

Well Being 260

survey_intro section intro

We have some questions for you about possible investments in mutual funds. A mutual fund is a form of investment that pools money from many investors and invests their money in stocks, bonds, and/or other securities. First, suppose you were offered the following selection of mutual funds for investing your money in a retirement savings account(s). We will calculate how much money a real investor would get back if he or she sent \$10,000 to the funds on the next screen according to the allocation that you choose, assuming that each fund received the investment at 3:00 P.M. on December 28th, 2012, and the investments were sold at 3:00 P.M. on December 28th, 2013. By January 28th, 2014, we will randomly select a group of survey participants to pay the investment profit (the investment value minus \$10,000) of their respective portfolios. If the investment is worth less than \$10,000 at the end of the period, and you are chosen, you will not be responsible for these losses. This is a risk-free opportunity to win a potentially large reward.

intro_fund_table fund table display

Below is a table that provides a brief description of the mutual funds, showing the annual fee charged by each fund and the annual rate of return on each fund over the past 5 years. Suppose you have six options in which to invest. In 2009, the American Life Panel presented you with this same menu of mutual fund options, in the context of a different study on financial decision-making. Now, we have updated each fund's 5-year returns and fees, which are presented below.

Fund Choices	Fees	5-Year Return: 7/19/2007 – 7/19/2012
Money Market Fund	0.11%	1.09%
Total Bond Market Index Fund	0.10%	6.36%
S&P 500 Index Fund	0.05%	-1.03%
Small Cap Value Index Fund	0.16%	-2.97%
REIT Index Fund	0.12%	1.01%
Global Equity Index Fund	0.54%	-2.80%

Fund_intro fund intro text for all three

On the next screen, we'll ask you what percentage of your money you would like to allocate to each fund.

IF randomGroup = 1 THEN

| [Questions Default_table_intro to D_6 are displayed as a table]

| **Default_table_intro** default table intro

| Please indicate the [integer] percentage of your portfolio that you would like to hold in each of the following funds:

| **D_1** default group money mkt fund percentage

| Money Market Fund

| Integer

| **D_2** default group Total Bond Mkt Index Fund percentage

| Total Bond Market Index Fund

| Integer

| **D_3** default group SP 500 Index Fund percentage

| S&P 500 Index Fund

| Integer

| **D_4** default group Small Cap Value Index Fund percentage

```

| Small Cap Value Index Fund
| Integer
|
| D_5 default group REIT Index Fund percentage
| REIT Index Fund
| Integer
|
| D_6 default group Global Equity Index Fund percentage
| Global Equity Index Fund
| Integer
|
| IF Default_total <> 100 THEN
| |
| | error_percent_total error percent total
| | Your total adds up to [Percent total for error message fill]%. Please go back and change the
| | numbers in the table so they add up to 100%.
| |
| | ENDIF
|
| ENDIF

IF randomGroup = 2 THEN
|
| [Questions TGA_table_intro to TGA_6 are displayed as a table]
|
| TGA_table_intro treatment A table intro
| To the right of your portfolio allocation is a table that displays the average portfolio of
| individuals who were asked to do the same task in a previous ALP study. Please put a number in
| each box, so if you wish to invest nothing, you can put the number 0. The sum of all of the
| numbers should be 100%.
|
| TGA_1 TGA group money mkt fund percentage
| Money Market Fund
| Integer
|
| TGA_2 TGA group Total Bond Mkt Index Fund percentage
| Total Bond Market Index Fund
| Integer
|
| TGA_3 TGA group SP 500 Index Fund percentage
| S&P 500 Index Fund
| Integer
|
| TGA_4 TGA group Small Cap Value Index Fund percentage
| Small Cap Value Index Fund
| Integer
|
| TGA_5 TGA group REIT Index Fund percentage
| REIT Index Fund
| Integer

