Supplemental Appendix

Employment Preferences of Favela Residents

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ONLINE APPENDIX A: SUPPLEMENTARY TABLES

Table A.1—: Rio de Janeiro summary statistics (2010 Census)

	Non-favela	Favela	Maré
Population	4,888,663	1,391,953	129,715
Literacy Share	0.92	0.84	0.83
White Population Share	0.57	0.33	0.38
Income Per Capita (in 2010 Brazilian Reais)	1376.35	382.87	395.38

Notes: This table shows summary statistics for neighborhoods in the city of Rio de Janeiro from the 2010 Brazilian Census. Favelas are neighborhoods defined as subnormal agglomerates (*aglomerados subnormais*) in the census classification. Non-favela comprises all other census tracts. Maré comprises the favela complex where we collected the data for this study.

Table A.2—: Maré survey summary statistics (September-November 2025)

	Full Sample		Discrete Choice Sample	
	Mean	SD	Mean	SD
Female (0/1)	0.76	0.43	0.77	0.42
Age	23.82	3.74	23.90	3.74
High School (0/1)	0.65	0.48	0.64	0.48
Born in Maré (0/1)	0.74	0.44	0.74	0.44
Black or mixed race (0/1)	0.75	0.43	0.74	0.44
Has Children (0/1)	0.56	0.50	0.56	0.50
Working (0/1)	0.61	0.49	0.62	0.49
Formal Worker (0/1)	0.30	0.46	0.30	0.46
Informal Worker (0/1)	0.17	0.38	0.17	0.38
Self-Employed (0/1)	0.14	0.34	0.14	0.35
Unemployed (0/1)	0.39	0.49	0.38	0.49
Never Worked (0/1)	0.10	0.30	0.10	0.30
Searching for Job (0/1)	0.52	0.50	0.51	0.50
Reservation Wage (R$)	1606.46	1123.63	1625.27	1173.26
Monthly Income (R$)	1573.95	818.89	1596.79	828.09
Receives Cash Transfer (0/1)	0.19	0.40	0.20	0.40
Observations	700		649	

Notes: This table shows summary statistics for our survey conducted between September-November 2025. The *Discrete Choice* sample excludes 51 observations due to a coding error in the discrete choice questions.

Table A.3—: Demographic distribution of employment sectors

	Sector				
	Formal	Informal	Self-employed	Unemployed	Total
N	196 (30.2%)	113 (17.4%)	91 (14.0%)	249 (38.4%)	649 (100.0%)
Female	0.73 (0.44)	0.81 (0.39)	0.71 (0.45)	0.79 (0.41)	0.77 (0.42)
Black or Pardo	0.74 (0.44)	0.77 (0.42)	0.74 (0.44)	0.73 (0.44)	0.74 (0.44)

Notes: This table shows the gender and race composition by employment sector for respondents in the discrete choice experiment module.

Table A.4—: Type of job searched for (columns) by employment sector (rows)

	Formal	Informal	Internship	Public sector	Self-employment	Youth apprentice
Formal	77.1	0.0	4.2	4.2	6.2	8.3
Informal	84.2	0.0	0.0	0.0	10.5	5.3
Self-employed	55.6	0.0	5.6	5.6	27.8	5.6
Unemployed	63.2	0.9	5.9	3.7	9.9	16.4

Notes: This table shows percentages that represent the distribution of job types sought by workers in each employment sector. Rows sum to 100%. Cells with 0.0% indicate no job seekers in that category targeted that job type. The target categories "Gigs/Self-employment" (N=1 by informal workers) and "Informal" (N=2 by informal workers) are combined in this table due to a survey coding change during data collection.

