What follows below is a document of the computer experiment. The experiment was administered electronically by computer.
Introduction

Welcome to this laboratory experiment in economics. Today we will ask you to make some choices that will inform us about your willingness to trade things you can have now for things you can obtain at a later time. For participating in this experiment everyone will receive $10 in two payments: $5 today and $5 tomorrow, where tomorrow’s money will be available for you to pick up in the Economics Department with your name on an envelope. Each person participating in the experiment will also make a little bit more money based on the choices they make, and one person today has a chance of making an even larger amount of money.

Depending on the choices you make, the additional money that you make might be paid to you tomorrow, or, you might end up choosing to receive a financial investment worth a considerable amount of money many years from now.

Following the main choice tasks, we will ask you some questions about your household. Your responses are helpful in that they can be used to explain some of the decisions you make in the experimental exercises. Please note that your responses will not be linked to your name, nor made available to anyone outside the research team. Your ID number is used to match your responses so that they are not confused with anyone else’s, and will be used to determine your earnings from the experiment.

We ask that you not talk with anyone else today except for the designated researchers conducting this experiment.

We expect that the entire session will take about one hour. Your participation is completely voluntary.

Please note as you answer questions and participate in the exercises, you will be instructed to WAIT until other students finish the exercise.
CHOOSING MONEY TODAY OR TOMORROW

Choose the option you would desire from A and B below. The following exercise will contribute to your total earnings.

A: Today you will receive $5.00
B: Tomorrow you will receive $5.10-$5.50 (randomized in increments of 10 cents)

Which do you prefer?

CHOOSING MONEY TODAY OR TOMORROW

Choose the option you would desire from A and B below. The following exercise will contribute to your earnings.

A: Today you will receive $2.00
B: Tomorrow you will receive $2.05 - $2.25 (randomized in increments of 5 cents)

Which do you prefer?
CHOOSING MONEY TODAY OR TOMORROW

In the previous two questions you were asked to choose to receive money today or tomorrow. When is the earliest you would be able to pick up the money at the Department for the tomorrow choice (even if you did not choose to receive money tomorrow in either question), presuming you would do so at the earliest convenience for you?

For example, if the earliest you would be able to pick up your earnings is tomorrow, enter 1. If the earliest you would actually be able to pick up your earnings is in 2 days, enter 2.

Number of days: ___________

----------------------------------------------------------------

CHOOSING MONEY TOMORROW OR IN 1 or 20 YEARS

Before we proceed with the exercises in this next section, we will ask you a few questions to gauge your knowledge of investments and provide you with some information to help you make your decision.

Q1: Do you currently have any savings or investments that enable you to earn interest, or that pay some rate of return?

Yes ➔ program jumps to Q2, then Q3

No ➔ program jumps to Q3

________________________________________________________________

Q2: If you answered YES to the previous question, please indicate the types of investments or interest-bearing savings that you have (mark all that pertain):

Interest-bearing savings account or checking account

Government savings bond

Stock in private or public company, or money market mutual funds

Retirement funds/Pension

Other Investments (for example, real estate)

None of the above
Q3: Next, do you currently have a mortgage, car or student loan?

Yes

No

If YES, then what is the lowest interest rate you are paying on any of the above loans? If NO, then what do you believe is the lowest interest rate that you could borrow money at today? In the box, enter a percentage in whole numbers (for example, enter 8 for 8%, and do not enter decimals) ________, I don’t know

Q4: Do you have a major credit card (for example, Visa, Mastercard, American Express, Discover)? If YES, please select the BEST answer to describe the annual percentage interest rate charged on unpaid balances:

I DO NOT HAVE A MAJOR CREDIT CARD

0%-5.99%

6.0%-10.99%

11.0%-15.99%

16%-20.0%

Greater than 20%

I don’t know

Q5: Do you have a job as an investment or financial planner or broker?

Yes

No
Q6: Are you employed by (please check the MOST appropriate answer):

Bank
Financial institution
Financial or retirement planning firm
Investment brokerage firm
Other financial industry-related firm
None of the above

Q7: Are any members of your household employed by (please check the MOST appropriate answer):

Bank
Financial institution
Financial or retirement planning firm
Investment brokerage firm
Other financial industry-related firm
None of the above
Current Interest Rates

Next, we will now provide you with the best information we could obtain about market rates of interest today, at which you might be able to either borrow or lend money, or which you could expect as a rate of return were you to invest.

