The Effects of Income Disclosure by Politicians*

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Abstract

We analyze the impact of public disclosure of politicians' outside income on their income, using the implementation of disclosure regulations for German federal MPs. We exploit administrative tax return data and a difference-in-differences design with unaffected state MPs serving as the control group. We show that MPs increased their outside income once this information became publicly available. Using a proxy for political leaning, we find suggestive evidence that right-wing MPs drive the effect. We explain this finding by conducting a survey experiment among German voters, which reveals that the interpretation of outside income varies along party lines. Right-wing voters perceive outside income as a sign of competence, whereas left-wing voters believe that such politicians are less likely to represent their constituents effectively.

KEYWORDS: tax data, outside income, politicians, income disclosure

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1 Introduction

Politicians engaging in activities other than their work in parliament remains a highly controversial topic. Democratic countries are particularly concerned about the ability of voters to hold members of parliament (MPs) accountable, which heavily relies on the availability of information about both their parliamentary and non-parliamentary actions. Many countries have implemented disclosure laws regarding outside activities to enhance accountability and transparency. According to Djankov et al. (2010) over 100 countries worldwide have such laws in place, with roughly half of them making the disclosed information public.[1] Despite their widespread use, there is little causal evidence on the effects of public disclosure laws of outside activities and income and their impact on politicians' behavior. This is due to several reasons. First, obtaining high-quality data on politicians' income is challenging, especially for periods before the introduction of disclosure rules, as information about politicians' outside work is, by design not observable. Second, even the disclosed data is often incomplete and prone to misreporting. Last, to make causal statements about the impact of disclosure laws, it is necessary to identify a suitable control group to establish a counterfactual scenario.

In this paper, we aim to fill this gap by identifying the causal effect of income disclosure of outside activities and their associated income on politicians' outside income. The direction of the disclosure effect on income is ex-ante ambiguous as it depends on the preferences of voters which could also be heterogeneous across the political spectrum. On the one hand, if voters learn that their elected officials earn a lot in addition to their political mandate, they may interpret such behavior as potential conflicts of interest or even corruption. On the other hand, as Gagliarducci et al. (2010) shows if voters perceive an MP's outside income and activities as a signal of their quality, they might accept or even support such behavior. Thus, how voters view outside income impacts politicians' decisions to engage in such activities, and thereby the effect of public disclosure may be ambiguous.

We exploit the introduction of a disclosure law in Germany as a source of exogenous variation. Since 2005, MPs from the German federal parliament (*Bundestag*) have been required to publish their outside activities and levels of outside income on the website of the German federal parliament. This information is freely accessible to voters and is widely reported on by the media. Each outside activity is reported using a bracket system with income top-coded at 7000€ per activity. Initially, the information was only reported privately to the President of the German federal parliament, and public disclosure was delayed due to a group of MPs

[1] They find suggestive evidence that public disclosure is associated with better governance and lower perceived corruption.

filing a lawsuit against the disclosure rule citing privacy concerns. In July 2007, the German constitutional court narrowly rejected the lawsuit, which made all past and future information on outside income and activities public.

To examine politicians' outside income before and after the disclosure reform, we employ administrative tax return data from 2001 to 2011. One notable aspect of the tax data is that it allows us to distinguish between federal and state MPs. As state MPs were not subject to any disclosure rules during our sample period, we can use them as a control group in a difference-in-difference design. It is important to note that German state and federal MPs are highly comparable, as both groups serve as full-time politicians, undergo similar election processes, and bear a significant level of responsibility due to the decentralized nature of the German government structure. We confirm that there were no trends between the treatment and control group prior to the reform, which demonstrates their comparability.

We start our analysis by manually collecting all disclosed outside activities and income covering the two election periods of the federal parliament from 2005 to 2013. Tax records lack of more detailed information about the type of outside work and the MPs themselves. We then merged this data at the MP level with a range of demographic and political background variables. From the descriptive analysis, several facts emerge. First, compared to the overall income distribution in Germany, outside income among federal MPs is highly unequally distributed. It is heavily skewed, with a small number of top earners accounting for a large portion of the overall income. Specifically, the top 10% of MPs earn approximately 44% of total outside income. This percentage is significantly higher than the top 10% share in the general population, which is around 28% (Drechsel-Grau et al., 2022). Second, MPs from right-wing parties are more likely to engage in outside activities and earn considerably higher outside income, given their engagement in these activities. Third, this difference is primarily due to right-wing MPs being more likely to be self-employed.

Turning to our main causal analysis of the tax data, we find that federal MPs increased their outside income by 15% after they were publicly disclosed in 2007. Also, the probability of MPs earning positive outside income increased significantly by 4.5 percentage points.[2] Conducting quantile regressions, we find that the upper tail of the income distribution drives the baseline effect. This could be due to the top-coding of activities at 7000€ which makes it impossible to distinguish between a high- and moderate-paying activity. Additionally, we decompose the overall income into its sources and find that the response is driven by income

[2]We confirm the suggestive evidence provided by Djankov et al. (2010) and find no effects in response to private disclosure.

from self-employment and business activities, rather than wages and salaries. Using proxies for political leaning in the tax data, we find that suggestive evidence that right-wing MPs mostly drive the effect. These findings are consistent with the facts we established using the publicly disclosed data where we find that right-wing MPs are more likely to be self-employed and have significantly higher outside income.

To explain the mechanism behind the increase in outside income, we conducted a tailored survey experiment among the German voting population. Depending on the political preferences of the voters, which could lean towards either right-wing or left-wing parties, voters and consequently MPs may hold different views on outside work. Our representative sample consists of approximately 4000 voters. We present each voter with several hypothetical MPs and randomize the level and type of outside income of each MP, based on publicly disclosed data. We also vary several other characteristics, such as the MP's gender, party affiliation, marital status, and political experience. Voters are then asked to rate the MPs in four dimensions: (1) how well they represent their voters, whether they are likely to represent their voters, (2) whether they act in their own or third-party interests, (3) their level of competence, and (4) how hard-working they are. Since we previously elicited the political leaning of the survey participants, this not only allows us to estimate the average treatment effect of outside income but also enables us to estimate heterogeneous treatment effects, particularly between right- or left-wing voters.

Our survey results corroborate our main finding. On average voters believe that MPs with higher outside income are less likely to represent voters' interests, more likely to represent their own or third-party interests, and demonstrate higher levels of competence and hard work. However, when we separate the sample of voters based on political leaning, we observe significant heterogeneity in line with the impact of the disclosure law we estimated in the tax data. Right-leaning voters do not perceive MPs with higher outside income as less likely to represent voters' interests. Instead, they view them as more competent and hard-working. In contrast, left-leaning voters consider MPs with higher outside income to be less likely to represent voters' interests, and they do not regard them as more competent or hard-working. Hence, we find evidence that right-wing and left-wing voters interpret outside income differently. The pattern we demonstrate aligns with the tendency of right-wing politicians to increase their outside income compared to left-wing politicians following the public disclosure of their outside activities. They correctly anticipate that their voters will not punish and may even reward them for engaging in such activities.

We contribute to several strands of the literature. To the best of our knowledge, this is the

first paper examining public disclosure rules for politicians with administrative tax return data for a developed economy. More specifically, we test if individuals change their income and thereby the amount of outside activities in response to a mandatory disclosure of these activities along with the respective income. Most related, Slemrod et al. (2022) and Malik (2020) exploit an unexpected release of tax records of Pakistani politicians. In contrast to our study, their focus lies on tax evasion in a developing country. While Malik (2020) consider only MPs and provide strong evidence that the pressure to decrease tax evasion was highest for competitively and directly elected legislators, Slemrod et al. (2022) focus on the universe of tax filers and find a 9% increase in the tax paid by individuals in response to public disclosure of their tax returns.

Second, our study contributes to a broader question of how a change in third-party information requirements affects income reporting behavior and how public disclosure of income affects the (reported) income itself (Kleven et al., 2016). The effects of income disclosure have been studied among others for the general population (Bø et al., 2015, Slemrod et al., 2022), CEOs (Mas, 2016), and public employees (Mas, 2017). Both Slemrod et al. (2022) and Bø et al. (2015) find that income disclosure leads to higher levels of tax compliance driven by a shift in social norms and concerns for reputation. Dwenger and Treber (2022) explicitly study whether public shaming increases tax compliance through social pressure. They exploit the introduction of a naming-and-shaming policy in Slovenia to show that taxpayers reduce their tax debt to avoid shaming. Perez-Truglia and Troiano (2018) ran a field experiment to study shaming by sending different letters to tax delinquents in the US. They find that increasing the visibility of the delinquency status increases compliance by individuals who owe less than 2,500$, while the effect on individuals with larger debt is negligible.[3]

Lastly, we contribute to the moonlighting literature investigating the relationship between politicians' outside income and parliamentary activity, quality, and corruption. This literature shows that allowing moonlighting has ambiguous effects. On the one hand, it might attract more competent politicians, on the other hand, these politicians are also more likely to shirk in office (Gagliarducci et al., 2010). Furthermore, politicians connected to private firms might hinder the process of creative destruction and thereby lower productivity (Akcigit et al., 2023). There are also two studies investigating moonlighting of German MPs. Arnold et al. (2014) show descriptively that (self-reported) outside income is not correlated with absence rates and speeches, but negatively correlated with oral contributions and group activities. Becker et al. (2009) find that politicians report less outside income if they face stronger political competition.

[3] See Bursztyn and Jensen (2017) for a survey of the literature on social pressure and shaming effects.

However, no existing study examines the effect of disclosure rules in a causal manner with high-quality data.

2 Institutional Context

Like in many other countries, both federal and state MPs in Germany are legally allowed to engage in outside activities in addition to their political responsibilities. For example, lawyers may continue practicing law and self-employed MPs can carry on with their businesses. However, it is explicitly stated in §44a of the Members of the Bundestag Act (*Abgeordnetengesetz*) that "the exercise of the mandate of a Member of the Bundestag shall be central to his or her activity".[4]

2.1 Historical Background, Disclosure Requirements and Enforcement

In late 2004, payments to federal MPs by large companies such as Siemens and Volkswagen became the focus of public attention. As a result, in August 2005, the German federal parliament passed a law requiring federal MPs to publicly disclose their outside activities and income. The purpose of this disclosure was to reveal any potential conflicts of interest that could affect their mandate. However, the law was controversial, and some MPs filed a lawsuit against it, arguing that it violated their privacy rights and made it less appealing for certain professionals, such as entrepreneurs, to run for office. While waiting for the final decision of the Federal Supreme Court, the President of the German Bundestag (*Bundestagspräsident*) decided that MPs would only have to disclose their outside activities and income privately to the administration of the Bundestag, rather than publicly. In July 2007, the lawsuit was narrowly defeated by a tied court, and MPs were then required to publish the type of outside activities, and levels of outside income as well as the source and frequency on web pages of the German Bundestag. In summary, starting in 2005, federal MPs privately disclosed their incomes, and from 2007 all incomes, including the privately disclosed incomes, were publicly disclosed.

Disclosure rules for outside activities and associated income are summarized in Table 1. The information is published on the website of the German Bundestag (see Appendix Figure A.1 for an example of an MP's webpage). Disclosure obligations involve the publication of each (i) outside activity, (ii) corresponding outside income per activity, (iii) its frequency,

[4] The interested reader can find an English version of the Code of Conduct for Members of the German Bundestag online (Bundestag, 2013).

Table 1: General Disclosure Requirements

(A) Outside Activities	
Remunerated activity during the term of the mandate	e.g. speech
Functions in enterprises	e.g. supervisory board
Functions in public corporations and institutions	e.g. board of trustees
Functions in clubs, associations and foundations	e.g. development aid agency or foundations
(B) Outside Income	
Level 0	income below 1000€
Level 1	income between 1000€ and 3500€
Level 2	income between 3500€ and 7000€
Level 3	income over 7000€
(C) Frequency and Time Frame	
Once, monthly or yearly	starting and ending date
(D) Source	
Company's name and location	

Notes: These rules correspond to the legal status for the two electoral periods 16 and 17 that we are examining. Disclosed income and activities are published on the website of the German Bundestag and in the *Amtliches Handbuch*.

and (iv) its source and location. Disclosed income is determined by the gross amounts paid, including expenses, compensations, and the value of benefits in kind, while deductions are not included. Therefore, the amount of income from an activity is not necessarily equal to the income that is taxed. Not all kinds of outside income need to be disclosed. For example, stock options or shareholdings in private corporations, if they are lower than 25%, are exempted. The following income levels are used to publish the amount of outside Income: Income below 1000€ are categorized as level 0, those between 1000€ and 3500€ are referred to as level 1, and outside income between 3500€ and 7000€ are called level 2. Level 3 is used to describe outside income above 7000€ per activity.

Every MP must submit all outside activities, including associated income levels, time frame, frequency, and source, to the President of the German Bundestag within three months. These data are then published on individual websites administered by the German Bundestag for each MP. If an MP misreports or fails to report entirely, the violation will be made public, and a fine must be paid. Sanctions may include reductions in their salary of up to 50%. Moreover, in addition to the monetary fine, there is a significant cost to their reputation, as these cases are widely discussed in the media.[5] Various watchdog organizations (such as abgeordnetenwatch.de or lobbycontrol.de) and the media extensively report on the published data. We show that the reform has received significant attention from voters, as proxied by Google searches (see Appendix Figure A.2a). Voters' attention also varies significantly with the political cycle and peaks shortly before federal elections as shown by the number of clicks

[5] This has already happened twice, most notably in 2008 to Otto Schily, the former minister of the interior. As an attorney, he argued that the disclosure law would violate his client's privacy rights.

on web pages of the Bundestag (see Appendix Figure A.2b). Also, the media, proxied by the number of newspaper articles mentioning politicians' outside income and MPs themselves, evidenced by the frequency of mentions of outside income in parliamentary speeches, paid significant attention to the reform (see Appendix Figures A.2c and A.2d).

2.2 Data on Disclosed Outside Income and Activities

Before we provide causal evidence on the effects of public disclosure on income, we descriptively characterize the volume and nature of outside work. We do so by manually collecting all publicly disclosed information on outside income and activities from the website of the Bundestag. We merge the data with demographic information such as gender or party affiliation, committee membership, and voting statistics for each MP of the German federal parliament between 2005 and 2013. Overall, our hand-collected dataset consists of 1294 MP-election period observations, covering election periods 16 and 17 of the German federal parliament. We have data for 864 individual MPs, with 430 MPs present throughout both election periods.[6]

We extract several demographic variables from the handbook of German MPs, including their name, gender, age, marital status, residence, whether they hold a doctoral degree, their party affiliation, and the number of terms they have served. During our sample period, approximately half of the MPs belong to the conservative or liberal democratic party (CDU/CSU and FDP), while the other half are members of one of the left-wing parties (SPD, The Greens, and The Left). Additionally, to measure the interests and positions of MPs, we collect information on the committees that each MP was part of and whether they held a committee chair position. Last, we added a dummy for this MPs that are directly elected into parliament. Elections in the German Parliaments are conducted using a personalized proportional representation system combining elements from both proportional representation and majority voting systems in which each citizen has two votes. The first vote is for a candidate representing their electoral district, while the second vote is used to support a political party at the national level. In each electoral district, the candidate who receives the highest number of first votes directly enters parliament. However, the overall composition of the parliament is determined by each party's proportionate share of the second votes.[7] Summary statistics of all these variables can be found in Appendix Table A.2. During the period under study, the federal parliament consists of around one-third of female MPs. An average MP is 51 years old and around 70%

[6] Appendix Table A.1 provides an overview of the two election periods under study as well as the composition of MPs in the German federal parliament by party.

[7] Parties with less than proportionate directly elected representatives send additional MPs from their pre-defined party list such that their representation aligns with their share of second votes.

Table 2: Descriptive Statistics: Disclosed Outside Income

	mean	median	sd	min	max	N
disclosed outside income > 0	0.25	0.00	0.44	0.00	1.00	1294
disclosed outside income	5091.21	0.00	16609.78	0.00	188015.84	1294
disclosed outside income: business owner	2008.03	0.00	10413.92	0.00	136704.25	1294
disclosed outside income: attorney	716.90	0.00	6388.92	0.00	132143.20	1294
disclosed outside income: board member	773.98	0.00	4148.71	0.00	76270.58	1294
disclosed outside income: publishing/talks	490.53	0.00	5850.10	0.00	174586.16	1294

Notes: This table provides summary statistics for the disclosed yearly outside income of federal MPs. To determine the value of outside income, we assign the lower bound of each bracket to every activity (see Section 2.2). Source: Hand-collected data for election periods 16 and 17.

are married.