Table A.5—: Within-respondent job choice variation

	Chooses job with amenity			
	Always	Never	Sometimes	Total
	(1)	(2)	(3)	(4)
N	203 (31.3%)	12 (1.8%)	434 (66.9%)	649 (100.0%)
Formally employed	0.31 (0.46)	0.00 (0.00)	0.31 (0.46)	0.30 (0.46)
Informally employed	0.18 (0.38)	0.08 (0.29)	0.18 (0.38)	0.17 (0.38)
Self-employed	0.10 (0.31)	0.33 (0.49)	0.15 (0.36)	0.14 (0.35)
Unemployed	0.41 (0.49)	0.58 (0.51)	0.36 (0.48)	0.38 (0.49)
Female	0.85 (0.36)	0.58 (0.51)	0.74 (0.44)	0.77 (0.42)
Black or Pardo	0.80 (0.40)	0.67 (0.49)	0.72 (0.45)	0.74 (0.44)
Max random wage gap	0.19 (0.18)	0.45 (0.25)	0.25 (0.19)	0.23 (0.19)
Min random wage gap	-0.16 (0.12)	-0.13 (0.19)	-0.15 (0.13)	-0.15 (0.13)

Notes: This table shows summary statistics for respondents who always, never, or sometimes choose the job with amenity across all five discrete choice experiments. Estimates for Table 1 in the main text are based on respondents in Column (3), which compose the attention sample.

Table A.6—: Willingness to pay for job amenities by respondent demographics

	(1)	(2)	(3)	(4)
	Female	Male	Black	Not Black
Unemployment insurance	0.353***	0.290***	0.326***	0.368***
	(0.028)	(0.036)	(0.023)	(0.056)
Parental leave	0.310***	0.075*	0.248***	0.227***
	(0.026)	(0.043)	(0.022)	(0.046)
Termination notice	0.188***	0.172***	0.179***	0.196***
	(0.025)	(0.034)	(0.021)	(0.047)
Learning opportunity	0.317***	0.210***	0.267***	0.344***
	(0.028)	(0.033)	(0.023)	(0.055)
Shorter commute	0.124***	0.103***	0.109***	0.148***
	(0.028)	(0.038)	(0.026)	(0.055)
N	1595	575	1565	605

Note: This table shows willingness-to-pay (WTP) estimates for each amenity, expressed as percentages of the wage of the job without the amenity separately by respondent demographic group. See notes in Table 1 in the main text for details. Standard errors shown in parentheses are clustered at the respondent level and bootstrapped with 1,000 replications. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table A.7—: Willingness to pay for job amenities by past experience in formal employment

	With past formal employment			Without past formal employment		
	(1)	(2)	(3)	(4)	(5)	(6)
	Informal	Self-employed	Unemployed	Informal	Self-employed	Unemployed
Unemployment insurance	0.288***	0.100	0.449***	0.378***	0.100	0.282***
	(0.055)	(0.107)	(0.066)	(0.116)	(0.153)	(0.076)
Parental leave	0.310***	0.279***	0.312***	0.291***	0.120	0.229***
	(0.075)	(0.081)	(0.063)	(0.094)	(0.080)	(0.088)
Termination notice	0.099	0.129	0.209***	0.125	-0.056	0.008
	(0.150)	(0.097)	(0.060)	(14.156)	(0.410)	(0.697)
Learning opportunity	0.117*	0.347***	0.410***	0.285***	0.234***	0.306***
	(0.065)	(0.088)	(0.057)	(0.095)	(0.069)	(0.083)
Shorter commute	0.158*	0.072	0.076	0.244**	0.208**	0.150
	(0.094)	(0.095)	(0.078)	(0.121)	(0.103)	(0.110)
N	130	150	305	250	180	295

Notes: This table shows willingness-to-pay (WTP) estimates for each amenity, expressed as percentages of the wage of the job without the amenity, separately by respondent employment sector, indicated in each column, and by whether the respondent had a previous formal sector job, Columns (1)-(3) or not, Columns (4)-(5). See notes in Table 1 in the main text for details. Standard errors shown in parentheses are clustered at the respondent level and bootstrapped with 1,000 replications. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