```

```
|
| TGA_6 TGA group Global Equity Index Fund percentage
| Global Equity Index Fund
| Integer
|
| IF TGA_total <> 100 THEN
|
|
| error_percent_total error percent total
| Your total adds up to [Percent total for error message fill]%. Please go back and change the
| numbers in the table so they add up to 100%.
|
|
| ENDIF
|
ENDIF
```

```
IF randomGroup = 3 THEN
```

```
| [Questions TGB_table_intro to TGB_6 are displayed as a table]
|
| TGB_table_intro treatment B table intro
| To the right of your portfolio allocation is a table that displays the average portfolio of
| individuals with high financial knowledge who were asked to do the same task in a previous ALP
| study. Please put a number in each box, so if you wish to invest nothing, you can put the number
| 0. The sum of all of the numbers should be 100%.
|
| TGB_1 TGB group money mkt fund percentage
| Money Market Fund
| Integer
|
| TGB_2 TGB group Total Bond Mkt Index Fund percentage
| Total Bond Market Index Fund
| Integer
|
| TGB_3 TGB group SP 500 Index Fund percentage
| S&P 500 Index Fund
| Integer
|
| TGB_4 TGB group Small Cap Value Index Fund percentage
| Small Cap Value Index Fund
| Integer
|
| TGB_5 TGB group REIT Index Fund percentage
| REIT Index Fund
| Integer
|
| TGB_6 TGB group Global Equity Index Fund percentage
| Global Equity Index Fund
| Integer
|
| IF TGB_total <> 100 THEN
```

```

||
|| error_percent_total error percent total
|| Your total adds up to [Percent total for error message fill]%. Please go back and change the
|| numbers in the table so they add up to 100%.
||
|| ENDIF
|
ENDIF

IF randomGroup = 4 THEN
|
| IF calcage = empty THEN
||
|| calcage_test CALCULATED AGE
|| What is your age? (for testing only)
|| Integer
||
|| ENDIF
|
| IF calcage < 41 THEN
||
|| [Questions TGC_table_intro to TGC_6 are displayed as a table]
||
|| TGC_table_intro treatment C table intro under 41
|| To the right of your portfolio allocation is a table that displays the average portfolio of individuals
|| also under age 41 who were asked to do the same task in a previous ALP study. Please put a number
|| in each box, so if you wish to invest nothing, you can put the number 0. The sum of all of the
|| numbers should be 100%.
||
|| TGC_1 TGC group money mkt fund percentage
|| Money Market Fund
|| Integer
||
|| TGC_2 TGC group Total Bond Mkt Index Fund percentage
|| Total Bond Market Index Fund
|| Integer
||
|| TGC_3 TGC group SP 500 Index Fund percentage
|| S&P 500 Index Fund
|| Integer
||
|| TGC_4 TGC group Small Cap Value Index Fund percentage
|| Small Cap Value Index Fund
|| Integer
||
|| TGC_5 TGC group REIT Index Fund percentage
|| REIT Index Fund
|| Integer
||
|| TGC_6 TGC group Global Equity Index Fund percentage

```

```
|| Global Equity Index Fund
|| Integer
||
|| IF TGC_total <> 100 THEN
||
|| error_percent_total error percent total
|| Your total adds up to [Percent total for error message fill]%. Please go back and change the
|| numbers in the table so they add up to 100%.
||
|| ENDIF
||
|| ENDIF
||
|| IF calcage > 40 AND calcage < 63 THEN
||
|| [Questions TGD_table_intro to TGD_6 are displayed as a table]
||
|| TGD_table_intro treatment D table intro 41 to 62
|| To the right of your portfolio allocation is a table that displays the average portfolio of
|| individuals also between ages 41 and 62 who were asked to do the same task in a previous ALP
|| study. Please put a number in each box, so if you wish to invest nothing, you can put the number
|| 0. The sum of all of the numbers should be 100%.
||
|| TGD_1 TGD group money mkt fund percentage
|| Money Market Fund
|| Integer
||
|| TGD_2 TGD group Total Bond Mkt Index Fund percentage
|| Total Bond Market Index Fund
|| Integer
||
|| TGD_3 TGD group SP 500 Index Fund percentage
|| S&P 500 Index Fund
|| Integer
||
|| TGD_4 TGD group Small Cap Value Index Fund percentage
|| Small Cap Value Index Fund
|| Integer
||
|| TGD_5 TGD group REIT Index Fund percentage
|| REIT Index Fund
|| Integer
||
|| TGD_6 TGD group Global Equity Index Fund percentage
|| Global Equity Index Fund
|| Integer
||
|| IF TGD_total <> 100 THEN
||
|| error_percent_total error percent total
```

```

||| Your total adds up to [Percent total for error message fill]%. Please go back and change the
||| numbers in the table so they add up to 100%.
|||
||| ENDIF
|||
| ENDIF
|
| IF calcage > 62 THEN
|||
||| [Questions TGE_table_intro to TGE_6 are displayed as a table]
|||
||| TGE_table_intro treatment E table intro over 62
||| To the right of your portfolio allocation is a table that displays the average portfolio of
||| individuals also over age 62 who were asked to do the same task in a previous ALP study. Please
||| put a number in each box, so if you wish to invest nothing, you can put the number 0. The sum
||| of all of the numbers should be 100%.
|||
||| TGE_1 TGE group money mkt fund percentage
||| Money Market Fund
||| Integer
|||
||| TGE_2 TGE group Total Bond Mkt Index Fund percentage
||| Total Bond Market Index Fund
||| Integer
|||
||| TGE_3 TGE group SP 500 Index Fund percentage
||| S&P 500 Index Fund
||| Integer
|||
||| TGE_4 TGE group Small Cap Value Index Fund percentage
||| Small Cap Value Index Fund
||| Integer
|||
||| TGE_5 TGE group REIT Index Fund percentage
||| REIT Index Fund
||| Integer
|||
||| TGE_6 TGE group Global Equity Index Fund percentage
||| Global Equity Index Fund
||| Integer
|||
||| IF TGE_total <> 100 THEN
|||
||| error_percent_total error percent total
||| Your total adds up to [Percent total for error message fill]%. Please go back and change the
||| numbers in the table so they add up to 100%.
|||
||| ENDIF
|||
| ENDIF