We collect information on every disclosed activity, income level (ranging from 0 to 3), start and end date, and frequency (monthly, yearly, once) for each federal MP. We do not include activities directly related to the MP's political work, such as government positions or activities related to their party. In Appendix Table A.3, we provide a summary of the disclosed information regarding income level and frequency. Throughout our sample period, 18% of all activities fall into the highest category of outside income (level 3). The majority of activities (94%) occur only once, while 2% and 4% of all activities take place on a yearly or monthly basis, respectively. The distribution of levels and frequencies also remains stable across the two election periods.

To determine the value of outside income, we assign the lower bound of each bracket to every activity.[8] We then calculate the total amount of reported outside income for every federal MP per election period. We normalize this amount to 2010 € using the German CPI and divide it by four to ensure comparability with the yearly tax data. Table 2 provides summary statistics for the reported outside income. By definition, all values represent lower bound estimates of outside income. Approximately 69% of all MPs report at least one outside activity. However, only 25% of MPs report activities with income of at least 1000€ (level 1 and above). Based on our conservative imputation, MPs have an average yearly income of at least 5000€. It is important to note that these estimates are lower-bound estimates as the reporting system conceals higher incomes by categorizing all incomes above 7000€ as level 3.

We also classify the activities into different categories based on the information provided in the disclosed income statements. The four main categories of outside income are income from business activity, income from practicing law, compensation for serving as a board member, and income from giving speeches or publishing books. These four categories make up approximately 78% of all reported income (see Table 2).

[8] As a robustness check, we also impute the midpoint of each bracket, except for the last bracket, where we impute the lower bound.

Table 3: Disclosed Outside Income: Correlations

	(1) disclosed income > 0	(2) disclosed income > 0	(3) disclosed income > 0	(4) log disclosed income	(5) log disclosed income	(6) log disclosed income
right-wing MP	0.189***	0.160***	0.166***	0.493**	0.522**	0.477**
	(0.027)	(0.028)	(0.028)	(0.218)	(0.223)	(0.217)
female		-0.118***	-0.126***		-0.285	-0.303
		(0.027)	(0.028)		(0.294)	(0.277)
age		0.000	-0.000		0.045***	0.050***
		(0.001)	(0.001)		(0.009)	(0.010)
married		-0.031	-0.039		-0.124	-0.221
		(0.031)	(0.031)		(0.239)	(0.248)
East Germany		-0.101***	-0.103***		-0.045	-0.261
		(0.031)	(0.030)		(0.335)	(0.347)
doctoral degree		0.068*	0.058*		-0.247	-0.348
		(0.036)	(0.035)		(0.226)	(0.234)
directly elected			-0.036			0.330*
			(0.027)			(0.192)
number of terms served			0.003			-0.086*
			(0.009)			(0.050)
committee chair			0.085*			0.325
			(0.048)			(0.277)
committee FE			yes			yes
N	1294	1294	1294	329	329	329
# respondents	864	864	864	264	264	264

Notes: * p<0.1, ** p<0.05, *** p<0.01 The outcome variable is the lower bound measure of outside income based on the disclosed data. To construct outside income, we assign each activity the lower bound of the bracket. Standard errors clustered at the individual level. Source: Hand-collected data for election periods 16 and 17.

2.3 Disclosed Outside Income: Descriptive Statistics

In Table 3, we use the disclosed data to examine who reports outside activities and income. One notable finding is that MPs belonging to right-wing parties tend to earn significantly more from outside activities compared to MPs from left-wing parties. The probability of a right-wing MP reporting any outside income is 19 percentage points higher ($p < 0.01$) than that of a left-wing MP. Moreover, when considering only MPs with positive outside income, right-wing MPs' disclosed income is 49% higher than that of their left-wing counterparts ($p < 0.01$). These differences cannot be attributed to demographic factors as controlling for gender, age, marital status, education, or whether they are East German does not significantly change the results. An alternative explanation could be that left- and right-wing MPs face different levels of political pressures and opportunities. To account for this, we include controls for MPs' political experience, whether they were directly elected, party leadership positions, committee chairmanship, constituency turnout, vote margin, and fixed effects for membership in the 22 committees (see columns (3) and (6)). Adding these variables to the model has only a minor effect on the differences between left- and right-wing MPs which remain large and statistically significant. Notably, when imputing the mid-point instead of using the lower bound of each income bracket, the disparities between the two groups become even more pronounced (see Appendix Table A.4). This finding is consistent with previous literature, which also highlights greater involvement in moonlighting among right-wing MPs (Becker

et al., 2009, Eggers and Hainmueller, 2009, Weschle, 2022). Further analysis of the sources of outside income reveals that a significant portion of the gap between left- and right-wing MPs can be attributed to self-employment income, with a lesser extent to income from board memberships (see Appendix Table A.5).

3 Empirical Strategy and Data

The use of publicly disclosed information does not allow us to make causal statements about the impact of public disclosure on outside income. Disclosed income is imprecisely measured and only available for federal MPs after the introduction of disclosure requirements. We overcome these challenges, leverage administrative tax return data covering the universe of German taxpayers, and employ a difference and differences approach. We exploit the longitudinal nature of the data and the timing of election dates as well as the different remuneration schemes across parliaments to define treatment and control units as explained below.

3.1 Difference-in-Difference Approach

Since 2007, federal MPs have been required to publicly disclose their outside activities and income. We take advantage of the fact that members of the federal parliament (*Bundestag*) are affected by disclosure rules, while members of state parliaments (*Landtag*) are not. Therefore, our treatment units consist of members of the federal parliament and our control group consists of members of state parliaments. This setup allows us to employ a difference-in-difference design by comparing federal and state MPs before and after the reform. By assuming parallel trends between the treatment and control group, we can uncover the causal effect of the public disclosure law. We implicitly verify this assumption using a dynamic difference-in-difference approach. It is important to note that German state and federal MPs are highly comparable, as both groups serve as full-time politicians, undergo similar election processes, and bear a significant level of responsibility due to the decentralized nature of the German government structure.

Our baseline estimation is structured as follows: Let Y_{ist} be an outcome of politician i resident in state s in year t. We then estimate the following equation:

$$Y_{it} = \beta \cdot Treat_i Reform_t + \gamma_i + \lambda_{st} + \epsilon_{it} \tag{1}$$

where $Treat_i$ is a dummy taking the value one if i is a federal MP and $Reform_t$ is an indicator equal to 1 from 2007 onwards. We also include individual fixed effects γ_i to control for potentially unobserved and time-constant features of MPs. The state-year fixed effects λ_{st} absorb state-specific shocks such as local economic and political conditions. Finally, we cluster our standard errors at the individual level to account for serial correlation. The coefficient of interest is β, which identifies the causal effect of the public disclosure law. Our sample period runs from 2001 to 2011. Since this is a classical 2x2 difference-in-difference setup, we do not have to assume homogeneous treatment effects for our estimator to be consistent (Goodman-Bacon, 2021).

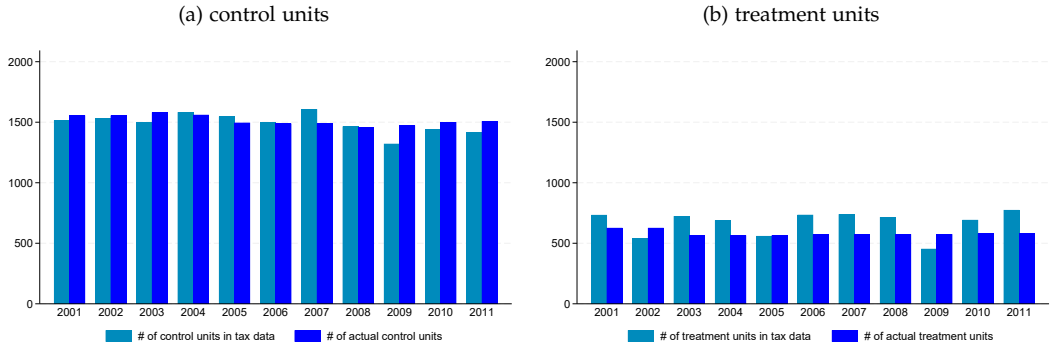
We also estimate a dynamic version of equation 1 to test for pre-trends and to account for dynamic post-treatment effects. For this purpose, we define a set of dummy variables $\mathbb{1}_{k=t}$, which equals one if k equals t, and zero otherwise. To estimate the effects of the introduction of public disclosure rules, we run the following equation:

$$Y_{it} = \sum_{k=2001}^{2005} \beta_k \cdot Treat_i \mathbb{1}_{k=t} + \sum_{l=2007}^{2011} \beta_l \cdot Treat_i \mathbb{1}_{l=t} + \gamma_i + \lambda_{st} + \epsilon_{it} \tag{2}$$

where we omit the interaction of the 2006 dummy to normalize our estimates to the pre-reform year. Therefore, $\beta_k \; \forall k \in \{2001, ..., 2005\}$ refer to differences in trends between the treatment and control group before the reform, while $\beta_l \; \forall l \in \{2007, ..., 2011\}$ represent the dynamic treatment effects.

To gain a deeper understanding of the effect of public disclosure on outside income, we further exploit our data in the following ways. First, we decompose outside income into different sub-components such as wage income or income from self-employment. The effect could, for example, depend on voters' preferences for outside income from different sources. Campbell and Cowley (2015) show using a survey experiment that voters do not penalize business owners or the self-employed for continuing their business. Moreover, income from self-employment is easier to adjust compared to wage income. Second, we analyze the full distribution of outside income and apply an (unconditional) quantile regression. As shown in Appendix Figure B.2, MPs' outside income is unequally distributed and heavily skewed. Whereas ordinary least squares regressions yield an estimate of the average treatment effect, quantile regressions allow us to estimate the effect of the policy change on the entire distribution of outside income. We apply the estimator by Firpo et al. (2009) to estimate the reform's effect on all nine outside income distribution deciles. Third, we also run interaction models to analyze the impact of disclosure requirements on different subgroups. For this

Figure 1: Comparison between tax data and actual numbers



Notes: Panel (a) shows the number of state MPs identified in the tax data and the actual or expected number of MPs. Panel (b) shows the number of federal MPs identified in the tax data and the actual number of MPs. We exclude parliamentarians from Berlin, Hamburg, and Bremen for both groups. Source: Taxpayer Panel, 2001-2011

purpose we interact every term in our baseline equation 1 with an indicator for different subgroups.

3.2 German Taxpayer Panel

The German Taxpayer Panel covers the period from 2001 to 2011 and includes all tax units. It is an administrative data set collected by German tax authorities and provided and managed by the German Federal Statistical Office. Each observed tax unit can be a single individual or a couple filing jointly. The dataset contains all the necessary information to calculate a taxpayer's annual income tax, including basic socio-demographic characteristics such as age, gender, state of residence, and marital status. Furthermore, it provides detailed information on income from various sources and tax base parameters such as deductions and donations. Due to strict data protection regulations, we are not allowed to identify individuals or link the data with other data sets. In contrast to the tax return data, our hand-collected data provides a rich set of demographic and political variables, but the publicly disclosed information on income is imprecisely measured and is only available for federal MPs after the reform. Therefore, the advantage of tax return data lies in its precise measurement of income both before and after the reform. However, it does not provide information about the specific type of outside activity, such as giving a speech or working as a lawyer.

In our difference-in-difference design, we compare federal MPs, the treatment group, to state MPs, the control group. In Figure 1, we show that the number of MPs identified in the tax data closely matches the number of MPs present in parliament for both federal and state MPs. We determine both groups in the tax data as follows. First, we identify all

Table 4: Descriptive Statistics: Outside Income in the Tax Data

	mean	sd	median	share > 0	N
all MPs					
outside income	32111	352674	4853	0.7041	26295
business & self-employment	10346	257525	0	0.4937	26295
wages & salaries	18956	348939	0	0.3094	26295
other sources	2807	16528	0	0.2400	26295
federal MPs					
outside income	22147	84086	1689	0.6025	7828
business & self-employment	10290	64922	0	0.4778	7828
wages & salaries	9138	47725	0	0.2123	7828
other sources	2718	15835	0	0.1641	7828
state MPs					
outside income	36335	417190	6219	0.7473	18467
business & self-employment	10371	304379	2	0.5005	18467
wages & salaries	23118	415150	0	0.3505	18467
other sources	2845	16814	0	0.2722	18467

Source: Taxpayer Panel 2001-2011. Outside Income amounts to all income from (i) salaries and wages, (ii) business and self-employment income, and (iii) other sources (except for income from parliamentary activities). Due to privacy reasons minimum and maximum values are omitted.

members of any parliament by restricting the sample to those who report positive income from parliamentary activities. We exclude all MPs from the three German city-states (Berlin, Hamburg, and Bremen) since being an MP is only a part-time job in these state parliaments (*Feierabendparlamente*). Next, we exploit that federal and state MPs have systematically different remuneration schemes. In particular, federal MPs always received higher pay than state MPs (see Appendix Figure B.1). In Appendix Table B.2, we provide further demographic information about both our treatment and control group and show that our identified sample in the tax data also matches the federal parliament's demographic composition, in terms of average age (52 years old), the proportion of females (32%), the share of married MPs (73%), and the share of MPs from West Germany (83%). More details on the allocation mechanism can be found in Appendix B.

We use the categorization of income into seven different types of income (e.g. income from business operations or income from employed work) in the German income tax system. Our main outcome is the total income from sources that MPs are required to disclose. This includes income from (i) salaries and wages (ii) (non-corporate) businesses and self-employment (iii) agriculture and forestry, and other sources. Additionally, we will analyze the impact on each of these categories (i) to (iii) separately.[9]

To proxy for political leaning, we leverage variation in party taxes and membership fees between left-wing and right-wing parties and the fact that they can be claimed as income

[9] We do not consider capital income in our analysis, because MPs were not required to disclose such income. Additionally, capital income is only observable until 2009 in the tax data.

tax deductions. Political parties in Germany require all members holding official political positions (*Mandatsträger*) to pay a share of their remuneration from these positions to their party, the so-called party tax (*Mandatsträgerbeitrag*). Party taxes are defined in German party law (*Parteiengesetz*) and their level varies significantly across parties and the official positions, which include federal, state and EU MPs as well as lower-level positions such as mayors and local council members (Kühr, 2014). Parties do not give official information on the exact share for each official position, but both media reports and the accountability reports of political parties indicate that left-wing parties require significantly higher party taxes than right-wing parties. For instance, in the state parliament of Saxony-Anhalt, right-wing MPs only have to pay between 5% (FDP) and 6.5% (CDU), whereas left-wing MPs have to pay between 8.5% (SPD) and 15% (The Left) of their remuneration as a party tax (Süddeutsche Zeitung, 2023). To gauge the difference between left-wing and right-wing parties more generally, we hand-collect the accountability reports of political parties between 2003 and 2011, which parties are legally required to submit due to transparency laws.[10] From these reports, we calculate the total amount of party tax revenues for left-wing and right-wing parties and divide them by the total number of MPs in the federal, state and EU parliaments to get a proxy of the party tax level. Ideally, we would like to normalize by the total number of party members holding official positions, which also includes municipal- and county-level officials, but since these data are not available, the number of overall MPs should serve as a reasonable proxy. As Appendix Figure A.3a shows, left-wing parties consistently report higher party tax revenues per MP than right-wing parties with the difference ranging between between 21% in 2003 and 38% in 2010. Party tax revenues also represent a larger share of total revenues for left-wing parties compared to right-wing parties (see Appendix Figure A.3b). There is also a corresponding difference in the average party membership fees for left-wing and right-wing parties. As one can see in Appendix Figure A.3c, member of left-wing parties have to pay higher membership fees than right-wing parties and this difference becomes larger for higher income levels since left-wing parties require higher fees for members with higher incomes.