Table A.8—: Willingness to Pay versus Willingness to Accept

	Ever worked		Currently working	
	(1)	(2)	(3)	(4)
	WTP_{a^*}	WTA_{a^*}	WTP_{a^*/a^0}	WTA_{a^*/a^0}
Unemployment insurance	0.248***	0.447***	0.230***	0.394***
	(0.035)	(0.044)	(0.036)	(0.042)
Parental leave	0.207***	0.279***	0.192***	0.252***
	(0.037)	(0.031)	(0.039)	(0.030)
Termination notice	0.005	0.309***	0.038	0.284***
	(0.052)	(0.035)	(0.052)	(0.035)
Learning opportunity	0.232***	0.297***	0.164***	0.270***
	(0.036)	(0.032)	(0.041)	(0.032)
Shorter commute	-0.048	0.223***	-0.016	0.222***
	(0.057)	(0.031)	(0.057)	(0.033)
N	1980	1980	1380	1380

Notes: This table shows estimates of relative willingness to pay (WTP) for and willingness to accept (WTA) to forgo job amenities for different sub-samples. WTP is calculated using workers who do not currently have the amenity; WTA is calculated using workers who currently have it. The sub-samples are workers who have ever worked (currently or previously employed) and workers who are currently employed only. The sample is restricted to respondents in the attention sample. See Online Appendix D and notes in Table 1 in the main text for details. Standard errors shown in parentheses are clustered at the respondent level and bootstrapped with 1,000 replications. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table A.9—: What Respondents Value Most in a Job (N=700)

Category	Description	Example Response	N (%)
Benefits	Formal employment benefits (food voucher, health insurance, transportation)	"Health insurance coverage for me and my family" "Having a formal contract with worker protections"	219 (31.3)
Learning/growth	Opportunities for learning, gaining experience, and personal development	"Learning new skills and gaining experience" "Gaining knowledge and developing myself"	150 (21.4)
Good pay	Adequate salary, income, or financial independence	"Just the salary itself is most important" "Financial independence and good income"	124 (17.7)
Work-life balance	Quality of life, reasonable hours, time management, peace	"Quality of life and work-life balance" "Few hours so I have time for my family"	110 (15.7)
Other	Miscellaneous values that don't fit other categories	"Just having any job is what matters" "Being able to maintain myself is enough"	92 (13.1)
Career growth	Professional advancement opportunities, career trajectory, promotions	"Professional growth within the company" "Growing inside the organization over time"	79 (11.3)
Good environment	Positive work atmosphere, respect, organization, good colleagues	"A good work environment with pleasant people" "Working with a good team of colleagues"	64 (9.1)
Stability	Job security and employment stability	"Stability and security in my position" "Knowing I have stable employment"	54 (7.7)
Recognition	Recognition of work, respect, feeling valued	"Recognition for my work contributions" "Being valued for what I do at work"	30 (4.3)
Flexibility	Schedule flexibility, accessibility, easy access	"Flexibility in my work schedule" "Having some flexibility in how I work"	26 (3.7)
Help family	Ability to help and support family members	"Being able to help out at home financially" "Supporting my daughter with what she needs"	6 (0.9)

Notes: This table shows the categories and example responses for the open-text question "What do you value most in a job?" Examples are English translations of Portuguese responses. Categories are not mutually exclusive; respondents could mention multiple values. All 700 respondents provided answers.

