

Well Being 258

S3_Q1 diff between saving and investing

We would like to ask you some general questions regarding savings and investment options. What is the major difference between saving and investing?

- 1 Most savings products are federally insured, while investment products are not
- 2 Savings products have a risk of loss and investment products do not
- 3 Investment products do not have as high a potential for growth as savings products
- 4 Savings and investment products are the same

S3_Q2 investment strategies

Which of the following strategies will help you choose the best investments for you? (select all that apply)

- 1 Make choices based on a friend or family member's recommendations
- 2 Limit the number of savings and investment options you choose to reduce your risk of loss
- 3 Select savings and investment options according to your risk tolerance
- 4 Consider how long you plan to keep your money in the investment

S3_Q3 interest rate to double value

If you want your savings account to double in value in 36 years, what fixed interest rate would the account need to have?

Real

S3_Q4 asset spread risk

When an investor spreads his or her money among different assets, does the risk of losing money:

- 1 Increase
- 2 Decrease
- 3 Stay the same

S3_Q5 what is remittance

A remittance is a:

- 1 Card onto which you can load money to be used for future purchases
- 2 Money transfer that goes to a bank or a person in another country
- 3 Document that is used like a check to pay a bill
- 4 Method of electronically transferring money from one bank to another

S3_Q6 ways to save

Which of the following are ways you can save for retirement? (select all that apply)

- 1 Build home equity, then apply for a home equity loan
- 2 Invest in stocks, bonds, or mutual funds
- 3 Establish a 529 Plan
- 4 Enroll in a 401 or 403(b) plan

IRA1 IRA taxation after 59.5

Next, we would like to ask you some questions about some features of retirement savings accounts that apply to 401(k) and IRAs in general. In these plans – usually called defined-contribution plans --money accumulates in an account designated for a worker, and that money may be paid out in a variety of ways depending on the plan or the worker's choice. A person who withdraws money from a standard 401(k) plan or IRA after he turns 59 1/2 does not pay taxes on the money that he withdraws.

- 1 True
- 2 False

IRA2 IRA forces withdrawal after 70.5

After age 70 1/2, you have to withdraw at least some money from your 401(k) plan or IRA.

- 1 True
- 2 False

IRA3 if lose job with 401K loan

If you lose your job while holding an outstanding loan from your 401(k) plan

- 1 You can still continue to pay for the loan as before
- 2 You are no longer responsible for paying back the loan
- 3 The loan will be treated as a withdrawal if not paid back promptly, resulting in taxes and penalties

IRA4 immigrant hold 401K abroad

An immigrant living abroad can hold a standard 401(k) plan in the United States if he or she has worked in this country in the past.

- 1 True
- 2 False

IRA5 immigrant taxaton after 59.5

If an immigrant withdraws money from a standard 401(k) plan or IRA held in the U.S. after he or she turns 59 1/2, he or she will have to pay taxes and the amount of taxes will depend on his or her country of residence.

- 1 True
- 2 False

IRA6 if employer match increase

If your employer increases the percentage of the money you invest in your 401(k) matched by the firm, you should:

- 1 Reduce your contribution since now you need to invest less money to reach your retirement savings target
- 2 Increase your contribution since this is free money your employer is depositing in your account
- 3 Not change your contribution.

IRA7 offered dc plan

Does your current employer offer a defined-contribution plan? For example, a 401 (k) plan or 403(b) plan is this type of plan.

- 1 Yes
- 2 No
- 3 I don't know

IF IRA7 = No or IRA7 = I don't know THEN

| **IRA8** if offered dc plan how likely

| If your employer offered you this type of plan (401(k) or 403(b)) how likely would you be to enroll?

- | 1 Very likely
- | 2 Likely
- | 3 Not likely
- | 4 Not sure

| **IRA9** explain IRA8

| Please explain your answer as to how likely or not likely it is you would enroll in a defined-contribution plan if it was offered to you.

| Open

|

ENDIF

[Questions SAVE1 to SAVE1Total are displayed as a table]

SAVE1 plan for \$1000

Now we would like to ask you a few questions about your decisions regarding savings and investments. Suppose that you were to receive \$1000 as an unexpected inheritance from a relative. What would you do with this money? Please note: The numbers need to add up to \$1000.