The tax data includes information on the sum of party taxes, membership fees, and donations if they are claimed as a deduction. Using this information, we define two proxies for political leaning of each MP. In our baseline measure, we classify MPs as right-wing if the deductions they declare in their tax return are below the sample median. This approach has the downside that donations might introduce measurement error. To address this issue, we refine our classification by regressing the deduction on election cycle fixed effects since

[10] Parties were only required to separately report party tax revenues starting in 2003 after a change in the party law.

Table 5: Outside Income in the Tax Data: Correlations

	(1) log outside income	(2) outside income > 0	(3) log outside income	(4) outside income > 0
proxy for right-wing	0.1284**	0.0525***	0.1323***	0.0419***
	(0.0535)	(0.0105)	(0.0456)	(0.0089)
female	-0.8812***	-0.1608***	-0.8822***	-0.1620***
	(0.0656)	(0.0136)	(0.0654)	(0.0135)
West Germany	0.6291***	0.1040***	0.6267***	0.1029***
	(0.0629)	(0.0131)	(0.0628)	(0.0131)
above median age	0.2956***	0.1041***	0.2908***	0.1049***
	(0.0513)	(0.0104)	(0.0512)	(0.0104)
married	0.1666**	0.0748***	0.1411**	0.0587***
	(0.0718)	(0.0145)	(0.0672)	(0.0136)
refined proxy			yes	yes
N	18414	26073	18412	26069
# politicians	4064	4737	4063	4735

Notes: * p<0.1, ** p<0.05, *** p<0.01 The outcome variables are the log of outside income (columns (1) and (3)) and a dummy for positive outside income (columns (2) and (4)). The proxies for right-wing MPs are described in Section 3.2. Standard errors clustered at the individual level. Source: Taxpayer Panel, 2001 - 2011.

donations typically vary systematically with the political cycle. Next, we take the residuals from that regression and classify MPs below the sample median as right-wing.

3.3 German Taxpayer Panel: Descriptive Statistics

We present descriptive information on outside income based on the tax return data in Table 4. Approximately 70% of all MPs earn positive outside income. This rate is lower for federal MPs at around 60% compared to state MPs with a rate of around 75%. In line with the disclosed data, about half of federal MPs declare income from businesses and self-employment, while only about 31% receive income from wages and salaries. On average, federal MPs earn 23000€ from outside sources, while state MPs earn 36000€. This significant difference may come as a surprise, considering that the political discourse typically focuses on federal MPs. There are several possible explanations for this disparity, such as the lower level of public attention given to state MPs or their stronger ties to their hometowns and original professions. It is important to note that federal MPs primarily earn outside income from businesses and self-employment, whereas state MPs rely more on wages and salaries. However, caution should be exercised when interpreting average values, as the distribution of outside income is highly skewed (as illustrated in Appendix Figure B.2). The median outside income for all MPs is only about 4800€, with only a few MPs earning very high levels of outside income.

As expected, based on the tax data, the yearly outside income is significantly higher than the income publicly disclosed in brackets. Specifically, the mean publicly disclosed income for federal MPs is approximately three times higher than the income recorded in the tax data (see Table 2). This finding can be in part a result of our conservative reporting (e.g. assigning

Table 6: Introduction of Public Disclosure: Extensive and Intensive Margin

	(1) log outside income	(2) log outside income	(3) log outside income	(4) outside income > 0	(5) outside income > 0	(6) outside income > 0
treatment x reform	0.1563**	0.1642***	0.1527**	0.0493***	0.0557***	0.0565***
	(0.0622)	(0.0622)	(0.0659)	(0.0159)	(0.0162)	(0.0170)
politician FE	yes	yes	yes	yes	yes	yes
state x year FE	yes	yes	yes	yes	yes	yes
election cycle FE		yes	yes		yes	yes
exclude incoming & outgoing			yes			yes
N	17714	17712	15753	25748	25744	23067
# politicians	3283	3282	3031	4251	4249	4003

Notes: * p<0.1, ** p<0.05, *** p<0.01 This table displays estimates from equation 1 using log outside income (columns 1 - 3) and a dummy for positive outside income (columns 4 - 6) as outcome variables. Standard errors are clustered at the individual level. Source: Taxpayer Panel, 2001-2011

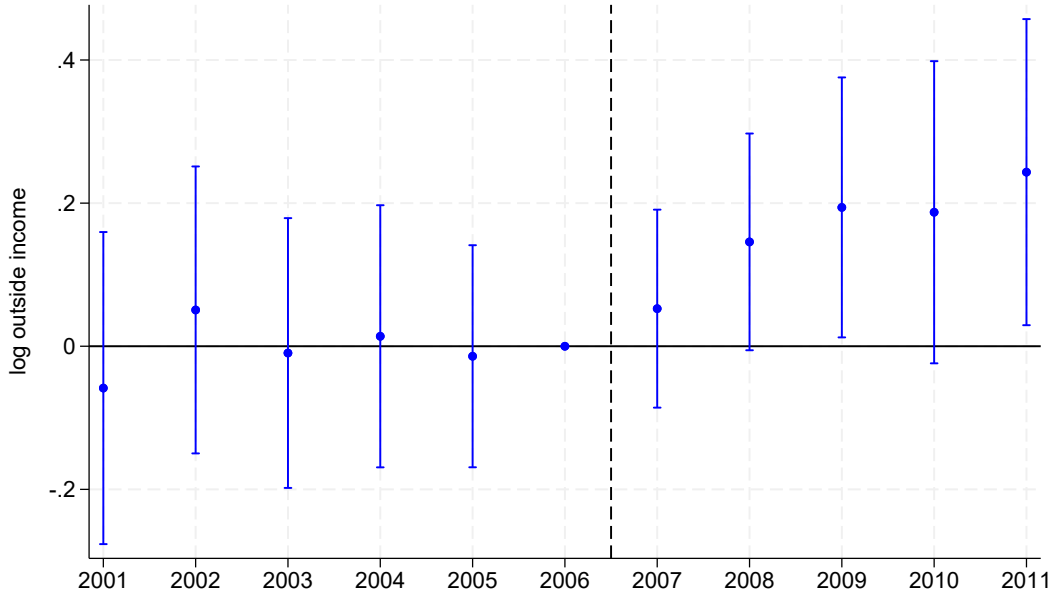
the lower bound of each income bracket to each category) but it may depend much more on the income bracket system itself. A common criticism of the public disclosure law is that it conceals the true magnitude of outside income, especially those published with the highest income level (e.g. remunerated by more than 7000)€. As shown in Appendix Figure B.2, the distribution of outside income is heavily skewed, with a small number of top earners accounting for a large portion of the overall income. Specifically, the top 10% of MPs earn approximately 44% of total outside income. This percentage is significantly higher than the top 10% share in the general population, which is around 28% (Drechsel-Grau et al., 2022). We also correlate outside income with our proxy for right-wing MPs and other demographic factors. Table 5 shows that outside income in the tax data correlates similarly with demographic variables as in the disclosed data. MPs classified as right-wing are both more likely to earn positive outside income and earn higher outside income conditional on having a positive income. As in the disclosed data, female MPs have lower incomes, whereas West German and older MPs display higher incomes.

4 What are the Effects of Public Disclosure?

4.1 Baseline Results

Table 6 presents the main results of our difference-in-differences design using administrative tax data. Columns (1) to (3) show that treated federal MPs significantly increase their outside income by about 16% compared to untreated state MPs in response to the introduction of public disclosure. Additionally, the probability of having positive outside income increased significantly by 4.9 percentage points (see columns (4) to (6)). These results hold and even get slightly stronger once we control for election cycle fixed effects to account for the different

Figure 2: Introduction of Public Disclosure: Dynamic Effects



Notes: This graphs displays the coefficients β_t and the corresponding 95% confidence intervals estimated by equation 2 using log outside income as the outcome variable. Standard errors are clustered at the individual level. The point estimates are in Appendix Table B.3. Source: Taxpayer Panel, 2001-2011

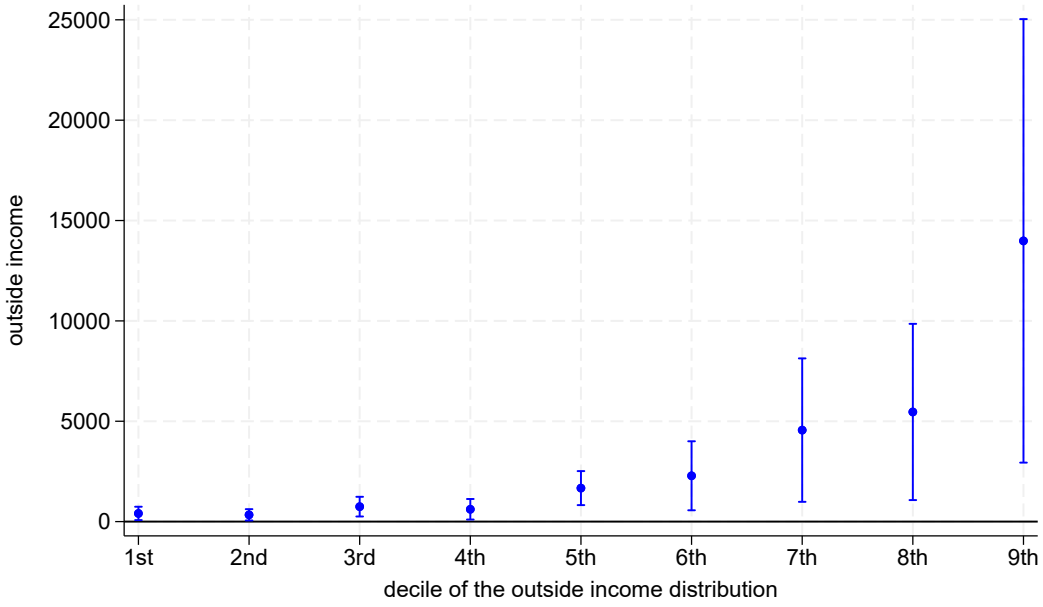
political cycles of federal and state MPs (see columns (2) and (5)). Another potential concern is the possibility of conflating outside income with income earned before or after MPs entered or left Parliament. Therefore, we exclude incoming and outgoing MPs from our sample (see columns (3) and (6)). However, this leaves our estimates almost unchanged.

Figure 2 visualizes the estimates of our dynamic difference in differences approach. The effect only emerged after the introduction of public disclosure in 2007. It is important to note that there is no evidence of any significant differential trend between the treatment and control group before the reform. This finding strengthens the parallel trends assumption underlying our research design. Furthermore, we do not observe any differential trend during the period of private disclosure from 2005 to 2006. This suggests that politicians respond to public disclosure, not private disclosure. It is worth mentioning that it takes some time for MPs to adjust their labor supply, which explains why the effect gradually builds up. Approximately three years after the treatment, the effect stabilizes at an increase of around 20%.

4.2 Heterogeneous Effects

To disentangle the total effect of an increase in outside income, we use income from different income categories as our outcome variable. Appendix Table B.4 shows the results for income

Figure 3: Introduction of Public Disclosure: Quantile Regression



Notes: This graph displays the coefficient β and the corresponding 95% confidence interval when estimating equation 1 using unconditional quantile regression for the first to ninth decile. Standard errors are clustered at the individual level. The point estimates are in Appendix Table B.5. Source: Taxpayer Panel, 2001-2011

from businesses & self-employment, wages & salaries, and other sources. The results show that the increase in outside income is solely driven by income from business and self-employment, which increased significantly by 17% at the intensive margin and 4 percentage points at the extensive margin. All other coefficients are positive but statistically insignificant.

We also test whether the effect is driven by different parts of the outside income distribution by conducting (unconditional) quantile regressions on the deciles of the outside income distribution (Firpo et al., 2009). The results for all nine deciles are plotted in Figure 3. The treatment effect is significant and positive across the entire distribution. However, it is relatively small for the bottom 40% of the outside income distribution. As we move up the income distribution, the effect increases and reaches its highest point in the ninth decile. This indicates that a significant portion of the treatment effect is driven by high-income MPs whose information is top-coded due to the underlying disclosure requirements.

Since the increase in outside income is mainly driven by income from self-employment and the upper tails of the income distribution, right-wing MPs are likely the ones driving this effect, as they are more likely to be self-employed and have higher outside incomes. To test this hypothesis, we use two proxies for party membership based on deductions for party taxes and membership fees from the tax data we described in Section 3.2. Using an interaction

Table 7: Introduction of Public Disclosure: Heterogeneous Effects by Political Affiliation

	(1) log outside income	(2) log outside income	(3) log outside income	(4) log outside income	(5) log outside income
treatment x reform	0.0148	0.0351	-0.1187	-0.1055	-0.3225
	(0.0809)	(0.0846)	(0.1664)	(0.1749)	(0.2569)
treatment x reform x proxy for right-wing	0.2795**	0.2830**	0.2678**	0.2497**	0.4058**
	(0.1273)	(0.1262)	(0.1264)	(0.1271)	(0.1655)
treatment x reform x female		-0.1220	-0.1140	-0.1116	-0.0762
		(0.1569)	(0.1560)	(0.1581)	(0.1626)
treatment x reform x West Germany			0.1886	0.1468	0.0926
			(0.1771)	(0.1717)	(0.1746)
treatment x reform x above-median age				0.0666	0.0231
				(0.1271)	(0.1272)
treatment x reform x married					0.2690
					(0.2049)
politician FE	yes	yes	yes	yes	yes
state x year x group FE	yes	yes	yes	yes	yes
N	17704	17620	17620	17585	17576
# politicians	3280	3267	3267	3260	3259

Notes: * p<0.1, ** p<0.05, *** p<0.01. This table displays estimates from a fully interacted version of equation 1 using log outside income as the outcome variable and the refined proxy for right-wing MPs as the interaction variable. The proxy for right-wing MPs is described in Section 3.2. Standard errors are clustered at the individual level. Source: Taxpayer Panel, 2001-2011

model, we find that there is a significantly higher increase in outside income among MPs classified as right-wing compared to those classified as left-wing (see Table 7). Columns (2) to (5) of Table 7 demonstrate that this interaction effect is not driven by other demographic variables such as gender, marital status, age, or location. Furthermore, this result remains consistent when using our refined proxy for right-wing MPs (see Appendix Table B.6). In Appendix Figure B.3, we show that both left- and right-wing MPs were on parallel trends before the introduction of public disclosure. After the new disclosure rules were implemented, only MPs classified as right-wing increased their outside income, while left-wing MPs did not change their outside income.

4.3 Alternative Explanations

Another reason for the positive effect on outside income, especially in business and self-employment income, could be increased tax compliance as these types of incomes are self-reported. The fact that their income is now public knowledge may have created stronger incentives for MPs to accurately report their income. However, the timing of the effects makes this explanation less plausible. There was no increase in income during the two years before the public disclosure, even though MPs should have anticipated the high likelihood of their privately disclosed activities becoming public retroactively. Therefore, tax compliance is an unlikely driving force behind our findings. If MPs were genuinely concerned about being caught evading taxes, they would have already taken action in 2005 when private disclosure was first introduced.

5 Why do MPs Increase their Outside Income?

Increased transparency makes politicians more accountable. How politicians adjust their income depends on voters' preferences regarding outside income. Ex-ante it is unclear in which direction the income response will go. On the one hand, MPs may use public disclosure to signal their quality to voters. If MPs believe that their voters will reward them, it could induce them to put in a greater effort in having outside activities and thereby, larger income. On the other hand, if MPs suspect that their voters will not dislike such behavior due to potential conflicts of interest, it could lead to a reduction of outside income.

5.1 Survey Experiment

To investigate why the disclosure law had different effects on left- and right-wing MPs, we conducted a customized survey of 4025 German respondents.[11] The survey was conducted between December 12, 2023, and January 5, 2024, targeting respondents eligible to vote in the German federal election. To align with the political landscape during the implementation of the disclosure law, we focused on respondents who expressed an intention to vote for parties represented in the German federal parliament at that time. Left-wing voters were defined as those intending to vote for the Social Democrats (SPD), the Greens, or the Left, while right-wing voters were those intending to vote for the Christian Democrats (CDU/CSU) or the Free Democrats (FDP). Respondents were first required to pass a standard attention check. They were sampled to ensure representation in terms of gender, age, region, and party preference based on the German voting population in the last federal election in 2021.

