Description of the CEAR Research Program "Portfolios of Atlanta's Poor"

Portfolios of Atlanta's Poor (PAP) is a signature research project at the Center for Economic Analysis of Risk at Georgia State University with the purpose of collecting rich micro level data on risk, wealth and health management by poor households in urban Atlanta, by using a mixture of surveys, laboratory experiments, and diary data.

The data collected is based on structured, detailed one-on-one interviews guided by a financial accounting framework. A set of initial interviews are aimed at building a picture of the characteristics of the household: its size and composition, its economic activities, and its recent history of sources of income and pattern of expenses, as well as the risk taking behavior, time use patterns, health, and attitudes to risk and time delays by the head of the household. Following these initial interviews, weekly interviews track health and finances in detail; for each participant, the entire project could last up to 6 months.

CEAR collaborates with several non-profit organizations (NPOs) in the Atlanta area to find potential participants to invite. The interviews take place at the NPO locations, on the campus of Georgia State University, or in the participant's home. Each participant decides where they prefer taking the interview. Most of them are conducted at the NPO locations.

Participants were recruited and interviewed in three waves. Wave 1 was conducted in the fall of 2013 and included 14 participants. Wave 2 was conducted in the spring and summer of 2014 and included 36 participants. Wave 3 was conducted in the spring, summer and fall of 2017 and included 58 participants. The first two waves were administered using paper and pen, while the third wave used Qualtrics. All responses were recorded by the interviewers, not by the participant.

In each wave participants were interviewed across several sessions. In waves 1 and 2 all participants were first interviewed across 3 sessions. These sessions covered a range of questionnaires plus experiments eliciting risk attitudes and beliefs. 14 of the 36 participants in wave 2 were also interviewed in an additional series of 16 weekly sessions over a 4 month period, referred to as diaries. In wave 3 participants were given various questionnaires during an initial 2 interview sessions, after which they participated in up to 24 diary interviews over a period of 6 months. Experiments with risk elicitation and belief elicitation in wave 3 were conducted about halfway through the diary period.

The show-up compensation for each of the two questionnaire sessions in all three waves was $25. For the diary sessions they were given a show up compensation of $25 in wave 2 and $15 in wave 3. There was no additional show up compensation for the longer diary sessions in wave 3 where we presented them with the experimental tasks.

The structure of the sessions for waves 1 and 2 were the same. In the first session, apart from completing the risk elicitation task, they also responded to a demographic census of their household. In the second session, apart from completing the belief elicitation tasks, they also responded to questionnaires that covered personal financial forecasts, risky behaviors, attitude questions on risk and time preferences, a general health assessment, nutrition habits, and time use habits. In session 3 they responded to a fairly detailed financial questionnaire including questions on income, expenses, assets and liabilities. Each session lasted 1.5 – 2 hours. During the diary sessions they responded to some general questions on health and well-being, major events in the household, and detailed financial transactions for the period between the interviews. Diary interviews were shorter, most lasting one hour or less, with the exception of a few respondents who required more time. In wave 3 we introduced a raffle with additional money rewards for those who brought documentations of their income and expenses to the interview session.

Questions about You and Your Household

Section 1: General Household Information

The following questions are about your household.

First, we need to explain what we mean by certain words.

- **Household (also called HH)** is a group of people who live in the same home and share finances. Sharing finances means that money (some, not necessarily all) is shared among these people. Your household may include your spouse or partner, children or parents who live with you, brothers, sisters and other relatives, or roommates who combine their money to pay for the household's expenses (other than just rent and utilites).

  [Enumerator should pause and ask if they have any questions. Re-enforce that only roommates/housemates who contribute to the non-rent finances count as part of their household. All children qualify as members of a household, regardless of age or contribution.]

- **Sole Head of household** means a person who makes all important decisions in the household. This means all financial and non-financial decisions.
- **Shared Head of household** means a person who shares in making the important decisions in the household. This includes all financial and non-financial decisions.

In the first column, we will record each person in your household.

- Start with yourself.
- <u>For every other person in the household, list them as "Adult 1," "Adult 2," "Child 1," etc.</u>
- Include babies and children.
- Include people who live in your household that may be away temporarily. This might include a person who is away in school, working, or in military service.

