autonomy, one’s personal role and influence at the workplace, social contacts, and other such immaterial aspects (e.g., Blyton & Turnbull, 2004; Gallie & Alm, 2000, pp. 112–122; Gallie, White, Cheng & Tomlinson, 1998, chap. 7; Warr, 1987). Jahoda, in her classic discussion of work motives (1982), has argued that work fulfils a number of latent social-psychological functions besides the manifest economic one of giving an income. A job, in this view, imposes a time structure upon the individual, generates social contacts outside the family, leads to engagement in activities for shared purposes, brings regular activities into the everyday, and bestows social status and identity upon the individual.

When winning a large prize, the lottery player’s fantasies about giving up work are thus put to a test. The choices then made serve as a reflection of the lottery winners’ actual work motives, indicating whether they are “in it only for the money” or whether there are other motives at play, too, that might counteract the instrumental logic of purely pecuniary incentives.

### **Continuation or Disruption of Working Life: The Current Knowledge**

A relatively large number of studies have been conducted inquiring what respondents in different countries would do with their jobs in the event they received a significant sum of money (e.g., Gallie & White, 1993; Halvorsen, 1997; Morse & Weiss, 1962; MOW, 1987). This “lottery question” has been posed in slightly differing formats depending on the survey, yet always investigating one’s expectations regarding a hypothetical situation. Sometimes the mechanism providing the money has not been specified, with the phrasing allowing respondents to indicate only whether or not they would continue working even if they had financial resources substantive enough. At other times the question has been more specific about what the respondent would do with her or his job if she or he *won* or *inherited* a fortune large enough to allow free choice regarding it. No particular amount has usually been suggested here.

Generally, relatively few participants in these studies ever indicate that they would stop working even if they obtained a significant sum of money. However, there are some considerable cross-national variations in this respect. One comparison set the proportions to 31% in the UK, 30% in West Germany, 14% in the Netherlands, 12% in the USA, 7% in Japan, and 4% in Yugoslavia (Noon & Blyton, 2007, p. 56). Age seems to matter for the preference, with older people less willing to continue working than young. Although gender might be expected to be an important determinant, more recent studies have shown only minor differences between the response patterns of men and women.

The hypothetical approach in these surveys can be questioned and research on actual lottery winners must be considered more informative. In the 1970s, at least two

studies found that a large proportion of lottery and pools winners had stopped working after collecting their winnings. Among American full-time working lottery winners who received at least one million dollars, 74% (40 of 54) had quit or retired from their jobs by the time they were surveyed (Kaplan, 1978, pp. 70–71). In a British study of football pools winners, 68% (46 of 68) ended up leaving their employment (Smith & Razzell, 1975, pp. 167ff.). On the other hand, other studies indicate that only relatively few of the winners have withdrawn from paid work. In a more extensive survey of lottery winners in the United States, Kaplan (1985, pp. 85–86, 1987, p. 175) found that no more than 11% (and 13% of winners' spouses) had left their jobs within the first year. Adding retirees, the combined figure for the winners and their spouses could be adjusted to 26%. Based on these findings, Kaplan (1987, pp. 173–174) claimed it to be a myth that lottery winners stop working (acknowledging at the same time his own role in previously reproducing this myth). A more recent study of US winners concluded that 14.5% of those surveyed had ended up leaving their jobs, with this figure apparently including also the 6% who had stopped working for a limited period only (Arvey, Harpaz & Liao, 2004, p. 412).

Two studies have been completed in the Scandinavian countries addressing mainly the winners' psychological reactions, their dreams and fantasies as well as their attitudes towards consumption and saving. The first one, involving major prize winners in Norway, supports the picture of winners as individuals who usually remain moderate, realistic, emotionally controlled, and resistant in their response to the temptations of conspicuous consumption (Eckblad & von der Lippe, 1994). No detailed information exists, however, regarding the choices that the respondents made about their working lives, even if a general conclusion was made that the winners' lives seemed to have continued relatively unchanged. The assumption was here that the keen personal interest of the prize winners in retaining their social networks ensured that none of them would "take the chance of dropping out of the work network" (Eckblad & von der Lippe, 1994, p. 321). This could be compared with Kaplan's earlier finding that quitting work was associated with "serious social and psychological ramifications" caused by difficulties in coping with the new situation outside working life (Kaplan, 1978, p. 115).