Table A.10—: Dream Job Attributes (N=700)

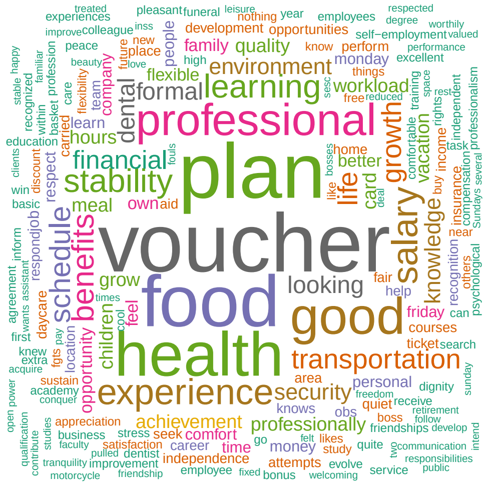
Category	Description	Example Response	N (%)
Good pay	Good salary level, remuneration, ability to support family (excluding "fixed salary" which indicates stability)	"A good salary that allows me to live comfortably" "To earn well and support my family's needs"	320 (45.7)
Specific profession	Mentions a specific job, occupation, or professional field	"I would like to work as a doctor in healthcare" "To be a chef in the kitchen, which I love"	222 (31.7)
Flexible schedule	Flexible hours, Monday-Friday schedule, no weekends, ability to choose shifts	"Flexible schedule so I can manage my time" "Working Monday to Friday without weekends"	134 (19.1)
Benefits	Formal employment benefits (food voucher, health insurance, signed contract)	"Food voucher and health insurance coverage" "Benefits like transportation voucher and dental plan"	131 (18.7)
Stability	Job security, employment stability, "fixed salary"	"Job stability and security for the future" "A fixed salary I can count on every month"	100 (14.3)
Work-life balance	Time with family, quality of life, comfortable location, peace	"Quality of life and time for my personal life" "More time to spend with my children"	63 (9.0)
Own business	Working for oneself, having own business or being independent	"To work for myself and have my own business" "Being independent and working on my own"	55 (7.9)
Any job	Just wants any employment without specific requirements	"Any job would work for me right now" "I just need a job, any job is fine"	48 (6.9)
Learning/growth	Opportunities to learn and grow within the job (not studying for a profession)	"Growth opportunities within the company" "Opportunities for professional development"	47 (6.7)
Low hours	Reduced total working hours, not wanting long workdays	"Few hours of work per day, not too many" "Not having to work long hours every day"	34 (4.9)
Good environment	Positive work atmosphere, recognition, respect, good teamwork	"A good work environment with nice people" "Recognition and respect for my contributions"	17 (2.4)
Other	Miscellaneous responses including purpose, satisfaction, or unclear goals	"A sense of purpose in what I do" "Prosperity and visibility in my field"	14 (2.0)
Helping others	Social impact, helping people, care work	"To help people who need assistance" "Saving lives through my profession"	8 (1.1)
Current job	Already satisfied with current employment	"This is already my dream job" "I struggled to get this job and it's perfect"	6 (0.9)

Notes: This table shows the categories and example responses for the open-text question "What would your dream job offer you?" Examples are English translations of Portuguese responses. Categories are not mutually exclusive; respondents could mention multiple attributes (54.7% mentioned two or more). All 700 respondents provided answers.

Table A.11—: Worst Aspects of Work (N=631)

