Monthly Survey 12

DM001 WHO RESPONSIBLE HOUSEHOLD FINANCES
Who in your family is primarily responsible for handling your household's finances (such as investments in the stock market)?
1 Me
2 My husband/wife/partner
3 My child
4 Another family member
5 Investment manager
6 Financial advisor
7 Stock broker
8 Accountant
9 Other

DM002 HOUSEHOLD HAVE SHARES OF STOCK
Does your household now or did your household ever have any shares of stock or stock mutual funds?
1 Yes
2 No
3 Don't know

DM003 HOUSEHOLD HAVE CORPORATE BONDS
Does your household now or did your household ever have any corporate, municipal, or foreign bonds, or bond funds? (Note that this does not include U.S. government savings bonds or Treasury bills.)
1 Yes
2 No
3 Don't know

DM004 PREPARED TO TAKE RISKS
Are you generally a person who is fully prepared to take risks, or do you try to avoid taking risks? Please enter a number between 1 and 10, where 1 means 'unwilling to take risks' and 10 means 'fully prepared to take risks.'

DM005 UNDERSTAND STOCK MARKET WELL
Now we would like to ask you how much you agree or disagree with certain statements about yourself. Please answer the following as honestly as you can.
I understand the stock market reasonably well.
1 Strongly agree
2 Agree
3 Slightly agree
4 Slightly disagree
5 Disagree
6 Strongly disagree

DM006 THINK ABOUT OR FOLLOW STOCK MARKET
I like to think about or follow the stock market.
1 Strongly agree
2 Agree
3 Slightly agree
4 Slightly disagree
5 Disagree
6 Strongly disagree

DM007 STOCK MARKET DOES NOT CONFUSE
The stock market does not confuse me.
1 Strongly agree
2 Agree
3 Slightly agree
4 Slightly disagree
5 Disagree
Strongly disagree

IF LEFT OR RIGHT TEMPLATE NUMBER = 2 THEN

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<th>TFQ INTRO A</th>
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| In the following questions, we will give you a series of statements about financial matters. We would like to know whether, in your opinion, each statement is generally true or generally false and how strongly you believe this to be the case. The way you answer these questions is different than you are used to. An example of a true-false statement is listed below: Example Statement: A savings bank never offers a checking account. Surely False
| Guess False
| Surely True 100% 90% 80% 70% 60% 50% 50% 60% 70% 80% 90% 100%
| If you think that this statement is most likely to be true, please choose a number from the true area of the space above. If you think that the statement is surely true choose 100%. If you think it is only 60% likely to be true, please choose 60% on the true side. Similarly, if you think that this statement is most likely to be false, please choose a number from the false area of the space above. If you think that the statement is surely false choose 100%. If you think it is only 70% likely to be false, please choose 70% on the false side. If you are completely unsure and have 'no idea' whether the statement is true or false, please make your best possible guess and mark whether you would like to guess true with 50% confidence or guess false with 50% confidence.

ELSE

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| Guess True
| Surely False 100% 90% 80% 70% 60% 50% 50% 60% 70% 80% 90% 100%
| If you think that this statement is most likely to be true, please choose a number from the true area of the space above. If you think that the statement is surely true choose 100%. If you think it is only 60% likely to be true, please choose 60% on the true side. Similarly, if you think that this statement is most likely to be false, please choose a number from the false area of the space above. If you think that the statement is surely false choose 100%. If you think it is only 70% likely to be false, please choose 70% on the false side. If you are completely unsure and have 'no idea' whether the statement is true or false, please make your best possible guess and mark whether you would like to guess true with 50% confidence or guess false with 50% confidence.

ENDIF

[Randomly pick a T or F question for each of the pairs below]

QFT1T
An Annual Percentage Rate (APR) is an overall measure of the interest rate defined by government regulations intended to protect consumers from being misled by corporations.

QFT1F
An Annual Percentage Rate (APR) is an intentionally deceptive measure of the interest rate designed by corporations for marketing purposes.
QFT2T
Refinancing your home mortgage results in added fees and/or points.

QFT2F
Refinancing your home mortgage does not result in added fees and/or points.