The second Scandinavian study revealed that 10 of the 24 interviewed winners had stopped working after winning the lottery, though usually only after an intervening time period (Falk & Mäenpää, 1999, p. 107). Most of them, however, did not quit paid work to slip into idleness but to do something personally more desirable. Nevertheless, for some respondents the prize money had also made it possible to go into early retirement, highlighting the significance of age as a variable in the outcome.

A striking result from several previous studies concerns the impact that the magnitude of the lottery winnings had for subsequent employment decisions. In his nation-wide study, Kaplan (1985, 1987) found that the larger the prize amount, the more likely it was that respondents would make changes in their employment status (including also reduced working hours). In a later study, using a sample of 150 US winners receiving at least one million dollars each, Kaplan discovered that 46% of all full-time workers had ended up either retiring or quitting their jobs after collecting their prize money (Kaplan, 1988, pp. 174–175). Also Imbens, Rubin, and Sacerdote (2001) have shown that winning a more modest sum did not impact very much on labor supply, while big wins obviously had a clear effect in terms of reducing the hours worked. Similarly, Arvey and his colleagues (Arvey, Harpaz, & Liao, 2004, pp. 412ff.) found a positive association between the size of the prize amount and the likelihood that prize winners would quit working.

It has also been suggested that blue-collar workers and those with lower education are particularly prone to exiting their jobs. In Kaplan's earlier study, this was partly taken to explain the high proportion of job quitters, which the author considered an effect of an instrumental work attitude among his predominantly manual-worker respondents (see Kaplan 1978, pp. 71, 114, 1985, pp. 91–92, 1987, pp. 174–176). In contrast, Imbens, Rubin, and Sacerdote (2001, p. 791) found education to have no clear link in this respect.

As concerns the role of gender, relatively little discussion is available of it in the

literature when it comes to lottery winners and their relationship to work. In his earlier study, however, Kaplan (1978, p. 70) found evidence of the fact that “men were four times more likely to continue working than women,” while Imbens and his collaborators (2001, p. 791) could not report any significant differences between the two sexes. Previous analyses of our own data show, however, that women had more often than male winners reduced their working hours (Hedenus, 2009). Another factor to consider still is age. Older workers are more likely to retire, although the decision to do so is not entirely contingent upon the lottery win (see Falk & Mäenpää, 1999, p. 107; Imbens et al., 2001, p. 791; Kaplan, 1985, p. 91, 1987, p. 175; Smith & Razzell, 1975, pp. 168–169.).

In sum, we lack conclusive evidence of the impact that a lottery win has on the winner’s employment decisions. Given that the existing studies are based on rather dissimilar research designs and samples that are frequently very small, it is difficult to generalize from their findings. For example Arvey, Harpaz, and Liao encourage future researchers therefore to “replicate [their] findings in a larger and perhaps more representative sample” (Arvey et al., 2004, p. 418). Another factor to keep in mind is that in the studies so far, the size of the winnings varies greatly. Still, looking at the big picture emerging, we must expect certain categories of winners to be more likely to alter their work situation, for example those who win significant amounts, those with lower education, blue-collar workers, and older winners.

While the qualitative studies such as those reviewed above do promote a more complex understanding of prize winners’ life after the big win, they are not very helpful in allowing us to determine any frequencies with which working patterns might be altered. At the same time, most of the quantitative studies have focused on the US context and, in the case of Kaplan, address a situation more than 20 years ago, with many

significant changes occurring since that would bear upon the results today. In the analysis that follows, we rely on data from our own empirical research. Compared to most previous research, our study was larger, yielding a more representative set of quantitative data on the actual life course of lottery winners. This enables us to form a more generalizable and up-to-date picture of prize winners’ post-winning behaviors. We will also be able to better assess the relevance of previous research on US winners for other national contexts.

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First, we will look at whether prize winners in fact have stopped working or diminished their work involvement by taking unpaid full-time leaves or through shortening their working hours. The next task is to consider the determinants behind winners’ decisions to change their working situation. In particular, we pay attention to the significance of the size of the prize, while examining the possible role of other factors in shaping the outcome. Lastly, potential explanations behind the findings from our analyses are discussed.