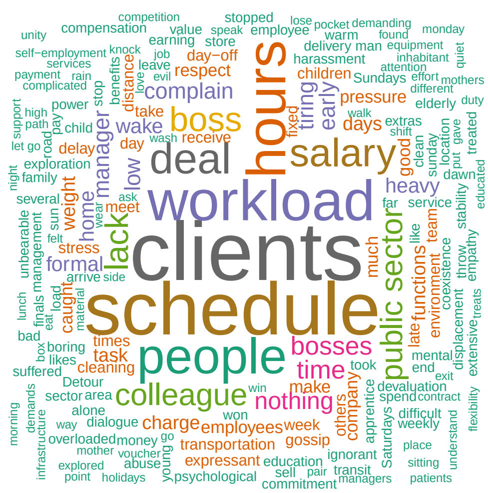
Category	Description	Example Response	N (%)
Management	Boss/supervisor issues AND organizational problems (multiple functions, lack of support, excessive demands)	"Bad management by coordinators with accumulation of job functions" "Complete lack of dialogue and communication with supervisors"	103 (16.3)
Customers	Difficult customers, clients, patients, or dealing with the public	"Annoying and difficult customers every day" "Difficult patients who don't follow medical advice"	99 (15.7)
Schedule inflexible	Working weekends, holidays, nights, early mornings, or irregular schedules	"Having to work on weekends and holidays" "The 6x1 schedule with only one day off per week"	79 (12.5)
Long hours	Excessive work hours, overtime, or very long shifts	"The workload was extremely high with too many hours" "Constant overtime and extra hours beyond my shift"	75 (11.9)
Exhaustion	Physical and mental demands, stress, heavy workload	"Physical and mental exhaustion from the job demands" "Heavy lifting and physical effort all day long"	53 (8.4)
Nothing (positive)	Positive responses indicating satisfaction with job	"I like everything about my job" "I love my job and wouldn't change anything"	49 (7.8)
Interpersonal treatment	Mistreatment, discrimination, lack of respect, toxic environment	"Lack of respect from supervisors and management" "I experienced racism and discrimination at work"	48 (7.6)
Coworkers	Issues with colleagues, team dynamics, workplace conflicts	"Problems with coworkers who didn't cooperate" "Cliques and exclusive groups that excluded others"	44 (7.0)
Work conditions	Physical environment (noise, standing, weather), or specific disliked tasks	"Standing for long periods of time all day" "Having to clean bathrooms and dirty facilities"	44 (7.0)
Compensation	Low salary level, late payments, or lack of benefits	"The salary was far too low for the work required" "Payment was always delayed by weeks"	39 (6.2)
Other	Job instability, lack of formal contract, and miscellaneous concerns	"Not having a formal employment contract signed" "The instability and lack of security in the position"	39 (6.2)
People (generic)	Generic complaints about "people" without specifying who	"The people I had to deal with" "Having to deal with people"	32 (5.1)
Commute	Distance to work, transportation issues, or traffic	"Was too far from my home" "Spending many hours on public transportation"	26 (4.1)

Notes: This table shows the categories and example responses for the open-text question "What did you like least about your most recent job?" Examples are English translations of Portuguese responses. Categories are not mutually exclusive; respondents could mention multiple aspects (19.5% mentioned two or more). Percentages are calculated among 631 non-null responses since only those with some work experience answered this question.



(a) Value in job

(b) Dream job



(c) Dislike in job

Figure B.1. : Open-text responses word clouds

Notes: This figure presents word clouds constructed from responses to the following questions: "Besides salary, what else do you look for in a job?" (N = 700; Panel a); "What would your dream job have or offer you?" (N = 700; Panel b); and "What did you like least about your most recent job?" (N = 631; Panel c). Word size reflects the frequency of each term.