QFT3T
Among stocks, investing in only one type, such as technology stocks, does not make sense.

QFT3F
Among stocks, investing in only one type, such as technology stocks, makes sense.

QFT4T
A checking account normally earns a lower rate of return than other types of investments purchased from a bank.

QFT4F
A checking account normally earns a higher rate of return than other types of investments purchased from a bank.

QFT5T
Normally, for a retired person, it is not desirable to buy both an annuity and term life insurance.

QFT5F
Normally, for a retired person, it is desirable to buy both an annuity and term life insurance.

QFT6T
The saying “don’t put all of your eggs in one basket” expresses the principle of diversification.

QFT6F
The saying “buy on the rumor, sell on the news” expresses the principle of diversification.

QFT7T
Investing in stocks of two companies in the same industry is riskier than investing in stocks of two companies in different industries.

QFT7F
Investing in stocks of two companies in the same industry is safer than investing in stocks of two companies in different industries.

QFT8T
Banks are not a very good place to look for retirement investment products.

QFT8F
Banks are an especially good place to look for retirement investment products.

QFT9T
To make money in the stock market, you should not buy and sell stocks too often.

QFT9F
To make money in the stock market, you have to buy and sell stocks often.

QFT10T
It is a good idea to own stocks of foreign companies.

QFT10F
It is best to avoid owning stocks of foreign companies.

QFT11T
The more you diversify among stocks, the more of your money you can invest in stocks.
The more you diversify among stocks, the less of your money you should invest in stocks.

Even if you are smart, it is hard to pick individual company stocks that will have better than average returns.

If you are smart, it is easy to pick individual company stocks that will have better than average returns.

It is important to take a look at your investments periodically to see if you need to make changes.

Once you have made an initial decision about the investment mix for your portfolio, you should avoid making changes to your portfolio until you are close to retirement.

Investing in both stocks and other assets, such as bonds or real estate, at the same time is wise.

Investing in both stocks and other assets, such as bonds or real estate, at the same time is unwise.

Your friend Lisa inherited $10,000 today and her brother, Robert, will inherit $10,000 three years from now. Lisa’s inheritance is more valuable than Robert’s.

Your friend Lisa inherited $10,000 today and her brother, Robert, will inherit $10,000 three years from now. Lisa’s inheritance and Robert’s inheritance are essentially of equal value.

Some mutual funds charge investors much higher annual fees than other, similar mutual funds.

Mutual funds all charge investors about the same annual percentage as a fee to participate in their funds.

Your willingness to take risks has little bearing on how often you should trade stocks.

The higher your willingness to take risks, the more frequently you should trade stocks.

The investment with the highest expected return is likely to be too risky to invest in heavily.

You should always invest in the asset with the highest expected return, regardless of its risk.

If the U.S. stock market and the European stock market tend to go up and down at different times, then if you are holding American stocks, it is good to own some European stocks as well.

If the U.S. stock market and the European stock market tend to go up and down at different times, then if you are holding American stocks, it is not good to hold any European stocks.

In saving for retirement, it is a good idea to hold stocks or stock mutual funds as well as other investments.

In saving for retirement, it is a good idea to avoid investing in stocks or stock mutual funds.
If your income doubles in the next ten years and prices of all goods also double, then you will still be able to buy the same amount of goods in ten years that you can buy today.

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

Buying a stock mutual fund usually provides a safer return than a single company stock.

Buying a single company stock usually provides a safer return than a stock mutual fund.

If interest rates fall sharply, it makes sense to refinance your fixed-rate mortgage.

If interest rates fall sharply, it does not make sense to refinance your fixed-rate mortgage.

When an investor spreads money between 20 stocks, rather than 2, the risk of losing a lot of money decreases.

When an investor spreads money between 20 stocks, rather than 2, the risk of losing a lot of money increases.

Taxes affect how you should invest your money.

Taxes do not affect how you should invest your money.

Young people should hold somewhat riskier financial investments than older people.

Older people should hold somewhat riskier financial investments than young people.

It is easy to find mutual funds that have annual fees of less than one percent of assets.

It is hard to find mutual funds that have annual fees of less than one percent of assets.