## Method

### *Data*

The data used for this article is derived from a 2005-2006 survey conducted among lottery winners in Sweden. Two types of lotteries were involved: approximately three quarters of the respondents were players of a form of lottery called Triss (“Triplets”) and approximately one quarter of *Kombilotteriet* (“Combination Lottery”). Triss is an instant lottery, in which some winners qualify for a televised drawing of larger wins; recipients of the latter were then the participants of our survey. *Kombilotteriet* is operated by the Social Democratic Party and its youth organizations. As a consequence, those with social democratic values could be expected to be over-represented among the players. For this reason, we checked whether any differences regarding work values could be detected between *Triss* and *Kombilotteriet* winners, but no important divergence was found.

In general, participants in lotteries do not make up a random category. The individual has to choose to participate, and an element of self-selection is thus always involved, although it is quite common that lottery tickets are also given away as presents. *Triss* remains the single largest gaming product operated in Sweden and is easily accessible for most of those living in the country. Easy accessibility is also the characteristic of *Kombilotteriet*, based as it is on ticket subscription making regular participation effortless. In neither case is the prize money subject to profit tax or income tax at collection, although it has sometimes had an effect on the winner's capital tax burden.

Since the *Triss* winners are announced on nationwide television, their identity becomes immediately public. The winners of the subscription lottery consent to having their addresses on file with the lottery administrators. With the assistance of the lottery operators, it was therefore possible for us to contact winners from both groups for our survey purposes. In October 2005, a questionnaire was sent out to all those who had won at least half a million Swedish crowns (SEK) (equivalent of \$62,827 and €53,137 at the foreign exchange rate on 31 December 2005) playing either *Triss* or *Kombilotteriet* during the period 1994 through early 2005. As we wanted to include as many individuals as possible, the minimum-winnings requirement was kept rather low. This also allowed us to compare the effects of relatively low and relatively high prize amounts. Seven hundred and thirty-three individuals received the questionnaire and by the deadline (data collection was closed in early 2006)—after two postal reminders and one by telephone—420 persons or 57.3% had responded to the survey

The response rate was lower than hoped for, yet higher than in many of the studies mentioned above. Nevertheless, the question needed to be asked whether there was any bias among the dropouts. Using already available data about the winners, we looked for any distortions regarding age, time passed since the winning, and the size of the winnings. The analysis established that the dropouts were not characterized by any significant bias in relation to our total population of winners.

Given our interest in what the winners actually end up doing regarding their jobs, we focused on a subsample of respondents who at least in principle belonged to the workforce. Accordingly, we left out individuals aged 65 or above at the time of the lottery win, as well as all the winners drawing a pension. However, we included a small number of students and other individuals who did not by definition belong to the workforce but who under normal circumstances could be expected to enter the labor market in due time. Thus, the subcategory at the center of our analysis could be denominated "actual and potential labor force".

The individual prize amounts in our sample ranged from SEK 500,000 to SEK 7.5 million. However, some winners had shared their prize money with one or several others, most often a life partner but sometimes a child, friend, workmate, or the like. We took this into account by recalculating the prize-sum variable so as to refer only to the respondent's personal share of the prize amount. This procedure meant drastically lower net winnings on the part of some respondents and seven cases were therefore removed from the study. The minimum personal share or net winnings for the respondents to be included in our analysis was then set at SEK 250,000, roughly corresponding to the annual salaries of a nurse or a police officer working full time in Sweden in 2005 (SCB, 2009). After this corrective operation, the highest individual prize sum was still SEK 7.5 million, with the average winnings amounting to just under SEK 2 million. In the end, 339 individuals remain in the dataset. An overview of the characteristics of respondents is given in the appendix (Table A).

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**Appendix**

**Table A. Characteristics of respondents included**

	%	n
Sex		
Female	48	162
Male	52	177
Total	100	339
Age		
20-34	17	57
35-44	22	75
45-54	31	106
55-64	30	101
Total	100	339
Size of winning (millions)		
<1	26	88
1<	37	124
2<4	24	82
>4	13	45
Total	100	339
Form of payment		
Single	48	161
Monthly	52	176
Total	100	337
Education		
Compulsory	30	102
Secondary	33	113
Post-secondary	37	124
Total	100	339
Socioeconomic status		
Blue-collar	47	136
White-collar	53	153
Total	100	289
Weekly working hours		
-34	43	126
35-39	13	37
40	17	49
41-	28	83
Total	100	295

*Variables*

Our first task was to determine whether or not the lottery winners had reduced their supply of labor. The survey questions also inquired about venturing into business, switching to other work tasks, and changing employers, but very few of the respondents considered their lottery winnings consequential for any such shifts. For this reason, we concentrated on three possible forms of work-time reduction: job exit, unpaid full-time leave, and shortening of working hours. In the survey, respondents were asked to state whether, after winning in lottery, they had "continued working," "started to work,"

“continued working for a while but then quit permanently,” “permanently quit working at the earliest opportunity,” or “in principle quit working while still taking temporary jobs.” For the purposes of our analysis, those belonging to any of the latter three categories were designated as Job Quitters, whereas those who had taken an unpaid full-time leave from their jobs “once” or “several times” after winning the lottery were categorized as Leave Takers. Finally, those who had cut back on their working hours “for the entire duration since the lottery win,” “for a longer duration,” “for a shorter duration,” or “periodically for shorter or longer durations” were termed Time Takers.