Our survey experiment follows a conjoint design (see Stantcheva (2023) for more details). Participants are presented with three rounds of profiles featuring hypothetical MPs, with randomized characteristics. To align with the reporting scheme during the reform, we assign MPs with equal probability of having no outside income, between 1000€ and 3500€, between 3500€ and 7000€, and more than 7000€. For MPs with positive outside income, we further randomly assign one of four activities (giving speeches, lawyer, business owner, board membership) associated with the outside income, with each activity having an equal probability of being assigned.[12] To obscure the survey's purpose, we also randomize various characteristics of the hypothetical MP. These characteristics include gender (male, female), marital status (single, married), experience in parliament (1, 2, 3 or more legislative periods),

[11] The survey experiment was pre-registered in the AEA RCT Registry as AEARCTR-0012508.

[12] The selected activities correspond to the top four activities in terms of their share of overall outside income in the reported data. Collectively, these activities represent approximately 75% of the total outside income (see Table 2).

party membership (SPD, The Greens, The Left, CDU/CSU, FDP), as well as their mandate (directly elected, elected via party-list). The distribution of these characteristics mirrors the composition of the German federal parliament after the 2021 election. Additionally, we randomize the order in which the hypothetical MPs' characteristics are presented to each respondent.

After being presented with a hypothetical MP, respondents are asked to rate their agreement on a categorical scale from 1 to 5 to the following four statements: (1) "The MP primarily represents his/her voters", (2) "The MP primarily represents their own or third-party interests", (3) "The MP is hard-working", (4) "The MP is competent".[13] After rating three hypothetical MPs, respondents are asked whether they have informed themselves about MPs' outside income and if so, through which source. Approximately 43% of respondents state that they have obtained information on MPs' outside income. The original survey questions and their translation can be found in Appendix D. Summary statistics of all variables are presented in Appendix Table C.1.

5.2 Survey results

Given the randomization of the MP's characteristics, we can estimate the causal effect of outside income and activities using a simple OLS regression (Hainmueller et al., 2014). We transform all outcomes into z-scores by normalizing them with their sample standard deviation. We then run the following regression:

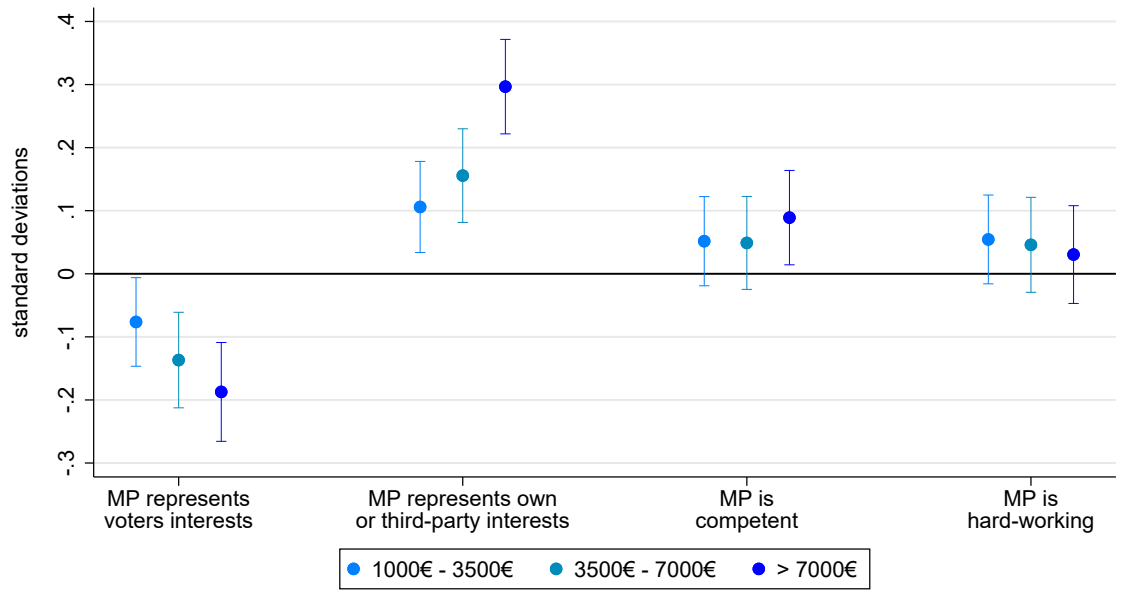
$$Y_{ir} = \sum_{e=1}^{3} \beta_e^{earn} D_e^{earn} + \sum_{j=1}^{3} \beta_j^{job} D_j^{job} + X_{ir} + \epsilon_{ir} \tag{3}$$

where Y_{ir} corresponds to the outcome variable of respondent i in round r. D_e^{earn} and D_e^{job} are dummies indicating the income level and activity of the MP, respectively. We include a vector of control variables X_{ir}, which includes all other randomized MP characteristics, all respondent demographic variables, and round fixed effects. We cluster our standard errors ϵ_{ir} at the respondent level.

In Figure 4, we plot the estimates of the three levels of outside income for each outcome separately. On average, voters perceive MPs with outside income to be up to 0.19 standard deviations ($p < 0.01$) less likely to represent their interests and up to 0.30 standard deviations ($p < 0.01$) more likely to represent their own or third-party interests. In contrast, the average voter also perceives MPs with outside income to be slightly more competent ($p < 0.05$) and

[13] The ordering of the questions is randomized for each respondent.

Figure 4: Voters' Perception of MPs with Outside Income



Notes: This graph displays the coefficients β_1^{earn}, β_2^{earn}, and β_3^{earn} and their corresponding 95% confidence interval in equation 3. Standard errors are clustered at the individual level. The point estimates are displayed in Appendix Table C.2. Source: Own survey

hard-working even though the estimates are not statistically significant. As Appendix Table C.3 shows, the activities associated with the outside income also matter on average. Voters perceive attorneys to be significantly more hard-working and competent, MPs running a business are perceived to be more likely to represent their own or third-party interests, whereas MPs who are board members are seen as less likely to represent their voters as well as perceived as less competent and hard-working.

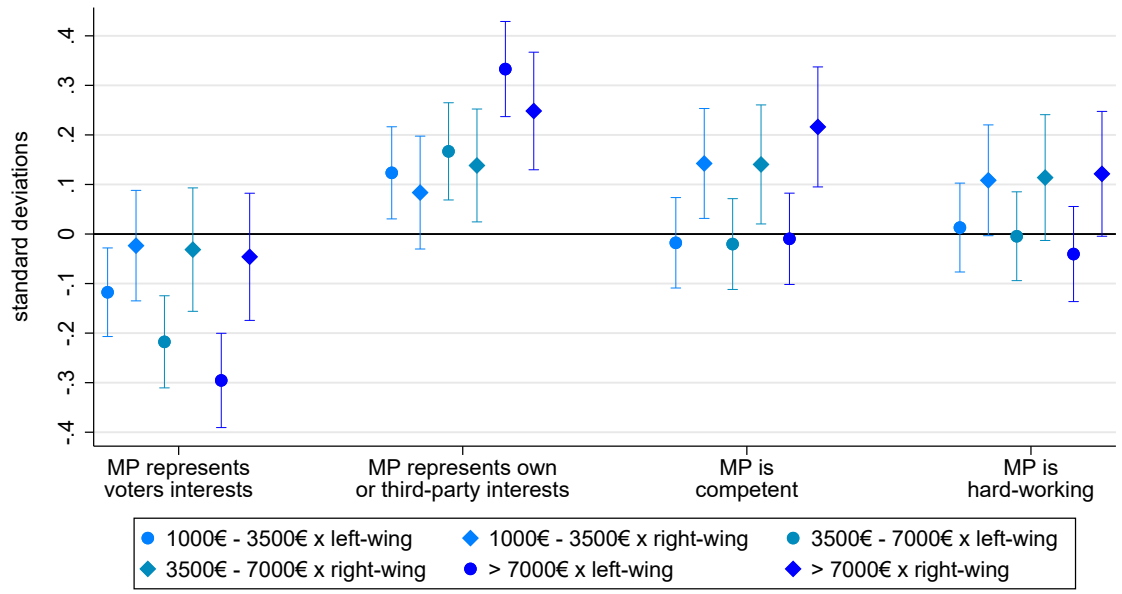
To test our main hypothesis, we run a version of equation 3 which allows the effects to be different by political leaning.

$$Y_{ir} = \sum_{e=1}^{3} \beta_e^{earn} D_e^{earn} + \sum_{j=1}^{3} \beta_j^{job} D_j^{job} + \sum_{e=1}^{3} \gamma_e^{earn} D_e^{earn} D_i^{left} + \sum_{j=1}^{3} \gamma_j^{job} D_j^{job} D_i^{left} + X_{ir} + \epsilon_{ir} \quad (4)$$

where D_i^{left} is a dummy taking the value one if the respondent intends to vote for a left-wing party. Then, γ_e^{earn} and γ_e^{job} represent the differential treatment effect for left-wing respondents.

In Figure 5, we plot the resulting treatment effects for left-wing and right-wing voters separately. Left-wing voters entirely drive the negative effect on voter representation, while right-wing voters do not show any significant effect. Contrary to that, the effects on competence and work ethic are both solely driven by right-wing voters, who perceive MPs with positive outside income to be significantly more competent and hard-working (see Appendix Table

Figure 5: Voters' Perception of MPs with Outside Income by Voters' Political Leaning



Notes: This graph displays the coefficients β_1^{earn}, β_2^{earn}, and β_3^{earn} as well as $\beta_1^{earn} + \gamma_1^{earn}$, $\beta_2^{earn} + \gamma_2^{earn}$, and $\beta_3^{earn} + \gamma_3^{earn}$ and their corresponding 95% confidence interval in equation 4. Standard errors are clustered at the individual level. The point estimates are displayed in Appendix Table C.3. Source: Own survey

C.3). Thus, left-wing voters appear to have a negative view of MPs with outside income, perceiving them not to represent their interests, whereas right-wing voters have a positive view of MPs with outside income, perceiving them to be more competent and hard-working. This difference is consistent with our prior evidence on the heterogeneous effect of the disclosure law by political leaning. Since right-wing voters perceive the comparatively moderate amount of outside income disclosed by the law as a positive signal of their competence and work ethic, right-wing MPs have an incentive to increase their outside income.

To gauge the size of the differential perception of outside income, we benchmark the effects to the well-established partisan bias, the degree to which voters favor politicians from their preferred party (Ditto et al., 2019). We estimate the partisan bias by regressing our outcome variables on an indicator taking the value one if the hypothetical MP is from the voter's preferred party and the same set of control variables as in equation 3. As expected, we find strong and precisely estimated partisan bias between 0.10 and 0.31 standard deviations in the expected direction for all outcomes (see Appendix Table C.4). Next, we normalize all outcome variables by their estimated partisan bias, which allows us to interpret the results relative to it. As Appendix Tables C.5 and C.6 show, the effects we find are quite sizeable. The difference in perception between left- and right-wing voters corresponds to between 56% and 81% of the

estimated partisan bias. Thus, voters place a very sizeable weight on outside income when evaluating politicians.

One assumption we have to make is that the stated preferences by voters are comparable over time since our survey took place years after the reform. To support this assumption, we drop voters below the age of 30 who are too young to vote in the 2013 federal election. Appendix Tables C.7 and C.8 show that our results are not changed when restricting the sample to voters who are at least 30 years old. Furthermore, the differential response by left- and right-wing voters cannot be explained by them being differentially informed. As Appendix Table C.9 shows, left- and right-wing voters report being similarly informed about outside income. We also conduct several robustness checks. In particular, we show results without control variables, estimated by ordered logit instead of OLS, or using binary outcome variables that take the value one if the outcome is larger than the middle category of the ordinal scale. None of these robustness checks change our results significantly (see Appendix Tables C.10, C.11, C.12, C.13, C.14, and C.15).

6 Conclusion

We evaluate the effects of public disclosure rules on politicians' outside income. Since 2007, MPs of the German federal parliament have been obliged to publish their outside activities and associated income in a (top-coded) bracket-based reporting scheme. The reform was intended to reveal conflicts of interest. First, we exploit the introduction of this policy as an exogenous variation. We can observe both federal and state MPs in administrative tax records before and after the policy change. Thereby, we use unaffected state MPs as a control group in a difference-in-difference design. Second, we can differentiate between private and public disclosure. Since 2005, information on outside activities and income was initially privately disclosed to the administration of the Bundestag. In 2007, the Federal Court decided that the information must be publicly disclosed involving a public disclosure of the information for the years 2005 and 2006. Last, given the sparse number of demographic variables in the tax return data and the inability to merge this data with any other data set, we collect various other data sets to uncover potential mechanisms behind our findings.

We show that the introduction of public disclosure of outside activities and income led to an increase of 15.3% in income earnings. This effect is mainly present at the top end of the distribution and is largely driven by income from self-employment and businesses. Importantly, the effect only emerges when disclosure is public, not when it is private. This

confirms previous correlational evidence by Djankov et al. (2010). Therefore, it is unlikely that the increase is driven by increased tax compliance since MPs should have anticipated that there is a significant chance that their privately disclosed income would become public retroactively. Using a proxy for party membership, we find evidence that right-wing MPs drive the effect. We explain this finding by conducting a survey experiement among German voters, which reveals that the interpretation of outside income varies along party lines. Right-wing voters perceive outside income as a sign of competence, whereas left-wing voters believe that such politicians are less likely to represent their constitutions effectively. Taken together, our results suggest that the effect of income disclosure laws crucially depends on their exact implementation. If the disclosed information is limited and lacks precision such that voters cannot identify top earners, public income disclosure can increase outside activities and income and thereby, might increase the risk of exertion of influence.

Our project faces various limitations. Earnings in the tax data do not necessarily reflect the time an MP has invested into his or her outside work. Activities differ in the type of activity (for example, giving a speech or being a member of a supervisory board), the time invested, and the degree of interdependence with third parties, all of which we cannot observe in the tax data. Therefore, we cannot make statements about the impact on the quality of parliamentary work or potential conflicts of interest.

