

Economic Research on Choice Overload: Questionnaire

Stage 1

OMB No. 3170-0048

Expiration Date: 12/31/2017

Privacy Act Statement

5 U.S.C. 552a(e)(3)

The information you provide through your responses to Middlebury College will assist the study sponsor, the Consumer Financial Protection Bureau (“CFPB”), in understanding certain aspects of financial decision-making.

The CFPB will not obtain or access any directly identifying information from Middlebury College about study participants. The agency will only obtain, and access, de-identified results and aggregated analyses of those results.

Information collected on behalf of the Bureau by Middlebury College will be treated in accordance with the System of Records Notice (“SORN”), CFPB.022, <https://www.federalregister.gov/articles/2012/11/14/2012-27582/privacy-act-of-1974-as-amended>. This information may only be disclosed as outlined in the Routine Uses for the SORN. Direct identifying information will only be used by Middlebury College to facilitate the study and will be kept private except as required by law.

This collection of information is authorized by Pub. L. No. 111-203, Title X, Sections 1013 and 1022, codified at 12 U.S.C. §§ 5493 and 5512.

Participation in this exercise is voluntary, you are not required to participate or share any identifying information. You may withdraw participation at any time. However, if you do not include the requested information, you may not participate in the study.

Demographic Questions

What is your age?

(free response)

Are you Hispanic or Latino?

(radio button with options)

Yes/No

How do you describe your race?

(radio button with options)

American Indian/Alaska Native, Asian, Black or African American, Hawaii/Pacific Islander, White, Mixed Race, Other

What is your gender?
(radio button with options)
Male/Female

What is your major?
(free response)

What is your academic year?
(radio button with options)
Freshman, Sophomore, Junior, Senior

How much do you typically spend in a week on consumption for yourself?

What is your family total annual income?
(radio button with options)

1. Less than \$30,000
2. \$30,000 - \$50,000
3. \$50,000 - \$100,000
4. \$100,000 - \$150,000
5. More than \$150,000

What is your home country?

If from the United States, what region are you from?
(radio button with options)
Northeast, Midwest, South, West

If from the United States, what is your home zipcode?

How many bathrooms are in your family home?

Are you from an urban, suburban, or rural area?
(radio button with options)
Urban, Suburban, Rural

Risk questions (from SOEP)

Would you describe yourself as someone who tries to avoid risks (risk-averse) or as someone who is willing to take risks (risk-prone)?

Please answer on a scale from 0 to 10, where 0 means “risk-averse” and 10 means “risk-prone”.

People can behave differently in different situations. How would you rate your willingness to take risks in the following areas?

Please answer on a scale from 0 to 10, where 0 means risk-averse and 10 means risk-prone.

How is it ...
while driving?..... in financial matters? during leisure
and sport?..... in your occupation? with your health?
..... your faith in other people?.....

Big 5 Questions (BFI-S, from SOEP 2009)

Below are different qualities that a person can have. You will probably find that some apply to you perfectly and that some do not apply to you at all. With others, you may be somewhere in between. Please answer according to the following scale: 1 means "does not apply to me at all", 7 means "applies to me perfectly". With values between 1 and 7, you can express where you lie between these two extremes.

I see myself as someone who:

- does a thorough job
- is communicative, talkative
- is sometimes somewhat rude to others
- is original, comes up with new ideas
- worries a lot
- has a forgiving nature
- tends to be lazy
- is outgoing, sociable
- values artistic, aesthetic experiences
- gets nervous easily
- does things effectively and efficiently
- is reserved
- is considerate and kind to others
- has an active imagination
- is relaxed, handles stress well
- is eager for knowledge

Subjective Patience Assessment

Do you consider yourself to be patient or impatient? Please answer according to the following scale: 1 means "very patient", 10 means "very impatient". With values between 1 and 10, you can express where you lie between these two extremes.

(from Zauberman et al JMR, 2009):

Imagine receiving a gift certificate worth \$75. Suppose that the gift certificate is valid today. How much would you need to be paid to wait for 1 month before using the gift certificate? (in dollars)

Imagine a day 3 months in the future. Place a mark on the following line to indicate how long you consider the duration between today and a day 3 months later.

Very Short ----- Very Long

Imagine a day 1 year in the future. Place a mark on the following line to indicate how long you consider the duration between today and a day 1 year later.

Very Short ----- Very Long

Imagine a day 3 years in the future. Place a mark on the following line to indicate how long you consider the duration between today and a day 3 years later.

Very Short ----- Very Long

Cognitive Ability Questions (cognitive reflection)

Answer the following quickly:

A bat and a ball together cost \$1.10. The bat costs a dollar more than the ball. How much \$ does the ball cost?

It takes 5 machines 5 minutes to make 5 widgets. How long will it take 100 machines to make 100 widgets?

In a lake there is a patch of lily pads. The patch doubles in size every day. If it takes 48 days for the patch to cover the entire lake, how long would it take for the patch to cover half the lake?