A second task was to establish the possible correlation between the changes made in the working patterns and various independent variables. For this purpose a number of binary logistic regressions have been run. Among other things, the independent variables in these regressions include a set of prize-related factors. Based on previous research, the size of the winnings was taken into account as a potential key determinant. As described above, it was calculated as the winner’s personal share of the prize sum.

We also wanted to find out if, or to what extent, the form of payment had mattered for the outcome. Was it any different depending on whether the prize was received as a one-time lump sum payment as opposed to its being collected in monthly installments? Single payments imply that winners can immediately decide what to do with all the prize money. Monthly payments, on the other hand, bear resemblance to an ordinary wage or salary and do not add up to a larger sum until after a considerable time interval. This dimension of the logic of lottery winnings is implied but not analyzed by Imbens, Rubin, and Sacerdote (2001) and has in general received little attention in the literature.

Other factors to be taken into account were gender and age. As employment commitment is likely to decrease among winners approaching retirement age (cf. Gallie & White, 1993, pp. 16ff.; Imbens et al., 2001, p. 791; Kaplan, 1985, p. 91, 1987, p. 175; Morse & Weiss, 1962, pp. 30–31), we had reason to expect older winners to have higher odds to quit working. Regarding the effect of gender, British and Norwegian survey data on the “lottery question” show rather small divergences between men and women (Gallie & White, 1993, pp. 17–18; Halvorsen, 1997, pp. 147–148), as do the findings of Imbens and his collaborators in their study of actual winners (Imbens et al., 2001, p. 791). Nevertheless, as it is still primarily women who work part-time, we anticipated seeing some gender-based differences to show up among those who had shortened their working hours. Furthermore, given their significance for the overall workload and income level, total working hours at the time of winning was also included as a variable in our regressions.

In addition, education and socio-economic status can be presumed to play a role in individual employment decisions following a sudden influx of large amounts of money (Gallie & White, 1993, pp. 16–17; Kaplan, 1978, p. 71, 1985, pp. 91–92, 1987, p. 176; Morse & Weiss, 1962, pp. 30–31). These two factors, along with the individuals’ personal income level, could be expected to affect winners’ willingness to reduce their time spent in paid work. However, the education and income variables showed little effect and were therefore excluded from our analyses. Whether respondents had children or not is another variable controlled for. As it did not lead to any significant results, it has been left out in the following presentation (for further discussion, see Hedenus, 2009).

## Results

### *Working Pattern Changes*

The first aim of our study was to find out if the Swedish lottery winners in the sample had quit their jobs, taken unpaid full-time leave, or shortened their working hours. Table 1 presents an overview of our results in these respects. Starting with the question of whether lottery winners continued working or not, we discovered that only 35 individuals or slightly less than 12% of all those polled had done so. Respondents were also asked to judge the significance of the prize money for their decisions to implement the various



changes made in their work situation. Only nine, or about 25%, of those who had stopped working considered the lottery winnings as very important or rather important for their decision to quit working. Obviously, other circumstances played a role in the job exits as well, such as coming to a retirement age. Nonetheless, of the 12 retirees in our sample, four respondents still considered the lottery winning to have had appreciable significance for the outcome in their case.

**Table 1.**  
**Percentages and frequencies of job change after lottery wins.**

	Yes	No	Total
Quit working	11.7 (35)	88.3 (264)	100 (299)
Took unpaid full-time leave	23.6 (68)	76.4 (220)	100 (288)
Reduced working hours	16.3 (46)	83.7 (237)	100 (283)

Compared to the Job Quitters, the proportion of lottery winners taking periods of leave was larger: 68 individuals or about 24% of all respondents in our sample. Most of them, however, took only a short time off. The vast majority (almost four fifths) left their jobs for a duration less than a month and only about 9% went out on leave for more than half a year. Yet, it was relatively common among the Leave Takers to emphasize the role of the lottery win in their decision: more than 40% of them did so.