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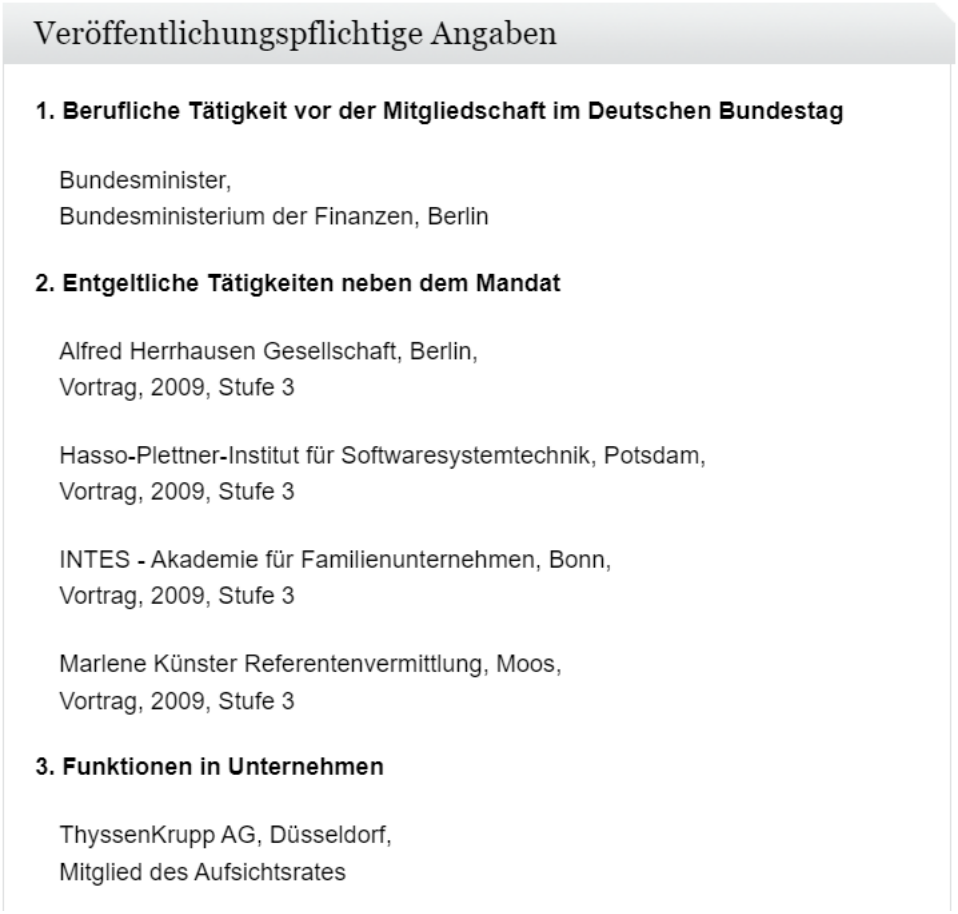
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A Additional Graphs and Tables: Disclosed Data

Figure A.1: Example of Public Disclosure of Outside Income


Veröffentlichungspflichtige Angaben

1. Berufliche Tätigkeit vor der Mitgliedschaft im Deutschen Bundestag

Bundesminister,
Bundesministerium der Finanzen, Berlin

2. Entgeltliche Tätigkeiten neben dem Mandat

Alfred Herrhausen Gesellschaft, Berlin,
Vortrag, 2009, Stufe 3

Hasso-Plettner-Institut für Softwaresystemtechnik, Potsdam,
Vortrag, 2009, Stufe 3

INTES - Akademie für Familienunternehmen, Bonn,
Vortrag, 2009, Stufe 3

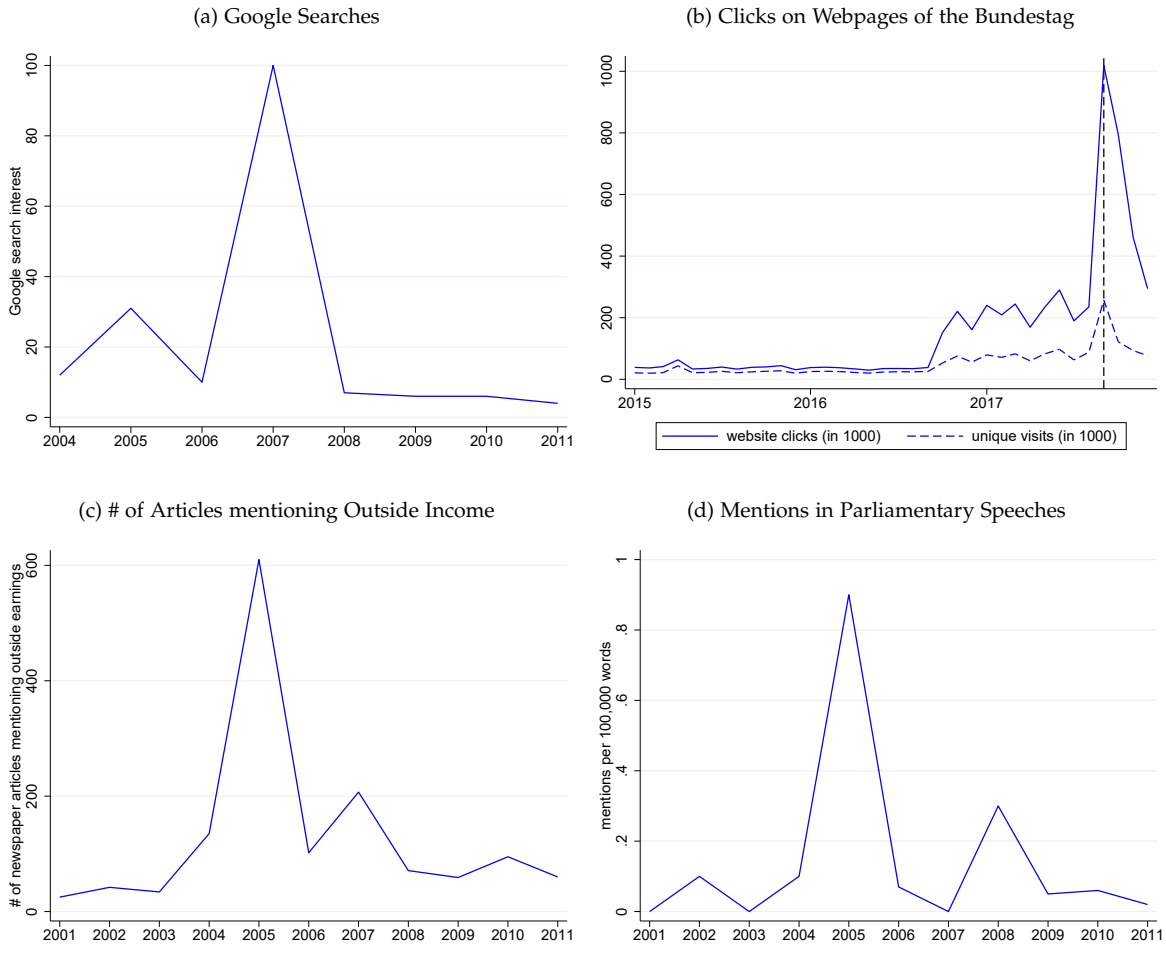
Marlene Künster Referentenvermittlung, Moos,
Vortrag, 2009, Stufe 3

3. Funktionen in Unternehmen

ThyssenKrupp AG, Düsseldorf,
Mitglied des Aufsichtsrates

Notes: This figure is a screenshot of Peer Steinbrück's published outside income in election period 17. Source: Website of the Bundestag `https://webarchiv.bundestag.de/archive/2010/0427/bundestag/abgeordnete17/biografien/S/steinbrueck_peer.html`

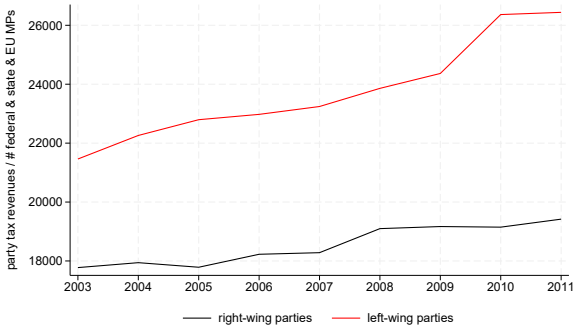
Figure A.2: Interest in Outside Activities and Income



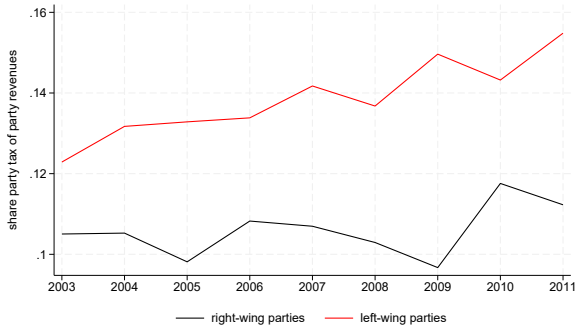
Notes: Panel (a) plots the search interest relative to the highest point in the specified period. The value 100 stands for the highest popularity of this search term. Source: Google Trends in Germany from 2004 to 2011 with search term: "Nebeneinkünfte" (outside income). Panel (b) plots monthly website clicks and unique visitors (in 1000) on the web pages of the German Bundestag from January 2015 to January 2018. The dashed line indicates the federal election in September 2017. Panel (c) plots the number of articles mentioning the outside income of politicians from the newspaper archive *GENIOS* from 2001 to 2011. Panel (d) plots the number of times outside income was mentioned in speeches held in parliament per 100000 words. Source: Die Zeit. Source: freedom of information request to the Bundestag.

Figure A.3: Party tax and membership fees: left-wing and right-wing parties

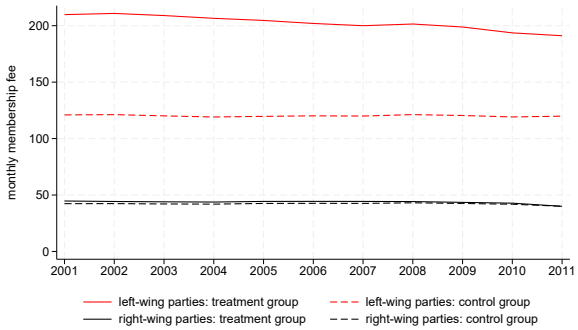
(a) party tax revenues per MP



(b) share party tax of total revenues



(c) party membership fees



Notes: Panel (a) plots the total party tax revenues of left-wing (SPD, The Greens, and the Left) and right-wing parties (CDU/CSU and FDP) divided by their total number of MPs in the federal, state, and EU parliament as a proxy for the level of the party tax. Panel (b) plots the total party tax revenues of left-wing (SPD, The Greens, and the Left) and right-wing parties (CDU/CSU and FDP) divided by their total party revenues. Panel (c) plots the average party membership fees of left-wing (SPD, The Greens, and the Left) and right-wing parties (CDU/CSU and FDP) for incomes equal to the average remuneration of federal and state MPs. Source: Accountability reports of political parties (*Rechenschaftsberichten politischer Parteien*)

Table A.1: Details of Election Periods 16 and 17 in Federal Parliament

	Election Period 16	Election Period 17
Election Details		
Election Date	18.09.2005	27.09.2009
Duration	18.10.2005 - 27.10.2009	27.10.2009 - 22.10.2013
Number of Seats	614	622
Party		
Conservatives (CDU/CSU)	226	239
Social democrats (SPD)	222	146
Liberal democrats (FDP)	61	93
Far-left (The Left)	54	76
Green party (The Greens)	51	68

Notes: This table displays information on the German federal parliament.

Table A.2: Descriptive Statistics: Disclosed Data

	mean	median	sd	min	max	N
female	0.32	0.00	0.47	0.00	1.00	1294
age	51.39	53.00	9.91	24.00	76.00	1294
married	0.73	1.00	0.45	0.00	1.00	1294
East Germany	0.17	0.00	0.38	0.00	1.00	1294
doctoral degree	0.19	0.00	0.39	0.00	1.00	1294
right-wing MP	0.50	1.00	0.50	0.00	1.00	1294
directly elected	0.46	0.00	0.50	0.00	1.00	1294
number of terms served	2.89	2.00	1.88	1.00	11.00	1294
committee chair	0.07	0.00	0.26	0.00	1.00	1294
committee: interior	0.06	0.00	0.23	0.00	1.00	1294
committee: social	0.06	0.00	0.23	0.00	1.00	1294
committee: science	0.05	0.00	0.22	0.00	1.00	1294
committee: agriculture	0.05	0.00	0.22	0.00	1.00	1294
committee: family	0.05	0.00	0.22	0.00	1.00	1294
committee: health	0.05	0.00	0.22	0.00	1.00	1294
committee: culture	0.03	0.00	0.18	0.00	1.00	1294
committee: human rights	0.03	0.00	0.16	0.00	1.00	1294
committee: justice	0.05	0.00	0.22	0.00	1.00	1294
committee: tourism	0.03	0.00	0.16	0.00	1.00	1294
committee: environment	0.05	0.00	0.22	0.00	1.00	1294
committee: traffic	0.06	0.00	0.23	0.00	1.00	1294
committee: election	0.02	0.00	0.16	0.00	1.00	1294
committee: economics	0.06	0.00	0.23	0.00	1.00	1294
committee: EU	0.05	0.00	0.22	0.00	1.00	1294
committee: development	0.04	0.00	0.19	0.00	1.00	1294
committee: exterior	0.06	0.00	0.23	0.00	1.00	1294
committee: budget	0.12	0.00	0.32	0.00	1.00	1294
committee: petition	0.04	0.00	0.19	0.00	1.00	1294
committee: accounting	0.02	0.00	0.16	0.00	1.00	1294
committee: sports	0.03	0.00	0.16	0.00	1.00	1294
committee: defense	0.05	0.00	0.22	0.00	1.00	1294

Source: Hand-collected data for election periods 16 and 17.

Table A.3: Distribution of Levels and Frequency by Activity

	election period 16		election period 17		total	
	N	in percent	N	in percent	N	in percent
level 0	1317	0.485	1402	0.483	2719	0.484
level 1	697	0.257	780	0.267	1477	0.262
level 2	206	0.076	218	0.075	424	0.075
level 3	497	0.183	512	0.175	1009	0.179
frequency: once	2563	0.943	2736	0.937	5290	0.940
frequency: yearly	67	0.025	59	0.020	126	0.022
frequency: monthly	87	0.032	126	0.043	213	0.038
total	2717	1.000	2921	1.000	5629	1.000

Source: Hand-collected data for election periods 16 and 17.

Table A.4: Disclosed Outside Income: Correlations using Mid-point Imputation

	(1) disclosed income > 0	(2) disclosed income > 0	(3) disclosed income > 0	(4) log disclosed income	(5) log disclosed income	(6) log disclosed income
right-wing MP	0.179***	0.154***	0.149***	0.945***	0.842***	0.828***
	(0.029)	(0.031)	(0.031)	(0.159)	(0.165)	(0.166)
female		-0.086**	-0.072**		-0.542***	-0.600***
		(0.035)	(0.035)		(0.168)	(0.173)
age		-0.001	-0.001		0.017**	0.014
		(0.001)	(0.002)		(0.008)	(0.009)
married		-0.006	-0.010		-0.235	-0.262
		(0.035)	(0.035)		(0.181)	(0.183)
East Germany		-0.065	-0.079*		-0.515***	-0.507***
		(0.042)	(0.043)		(0.198)	(0.193)
doctoral degree		0.050	0.039		0.154	0.134
		(0.036)	(0.036)		(0.193)	(0.192)
directly elected			0.039			-0.085
			(0.028)			(0.159)
number of terms served			-0.001			-0.003
			(0.009)			(0.053)
committee chair			0.066			0.452
			(0.045)			(0.281)
committee FE			yes			yes
N	1294	1294	1294	897	897	897
# respondents	864	864	864	638	638	638

Notes: * p<0.1, ** p<0.05, *** p<0.01 The outcome variable is the mid-point imputation measure of outside income based on the reported data. To construct outside income, we assign each activity the mid-point of the bracket. For the top bracket, we assign the lower bound of the bracket. Standard errors clustered at the individual level. Source: Reported data for election periods 16 and 17.

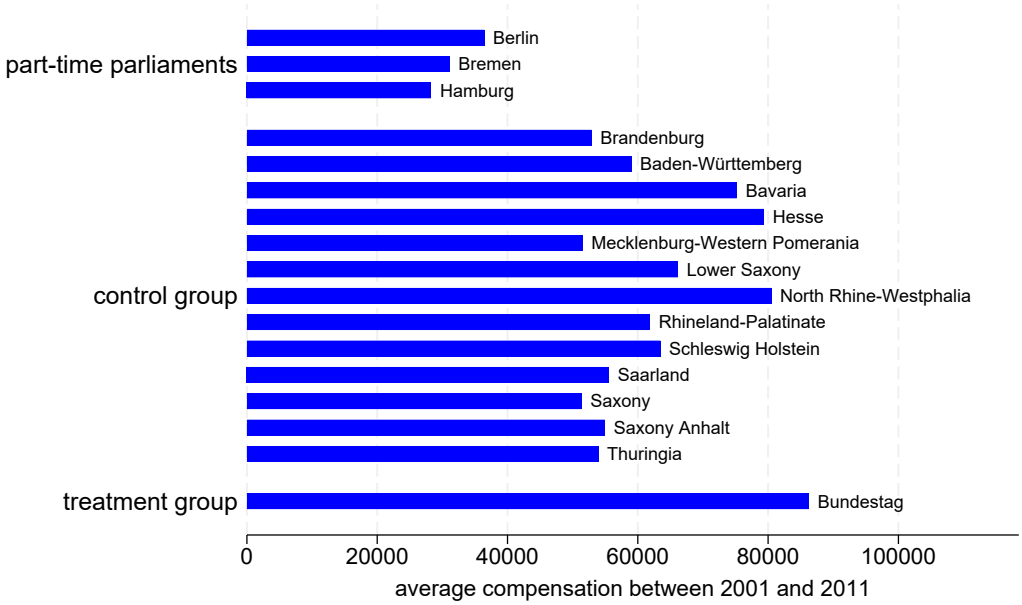
Table A.5: Disclosed Outside Income: By Sources & Political Party

	(1) disclosed income: business owner	(2) disclosed income: attorney	(3) disclosed income: board member	(4) disclosed income: publishing/talks
right-wing MP	2256***	539	859***	-303
	(681)	(422)	(268)	(329)
N	1294	1294	1294	1294
# respondents	864	864	864	864

Notes: * p<0.1, ** p<0.05, *** p<0.01 The outcome variable is the lower bound measure of outside income based on the disclosed data as described in Section 2.2. To determine the value of outside income, we assign the lower bound of each bracket to every activity. We then calculate the total amount of reported outside income for every federal MP per election period. We normalize this amount to 2010 € using the German CPI and divide it by four to ensure comparability with the yearly tax data. Standard errors clustered at the individual level. Source: Hand-collected data for election periods 16 and 17.

