

“Quem Paga a Raspadinha?” Abstract Submission for EEG Research Day 25’

Sofia Pires, PG57290

Key words: scratchcard consumption; social welfare

Dear Members of the Scientific Committee,

I am submitting the abstract of my research, conducted under the supervision of Professors Luís Aguiar-Conraria and João Cerejeira, as a research assistant for the project "Quem Paga a Raspadinha?". We are currently writing a paper that investigates the socio-economic and demographic factors influencing the frequency of scratchcard consumption in Portugal (the central research question).

We have utilized data collected from a survey specifically designed for this project in a previous phase. I applied both an ordered logit model and a structural GSEM model in Stata, with the frequency of scratchcard consumption being explained by variables such as age, gender, marital status, education, income, type of occupation, alcohol consumption, lottery ticket purchases (as proxies for addictive behaviour), and gambling problems among family and friends.

For the ordered logit model, the results suggest that gender, marital status, education, alcohol addiction, lottery consumption, and gambling problems among relatives are significant predictors of scratchcard consumption. Specifically, older people, women, low income individuals, individuals who consume alcohol more than five times a day, those who play the lottery, factory workers and those whose mothers or friends have/ have had gambling issues are more likely to purchase scratchcards. Conversely, divorced or widowed individuals, high income individuals, and those holding a master's degree or PhD, are less likely to do so.

Similar results were observed in the structural model, with the addition of income as a significant determinant of scratchcard consumption.

The structural model allows us to explore whether scratchcard consumption is directly influenced by the independent variables or whether there are any indirect effects at play (e.g., whether a mother's gambling problems directly influence the likelihood of purchasing scratchcards, or if such issues indirectly affect education, which in turn impacts the probability of consumption). We are currently working on interpreting these results and considering re-estimating the GSEM models by introducing a latent variable for addictive behaviour. Additionally, we ran the same models using alcohol, tobacco, and lottery ticket consumption as dependent variables, which yielded different results, suggesting that the mechanisms behind each of these addictive behaviours are distinct from those driving scratchcard consumption.

Our paper contributes to the existing literature by being, to our knowledge, the first to estimate a GSEM model focused on scratchcard consumption. It will also be the first econometric study on this subject at the national level in Portugal. This provides an opportunity to offer policy recommendations regarding the regressiveness of part of the Portuguese welfare system, as scratchcard revenues are used to finance some of the government's welfare expenditures.