Integer

SAVE1_save save or invest

Save or invest

Integer

SAVE1_spend spend

Spend

Integer

SAVE1_give give to friend or relative

Give to friend/relative

Integer

SAVE1_other other

Other

Integer

SAVE1Total save1 total

\$ Total

Range: 0..1000

IF SAVE1Total = 0 THEN

| **checkAllempty** if empty error

| You did not answer the previous question. Your answers are important to us. Please go back and give an answer to the previous question.

ENDIF

IF SAVE1Total > 0 AND SAVE1Total <> 1000 THEN

| **checkSAVE1Total** SAVE1Total Check

| Your total adds up to \$[save1 total]. Please go back and change the numbers in the table so they add up to 1000 or choose next to continue.

ENDIF

[Questions SAVE2 to SAVE2Total are displayed as a table]

SAVE2 plan for \$1000 in retirement savings

Suppose that you were to receive \$1000 as an unexpected inheritance from a relative on condition that you use it for your retirement savings. How would you divide this money across the following assets?

Integer

SAVE2_sa other

Savings Accounts

Integer

SAVE2_is individual stocks

Individual Stocks

Integer

SAVE2_mf stock mutual funds

Stock Mutual Funds

Integer

SAVE2_b bonds

Bonds

Integer

SAVE2_bmf balanced mutual funds

Balanced mutual funds (stocks and bonds)

Integer

SAVE2_ira individual mutual funds

Individual Retirement Accounts (mutual funds)

Integer

SAVE2_cc individual mutual funds

Cash/Checking Accounts

Integer

SAVE2_other other

Other

Integer

SAVE2Total save1 total

\$ Total

Range: 0..1000

IF SAVE2Total = 0 THEN

| **checkAllempty** if empty error

| You did not answer the previous question. Your answers are important to us. Please go back and give
| an answer to the previous question.

ENDIF

IF SAVE2Total > 0 AND SAVE2Total <> 1000 THEN

| **checkSAVE2Total** SAVE1Total Check

| Your total adds up to \$[save1 total]. Please go back and change the numbers in the table so they add
| up to 1000 or choose next to continue.

ENDIF

PEintro probabilistic expectations intro

Next, we would like to ask your opinion about how likely you think various events might be. When we ask a question we'd like for you to give us a number from 0 to 100, where "0" means that you think there is absolutely no chance, and "100" means that you think the event is absolutely sure to happen. For example, no one can ever be sure about tomorrow's weather, but if you think that rain is very unlikely tomorrow, you might say that there

is a 10 percent chance of rain. If you think there is a very good chance that it will rain tomorrow, you might say that there is an 80 percent chance of rain.

PE1 percent chance learn more about IRAs

What is the percent chance that you will want to learn more about IRAs?

String

IF PE1 = 50 THEN

|

| **followup50** follow up if 50% entered

| You said you think the probability is 50%. Do you think that there is a 1 in 2 chance that this will happen, or do you mean you are not sure how likely this event is?

| 1 There is a 1 in 2 chance that this could happen

| 2 I am not sure how likely this event is to happen

|

ENDIF

PE2 have IRA

Do you already have an IRA?

1 Yes

2 No

IF PE2 = No THEN

|

| **PE3** percent chance open an IRA

| What is the percent chance that you will want to open an IRA?

| String

|

ENDIF

IF PE3 = 50 THEN

|

| **followup50** follow up if 50% entered

| You said you think the probability is 50%. Do you think that there is a 1 in 2 chance that this will happen, or do you mean you are not sure how likely this event is?

| 1 There is a 1 in 2 chance that this could happen

| 2 I am not sure how likely this event is to happen

|

ENDIF

CS_001 HOW PLEASANT INTERVIEW

Could you tell us how interesting or uninteresting you found the questions in this interview?

1 Very interesting

2 Interesting

3 Neither interesting nor uninteresting

4 Uninteresting

5 Very uninteresting