```

|
ENDIF

[The following questions are displayed as a table]

Confident how confident in selection

How confident are you in the portfolio selection you just made?

- 1 1 Total guess
- 2 2
- 3 3
- 4 4
- 5 5
- 6 6
- 7 7 Absolutely sure

[End of table display]

IF randomGroup = 2 or randomGroup= 3 or randomGroup= 4 THEN

|
| [The following questions are displayed as a table]

| **Peer_influence** influenced by peer info

| To what extent is your allocation different from what you would have written if the peer information were not available?

- | 1 1 Not affected by the information
- | 2 2
- | 3 3
- | 4 4
- | 5 5
- | 6 6
- | 7 7 Very much affected by the information

| [End of table display]

ENDIF

financial_literacy_intro financial literacy intro

Now we would like to ask you some general questions about financial decision making. You may have previously answered a number of questions that you will be asked today. Please answer all the questions you are asked to the best of your ability, even if you have seen them before. We are very interested in your responses, as some of your information and perceptions may or may not have changed.

F1 buy more in future

If the money in your savings account grows at annual rate of 5%, then, regardless of inflation, you will be able to buy more with the money in this account in the future than you are able to buy today.

- 1 True
- 2 False

F2 buy more in future if income doubles

If your income doubles in the next ten years and prices of all goods and services also double, then you will be able to buy fewer goods in ten years than you can buy today.

- 1 True

2 False

[The following questions are displayed as a table]

N1 how knowledgeable

How knowledgeable are you about your household's financial situation (such as income sources, assets, debt, medical expenditures, insurance, etc.)?

1 1 Not knowledgeable at all

2 2

3 3

4 4

5 5

6 6

7 7 Very knowledgeable

[End of table display]

[Questions N2a to N2b are displayed as a table]

N2a chance out of 100

Next we would like to ask you some questions which assess how people use numbers in everyday life. Please answer the following questions by filling in the blank. Please do not use a calculator for any of these questions. If the chance of getting a disease is 10%, how many people would be expected to get the disease:

Range: 0..100

N2b chance out of 1000

If the chance of getting a disease is 10%, how many people would be expected to get the disease:

Range: 0..1000

N3 roll a die 1000 times

Imagine that we roll a fair, six-sided die 1,000 times. Out of 1,000 rolls, how many times do you think the die would come up as an even number?

Range: 0..1000

[Questions N4a to N4b are displayed as a table]

N4a how much savings in one year

If you have \$100 in a savings account, the interest rate is 10% per year and you never withdraw money or interest payments, how much will you have in the account after:

Integer

N4b how much savings in 2 years

If you have \$100 in a savings account, the interest rate is 10% per year and you never withdraw money or interest payments, how much will you have in the account after:

Integer

[The following questions are displayed as a table]

N5 willing to take financial risks

On a scale from 1 to 7, how would you rate your willingness to take risks regarding financial

matters? (Note: 1 means "not willing at all" and the value 7 means "very willing")

1 1 Not willing at all

2 2

3 3

4 4

5 5

6 6

7 7 Very willing

[End of table display]

[The following questions are displayed as a table]

N6 willing to take risks in daily activities

More generally, how would you rate your willingness to take risks in daily activities? (Note: 1 means "not willing at all" and the value 7 means "very willing")

1 1 Not willing at all

2 2

3 3

4 4

5 5

6 6

7 7 Very willing

[End of table display]

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