Finally, Table 1 also shows the incidence of reduced working hours among the lottery winners polled. Approximately 16% (46 individuals) reported having cut back on their hours and, of them, approximately one half had shortened their work week by one to ten hours. We found a comparatively high proportion, or nearly 59%, of those in the Time Takers category considering their lottery win to have played either a very important or a rather important role in their decision to shorten working hours.

It is of course possible for the winners to opt for more than one type of modification in their working patterns. They can decide to go on unpaid full-time leave only to exit the labor market permanently later on, or they can start by decreasing their working hours and in due time quit working altogether, or combine the different options in any number of ways. Still, approximately 62% of the winners in the sample had made none of the changes we looked at in our analysis.

In conclusion, very few of the lottery winners we sampled had stopped working, and even fewer attributed any significant role to the lottery win in their job exit decisions. One reason for such a minor effect can be found in the size of the winnings—an issue to which we will return shortly. The proportions of those who took unpaid full-time leave or shortened their working hours were larger in comparison, but still rather small. Also, in these latter cases, many of the respondents did not consider their lottery win to have played any significant part in their decisions.

*Multivariate Analyses*

In light of the above, we need to inquire more closely about the factors that can account for the decisions by some winners to alter their work situation. Table 2 summarizes the main results for all three dependent variables from our binary logistic regressions.

**Table 2.**  
**Binary logistic regressions for adjusted working patterns among lottery winners:**  
**Odds ratios.**

	Quit working	Took unpaid full-time leave	Reduced working hours
<b>Sex</b>			
Woman (ref.)	1	1	1
Man	1.18	0.76	0.43+
<b>Age</b>			
20-34 (ref.)	1	1	1
35-44	1.74	0.67	1.03
45-54	1.73	1.40	3.32+
55-64	6.09*	0.38+	1.57
<b>Size of winnings (SEK millions)</b>			
<1 (ref.)	1	1	1
1<2	0.58	3.69*	1.79
2<4	1.30	6.59**	4.81*
>4	1.07	10.27***	17.69***
<b>Form of payment</b>			
Single (ref.)	1	1	1
Monthly	0.97	1.09	0.85
<b>Socio-economic status</b>			
Blue-collar (ref.)	1	1	1
White-collar	0.88	0.51*	0.41*
<b>Weekly working hours</b>			
-34	1.02	.084	0.08*
35-39	0.54	0.92	1.24
40 (ref.)	1	1	1
41-	1.18	1.03	1.22
Constant	0.05**	0.13**	0.08**
Nagelkerke R2	0.111	0.188	0.245
n	266	257	252

Levels of significance: \*\*\* $p < 0.001$ ; \*\* $p < 0.01$ ; \* $p < 0.05$ , + $p < 0.1$ .

In looking at whether our winners went on to quit their jobs or not, the attention is immediately drawn to the age variable. The highest age category (aged 55 to 64) turns out to have been much more inclined to stop working than the reference category (aged 20 to 34). One obvious explanation for this has already been suggested: many among the older respondents in our sample had subsequently retired. Yet, some of those aged 55 to 64 indicated other reasons for having quit their jobs.

Regarding the other independent variables affecting job exits in our analysis, we found none of them to be of any greater significance. No important difference was demonstrated between men and women, and the size of the winnings, expected to constitute a critical factor, could not be shown to have any clear impact either. Neither did the form of payment affect winners' propensity to quit work. In accordance with expectations, the coefficient for white-collar workers indicates that they would be less apt to quit work than manual workers, but the difference is not statistically significant. Likewise, we see no clear effect regarding working hours.

The next dependent variable in our analytical model measures whether or not respondents had taken unpaid full-time leave. Once again, gender appears as statistically insignificant, although the odds are lower for men. Also age stands out; but here the oldest winners show the lowest odds to take time off. The prize sum now has a significant impact: the larger the amount won, the more likely the respondent was to

go on unpaid full-time leave. Just as for the previous dependent variable, the form of payment and the respondent's working hours turn out to be relatively unimportant. In contrast, socio-economic status emerges as essential: compared to white-collar workers, blue-collar workers have twice the odds to take periods of leave.