B Additional Graphs and Tables: Tax Data

Figure B.1: Average Compensation of MPs in Each Parliament



Notes: This figure plots the distribution of average compensation for MPs in each parliament. These values refer to the average for the years 2001 to 2011.

We determine both groups as follows: First, we identify all members of the federal, state, and EU parliament who report positive income from parliamentary activities. Next, we gather information on the remuneration and election dates of all 16 state parliaments, the federal, and European parliament from 2001 to 2011. Appendix Figure B.1 displays the average remuneration for the federal, EU, and all state parliaments throughout the sample period. Since state MPs have always received lower salaries than federal MPs, we make a distinction between the two groups within state-year cells. Before 2009, members of the European Parliament received the same compensation as federal MPs. To identify these units, we leverage the increase in their compensation in 2009 resulting from the harmonization of salaries across the European Union. We exclude observations where income from parliamentary activities underwent a significant discontinuous jump in 2009 due to the reform. We can identify approximately two-thirds of the 99 EU parliamentarians because one-third entered the European Parliament for the first time. This makes it difficult to distinguish them from newly entering federal MPs. It is important to note, that this creates a bias towards zero, as a small portion of the treatment group is not treated. Throughout our sample period, there were no changes in income disclosure requirements for members of the European Parliament. Furthermore, we exclude households in which both the head and the spouse are MPs, as they could potentially belong to both the treatment and control group. This only involves a very small number of couples within our sample period. Their inclusion does not alter our results. In addition, we exploit the panel structure of our data to identify individuals who have recently entered or left parliament in a given year. This is necessary because their pre-political income could be erroneously categorized as outside income. Furthermore, when MPs depart from parliament, they receive a transitional payment (*Übergangsgeld*). We make use of two facts here: (i) the majority of MPs vacate their parliamentary position following elections, and (ii) the transitional payment is lower than the regular salary. Thus, we can identify MPs who experience a significant decrease in income from parliamentary activities immediately after a state or federal election. We classify these MPs as dropouts. Federal MPs receive an extra month of transitional payments for every year they have served in parliament. These transitional payments are limited to a maximum of 18 months. Upon leaving parliament, starting from the second month, the transitional payments will be

decreased by the same amount as any other income the former MP receives. Additionally, we exclude all MPs from the three German city-states (Berlin, Hamburg, and Bremen) since being an MP is only a part-time job in these state parliaments (*Feierabendparlamente*). Table B.1 shows the number of MPs we expect by parliament and corresponding election years, for federal and state parliaments.

Table B.1: Average Number of MPs in Federal and State Parliaments

	number of MPs	election years
Treatment Group	**623**	
Federal Parliament	623	2002, 2005, 2009
Control Group	**1520**	
Baden Württemberg	134	2001, 2006, 2011
Mecklenburg-Vorpommern	71	2002, 2006, 2011
North Rhine Westphalia	210	2005, 2010
Rhineland-Palatinate	101	2001, 2006, 2011
Schleswig-Holstein	83	2005, 2009
Saarland	51	2004, 2009
Saxony	126	2004, 2009
Bavaria	187	2003, 2008
Hessia	112	2003, 2008
Lower Saxony	163	2003, 2009
Brandenburg	88	2004, 2009
Saxony-Anhalt	106	2002, 2006, 2011
Thuringia	88	2004, 2009
Part-time parliament *(excluded in all years)*	**352**	
Berlin	146	2001, 2006, 2011
Bremen	85	2003, 2007, 2011
Hamburg	121	2001, 2004, 2008, 2011

Notes: This table denotes the average number of MPs in each parliament between 2001 and 2011. Germany consists of 16 states (*Länder*). We exclude the city-states Berlin, Bremen, and Hamburg from our analysis as they are part-time parliaments (*Feierabendparliament*).

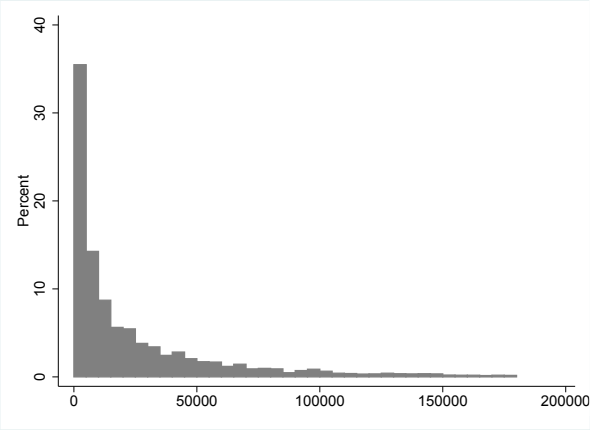
Table B.2: Descriptive Information: Federal and State MPs

	Disclosed data	Tax data		
	federal MPs	all	federal MPs	state MPs
female	0.32	0.29	0.32	0.28
age	51.39	54.90	52.14	56.08
married	0.73	0.75	0.71	0.76
West Germany	0.83	0.74	0.77	0.72

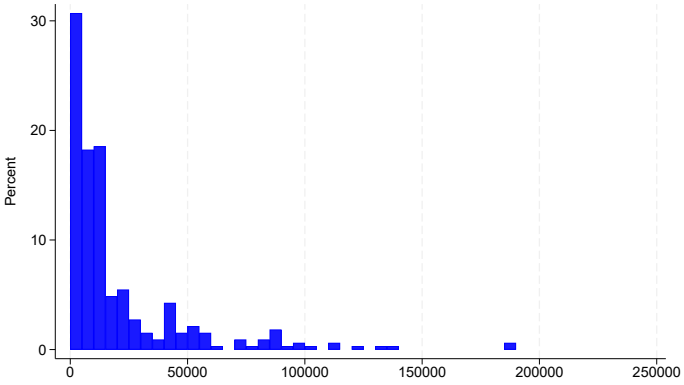
Source: Taxpayer Panel 2001-2011 and hand-collected data for election periods 16 and 17.

Figure B.2: Distribution of Outside Income

(a) Tax data



(b) Disclosed data



Notes: Panel (a) displays the distribution of positive outside income from federal MPs excluding the top 2% for privacy reasons based on the tax return data. Panel (b) shows the corresponding distribution for outside income based on the disclosed data. To determine the value of outside income, we assign the lower bound of each bracket to every activity. We then calculate the total amount of reported outside income for every federal MP per election period. We normalize this amount to 2010 € using the German CPI and divide it by four to ensure comparability with the yearly tax data. Source: Taxpayer Panel, 2001-2011 (Panel (a)); Hand-collected data for election periods 16 and 17 (Panel (b))

Table B.3: Introduction of Public Disclosure: Dynamic Effects

	(1) log outside income	(2) log outside income
treatment x reform x 2001	-0.0585	-0.0122
	(0.1113)	(0.1471)
treatment x reform x 2002	0.0507	0.0372
	(0.1023)	(0.1329)
treatment x reform x 2003	-0.0095	-0.0568
	(0.0962)	(0.1272)
treatment x reform x 2004	0.0139	-0.0268
	(0.0934)	(0.1236)
treatment x reform x 2005	-0.0140	-0.0912
	(0.0792)	(0.1090)
treatment x reform x 2007	0.0525	-0.0735
	(0.0706)	(0.0955)
treatment x reform x 2008	0.1458*	-0.0681
	(0.0773)	(0.1088)
treatment x reform x 2009	0.1940**	0.1239
	(0.0927)	(0.1218)
treatment x reform x 2010	0.1873*	-0.0148
	(0.1077)	(0.1450)
treatment x reform x 2011	0.2433**	0.0264
	(0.1091)	(0.1530)
treatment x reform x 2001 x proxy for right-wing		-0.0170
		(0.2414)
treatment x reform x 2002 x proxy for right-wing		0.1452
		(0.2093)
treatment x reform x 2003 x proxy for right-wing		0.1776
		(0.1963)
treatment x reform x 2004 x proxy for right-wing		0.0846
		(0.2004)
treatment x reform x 2005 x proxy for right-wing		0.2215
		(0.1698)
treatment x reform x 2007 x proxy for right-wing		0.2978*
		(0.1529)
treatment x reform x 2008 x proxy for right-wing		0.4609***
		(0.1695)
treatment x reform x 2009 x proxy for right-wing		0.1679
		(0.1877)
treatment x reform x 2010 x proxy for right-wing		0.4651**
		(0.2306)
treatment x reform x 2011 x proxy for right-wing		0.4947**
		(0.2276)
politician FE	yes	yes
state x year FE	yes	
state x year x group FE	yes	yes
N	17714	17712
# politicians	3283	3282

Notes: * p<0.1, ** p<0.05, *** p<0.01. This table displays estimates estimated by a fully interacted version of equation 2 using log outside income as the outcome variable. Standard errors are clustered at the individual level. Source: Taxpayer Panel, 2001-2011

Table B.4: Introduction of Public Disclosure: Heterogeneous Effects by Income Category

income from	businesses & self-employment		wages & salaries		other sources	
	(1)	(2)	(3)	(4)	(5)	(6)
	log income	income > 0	log income	income > 0	log income	income > 0
treatment x reform	0.1654**	0.0400**	0.0391	0.0098	0.0062	0.0142
	(0.0807)	(0.0171)	(0.0844)	(0.0112)	(0.1105)	(0.0135)
politician FE	yes	yes	yes	yes	yes	yes
state x year FE	yes	yes	yes	yes	yes	yes
N	12277	25748	7277	25748	5837	25748
# politicians	2470	4251	1454	4251	1195	4251

Notes: * p<0.1, ** p<0.05, *** p<0.01. This table displays estimates from equation 1 using log outside income and a dummy for positive income from business operations and self-employment (columns 1 & 2), wages and salaries (columns 3 & 4), and other sources (columns 5 & 6) as outcome variables. Standard errors are clustered at the individual level. Source: Taxpayer Panel, 2001-2011

Table B.5: Introduction of Public Disclosure: Quantile Regressions

	(1) outside income: 1st decile	(2) outside income: 2nd decile	(3) outside income: 3rd decile	(4) outside income: 4th decile	(5) outside income: 5th decile	(6) outside income: 6th decile	(7) outside income: 7th decile	(8) outside income: 8th decile	(9) outside income: 9th decile
treatment x reform	407**	338**	745***	614**	1669***	2283***	4558**	5463**	13987**
	(170)	(144)	(250)	(261)	(432)	(877)	(1823)	(2240)	(5637)
politician FE	yes	yes	yes	yes	yes	yes	yes	yes	yes
state x year FE	yes	yes	yes	yes	yes	yes	yes	yes	yes
N	26257	26257	26257	26257	26257	26257	26257	26257	26257
# politicians	4760	4760	4760	4760	4760	4760	4760	4760	4760

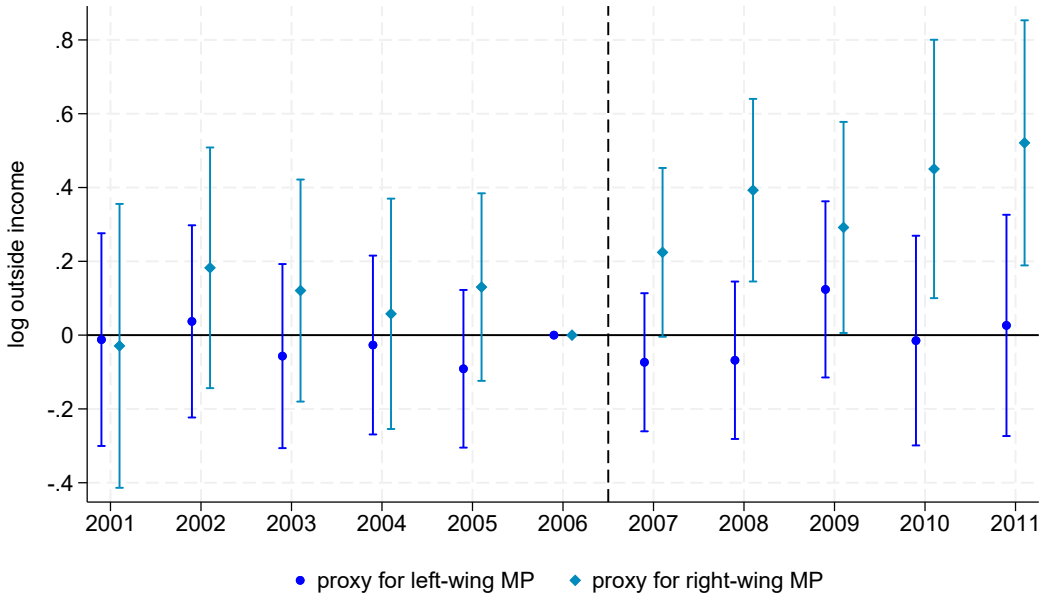
Notes: * p<0.1, ** p<0.05, *** p<0.01. This table displays estimates from equation 1 using unconditional quantile regression for the first to ninth decile. Standard errors are clustered at the individual level. Source: Taxpayer Panel, 2001-2011

Table B.6: Introduction of Public Disclosure: Heterogeneous Effects by Political Affiliation using the Refined Proxy

	(1) log outside income	(2) log outside income	(3) log outside income	(4) log outside income	(5) log outside income
treatment x reform	0.0253	0.0440	-0.1221	-0.0985	-0.2073
	(0.0764)	(0.0808)	(0.1654)	(0.1735)	(0.2313)
treatment x reform x refined proxy for right-wing	0.2659**	0.2681**	0.2524**	0.2435**	0.3133**
	(0.1237)	(0.1225)	(0.1227)	(0.1241)	(0.1391)
treatment x reform x female		-0.1086	-0.1009	-0.1021	-0.0778
		(0.1554)	(0.1544)	(0.1562)	(0.1621)
treatment x reform x West Germany			0.2033	0.1599	0.1266
			(0.1775)	(0.1722)	(0.1752)
treatment x reform x above median age				0.0444	0.0203
				(0.1277)	(0.1284)
treatment x reform x married					0.1456
					(0.1774)
politician FE	yes	yes	yes	yes	yes
state x year x group FE	yes	yes	yes	yes	yes
N	17700	17613	17613	17577	17572
# politicians	3278	3264	3264	3257	3257

Notes: * p<0.1, ** p<0.05, *** p<0.01. This table displays estimates from a fully interacted version of equation 1 using log outside income as the outcome variable and the refined proxy for right-wing MPs as the interaction variable. The refined proxy for right-wing MPs is described in Section 3.2. Standard errors are clustered at the individual level. Source: Taxpayer Panel, 2001-2011

Figure B.3: Introduction of Public Disclosure: Dynamic Effects by Proxy for Political Affiliation



Notes: This graph displays the coefficients β_t and the corresponding 95% confidence intervals estimated by a fully interacted version of equation 2 using log outside income as the outcome variable and the proxy for right-wing MPs as the interaction variable. The proxy for right-wing MPs is described in Section 3.2. Standard errors are clustered at the individual level. The point estimates are in Appendix Table B.3. Source: Taxpayer Panel, 2001-2011

C Additional Graphs and Tables: Survey Data

Table C.1: Survey: Descriptive Statistics

	mean	median	sd	min	max	N
MP represents voters interests	4.23	4.00	1.40	1.00	7.00	12075
MP represents own or third-party interests	4.09	4.00	1.41	1.00	7.00	12075
MP is competent	4.34	4.00	1.32	1.00	7.00	12075
MP is hard-working	4.09	4.00	1.42	1.00	7.00	12075
female	0.52	1.00	0.50	0.00	1.00	12075
age: 18 - 29	0.13	0.00	0.34	0.00	1.00	12075
age: 30 - 39	0.14	0.00	0.35	0.00	1.00	12075
age: 40 - 49	0.14	0.00	0.35	0.00	1.00	12075
age: 50 - 59	0.20	0.00	0.40	0.00	1.00	12075
age: 60 or older	0.39	0.00	0.49	0.00	1.00	12075
East Germany	0.20	0.00	0.40	0.00	1.00	12075
left-wing	0.56	1.00	0.50	0.00	1.00	12075
informed about outside income	0.43	0.00	0.49	0.00	1.00	12015