- Average national mortgage interest rate on a 30 year mortgage: **4.5-5.0%**
- The current annual rate of interest paid on a 30 year Savings Bond (specifically, series EE 30 bond): 0.6% (until 4/30/2011)
- The average rate of interest paid by most banks for keeping money in a savings account with a minimum deposit of $500: **0.01% to 1.3%**
- The average rate of interest paid on Certificates of Deposit (1-5 year terms): **1% to 3%**

Q8: What is your best estimate of the current average annual rate of return you could expect by investing in the stock market today:

- <2%
- 2-3.99%
- 4-6.99%
- 7-9.99%
- 10-13%
- >13%
- I don’t know
Now, we would like you to do a task similar to the exercise where you chose to receive money today versus tomorrow. However, there are 2 primary differences here, as compared to the earlier tasks that you did.

- First, you will be making a choice about receiving money tomorrow versus a larger amount in 1 year or in 20 years.

There are a total of 23 short exercises for you to complete. In each of the 23 exercises your choice involves receiving a cash payment tomorrow, or a payment in 1 year or in 20 years, via a U.S. treasury security. If you select a 1 year payment, you will receive a check for the specified amount in 1 year from Weber State University. If you select to receive a payment in 20 years, you will receive a U.S. Treasury savings bond, series EE.

[For the information treatment, the following would appear]

The following statement is information taken from the U.S. Treasury regarding Series EE Savings Bonds:

Paper bonds are sold at half the face value. For example, a $100 bond is purchased for $50. Series EE Savings bonds earn a fixed rate of interest for the life of the bond (30 years), but at 20 years there may be a one time interest adjustment as Series EE bonds are guaranteed to be worth double the purchase price at that time. These bonds may be redeemed early. The minimum holding period is 1 year, where the owner will receive the original purchasing price plus any earned interest. If the bond is redeemed before 5 years, the owner forfeits the 3 most recent months’ interest.

Before we begin, as a group we will work through 2 practice tasks or exercises.

At the end of this task, we will draw an ID number from a bingo cage and a specific exercise number (1-23). You are welcome to inspect the bingo cage to make sure it is fair. If your ID number is drawn, then you will actually receive the amount of money, or the treasury security, that you chose in the selected exercise. Everyone in the study today has an equal chance of having his or her ID number drawn from the bingo cage. We have __ students today, so you chance of getting your ID number drawn is equal to 1/number of students.
Please wait while we discuss how to complete the following two practice exercises. For these exercises you will not actually be paid, but please pay attention so that you learn from these to be ready for the tasks that do involve payment.

When the test administrator instructs you to do so, click Submit.
Practice exercises

Practice Exercise 1

<table>
<thead>
<tr>
<th>Option A</th>
<th>Option B</th>
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</thead>
<tbody>
<tr>
<td>$5 tomorrow</td>
<td>$100 in 1 year</td>
</tr>
</tbody>
</table>

Check the option that you prefer...

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $158,000 tomorrow rather than wait 1 year to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 1 year and receive $1 million rather than have approximately $158,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 1 year to receive $1 million?

YES  NO
Practice Exercise 2

<table>
<thead>
<tr>
<th>Check the option that you prefer...</th>
<th>Option A</th>
<th>Option B</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$25 tomorrow</td>
<td>$500 in 20 years</td>
</tr>
</tbody>
</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $281,500 tomorrow rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than have approximately $281,500 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES  NO
Keep in mind that while the practice exercise answers above will not contribute to your earnings, we are going to use them as an example to walk through the process of how earnings will be determined in the set of real exercises.

Two numbers have been placed in the Bingo cage representing Practice exercise 1 and 2. We will now draw a number from the Bingo cage. After we draw a number from the Bingo cage, we will draw an ID number.

The number ____ was drawn from the Bingo cage, and ID number ___ was drawn. Had this been the real set of exercises, we would pay ID ___ their choice (A or B) in the practice exercise number ____.
For each of the following choice exercises, please select the option that you prefer. Keep in mind that you may be selected to be paid for one of your choices.