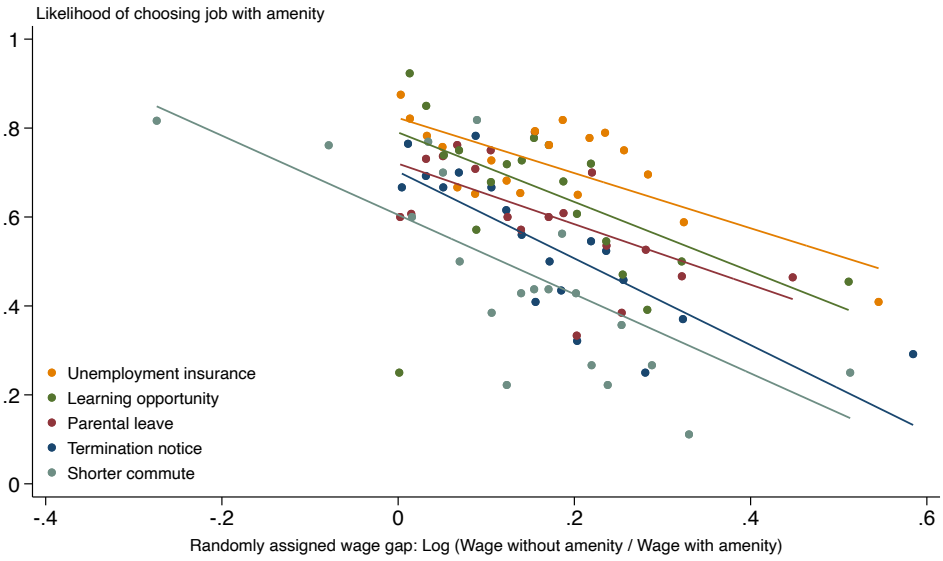


Figure B.2. : Demand for job amenities

Notes: This figure plots binscatters, separately for each amenity experiment, of a dummy indicating whether a respondent chooses the job option with the amenity in the experiment (y-axis) and the randomly assigned wage gap, reported as the log difference between the job with amenity and the job without. The sample excludes respondents who never worked, always-takers (i.e., respondents who always chose the job with amenity across all five amenity experiments) and never-takers (i.e., respondents who never chose the job with amenity across all five amenity experiments).

The jobs below are identical, except for salary and termination notice.

Carefully analyze the information below and indicate whether you would prefer Job A or Job B.

	Job A	Job B
Total monthly salary	**R$ 2200.00**	**R$ 2174.30**
Unemployment insurance	No	No
Commute time	I don't commute (work from home)	I don't commute (work from home)
Termination notice	**No**	**Yes**
Maternity leave (4 months) / Paternity leave (5 consecutive days)	No	No
Learning opportunity	No	No

Remembering that termination notice is when the employer communicates in advance to the employee about the intention to terminate the employment relationship.

◯ I prefer Job A

◯ I prefer Job B

Figure B.3. : Discrete choice experiment screen: Example for *termination notice*

Notes: This figure shows an example screen for the discrete choice experiment that varies termination notice. Respondents chose between two hypothetical jobs with identical tasks and responsibilities. Job A mirrored the respondent's current or most recent job across all attributes. Job B differed from Job A only in termination notice (highlighted in bold) and in salary. The salary difference between Job A and Job B was randomly drawn from a uniform distribution ranging from -30% to $+30\%$ of Job A's salary. Starting November 19, 2025, we expanded this range to -60% to $+60\%$ to better capture higher valuations, affecting 78 observations. Surveyors handed tablets directly to respondents, who selected their preferred job privately to minimize social desirability bias.

ONLINE APPENDIX C: SURVEY DETAILS

Survey design. Our survey has four blocks. First, we collect detailed employment history, including employment sector, formality status, occupation, wages, hours worked, commute time, and job benefits. For those not currently employed, we ask about their most recent job, and for those who have never worked, their reservation wages. Second, we administer comprehensive open-ended questions about job aspirations and preferences to capture respondents' dream job characteristics, what they value most in jobs beyond wages, difficult aspects of work, reasons for job transitions, and barriers to desired employment. We also ask respondents to rank eight job amenities by importance (benefits, remuneration, work location, payment method, work environment, contract type, work schedule, and initiative/autonomy) and assess their knowledge of formal employment benefits. Third, we implement a discrete choice experiment to elicit the willingness to pay for job amenities. Fourth, we collect demographic and socioeconomic information, including age, gender, race, place of birth, education, whether they have children, and receipt of government transfers. Participants entered a prize draw for one of five R$200 prizes (≈USD40) as compensation for their time.

Data collection. We recruited and trained surveyors from the local community, who administered our door-to-door survey. This approach minimizes inattention and ensures respondents understand the questions. The surveyors received training on survey implementation and strategies to mitigate social desirability bias or experimenter demand effects. They provided neutral instructions and informed respondents only that the study concerned job preferences of young people in Brazil without emphasizing specific hypotheses. During the discrete choice module, the surveyors handed the tablet directly to respondents, allowing them to provide their answers privately. This procedure ensures anonymous decision-making and reduces concerns about surveyor observation or evaluation. We did not inform surveyors about the study's hypotheses or expected effects, further limiting the scope for experimenter demand effects.