Source: Own survey

Table C.2: Voters' Perception of MPs with Outside Income

	(1) MP represents voters' interests	(2) MP represents own or third-party interests	(3) MP is competent	(4) MP is hard-working
outside income: 1000€ - 3500€	-0.076**	0.106***	0.052	0.054
	(0.036)	(0.037)	(0.036)	(0.036)
outside income: 3500€ - 7000€	-0.137***	0.156***	0.049	0.046
	(0.039)	(0.038)	(0.038)	(0.038)
outside income: > 7000€	-0.187***	0.297***	0.089**	0.030
	(0.040)	(0.038)	(0.038)	(0.040)
attorney	-0.006	0.034	0.189***	0.103***
	(0.033)	(0.034)	(0.034)	(0.033)
business owner	-0.047	0.096***	0.028	0.179***
	(0.032)	(0.034)	(0.033)	(0.033)
board member	-0.207***	0.164***	-0.046	-0.103***
	(0.035)	(0.036)	(0.034)	(0.034)
estimation	OLS	OLS	OLS	OLS
z-score	yes	yes	yes	yes
controls	yes	yes	yes	yes
N	12075	12075	12075	12075
# respondents	4025	4025	4025	4025

Notes: This table displays the coefficients β_1^{earn}, β_2^{earn}, β_3^{earn}, β_1^{job}, β_2^{job}, and β_3^{job} from equation 3. The control variables include all other treatment dummies, survey round fixed effects, the respondents' gender, four age dummies, a dummy whether they live in East Germany, and a left-wing dummy. Standard errors are clustered at the individual level. Source: Own survey

Table C.3: Voters' Perception of MPs with Outside Income by Voters' Political Leaning

	(1) MP represents voters' interests	(2) MP represents own or third-party interests	(3) MP is competent	(4) MP is hard-working
outside income: 1000€ - 3500€	-0.023	0.084	0.142**	0.108*
	(0.057)	(0.058)	(0.057)	(0.057)
outside income: 3500€ - 7000€	-0.031	0.138**	0.140**	0.114*
	(0.064)	(0.058)	(0.061)	(0.065)
outside income: > 7000€	-0.046	0.248***	0.216***	0.121*
	(0.065)	(0.061)	(0.062)	(0.064)
outside income: 1000€ - 3500€ x left-wing respondent	-0.094	0.040	-0.160**	-0.095
	(0.073)	(0.075)	(0.073)	(0.073)
outside income: 3500€ - 7000€ x left-wing respondent	-0.186**	0.028	-0.161**	-0.118
	(0.080)	(0.077)	(0.077)	(0.079)
outside income: > 7000€ x left-wing respondent	-0.249***	0.085	-0.226***	-0.162**
	(0.081)	(0.078)	(0.077)	(0.081)
attorney	0.033	0.006	0.145***	0.098*
	(0.048)	(0.049)	(0.053)	(0.051)
business owner	-0.018	0.054	0.053	0.242***
	(0.049)	(0.053)	(0.050)	(0.049)
board member	-0.235***	0.159***	-0.104*	-0.137***
	(0.055)	(0.053)	(0.054)	(0.053)
attorney x left-wing respondent	-0.064	0.051	0.079	0.011
	(0.066)	(0.067)	(0.069)	(0.068)
business owner x left-wing respondent	-0.050	0.075	-0.045	-0.112*
	(0.065)	(0.070)	(0.066)	(0.065)
board member x left-wing respondent	0.053	0.006	0.105	0.064
	(0.072)	(0.071)	(0.070)	(0.070)
estimation	OLS	OLS	OLS	OLS
z-score	yes	yes	yes	yes
controls	yes	yes	yes	yes
N	12075	12075	12075	12075
# respondents	4025	4025	4025	4025

Notes: This table displays the coefficients β_1^{earn}, β_2^{earn}, β_3^{earn}, β_1^{job}, β_2^{job}, β_3^{job}, γ_1^{earn}, γ_2^{earn}, γ_3^{earn}, γ_1^{job}, γ_2^{job}, and γ_3^{job} from equation 4. The control variables include all other treatment dummies, survey round fixed effects, the respondents' gender, four age dummies, a dummy whether they live in East Germany, and a left-wing dummy. Standard errors are clustered at the individual level. The point estimates are displayed in Appendix Table C.3. Source: Own survey

Table C.4: Partisan Bias in Voters' Perception

	(1) MP represents voters' interests	(2) MP represents own or third-party interests	(3) MP is competent	(4) MP is hard-working
politician from own party	0.309***	-0.103***	0.283***	0.288***
	(0.026)	(0.026)	(0.026)	(0.028)
estimation	OLS	OLS	OLS	OLS
z-score	yes	yes	yes	yes
controls	yes	yes	yes	yes
N	12075	12075	12075	12075
# respondents	4025	4025	4025	4025

Notes: This table displays the coefficient $\beta^{ownparty}$ from estimating the following equation $Y_{ir} = \beta^{ownparty} D_{ir}^{ownparty} + X_{ir} + \epsilon_{ir}$. The control variables include all other treatment dummies, survey round fixed effects, the respondents' gender, four age dummies, a dummy whether they live in East Germany, and a left-wing dummy. Standard errors are clustered at the individual level. Source: Own survey

Table C.5: Voters' Perception of MPs with Outside Income: Normalized by Partisan Bias

	(1) MP represents voters' interests	(2) MP represents own or third-party interests	(3) MP is competent	(4) MP is hard-working
outside income: 1000€ - 3500€	-0.247**	1.026***	0.183	0.189
	(0.116)	(0.356)	(0.127)	(0.124)
outside income: 3500€ - 7000€	-0.443***	1.507***	0.173	0.159
	(0.125)	(0.367)	(0.133)	(0.133)
outside income: > 7000€	-0.607***	2.872***	0.314**	0.106
	(0.129)	(0.370)	(0.135)	(0.137)
attorney	-0.018	0.334	0.666***	0.359***
	(0.106)	(0.326)	(0.120)	(0.116)
business owner	-0.151	0.929***	0.098	0.619***
	(0.105)	(0.333)	(0.116)	(0.114)
board member	-0.669***	1.584***	-0.162	-0.356***
	(0.115)	(0.347)	(0.122)	(0.119)
estimation	OLS	OLS	OLS	OLS
normalized by partisan bias	yes	yes	yes	yes
controls	yes	yes	yes	yes
N	12075	12075	12075	12075
# respondents	4025	4025	4025	4025

Notes: This table displays the coefficients β_1^{earn}, β_2^{earn}, β_3^{earn}, β_1^{job}, β_2^{job}, and β_3^{job} from equation 3 normalized by the partisan bias estimated from Appendix Table C.4. The control variables include all other treatment dummies, survey round fixed effects, the respondents' gender, four age dummies, a dummy whether they live in East Germany, and a left-wing dummy. Standard errors are clustered at the individual level. Source: Own survey

Table C.6: Voters' Perception of MPs with Outside Income by Voters' Political Leaning: Normalized by Partisan Bias

	(1) MP represents voters' interests	(2) MP represents own or third-party interests	(3) MP is competent	(4) MP is hard-working
outside income: 1000€ - 3500€	-0.076	0.810	0.503**	0.376*
	(0.184)	(0.563)	(0.200)	(0.198)
outside income: 3500€ - 7000€	-0.102	1.340**	0.496**	0.395*
	(0.206)	(0.563)	(0.216)	(0.225)
outside income: > 7000€	-0.149	2.404***	0.763***	0.421*
	(0.212)	(0.586)	(0.218)	(0.223)
outside income: 1000€ - 3500€ x left-wing respondent	-0.305	0.386	-0.565**	-0.331
	(0.237)	(0.727)	(0.259)	(0.254)
outside income: 3500€ - 7000€ x left-wing respondent	-0.603**	0.276	-0.568**	-0.410
	(0.258)	(0.744)	(0.273)	(0.276)
outside income: > 7000€ x left-wing respondent	-0.808***	0.819	-0.797***	-0.561**
	(0.264)	(0.754)	(0.273)	(0.280)
attorney	0.106	0.054	0.513***	0.340*
	(0.155)	(0.475)	(0.187)	(0.178)
business owner	-0.058	0.523	0.188	0.838***
	(0.157)	(0.509)	(0.175)	(0.169)
board member	-0.760***	1.544***	-0.366*	-0.476***
	(0.179)	(0.514)	(0.189)	(0.185)
attorney x left-wing respondent	-0.208	0.496	0.278	0.039
	(0.212)	(0.651)	(0.244)	(0.235)
business owner x left-wing respondent	-0.161	0.730	-0.160	-0.388*
	(0.211)	(0.674)	(0.234)	(0.227)
board member x left-wing respondent	0.172	0.060	0.372	0.222
	(0.234)	(0.692)	(0.248)	(0.244)
estimation	OLS	OLS	OLS	OLS
normalized by partisan bias	yes	yes	yes	yes
controls	yes	yes	yes	yes
N	12075	12075	12075	12075
# respondents	4025	4025	4025	4025

Notes: This table displays the coefficients β_1^{earn}, β_2^{earn}, β_3^{earn}, β_1^{job}, β_2^{job}, β_3^{job}, γ_1^{earn}, γ_2^{earn}, γ_3^{earn}, γ_1^{job}, γ_2^{job}, and γ_3^{job} from equation 4 normalized by the partisan bias estimated in Appendix Table C.4. The control variables include all other treatment dummies, survey round fixed effects, the respondents' gender, four age dummies, a dummy whether they live in East Germany, and a left-wing dummy. Standard errors are clustered at the individual level. Source: Own survey

Table C.7: Voters' Perception of MPs with Outside Income: Drop Young Voters

	(1) MP represents voters' interests	(2) MP represents own or third-party interests	(3) MP is competent	(4) MP is hard-working
outside income: 1000€ - 3500€	-0.082**	0.140***	0.053	0.050
	(0.039)	(0.040)	(0.038)	(0.039)
outside income: 3500€ - 7000€	-0.153***	0.211***	0.048	0.034
	(0.042)	(0.040)	(0.040)	(0.042)
outside income: > 7000€	-0.211***	0.337***	0.076*	0.005
	(0.043)	(0.040)	(0.040)	(0.042)
attorney	-0.008	0.016	0.192***	0.089**
	(0.035)	(0.036)	(0.036)	(0.036)
business owner	-0.036	0.058	0.037	0.185***
	(0.034)	(0.036)	(0.034)	(0.035)
board member	-0.228***	0.161***	-0.054	-0.116***
	(0.037)	(0.037)	(0.036)	(0.037)
estimation	OLS	OLS	OLS	OLS
drop young voters	yes	yes	yes	yes
z-score	yes	yes	yes	yes
controls	yes	yes	yes	yes
N	10146	10146	10146	10146
# respondents	3382	3382	3382	3382

Notes: This table displays the coefficients β_1^{earn}, β_2^{earn}, β_3^{earn}, β_1^{job}, β_2^{job}, and β_3^{job} from equation 3 dropping voters aged below 30. The control variables include all other treatment dummies, survey round fixed effects, the respondents' gender, four age dummies, a dummy whether they live in East Germany, and a left-wing dummy. Standard errors are clustered at the individual level. Source: Own survey

Table C.8: Voters' Perception of MPs with Outside Income by Voters' Political Leaning: Drop Young Voters

	(1) MP represents voters' interests	(2) MP represents own or third-party interests	(3) MP is competent	(4) MP is hard-working
outside income: 1000€ - 3500€	-0.034	0.122*	0.153**	0.112*
	(0.061)	(0.063)	(0.060)	(0.061)
outside income: 3500€ - 7000€	-0.048	0.213***	0.130**	0.106
	(0.069)	(0.061)	(0.065)	(0.070)
outside income: > 7000€	-0.059	0.309***	0.230***	0.116*
	(0.071)	(0.065)	(0.065)	(0.070)
outside income: 1000€ - 3500€ x left-wing respondent	-0.083	0.031	-0.176**	-0.109
	(0.078)	(0.081)	(0.078)	(0.079)
outside income: 3500€ - 7000€ x left-wing respondent	-0.186**	-0.007	-0.142*	-0.125
	(0.086)	(0.081)	(0.081)	(0.086)
outside income: > 7000€ x left-wing respondent	-0.267***	0.049	-0.271***	-0.197**
	(0.088)	(0.083)	(0.082)	(0.087)
attorney	0.031	0.003	0.152***	0.081
	(0.051)	(0.053)	(0.056)	(0.056)
business owner	-0.006	-0.005	0.066	0.237***
	(0.051)	(0.056)	(0.053)	(0.051)
board member	-0.237***	0.155***	-0.095*	-0.150***
	(0.059)	(0.056)	(0.057)	(0.058)
attorney x left-wing respondent	-0.065	0.025	0.072	0.016
	(0.071)	(0.071)	(0.074)	(0.073)
business owner x left-wing respondent	-0.051	0.113	-0.054	-0.094
	(0.068)	(0.073)	(0.069)	(0.069)
board member x left-wing respondent	0.020	0.009	0.077	0.063
	(0.077)	(0.074)	(0.073)	(0.075)
estimation	OLS	OLS	OLS	OLS
z-score	yes	yes	yes	yes
drop young voters	yes	yes	yes	yes
controls	yes	yes	yes	yes
N	10146	10146	10146	10146
# respondents	3382	3382	3382	3382

Notes: This table displays the coefficients β_1^{earn}, β_2^{earn}, β_3^{earn}, β_1^{job}, β_2^{job}, β_3^{job}, γ_1^{earn}, γ_2^{earn}, γ_3^{earn}, γ_1^{job}, γ_2^{job}, and γ_3^{job} from equation 4 dropping voters aged below 30. The control variables include all other treatment dummies, survey round fixed effects, the respondents' gender, four age dummies, a dummy whether they live in East Germany, and a left-wing dummy. Standard errors are clustered at the individual level. Source: Own survey

Table C.9: Knowledge about Outside Income by Voters' Political Leaning

	(1) informed about outside income	(2) informed about outside income
left-wing respondent	0.024	0.024
	(0.019)	(0.018)
controls	no	yes
N	4005	4005

Notes: This table displays the coefficient β^{left} from estimating the following equation $Y_i = \beta^{left} D_i^{left} + X_i + \epsilon_i$. The control variables X_i include the respondents' gender, four age dummies, and a dummy whether they live in East Germany. Robust standard errors are displayed in parentheses. Source: Own survey

Table C.10: Voters' Perception of MPs with Outside Income: Without Controls

	(1) MP represents voters' interests	(2) MP represents own or third-party interests	(3) MP is competent	(4) MP is hard-working
outside income: 1000€ - 3500€	-0.080**	0.113***	0.045	0.053
	(0.037)	(0.037)	(0.037)	(0.037)
outside income: 3500€ - 7000€	-0.135***	0.160***	0.049	0.049
	(0.040)	(0.038)	(0.039)	(0.040)
outside income: > 7000€	-0.188***	0.299***	0.094**	0.035
	(0.041)	(0.038)	(0.039)	(0.041)
attorney	-0.004	0.031	0.188***	0.100***
	(0.034)	(0.034)	(0.035)	(0.034)
business owner	-0.042	0.099***	0.033	0.182***
	(0.033)	(0.035)	(0.034)	(0.033)
board member	-0.210***	0.160***	-0.040	-0.109***
	(0.037)	(0.036)	(0.036)	(0.036)
estimation	OLS	OLS	OLS	OLS
z-score	yes	yes	yes	yes
controls	no	no	no	no
N	12075	12075	12075	12075 12075
# respondents	4025	4025	4025	4025

Notes: This table displays the coefficients β_1^{earn}, β_2^{earn}, β_3^{earn}, β_1^{job}, β_2^{job}, and β_3^{job} from equation 3 without the control variables. The control variables include all other treatment dummies, survey round fixed effects, the respondents' gender, four age dummies, a dummy whether they live in East Germany, and a left-wing dummy. Standard errors are clustered at the individual level. Source: Own survey