Exercise 1

<table>
<thead>
<tr>
<th></th>
<th>Option A</th>
<th>Option B</th>
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</thead>
<tbody>
<tr>
<td>$5 tomorrow</td>
<td>$100 in 1 year</td>
<td></td>
</tr>
</tbody>
</table>

Check the option that you prefer…

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $158,000 tomorrow rather than wait 1 year to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 1 year and receive $1 million dollars rather than have approximately $158,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 1 year to receive $1 million?

YES  NO
Exercise 2

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<tr>
<th>Check the option that you prefer…</th>
<th>Option A</th>
<th>Option B</th>
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<tbody>
<tr>
<td></td>
<td>$25 tomorrow</td>
<td>$100 in 1 year</td>
</tr>
</tbody>
</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $462,500 tomorrow rather than wait 1 year to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 1 year and receive $1 million dollars rather than have approximately $462,500 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 1 year to receive $1 million?

YES  NO
Exercise 3

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<th></th>
<th>Option A</th>
<th>Option B</th>
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<tbody>
<tr>
<td>Check the option that you prefer...</td>
<td>□</td>
<td>□</td>
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</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $699,000 tomorrow rather than wait 1 year to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 1 year and receive $1 million dollars rather than have approximately $699,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 1 year to receive $1 million?

YES      NO
Exercise 4

<table>
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<tr>
<th>Check the option that you prefer…</th>
<th>Option A</th>
<th>Option B</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>$75 tomorrow</td>
<td>$100 in 1 year</td>
</tr>
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</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $869,000 tomorrow rather than wait 1 year to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 1 year and receive $1 million dollars rather than have approximately $869,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 1 year to receive $1 million?

YES    NO
Exercise 5

<table>
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<tr>
<th>Check the option that you prefer…</th>
<th>Option A</th>
<th>Option B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$95 tomorrow</td>
<td>$100 in 1 year</td>
</tr>
</tbody>
</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $976,000 tomorrow rather than wait 1 year to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 1 year and receive $1 million dollars rather than have approximately $976,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 1 year to receive $1 million?

YES  NO
Exercise 6

<table>
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<tr>
<th></th>
<th>Option A</th>
<th>Option B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$5 tomorrow</td>
<td>$100 in 20 years</td>
</tr>
</tbody>
</table>

Check the option that you prefer…

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $158,000 tomorrow rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than have approximately $158,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES  NO
Exercise 7

<table>
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<tr>
<th>Check the option that you prefer…</th>
<th>Option A</th>
<th>Option B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$25 tomorrow</td>
<td>$100 in 20 years</td>
</tr>
</tbody>
</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $462,500 tomorrow rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than have approximately $462,500 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES  NO
Exercise 8

<table>
<thead>
<tr>
<th>Check the option that you prefer…</th>
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<th>Option B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$50 tomorrow</td>
<td>$100 in 20 years</td>
</tr>
</tbody>
</table>

You selected option A. If you have typical attitudes that most people have about the risk associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $699,000 tomorrow rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than have approximately $699,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES  NO
Exercise 9

<table>
<thead>
<tr>
<th>Check the option that you prefer…</th>
<th>Option A</th>
<th>Option B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$75 tomorrow</td>
<td>$100 in 20 years</td>
</tr>
</tbody>
</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $869,000 tomorrow rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than have approximately $869,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES  NO
Exercise 10

<table>
<thead>
<tr>
<th>Check the option that you prefer…</th>
<th>Option A</th>
<th>Option B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$95 tomorrow</td>
<td>$100 in 20 years</td>
</tr>
</tbody>
</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $976,000 tomorrow rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than have approximately $976,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES   NO
Exercise 11

<table>
<thead>
<tr>
<th></th>
<th>Option A</th>
<th>Option B</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5 tomorrow</td>
<td>$500 in 20 years</td>
<td></td>
</tr>
</tbody>
</table>

Check the option that you prefer... [ ] [ ]

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $96,000 tomorrow rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than have approximately $96,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES  NO
Exercise 12

<table>
<thead>
<tr>
<th></th>
<th>Option A</th>
<th>Option B</th>
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</thead>
<tbody>
<tr>
<td>Check the option that you prefer…</td>
<td>$25 tomorrow</td>
<td>$500 in 20 years</td>
</tr>
</tbody>
</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $281,500 tomorrow rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than have approximately $281,500 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES      NO
Exercise 13