Coding of open-ended questions. We employed AI-assisted qualitative coding to analyze the open-text questions. We used Claude AI (Anthropic, Sonnet 4.5) with extensive human oversight and iterative refinement, combining the efficiency of automated text analysis with the nuance and domain expertise of human judgment. Tables A.9-A.11 present detailed category definitions, example responses, and frequencies for each variable. After the initial coding round, we reviewed frequency distributions to identify over- or under-represented categories and examined random samples of coded responses per category to check accuracy. When we identified miscoded responses, we provided explicit corrections to the AI engine for any miscategorizations (e.g., "Response X should be coded as Y, not Z" or "Split category A into subcategories A1 and A2 based on this distinction"). The final coding achieved coverage rates of 86.9%-98.0% across variables, with only 2.0%-13.1% of responses categorized as "Other." Responses could be assigned to multiple categories, as they often mentioned several aspects in a single answer.

Attention sample. To ensure that our amenity valuation estimates are not biased by inattention, estimates in Table 1 in the main text are based on the 434 respondents (67% of the sample) who sometimes chose the option with the amenity, sometimes the option without it. We refer to these as "switchers", in contrast with those who always choose the job with the amenity ("always-takers") and those who always choose the job without it ("never-takers"). Our rationale is that switchers pay close attention to the wage differentials. Online Table A.5 shows switchers' demographic composition and distribution across employment sectors is nearly identical to the overall sample: 31% are in formal wage work (30% in overall sample), 18% in informal wage work (17%), 15% are self-employed (14%), and 36% are unemployed (38%). On demographics, 74% are women (77%), 72% are Black (74%). All valuations are larger in the full sample than in the attention sample, as expected.

Preferences. Respondent i derives indirect utility V_j^i over job j considered by her, which features wage w_j, amenity bundle Γ_j, and idiosyncratic taste ξ_j^i. Respondents derive log indirect utility $\beta \ln w_j$ from job j's wage, and indirect utility δ_a from each amenity a included in job j's amenity bundle:

$$V_j^i = \beta \ln w_j + \sum_{a \in \Gamma_j} \delta_a \times (k_{aj} = 1) + \xi_j^i \tag{D1}$$

Probability of choosing job with amenity. Idiosyncratic taste parameters ξ_j^i are drawn i.i.d. from a Type-I Extreme Value distribution. Consider two jobs that differ only in one amenity a^* and wages. Let a^* denote the experiment to value amenity a, j^1 the job that has the amenity, and j^0 the job that does not, such that $k_{a^* j^1} = 1$ and $k_{a^* j^0} = 0$. Then the probability that respondents choose job j^1 is:

$$P(V_{j^1} > V_{j^0}) = \frac{\exp[\beta \ln(w_{j^1}/w_{j^0}) + \delta_{a^*}]}{1 + \exp[\beta \ln(w_{j^1}/w_{j^0}) + \delta_{a^*}]} \tag{D2}$$

Logit regression. Equation D2 specifies our logit regression on a sample of respondent $\times$ experiment pairs with five experiments per respondent, one for each amenity. The outcome variable is a dummy for whether the respondent chose the job with the amenity in the amenity's respective experiment. The dependent variables are $\ln(w_{j^1}/w_{j^0})$ – which we randomize, identifying slope β – and five amenity dummies, whose order is also random, and which identify five δ_a intercepts.