Table C.11: Voters' Perception of MPs with Outside Income by Voters' Political Leaning: Without Controls

	(1) MP represents voters' interests	(2) MP represents own or third-party interests	(3) MP is competent	(4) MP is hard-working
outside income: 1000€ - 3500€	-0.024	0.087	0.143**	0.112*
	(0.058)	(0.058)	(0.058)	(0.058)
outside income: 3500€ - 7000€	-0.034	0.133**	0.139**	0.110*
	(0.065)	(0.058)	(0.063)	(0.066)
outside income: > 7000€	-0.060	0.248***	0.219***	0.119*
	(0.067)	(0.061)	(0.064)	(0.065)
outside income: 1000€ - 3500€ x left-wing respondent	-0.097	0.044	-0.170**	-0.097
	(0.074)	(0.075)	(0.075)	(0.074)
outside income: 3500€ - 7000€ x left-wing respondent	-0.176**	0.046	-0.156**	-0.100
	(0.081)	(0.077)	(0.078)	(0.081)
outside income: > 7000€ x left-wing respondent	-0.227***	0.089	-0.222***	-0.151*
	(0.083)	(0.078)	(0.079)	(0.082)
attorney	0.036	0.001	0.148***	0.097*
	(0.050)	(0.049)	(0.055)	(0.053)
business owner	-0.014	0.060	0.057	0.244***
	(0.049)	(0.053)	(0.051)	(0.050)
board member	-0.247***	0.157***	-0.106*	-0.148***
	(0.057)	(0.052)	(0.055)	(0.054)
attorney x left-wing respondent	-0.068	0.052	0.073	0.006
	(0.068)	(0.067)	(0.071)	(0.069)
business owner x left-wing respondent	-0.049	0.070	-0.044	-0.112*
	(0.066)	(0.070)	(0.068)	(0.067)
board member x left-wing respondent	0.072	0.005	0.123*	0.075
	(0.075)	(0.072)	(0.072)	(0.072)
estimation	OLS	OLS	OLS	OLS
z-score	yes	yes	yes	yes
controls	no	no	no	no
N	12075	12075	12075	12075
# respondents	4025	4025	4025	4025

Notes: This table displays the coefficients β_1^{earn}, β_2^{earn}, β_3^{earn}, β_1^{job}, β_2^{job}, β_3^{job}, γ_1^{earn}, γ_2^{earn}, γ_3^{earn}, γ_1^{job}, γ_2^{job}, and γ_3^{job} from equation 4 without the control variables. The control variables include all other treatment dummies, survey round fixed effects, the respondents' gender, four age dummies, a dummy whether they live in East Germany, and a left-wing dummy. Standard errors are clustered at the individual level. Source: Own survey

Table C.12: Voters' Perception of MPs with Outside Income: Ordered Logit

	(1) MP represents voters' interests	(2) MP represents own or third-party interests	(3) MP is competent	(4) MP is hard-working
outside income: 1000€ - 3500€	-0.145**	0.205***	0.092	0.087
	(0.065)	(0.067)	(0.066)	(0.064)
outside income: 3500€ - 7000€	-0.256***	0.302***	0.085	0.087
	(0.068)	(0.069)	(0.067)	(0.068)
outside income: > 7000€	-0.354***	0.561***	0.163**	0.043
	(0.072)	(0.069)	(0.069)	(0.071)
attorney	-0.002	0.047	0.394***	0.206***
	(0.060)	(0.060)	(0.063)	(0.061)
business owner	-0.104*	0.164***	0.042	0.336***
	(0.060)	(0.062)	(0.060)	(0.061)
board member	-0.388***	0.276***	-0.083	-0.170***
	(0.063)	(0.065)	(0.063)	(0.063)
estimation	ordered logit	ordered logit	ordered logit	ordered logit
controls	yes	yes	yes	yes
N	12075	12075	12075	12075
# respondents	4025	4025	4025	4025

Notes: This table displays the coefficients β_1^{earn}, β_2^{earn}, β_3^{earn}, β_1^{job}, β_2^{job}, and β_3^{job} from equation 3 estimated using an ordered logit model. The control variables include all other treatment dummies, survey round fixed effects, the respondents' gender, four age dummies, a dummy whether they live in East Germany, and a left-wing dummy. Standard errors are clustered at the individual level. Source: Own survey

Table C.13: Voters' Perception of MPs with Outside Income by Voters' Political Leaning: Ordered Logit

	(1) MP represents voters' interests	(2) MP represents own or third-party interests	(3) MP is competent	(4) MP is hard-working
outside income: 1000€ - 3500€	-0.075	0.181*	0.275***	0.177*
	(0.103)	(0.104)	(0.102)	(0.102)
outside income: 3500€ - 7000€	-0.085	0.294***	0.242**	0.192*
	(0.112)	(0.104)	(0.107)	(0.115)
outside income: > 7000€	-0.107	0.477***	0.400***	0.200*
	(0.118)	(0.108)	(0.110)	(0.117)
outside income: 1000€ - 3500€ x left-wing respondent	-0.121	0.043	-0.318**	-0.155
	(0.133)	(0.135)	(0.133)	(0.133)
outside income: 3500€ - 7000€ x left-wing respondent	-0.299**	0.010	-0.269*	-0.177
	(0.141)	(0.138)	(0.138)	(0.143)
outside income: > 7000€ x left-wing respondent	-0.430***	0.145	-0.413***	-0.272*
	(0.147)	(0.140)	(0.140)	(0.147)
attorney	0.085	-0.011	0.339***	0.214**
	(0.089)	(0.089)	(0.100)	(0.094)
business owner	-0.031	0.095	0.104	0.487***
	(0.091)	(0.095)	(0.093)	(0.092)
board member	-0.436***	0.274***	-0.172*	-0.201**
	(0.100)	(0.097)	(0.096)	(0.098)
attorney x left-wing respondent	-0.148	0.103	0.100	-0.012
	(0.120)	(0.121)	(0.129)	(0.123)
business owner x left-wing respondent	-0.124	0.125	-0.107	-0.264**
	(0.122)	(0.126)	(0.123)	(0.122)
board member x left-wing respondent	0.092	0.003	0.161	0.057
	(0.129)	(0.131)	(0.127)	(0.129)
estimation	ordered logit	ordered logit	ordered logit	ordered logit
controls	yes	yes	yes	yes
N	12075	12075	12075	12075
# respondents	4025	4025	4025	4025

Notes: This table displays the coefficients β_1^{earn}, β_2^{earn}, β_3^{earn}, β_1^{job}, β_2^{job}, β_3^{job}, γ_1^{earn}, γ_2^{earn}, γ_3^{earn}, γ_1^{job}, γ_2^{job}, and γ_3^{job} from equation 4 using an ordered logit model. The control variables include all other treatment dummies, survey round fixed effects, the respondents' gender, four age dummies, a dummy whether they live in East Germany, and a left-wing dummy. Standard errors are clustered at the individual level. Source: Own survey

Table C.14: Voters' Perception of MPs with Outside Income: Binary Outcomes

	(1) Dummy: MP represents voters' interests	(2) Dummy: MP represents own or third-party interests	(3) Dummy: MP is competent	(4) Dummy: MP is hard-working
outside income: 1000€ - 3500€	-0.037**	0.033*	0.017	0.005
	(0.018)	(0.018)	(0.018)	(0.017)
outside income: 3500€ - 7000€	-0.058***	0.055***	0.023	0.011
	(0.019)	(0.018)	(0.018)	(0.018)
outside income: > 7000€	-0.074***	0.117***	0.034*	0.011
	(0.019)	(0.018)	(0.019)	(0.018)
attorney	0.002	0.017	0.115***	0.068***
	(0.017)	(0.017)	(0.017)	(0.016)
business owner	-0.032*	0.048***	0.020	0.095***
	(0.017)	(0.018)	(0.017)	(0.016)
board member	-0.085***	0.058***	-0.014	-0.014
	(0.017)	(0.017)	(0.017)	(0.016)
estimation	OLS	OLS	OLS	OLS
controls	yes	yes	yes	yes
N	12075	12075	12075	12075
# respondents	4025	4025	4025	4025

Notes: This table displays the coefficients β_1^{earn}, β_2^{earn}, β_3^{earn}, β_1^{job}, β_2^{job}, and β_3^{job} from estimating equation 3 using an binary outcome variable. The control variables include all other treatment dummies, survey round fixed effects, the respondents' gender, four age dummies, a dummy whether they live in East Germany, and a left-wing dummy. Standard errors are clustered at the individual level. Source: Own survey

Table C.15: Voters' Perception of MPs with Outside Income by Voters' Political Leaning: Binary Outcomes

	(1) Dummy: MP represents voters' interests	(2) Dummy: MP represents own or third-party interests	(3) Dummy: MP is competent	(4) Dummy: MP is hard-working
outside income: 1000€ - 3500€	-0.035	0.017	0.063**	0.012
	(0.028)	(0.029)	(0.027)	(0.025)
outside income: 3500€ - 7000€	-0.026	0.051*	0.048*	0.026
	(0.029)	(0.029)	(0.027)	(0.027)
outside income: > 7000€	-0.016	0.090***	0.086***	0.040
	(0.030)	(0.029)	(0.029)	(0.027)
outside income: 1000€ - 3500€ x left-wing respondent	-0.005	0.028	-0.081**	-0.012
	(0.037)	(0.037)	(0.037)	(0.035)
outside income: 3500€ - 7000€ x left-wing respondent	-0.056	0.005	-0.042	-0.026
	(0.038)	(0.037)	(0.037)	(0.036)
outside income: > 7000€ x left-wing respondent	-0.103***	0.048	-0.090**	-0.051
	(0.039)	(0.037)	(0.038)	(0.037)
attorney	0.039	0.009	0.101***	0.087***
	(0.026)	(0.025)	(0.027)	(0.024)
business owner	-0.001	0.050*	0.040	0.136***
	(0.025)	(0.027)	(0.025)	(0.025)
board member	-0.092***	0.078***	-0.027	-0.009
	(0.025)	(0.027)	(0.026)	(0.024)
attorney x left-wing respondent	-0.064*	0.013	0.025	-0.034
	(0.034)	(0.033)	(0.035)	(0.033)
business owner x left-wing respondent	-0.055	-0.004	-0.037	-0.074**
	(0.034)	(0.035)	(0.034)	(0.033)
board member x left-wing respondent	0.015	-0.036	0.025	-0.008
	(0.033)	(0.035)	(0.034)	(0.032)
estimation	OLS	OLS	OLS	OLS
controls	yes	yes	yes	yes
N	12075	12075	12075	12075
# respondents	4025	4025	4025	4025

Notes: This table displays the coefficients β_1^{earn}, β_2^{earn}, β_3^{earn}, β_1^{job}, β_2^{job}, β_3^{job}, γ_1^{earn}, γ_2^{earn}, γ_3^{earn}, γ_1^{job}, γ_2^{job}, and γ_3^{job} from equation 4 using a binary outcome variable. The control variables include all other treatment dummies, survey round fixed effects, the respondents' gender, four age dummies, a dummy whether they live in East Germany, and a left-wing dummy. Standard errors are clustered at the individual level. Source: Own survey

D Questionnaire

Vielen Dank für Ihre Teilnahme. Zu Beginn benötigen wir noch ein paar demografische Informationen von Ihnen. (*Thank you for your participation. To get started, we need some demographic information from you.*)

Q1: Wie alt sind Sie? (*How old are you?*)

- unter 30 (*below 30*)
- 30 - 39
- 40 - 49
- 50 - 59
- 60 oder älter (*60 or older*)

Q2: Welches Geschlecht haben Sie? (*What gender are you?*)

- männlich (*male*)
- weiblich (*female*)

Q3: In welchem Teil Deutschlands leben Sie? (*In which part of Germany do you live?*)

- Westdeutschland (*West Germany*)
- Ostdeutschland (*East Germany*)

Q4: Welche Partei würden Sie wählen, wenn am kommenden Sonntag Bundestagswahl wäre? (*Which party would you vote for if there were a federal election next Sunday?*)

Respondents who indicate the AfD are screened out since the party did not exist at the time of the reform. We also screen out respondents who indicated voting for other party or not voting at all.

- SPD (*Social Democratic Party of Germany*)
- CDU/CSU (*Christian Democratic Union/Christian Social Union*)
- Die Grünen (*The Greens*)
- FDP (*Free Democratic Party*)
- DIE LINKE (*The Left*)
- AfD (*Alternative for Germany*)
- Sonstige Partei (*Other party*)
- Würde nicht wählen (*Non-voter*)

Auf den Internetseiten des deutschen Bundestages sind Biografien von Abgeordneten zu finden. Angelehnt an diese Informationen, zeigen wir Ihnen im Folgenden drei fiktive Biografien von Abgeordneten und bitten Sie jedes Profil zu bewerten. (*Biographies of members of parliament can be found on the website of the German Bundestag. Based on this information, we will show you three fictional biographies of members of parliament below and ask you to rate each profile.*)

Geschlecht (*gender*)	männlich/weiblich (*male/female*)
Familienstand (*marital status*)	verheiratet/ledig (*married/single*)
Parteizugehörigkeit (*party membership*)	SPD, The Greens, The Left, CDU/CSU, FDP
Erfahrung im Bundestag (*experience in parliament*)	1, 2, 3 oder mehr Legislaturperioden (*1, 2, 3 or more legislative periods*)
Mandat (*mandate*)	über ein Direktmandat/über ein Listenmandat (*directly elected/elected via party-list*)
Veröffentlichungspflichtige Angaben über Nebentätigkeiten und Nebeneinkünfte im letzten Jahr (*published outside activities and income last year*)	keine veröffentlichungspflichtigen Nebentätigkeiten und -nebeneinkünfte/Anwalt/Selbstständiger Unternehmer/Aufsichtsrats- oder Beiratsposten/Vortrags- oder publizistische Tätigkeit/Verdienst zwischen 1000€ und 3500€/Verdienst zwischen 3500€ und 7000€/Verdienst von mehr 7000€ (*no outside activities and income/laywer/business owner/board member/giving speeches/income between 1000€ and 3500€/income between 3500€ and 7000€/income larger than 7000€*)

The order of the attributes above is randomized across respondents.

Q5: Auf einer Skala von 1 bis 5, wie sehr stimmen Sie folgenden Aussagen zu? (*On a scale of 1 to 5, how much do you agree with the following statements?*)

The order of the following statements is randomized across respondents.

Q5a: Es handelt sich um einen Abgeordneten, der primär die Interessen seiner Wähler vertritt. (*This is a representative who primarily represents their voters' interests.*)

- 1 "stimme gar nicht zu (*strongly disagree*)" ... 5 "stimme voll und ganz zu (*strongly agree*)"

Q5b: Es handelt sich um einen fachlich kompetenten Abgeordneten. (*This is a competent MP.*)

- 1 "stimme gar nicht zu (*strongly disagree*)" ... 5 "stimme voll und ganz zu (*strongly agree*)"

Q5c: Es handelt sich um einen Abgeordneten, der primär die eigenen oder die Interessen Dritter vertritt. (*This is a representative who primarily represents his own or third party interests.*)

- 1 "stimme gar nicht zu (*strongly disagree*)" ... 5 "stimme voll und ganz zu (*strongly agree*)"

Q5d: Es handelt sich um einen hart arbeitenden Abgeordneten. (*This is a hard working MP.*)

- 1 "stimme gar nicht zu (*strongly disagree*)" ... 5 "stimme voll und ganz zu (*strongly agree*)"

Q6: Haben Sie sich jemals über die Nebentätigkeiten und -einkünfte deutscher Politiker informiert? Wenn ja, wie? (*Have you ever informed yourself about the outside activities and income of German politicians? If so, how?*)

- Ja, über Familie oder Freunde (*Yes, from family and friends*)
- Ja, über die Website des Deutschen Bundestages (*Yes, from the website of the Bundestag*)
- Ja, über Medien wie z.B. Fernsehen, Zeitung (*Yes, from the media such as in newspapers or on TV*)
- Ja, über soziale Medien wie z.B. Twitter/X, Instagram oder Facebook (*Yes, from social media such as Twitter/X, Instagram, or Facebook*)
- Nein (*No*)
- Keine Angabe (*No answer*)