<table>
<thead>
<tr>
<th></th>
<th>Option A</th>
<th>Option B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$50 tomorrow</td>
<td>$500 in 20 years</td>
</tr>
<tr>
<td><strong>Check the option that you prefer...</strong></td>
<td>[ ]</td>
<td>[ ]</td>
</tr>
</tbody>
</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $425,000 tomorrow rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than have approximately $425,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES   NO
Exercise 14

<table>
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<tr>
<th></th>
<th>Option A</th>
<th>Option B</th>
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<tbody>
<tr>
<td>Check the option that you prefer...</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>$75 tomorrow</td>
<td>$500 in 20 years</td>
<td></td>
</tr>
</tbody>
</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $528,500 tomorrow rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than have approximately $528,500 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES    NO
Exercise 15

<table>
<thead>
<tr>
<th>Check the option that you prefer…</th>
<th>Option A</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$95 tomorrow</td>
<td>$500 in 20 years</td>
</tr>
</tbody>
</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $594,000 tomorrow rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than have approximately $594,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES  NO
Exercise 16

<table>
<thead>
<tr>
<th>Check the option that you prefer…</th>
<th>Option A</th>
<th>Option B</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5 tomorrow</td>
<td></td>
<td>$1000 in 20 years</td>
</tr>
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</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $91,000 tomorrow rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than have approximately $91,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES  NO
Exercise 17

<table>
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<tr>
<th></th>
<th>Option A</th>
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<tbody>
<tr>
<td></td>
<td>$25 tomorrow</td>
<td>$1000 in 20 years</td>
</tr>
<tr>
<td>Check the option that you prefer…</td>
<td>□</td>
<td>□</td>
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</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $266,000 tomorrow rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than have approximately $266,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES NO
Exercise 18

<table>
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<th>Check the option that you prefer…</th>
<th>Option A</th>
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<tbody>
<tr>
<td></td>
<td>$50 tomorrow</td>
<td>$1000 in 20 years</td>
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</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $402,000 tomorrow rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than have approximately $402,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES      NO
Exercise 19

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<th>Option A</th>
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<tbody>
<tr>
<td>Check the option that you prefer...</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td></td>
<td>$75 tomorrow</td>
<td>$1000 in 20 years</td>
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</tbody>
</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $499,000 tomorrow rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than have approximately $499,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES  NO
Exercise 20

<table>
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<tr>
<th></th>
<th>Option A</th>
<th>Option B</th>
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</thead>
<tbody>
<tr>
<td><strong>Check the option that you prefer...</strong></td>
<td>$95 tomorrow</td>
<td>$1000 in 20 years</td>
</tr>
</tbody>
</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $561,000 tomorrow rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than have approximately $561,000 tomorrow.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES  NO
Exercise 21

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<tr>
<th>Check the option that you prefer…</th>
<th>Option A</th>
<th>Option B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$100 in 1 year</td>
<td>$1000 in 20 years</td>
</tr>
</tbody>
</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $575,000 in 1 year rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than receive approximately $575,000 in 1 year.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES  NO
Exercise 22

<table>
<thead>
<tr>
<th>Check the option that you prefer…</th>
<th>Option A</th>
<th>Option B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$100 in 1 year</td>
<td>$500 in 20 years</td>
</tr>
</tbody>
</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $608,000 in 1 year rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than receive approximately $608,000 in 1 year.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES  NO
### Exercise 23

<table>
<thead>
<tr>
<th>Check the option that you prefer…</th>
<th>Option A</th>
<th>Option B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$100 in 1 year</td>
<td>$200 in 20 years</td>
</tr>
</tbody>
</table>

You selected option A. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to have approximately $756,000 in 1 year rather than wait 20 years to receive $1 million.

You selected option B. If you have typical attitudes that most people have about the risk that is associated with waiting to receive money in the future, then your choice implies you would prefer to wait 20 years and receive $1 million dollars rather than receive approximately $756,000 in 1 year.

Think carefully: Does this reflect your true preferences in regards to waiting 20 years to receive $1 million?