Indifference condition. Consider two jobs that offer the same amenities except one, a^*, and offer different wages. Let j^1 denote the job that has amenity a^*, and j^0 the job that does not, such that $k_{a^* j^1} = 1$ and $k_{a^* j^0} = 0$. Solving for the wage ratio that would make respondent i indifferent between the two jobs, and noting that $E[\xi_{j^0}^i - \xi_{j^1}^i] = 0$ in the population, gives:

$$\ln\left(w_{j^1}/w_{j^0}\right) = -\delta_a^*/\beta \tag{D3}$$

Willingness to pay. Let preferences over job amenities be defined as in equation D1, yielding the indifference condition described by equation D3. As in Maestas et al. (2023), let V_{a^*} be the value, in Brazilian reais, that makes respondents indifferent between a job with amenity a that pays $w_{j^1} = w_{j^0} - V_{a^*}$ and a job that does not have amenity a^* and pays $w_{j^0} = w_{j^1} + V_{a^*}$. Then willingness to pay is defined as the value V_{a^*} for the amenity as a fraction of the wage for the job without the amenity w_{j^0}. That is, the share of wages that respondents are willing to pay to obtain the amenity. Solving for V_{a^*} in $\ln[(w_{j^0} - V_{a^*})/w_{j^0}] = -\delta_a^*/\beta$ and expressing it as a fraction of w_{j^0} gives:

$$WTP_{a^*} \equiv \frac{V_{a^*}}{w_{j^0}} = 1 - \exp(-\delta_a^*/\beta) \tag{D4}$$

Endowment effects. Equation D1 assumes that respondents value amenities equally regardless of whether they already have them. In this case, respondents' willingness to pay (WTP_{a^*}) in forgone wages to get amenity a^* equals respondents' willingness to accept (WTA_{a^*}) in extra wages to forgo amenity a^*. However, WTP_{a^*} and WTA_{a^*} need not coincide if there are endowment effects or if respondents sorted into their current jobs based on their preferences for amenities. To test if $WTP_{a^*} = WTA_{a^*}$, we re-estimate the preference parameters in equation D2 interacting the random wage gap and the amenity dummies with indicators for whether the respondent has the amenity in their current job. This interacted specification gives the preference parameters for Appendix Table A.8.

ONLINE APPENDIX E: ADDITIONAL DETAILS

Experimental design details. We used the wage and amenities from respondents' current job if employed, or most recent job if not. For respondents with no prior work experience, "Job A" was presented as a standard formal sector position. This position included the reservation wage, unemployment insurance, termination notice, parental leave, learning opportunities, and a commute time of 1-2 hours. We randomized the question order to address potential anchoring effects and informed respondents that their answers were anonymous. All job options were presented using neutral framing (Mas and Pallais, 2017).

Defining employment sectors. We code a respondent as a formal worker if they perform wage work with a signed work card or if they participate in the youth apprenticeship program at the time of the survey. The youth apprenticeship program in Brazil is a formal sector type of employment by law even though some respondents reported not having a signed work card. We code a respondent as an informal worker if they perform wage work without a signed work card, but are not self-employed. We code a worker as self-employed if they work on their own (*"conta própria"*) or operate a business, whether they hire other workers or not and whether they are formally registered as a business or not. The unemployed are those without a current job.

Termination notice. In Brazil, termination notice can take different forms. In cases of dismissal without just cause, the notice period may be either worked or paid out in lieu. If worked, the employee continues working for up to 30 days and is entitled to either a daily two-hour reduction in working hours or seven consecutive days of paid leave. If paid out, the employee is immediately released from work and receives payment for the notice period along with severance. When an employee resigns without fulfilling the notice period, the employer may deduct up to one month's wages. Brazil uses a proportional notice system that extends the base 30-day period by three days for each completed year of service, up to 60 additional days (90 days total). These provisions are established in the Brazilian Labor Code (Decree-Law No. 5,452/1943) and Law No. 12,506/2011.

Data limitations. Limitations in publicly available Census data prevent us from comparing employment characteristics across favelas, non-favelas, and Maré. For details on Brazilian favelas and employment barriers in these regions, see Angeli, Matavelli and Secco (2023) and Ferreira, Monge-Naranjo and Pereira (2025).

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