Then, for each person, answer each question. We will record the answers as you go.
If you are not sure about the answer, provide your best guess.

For some questions, you will need to look at a list of possible answers and choose the best one. This list of answers can be found on the page immediately after the chart. When you identify the right answer, we will write the number in the box.

In order to protect your anonymity, these forms containing your personal information will be stored and kept private in locked briefcases, cabinets, and password and firewall protected computers. After this document we will only use a code assigned to your household and each member of your household on each document.

HR0	HR01	HR02	HR03	HR04	HR05	HR06	HR07	HR08a	HR08b	HR09	HR10
No. of HHM (PID)	Household Member [Include members temporarily away] (List as: ADULT 1, ADULT 2, CHILD 1, etc.)	Sex If Male, write 1 in the box If Female, write 2	Age What age did this person turn on their most recent birthday?	What race(s) or ethnicity is this person? Look for answer in HR04.	What relation is this person to you? Look for answers in HR05.	Is this person a Head of the Household? Please indicate if they are the sole Head of Household, if they share the Head of Household or if they are not a Head of Household.	What is this person's current marital status? Look for answers in HR07.	How many years has this person lived with the Household?	If this person does not always live in the Household, how many months out of the last 12 have they lived there?	What is the highest level of formal education this person has completed? Look for answers in HR09.	If the person is 15 years or older, what was their primary activity during the last 12 months? If multiple primary activities, indicate the most important to that individual. Look for
01	[do not write names]					☐ Sole ☐ Shared ☐ Not a					
02	[do not write names]					☐ Sole ☐ Shared ☐ Not a					
03	[do not write names]					☐ Sole ☐ Shared ☐ Not a					
04	[do not write names]					☐ Sole ☐ Shared ☐ Not a					
05	[do not write names]					☐ Sole ☐ Shared ☐ Not a					
06	[do not write names]					☐ Sole ☐ Shared ☐ Not a					
07	[do not write names]					☐ Sole ☐ Shared ☐ Not a					
08	[do not write names]					☐ Sole ☐ Shared ☐ Not a					
09	[do not write names]					☐ Sole ☐ Shared ☐ Not a					
10	[do not write names]					☐ Sole ☐ Shared ☐ Not a					

HR04	HR05		HR07	HR09	HR10	
1. White (not Hispanic)	1. Self	10. Grandchild	1. Single	1. Pre-K/Preschool (currently enrolled)	1. Unemployed	12. Management occupations
2. Hispanic/Latino	2. Husband/wife/partner	11. Uncle/aunt	2. Married	2. Home School (currently enrolled)	2. Self-employed	13. Military service
3. African	3. Child	12. Nephew or Niece	3. Domestic Partnership	3. K – 12 (currently enrolled)	3. Agriculture or Landscaping	14. Healthcare occupation
4. Black or African-American	4. Son- or daughter-in-law	13. Cousin	4. Separated	4. No formal school	4. Food and restaurant services	15. Caretaking for other member(s) of HH
5. American Indian or Alaskan Native	5. Parent	14. Relative, other	5. Divorced	5. Some school but no High School	5. Sales and related occupations	16. Caretaking for other person (not in HH)
6. Asian	6. Father- or mother-in-law	15. Non-relative or other (friend, etc.)	6. Widowed	6. Some High School	6. Construction	17. Personal assistant
7. Asian-American	7. Brother or sister	16. Renter		7. High School Completed	7. Mechanical and maintenance work	18. Government occupations
8. Native Hawaiian or Pacific Islander	8. Grandparent	17. Ex-husband or wife		8. GED or Equivalent Degree	8. Housekeeping and janitorial services	19. Office and Administrative Support
9. Two or more races (please specify)	9. Brother- or sister-in-law			9. Some College	9. Manual labor (other)	20. Arts, Design, and other occupations
10. Other (please specify)				10. Technical School	10. Student	21. Other (please explain in box)
				11. Associate or other 2-Year Degree	11. Incarcerated	
				12. 4-Year Degree		
				13. Graduate Degree		
				14. Not sure		

Q1 In what type of residence do you live in?