YES  NO
The following statement was taken from the U.S. Treasury regarding Series EE Savings Bonds:

Paper bonds are sold at half the face value. For example, a $100 bond is purchased for $50. Series EE Savings bonds earn a fixed rate of interest for the life of the bond (30 years), but at 20 years there may be a one time interest adjustment as Series EE bonds are guaranteed to be worth double the purchase price at that time. These bonds may be redeemed early. The minimum holding period is 1 year, where the owner will receive the original purchasing price plus any earned interest. If the bond is redeemed before 5 years, the owner forfeits the 3 most recent months’ interest.

Below indicates how much you would receive if you cashed in your bond between 1 to 30 years. Place your cursor where you would likely redeem the bond. As you scroll the cursor along the bar, a popup message will tell you the amount you would receive at the time you choose to redeem it.

100 face value bond:

1 year $\textbf{50} = C \textbf{=} \textbf{100} = \textbf{100} \rightarrow 20 \rightarrow 30$ years

Suppose $C$ is 5 years, then the popup message would say “At end of 5 years, you would receive $51.52.”

When they move the cursor to 20 years, the bond is GUARANTEED to be worth $100 (there is a 1 time interest adjustment to ensure this). After 20 years, the bond earns the interest that is posted at that time: At the end of 30 years, you would receive $100 plus interest earnings based on the interest rate posted at 20 years.

$500 face value bond:

1 year $\textbf{50} = C \textbf{=} \textbf{500} = \textbf{500} \rightarrow 20 \rightarrow 30$ years

$1000 face value bond:

1 year $\textbf{50} = C \textbf{=} \textbf{1000} = \textbf{1000} \rightarrow 20 \rightarrow 30$ years
Follow Up Questions.

Please complete the following as we determine your earnings. When we are finished computing your earnings, and you have completed this section, we will call your ID number for you to receive the money you have earned today.

Which of the following things did you think about when you made your decision to get money now, versus receiving money in 20 years? Below indicate the importance each played on a scale of 1 to 3, where 1 represents not important at all and 3 indicates very important:

<table>
<thead>
<tr>
<th></th>
<th>Not important at all</th>
<th>Somewhat important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>I thought I might be able to turn around and invest the money I</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>get tomorrow, at a better rate than you offered with the Savings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I thought I really needed the money tomorrow, because I have an</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>immediate need for it.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Twenty years is too long in the future for me to think about.</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>I thought I really didn’t trust being able to get the money</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>from the treasury security in 20 years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I thought of giving the proceeds from the bond in 20 years to</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>my children, or to someone else</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Please allocate 100 points to the following categories according to how important you expect these issues will be to you in 30 years. You must allocate all 100 points. If one of the following is of no concern, you may choose to allocate 0 points to it; conversely, if one item is of tremendous importance to you, you may assign all 100 points to it.

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUTURE SALARY:</td>
<td></td>
</tr>
<tr>
<td>FUTURE HEALTH OF THE ENVIRONMENT:</td>
<td></td>
</tr>
<tr>
<td>FUTURE GLOBAL TEMPERATURES:</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
</tr>
</tbody>
</table>

Points
Climate change is a long-term change in the statistical distribution of weather patterns over periods of time that range from decades to millions of years. It may be a change in the average weather conditions or a change in the distribution of weather events with respect to an average, for example, greater or fewer extreme weather events. In recent usage, especially in the context of environmental policy, climate change usually refers to changes in modern climate. It may be qualified as anthropogenic (i.e., human activity on biophysical environments) climate change, more generally known as global warming or anthropogenic global warming (http://en.wikipedia.org/wiki/Climate_change).

On a scale of 0 to 100, how concerned are you about the environment?
Not at all concerned < SCROLLBAR > Greatly concerned

On a scale of 0 to 100, how likely is it that you believe climate change will have a substantially negative influence on the U.S. economy in 20 years?
No chance at all < SCROLLBAR > Certain to have a negative effect

On a scale of 0 to 100, how concerned are you about climate change?
Not at all concerned < SCROLLBAR > very concerned

On a scale of 0 to 100, how would you say you feel about the world’s ability to slow climate change?
We are unable to slow climate change < SCROLLBAR > We are able to slow climate change

On a scale of 0 to 100 how would you feel about the role of the government in establishing regulations to reduce climate change impacts?
Should NOT establish regulations < SCROLLBAR > SHOULD establish regulations

. On a scale of 0 to 100 how would you say you feel about the U.S. Government’s responsibility to participate in international climate change agreements?
The U.S. Government should NOT participate < SCROLLBAR > The U.S. Government SHOULD participate
On a scale of 0 to 100 indicate the degree to which you believe technological progress will enable future generations to solve environmental problems? Technology...