Our third dependent variable addresses the issue of shortened working hours. We now see an unmistakable effect of sex, as the odds for reduced working hours are clearly lower for men than for women. This result is consistent with expectations, given that part-time work is more common among women than men. As in the preceding regressions, using the age variable produces significant results, although now it is the second-highest age category (45–54 years) that yields the highest coefficient. Also this time the size of the winnings appears as a crucial factor, as work-hour reductions become dramatically more likely when the amount of the prize increases. The effect of the form of payment is still negligible, while the outcome on socio-economic is similar to that on the previous dependent variable: compared to white-collar workers, blue-collar workers have twice the odds to cut back on their working hours.

With respect to working hours, our data indicates that those working less than 35 hours per week have much lower odds for shortening their work week. A probable reason is that these individuals have already found a suitable solution to their working needs or are simply unable to make any further reductions, owing for example to the reluctance of the employer. At the same time, especially those working 35 to 39 hours a week have comparatively high odds to cut back more on their work involvement, as do those working 41 hours or more; however, neither of these coefficients is statistically significant.

In summing up the main results from our empirical data analysis, the first observation is that winning the lottery did normally not lead individuals to make changes in their work situation. Few of the winners polled—basically one in ten—ended up quitting their jobs, but many of the respondents belonging to this category simply went on retirement. The percentage of winners taking unpaid leave is about twice as high, but the leave, for the great majority, lasted no longer than one month. Neither did respondents seem too eager to reduce their working hours; the proportion of those who did so was only marginally higher than that of the Job Quitters. Yet it was the case that with larger prizes the winners' odds both to take unpaid full-time leave and to reduce their working hours increased considerably.

## **Discussion**

At this point the question still remains as to how to account for our main findings. While the lottery winners in our sample had all won relatively large prizes, most of them chose not to change their work situation in the end. In particular, it was uncommon for our respondents to quit working entirely. While carried out in different contexts, the work by Imbens, Rubin, and Sacerdote (2001) as well as by Arvey, Harpaz, and Liao (2004) reinforces the impression that the threshold for discontinuing work indeed remains quite high. The results presented here are thus well in line with earlier findings, and given this high threshold no significant association could be found between the magnitude of amount collected and the likelihood of a job exit.

The motives for working, then, can indeed be based on an instrumental work attitude, but from this it does not seem to follow automatically that those working will quit their jobs as soon as they have secured enough money to live a comfortable life (however that is defined). Such attitudes emphasizing the mere utility aspect of regular paid work may also entail willingness to stay in the labor market to accumulate additional wealth in order to build up personal resources. As noted above, our data shows that lottery winners put their windfall to use in several different ways (Larsson, 2008). Saving money, making investments, buying durables and increasing consumption, along with other such options, whether out of necessity or personal preference, compete with the job exit decision and

even displace it as a first-hand option. By keeping their jobs, winners will have more money available to themselves which can be used for a variety of purposes; in other words, they increase their security against economic volatility and thereby their degree of economic independence.

However, there are additional factors still to consider regarding prize winners' assumed inclination to stop working. Previous research, as already seen, has uncovered variations in the way different categories of lottery winners respond to their sudden fortune. One clear-cut finding from our work is that older workers have relatively high odds to discontinue working. Having not that much time left to retirement, these workers are more prone to considering job exit as a possible or even the appropriate choice. In this situation it will obviously be helpful if the prize won is substantial enough to make up for the loss of income. For somewhat younger winners, reduced working hours has instead been the more common alternative.

The hypothesis advanced by Kaplan (1978, 1985) that manual workers quit working due to their instrumental attitude towards work cannot be sustained by our findings. Still, in our dataset those belonging to the category of blue-collar workers more often than white-collar workers took periods of unpaid leave and reduced their working hours. These results can be taken as indicative of the higher prevalence of instrumental work attitudes among manual workers, even if we must keep in mind that more often still they not only kept their jobs but made no changes at all to their employment patterns. Instrumental attitudes can be supposed to be more widespread among workers with less rewarding jobs which are, for example, physically trying, tightly supervised and/or monotonous. Even though the level of education is often related to the character of jobs, the distinction between blue-collar and white-collar workers appears as a more useful measure in our analysis. Additionally, the fact that lottery winners' level of income does not affect their employment decisions after the windfall indicates that the intrinsic aspects of work are more important than the income it entails. As long as work—from a socio-psychological perspective—is reasonably demanding and fulfilling, most winners, regardless of socio-economic status, income and educational level, stay with their jobs.