Credit Use History

Do you have or have you ever had a credit card that you are personally responsible for paying off? (If Yes, please do not include debit cards, and, only include cards you can pay off over time).

Yes/No

If yes, how many?

What is the current annual rate of interest you have on a credit card? (If more than one card, indicate the highest annual interest rate)

What is the most important reason you chose the credit card you did?

I didn't choose it, a family member chose it for me.

It was the first option I came across

Because I found it offered the most favorable terms when compared to other options

I followed the recommendation of a friend or family member or trusted financial adviser

Other Reason _____

Do you have or have you ever had a loan for educational expenses? (If Yes, Please do not include any credit cards already recorded)

How many such loans are there?

What is the total principal for all such education-related loans you hold?

What is the current annual rate of interest on your education loan with the highest interest rate?

Have you ever used a general purpose, reloadable card (also known as a prepaid card)?

Do you have a checking account of your own? Do not include business accounts, loan accounts or credit cards with check-writing privilege, or accounts held for other people.

What is the most important reason you chose the institution you did for your main checking account?

I didn't choose it, a family member chose it for me.

It was the first option I came across

Location of their offices

Because I found it offered the most favorable terms when compared to other options

I followed the recommendation of a friend or family member or trusted financial adviser

Other Reason _____

Financial Literacy

1. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, would you be able to buy more than, exactly the same as, or less than today with the money in this account?

Answer Options:

1. More than today
2. Exactly the same as today
3. Less than today

2. If the interest rates rise, what should happen to bond prices?

Answer Options:

1. They should rise
2. They should fall
3. They should stay the same

3. Considering a long time period (for example 10 or 20 years), which asset described below normally gives the highest return?

Answer Options:

1. Savings accounts
2. Bonds
3. Stocks

4. Normally, which asset described below displays the highest fluctuations over time?

Answer Options:

1. Savings accounts
2. Bonds
3. Stocks

5. When an investor spreads his or her money among different assets, does the risk of losing a lot of money increase, decrease or stay the same?

Answer Options:

1. Increase
2. Decrease
3. Stay the same

6. Do you think the following statement is true or false? "If you were to invest \$1000 in a stock mutual fund, it would be possible to have less than \$1000 when you withdraw your money."

Answer options:

- True
- False

7. Do you think the following statement is true or false? "'Whole life' insurance has a savings feature while 'term' insurance does not."

Answer Options:

- True
- False

8. Do you think the following statement is true or false? "A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage, but the total interest paid over the life of the loan will be less."

Answer Options:

- True
- False

9. Do you think the following statement is true or false? "Housing prices in the US can never go down."

Answer Options:

- True
- False

10. Suppose you owe \$3,000 on your credit card. You pay a minimum payment of \$30 each month. At an Annual Percentage Rate of 12% (or 1% per month), how many years would it take to eliminate your credit card debt if you made no additional new charges?

Answer Options:

Less than 5 years

Between 5 and 10 years

3. Between 10 and 15 years

4. Never, you will continue to be in debt

Attitudes Toward Various Credit Products

Generally speaking do you have trust in financial institutions (e.g. credit card companies, mortgage lenders)? Please answer on a scale of 1 to 10 (where 1 indicates “very little trust” and 10 indicates “a great deal of trust”).

In general, do you think it is a good idea or a bad idea for people to buy things by borrowing or on credit?

1. *Good idea

2. *Good in some ways, bad in others

3. *Bad idea

People have many different reasons for borrowing money which they pay back over a period of time. For each of the reasons below, please indicate whether you feel it is all right for someone like yourself to borrow money...

To cover the expenses of a vacation trip?

Yes

No

To cover living expenses when income is cut?

Yes

No

To finance the purchase of a car?

Yes

No

To finance educational expenses?

Yes

No

Payment Over Time Decisions

See attached PDF.

Lottery Decisions

See attached PDF.

Paperwork Reduction Act

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The OMB control number for this collection is 3170-0048. It expires on 12/31/2017. The time required to complete this information collection is estimated to average approximately 1 hour per response. Responding to this collection of information is voluntary. Comments regarding this collection of information, including the estimated response time, suggestions for improving the usefulness of the information, or suggestions for reducing the burden to respond to this collection should be submitted to Bureau at the Consumer Financial Protection Bureau (Attention: PRA Office), 1700 G Street NW, Washington, DC 20552, or by email to PRA@cfpb.gov.

Stage 2

OMB No. 3170-0048

Expiration Date: 12/31/2017

Payment Method

Please choose how you would like to be paid for your participation:

	Card 1	Card 2	Card 3	Card 4	Card 5
Initial Amount					
Reload in 5 Weeks					
Activation Fee					
Card Insurance (costs \$6 to protect against otherwise 50% of receiving \$10)	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO
Monthly Fee					
Service Fee					
Reload Fee					
Color					