WILL NOT solve environmental problems  < SCROLLBAR >  WILL solve environmental problems
Do you rely on news programs to inform you of important world, national, and local events and issues?

No  ----- (skip below question)
Yes

Which of the following sources of news do you rely on? Below indicate the frequency that you rely on the following sources of news using a scale of 1 to 3, where 1 represents do not use the source for news and 3 indicates that you rely on this source as your primary source of news.

<table>
<thead>
<tr>
<th>Source</th>
<th>Never</th>
<th>Sometimes</th>
<th>Frequently</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Newspaper (NY Times, Wall Street Journal)</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Local Newspaper</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Network Television (CBS, NBC, ABC, Local Fox News)</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Cable News Network (Fox News, MSNBC, CNN, etc.). Please list:</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Internet or radio sources: Please list:</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>
What is your personal annual income from all sources? If you don’t have much as a student, please be sure to answer question C12 asking about your parents’ household income.

0-4999
5000-9999
10,000-14999
15,000-19999
20,000-24999
25,000-29999
30,000-34999
35,000-39999
40,000-49999
50,000-59999
60,000-69999
70,000 or more
Please enter the amount of time you currently work for pay.

How many hours per week do you work? ____________________

How many weeks per year do you work? ____________________

Many students are supported throughout college by their parents or another relevant relative. What is the approximate annual income of your parents’ household?

- 0-4999
- 5000-9999
- 10,000-14999
- 15,000-19999
- 20,000-24999
- 25,000-29999
- 30,000-34999
- 35,000-39999
- 40,000-49999
- 50,000-59999
- 60,000-69999
- 70,000 or more
- Not applicable

--------------------------------------------------------------------------------------------------------------------------------------------------------------
What is the political party, if any, which you MOST closely identify with?

Republican
Democrat
Libertarian
Green
Independent
Other

The following statement was taken from the U.S. Treasury regarding Series EE 30 Year Savings Bonds:

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Did you know this information when you were answering the questions about receiving money tomorrow versus a 30 year EE savings bond?

Yes ➔ program goes to (a)
No ➔ program goes to (b)
(a)
The following statement was taken from the U.S. Treasury regarding Series EE 30 Year Savings Bonds:

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These bonds may be redeemed early. The minimum holding period is 1 year, where the owner will receive the original purchasing price plus any earned interest. If the bond is redeemed before 5 years, the owner forfeits the 3 most recent months’ interest.

Did this knowledge influence your choice?

Yes

No
(b)

The following statement was taken from the U.S. Treasury regarding Series EE 30 Year Savings Bonds:

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These bonds may be redeemed early. The minimum holding period is 1 year, where the owner will receive the original purchasing price plus any earned interest. If the bond is redeemed before 5 years, the owner forfeits the 3 most recent months’ interest.

If you had known this information, would you have made different choices?

Yes

No

Do you believe that the level of satisfaction and happiness of future generations that they receive in connection to all the goods and services, including the environmental conditions in the future, should be valued:

LESS than the current generation’s level of satisfaction and happiness

EQUALLY with the current generation’s level of satisfaction and happiness

MORE than the current generation’s level of satisfaction and happiness
In which college is your major area of study?
Science (for example,...)
Education (for example,...)
Business (for example,...)
Arts and Humanities (for example,...)
Social sciences (for example,...)
Applied science and technology (for example,...)
Undecided
Other

Are you an economics major?
Yes
No

Do you have any children?
Yes
No
On your last Federal income tax return, did you itemize deductions or take the standard deduction?

- Itemized deductions
- Standard deduction
- I don’t know

Have you ever made a monetary contribution to an organization that fights climate change?

- Yes
- No

Have you ever volunteered your time to an organization that fights climate change?

- Yes
- No

What is your gender? Male or female

How old are you?
Please draw your attention to the front of the room as we randomly select an ID number and an exercise number to determine earnings.

When the test administrator instructs you to do so, click Submit.

SUBMIT.

Exercise ____

ID __________
Thank you for completing this experiment.

For questions or information about this experiment,

Contact Therese Grijalva in the Department of Economics.

Email: tgrijalva@weber.edu