Some other findings of our study merit attention. The size of the lottery winnings did not prove to have an effect on respondents' frequency to exit their jobs, although it constitutes an important factor in other respects. In fact, it shows a strong positive correlation with the inclination both to go on unpaid full-time leave and to cut back on working hours. Apparently, winners do not simply add the windfall to their basic income from paid work, but sometimes show preparedness also to scale back their working commitment. More exactly, the proportion of those willing to make such changes increases with the size of the winnings. These results are corroborated by previous research (Arvey et al., 2004; Imbens et al., 2001; Kaplan, 1987). To account for this circumstance we must recognize that there exists a trade-off between income and leisure time. Even if more money was used for various—more or less urgent—purposes, prize winners do not automatically want to increase their income; they also put a value on free (non-working) time.

At the outset above we posed the question whether there exist non-financial reasons to continue working as before even after winning big in the lottery. We can in this connection only hint at some ideas and hypotheses that might help us understand the mechanisms involved. If Jahoda (1982) is correct in her analysis of the social-psychological functions of paid work, job exits are associated with losses that the financial windfall brought by the lottery win cannot easily substitute for. We can also recall Kaplan's (1978) reminder about psychological losses associated with job exits. Other data obtained in our study (not shown) suggest that arguments such as these remain relevant. It should be emphasized that individuals may very well have both financial and non-financial motives to engage in paid work. As explanatory factors, these two types of drives do not necessarily conflict with one another but are instead quite complementary. The fact that ultimately very few of our respondents did quit working could therefore be

understood as arising from a combination of non-financial work motives and the rather moderate size of the prizes involved.

We should moreover ask to what extent the results presented in this article are generalizable to lottery winners outside Sweden. Some studies with similar results as ours have been conducted in other Scandinavian countries where the national context also resembles the Swedish. However, many studies have been carried out in the US with its quite different context, for example regarding dominant ideologies and the role of the welfare state. Another factor to take into consideration is that exceptionally large prize sums are more common in the US. Then again, cross-national differences do not exclude the simultaneous existence of similarities. The countries in which research on lottery winners has been carried out are generally characterized as societies where having gainful employment is considered a strong norm.

Considering the existing cross-national differences, it is striking that a good deal of previous research in various countries has rejected the myth of the squandering winner who quits working and ends up in debts and misery. Lottery winners are often anxious to keep up a “normal” life and the results in our study obviously confirm this picture. The greater part of

our respondents has done very little that differs from an ordinary way of living. Most importantly, a large majority of them turned out to continue working as before the windfall. In addition, they have usually remained at the same workplace, without trying to conceal their win to workmates and family members.

*Lottery winners are often anxious to keep up a “normal” life and the results in our study obviously confirm this picture. The greater part of our respondents has done very little that differs from an ordinary way of living.*

## Conclusions

Starting out from the problem of what lottery winners do with their money, we have focused on one particular aspect of the issue, namely, what they do with their jobs. Most winners are apparently inclined to keep on working as usual while simply accumulating more money for investment, savings, consumption, gifts, and other similar purposes. Another aspect behind such decisions is that there is often a mixture of motives and attitudes an individual has towards working, combining financial as well as non-financial considerations. The latter reflect social psychological realities that tend to tie individuals to their jobs, and can thus provide part of the explanation as to why, generally speaking, our respondents decided ultimately to change only very little in their work situation. Rather than being an expression of an actual intention to exit work, the individuals’ fantasy about quitting the job in case of a lottery winning appears to be, for most people, primarily a dream about having the possibility to leave. Our findings therefore do not support the argument presenting gambling as particularly harmful to the work ethic in society.

Yet, another key finding in our study was that the size of the lottery winnings has a substantial effect on winners’ inclination to take unpaid full-time leave and to shorten their working hours. Accordingly, there appears to be a certain balancing need between paid work and free time. If their financial situation improves substantially, some individuals are keen to reduce their work effort without, however, permanently leaving their jobs.

Consequently, the conclusions from previous studies focusing on US lottery winners (Arvey et al., 2004; Imbens et al., 2001; Kaplan, 1985, 1987) still seem to hold, even within the Swedish context as has now been shown. Besides any “social” characteristics and attitudes of the winners, what other circumstances, needs, wants, and societal norms affect the economic threshold where the individual decides to go ahead and fulfill her or his fantasy of not going to work? Such a line of questioning, in our opinion, could provide a productive starting point for further studies on gambling winners’ post-winning work arrangements.

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