An annuity for a specific person pays that person money every year while they are alive, but stops paying money once they are dead.

An annuity is a financial product that pays a lump sum when you die.

In 401(k) programs for retirement investment, the default or automatic enrollment option is usually not the best choice.

In 401(k) programs for retirement investment, the default or automatic enrollment option is usually the best choice.
Even older retired people should hold some stocks.

Older retired people should not hold any stocks.

If the interest rate on your savings account is 1% per year and inflation is 2% per year, after one year, you will be able to buy less with the money in this account than you are able to buy today.

If the interest rate on your savings account is 1% per year and inflation is 2% per year, after one year, you will be able to buy more with the money in this account than you are able to buy today.

If you start out with $1,000 and earn an average return of 10% per year for 30 years, after compounding, the initial $1,000 will have grown to more than $6,000.

If you start out with $1,000 and earn an average return of 10% per year for 30 years, even after compounding, the initial $1,000 will have grown to less than $6,000.

If you invest for the long run, the annual fees of mutual funds are important.

If you invest for the long run, the annual fees of mutual funds are unimportant.

The safest investment you can find is likely to be an unattractive investment because it has a very low return.

You should put all your money into the safest investment you can find and accept whatever rate of return it pays.

You cannot make a good judgment whether you should buy or sell a stock by reading about the company online.

You can make a good judgment whether you should buy or sell a stock by reading about the company online.

For the same total household income, couples in which one spouse stays at home need more life insurance than couples in which both spouses work outside the home.

For the same total household income, couples in which both spouses work outside the home need more life insurance than couples in which one spouse stays at home.

Even though they talk to lots of people, taxi cab drivers, barbers, and bartenders do not have particularly good advice about which stocks to buy.

Because they talk to lots of people, taxi cab drivers, barbers, and bartenders give good advice about which stocks to buy.
Unless they have special knowledge, it's a good idea for working people to stay out of the stocks of companies in the industry in which they work.

Even if they don't have any special knowledge, it's a good idea for working people to invest in stocks of companies in their own industry.

Investing all of your money in one stock is usually riskier than investing half of your money in each of two stocks.

Investing half of your money in each of two stocks is usually riskier than investing all of your money in one stock.

Mutual funds do not pay a guaranteed rate of return.

Mutual funds pay a guaranteed rate of return.

Of stocks that go down significantly, most will tend to still be down two years later.

If a stock’s price is down significantly, it will usually come back up to its former level in a year or two.

It is better for young people saving for retirement to combine stocks with long-term (inflation protected) bonds than with short-term (inflation protected) bonds.

It is better for young people saving for retirement to combine stocks with short-term (inflation protected) bonds than with long-term (inflation protected) bonds.

When you use your home as collateral for a loan, there is a chance of losing your home.

When you use your home as collateral for a loan, there is no chance of losing your home.

If you have $100 in a savings account, the interest rate is 10% per year and you never withdraw money or interest payments, after 10 years you will have more than $200 in this account in total.

If you have $100 in a savings account, the interest rate is 10% per year and you never withdraw money or interest payments, after 10 years you will have exactly $200 in this account in total.

Generally, you cannot trust a stockbroker to have your best interest at heart.

Generally, you can trust a stockbroker to have your best interest at heart.

Buying a stock that moves opposite the rest of your investments is safer than buying a stock that goes up when your other investments go up and down when your other investments go down.
Buying a stock that moves opposite the rest of your investments is riskier than buying a stock that goes up when your other investments go up and down when they go down.

Suppose you borrow $100,000 to buy a house using a 30-year fixed-rate mortgage at a 6% annual interest rate. At the beginning, more of your monthly payment goes to paying interest than to paying off principal.

Suppose you borrow $100,000 to buy a house using a 30-year fixed-rate mortgage at a 6% annual interest rate. At the beginning, more of your monthly payment goes to paying principal than to paying off interest.

The stock market has no particular tendency to rise in the summer and fall in the winter.

The stock market usually rises in the summer and falls in the winter.

If the interest rate falls, bond prices will rise.

If the interest rate falls, bond prices will fall.

Financially, investing in the stock market is better than buying lottery tickets.

Financially, investing in the stock market is no better than buying lottery tickets.

Using money in a bank savings account to pay off credit card debt is usually a good idea.

Using money in a bank savings account to pay off credit card debt is usually a bad idea.

It is possible to invest in the stock market in a way that makes it hard for people to take unfair advantage of you.

There is no way to avoid people taking advantage of you if you try to invest in the stock market.

It is hard to predict when the stock market will rise or fall.

It is easy to predict when the stock market will rise or fall.

You cannot beat the market by buying the stocks suggested by even the best TV financial programs.

You can beat the market by buying the stocks suggested by the best TV financial programs.

If a stock’s price goes up in one year, it has no particular tendency to come back down the next year.

If a stock’s price goes up in one year, it will tend to come back down the next year.
An investment advisor tells a 30-year-old couple that $1,000 in an investment that pays a certain, constant interest rate would double in value to $2,000 after 20 years (by the time they are 50). If so, that investment would be worth $4,000 after 40 years (by the time they are 70).

An investment advisor tells a 30-year-old couple that $1,000 in an investment that pays a certain, constant interest rate would double in value to $2,000 after 20 years (by the time they are 50). If so, that investment would not be worth $4,000 for at least 45 years (until they are at least 75).

The earlier in life that you invest, the better off you will be financially.

People who start investing later in life do just as well financially as people who start investing earlier in life.

You could save money in interest costs by choosing a 15-year rather than a 30-year mortgage.

You could save money in interest costs by choosing a 30-year rather than a 15-year mortgage.

For a family with a working husband and a wife staying home to take care of their young children, life insurance that will replace three years of income is not enough life insurance.

For a family with a working husband and a wife staying home to take care of their young children, life insurance that will replace three years of income is more than enough.

The total amount a typical American worker earns over a lifetime is more than $500,000.

The total amount a typical American worker earns over a lifetime is less than $500,000.

A mutual fund combines the money of many investors to buy a variety of stocks, not a single stock.

A mutual fund combines the money of many investors to buy stock in a single company, not many companies.

You should invest in either mutual funds or a large number of different stocks instead of just a few stocks.

You should invest most of your money in a few good stocks that you select rather than in lots of stocks or in mutual funds.

An employee of a company with publicly traded stock should have little or none of his or her retirement savings in the company’s stock.

An employee of a company with publicly traded stock should have a lot of his or her retirement savings in the company’s stock.

You should only buy an annuity if it pays a higher interest rate than the interest rate on a long-term bond.
QFT64F
The rate an annuity pays will typically be lower than the interest rate on a long-term bond.

QFT65T
Taxes are more likely to hit an investor who trades frequently than an investor who rarely buys and sells stocks.

QFT65F
Taxes are more likely to hit an investor who rarely buys and sells stocks than an investor who trades frequently.

QFT66T
If you are saving for a purchase two years from now, a CD (Certificate of Deposit) will give you a better interest rate than a savings account.

QFT66F
If you are saving for a purchase two years from now, a savings account will give you a better interest rate than a CD (Certificate of Deposit).

QFT67T
If you have to sell one of your stocks you should sell one that has gone down in price rather than one which has gone up.

QFT67F
If you have to sell one of your stocks you should sell one that has gone up in price rather than one which has gone down.

QFT68T
Suppose you purchase an appliance that retails for $1,000 with equal monthly payments of $100 per month for 12 months. The total payments add to $1,200. Then the effective interest rate you have paid is higher than 20% per year.

QFT68F
Suppose you purchase an appliance that retails for $1,000 with equal monthly payments of $100 per month for 12 months. The total payments add to $1,200. Then the effective interest rate you have paid is about 20% per year.

QFT69T
Stocks are normally riskier than bonds.

QFT69F
Bonds are normally riskier than stocks.

QFT70T
If you have a taxable account and a non-taxable account, you should hold tax-exempt municipal bonds in your taxable account.

QFT70F
If you have a taxable account and a non-taxable account, you should hold tax-exempt municipal bonds in your non-taxable account.

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

CS_002 COMPLETED ON PHONE
Would you have completed this interview if it had been conducted on the phone?