- ☐ House
- ☐ Apartment
- ☐ Mobile home
- ☐ Room or rooms in someone else's home
- ☐ Other (please explain):

  _____

  _____

Q2 Do you or your household…?

- ☐ Own your home (no mortgage or loan payment)
- ☐ Own your home with a mortgage or loan
- ☐ Rent
- ☐ Rent to Own
- ☐ Other (please explain):

  _____

Q3 How many bedrooms/bathrooms does your residence have? _____ bed / _____ bath

Wave 3 Demographic Census

Questions in Qualtrics were presented sequentially, rather than in one large table.

Additional questions given in Wave 3

Q4 Is _____ a dependent of yours? Legal definition: a person for whom a taxpayer may claim an exemption on his income tax return. Informal definition: a person relying on another for the majority of their financial support.

○ Legal dependent (1)
○ Informal dependent (2)
○ Not a dependent (3)

Q5 Does _____ share the Head of Household responsibilities? If yes, indicate whether they share HoH responsibilities in financial decisions, non-financial decisions, or both.

○ Yes - financial decisions only (1)
○ Yes - non-financial decisions only (2)
○ Yes - both financial and non-financial decisions (3)
○ No (4)

For Primary activity the question and response options were slightly changed:

Q6 What has been your primary activity during the last 12 months? Select all that apply.

❑ Unemployed and looking for work (1)
❑ Unemployed and not looking for work (2)
❑ Employed and looking for other work (3)
❑ Employed and not looking for other work (4)
❑ On disabilities and looking for work (5)
❑ On disabilities and not looking for work (6)
❑ Self-employed and looking for other work (7)
❑ Self-employed and not looking for other work (8)
❑ Retired (9)
❑ Student (10)
❑ Incarcerated (11)
❑ Military service (12)
❑ Care-taking for other member(s) of Household (13)
❑ Care-taking for other person (not in Household) (14)
❑ Unpaid volunteer work (15)
❑ Other (please explain) (16) _____

Waves 1 and 2 Work, Earnings and Other Income Questions

Questions asked in Session 2, beginning of session.

Q7 Over the past 30 days:

      1a) How many hours did you typically work per week? _____

      1b) How many hours did you work in total for the month? _____

Q8 Over the past 30 days:

      1c) How much did you typically earn per week? _____

      1d) How much did you typically earn in total for the month? _____

Questions asked in Session 3:

Q9. In the last 12 MONTHS, have you worked for pay? Yes / No

Q10. In the last 30 DAYS, have you worked for pay? Yes/No

Wave 3 Work, Earnings and Other Income Questions

Questions asked in Session 2, beginning of session.

Q11 In the last 12 MONTHS, have you worked for pay?

❍ No (1)
❍ Yes (2)

Q12 How many total different jobs have you worked in the last 12 months? (Self-employment labor would be considered one job) _____

Q13 Are you currently employed with this job?

❍ No (1)
❍ Yes (2)

Q14 Average hours per week? _____

Q15 Average wage per hour -or- average salary per week?

❍ Per hour wage (1) _____
❍ Per week salary (2) _____

Waves 1 and 2 Other Income

Questions were asked in session 2, together with the work and earnings questions.

Q16 Over the past 30 days:

      1e) How much money came to you from sources other than work per week? _____

      1f) How much money came to you from sources other than work in total for the month? _____

      1g) If you answered questions 1e) or 1f) with a positive amount, what was the source(s) of this money?

Wave 3 Other Income

Questions were asked in session 2, immediately after work and earnings questions

Q17 In the last 12 months, did any other adult household members, who share finances or are dependents, work for pay or receive any other income that they contributed to your HH finances?

   ◯ No (1)
   ◯ Yes (2)

Q18 How many other adult HH members contribute to your HH finances? _____

Q19 Average HH contribution per month from this HH member?)_____

Q18 In the past 12 months, have you received any other income or funds from any individual who is not a member of your HH? (This can include child support, inheritances, gifts, etc., but does not include loans)

   ◯ No (1)
   ◯ Yes (2)

Q20 How many different sources of income, from individual outside of the HH, have you had? _____

Q21 On average each month, how much do you receive from this (each) income source? _____

Q22 In the last 12 months, have you received any government assistance?

   ◯ No (1)
   ◯ Yes (2)

Q23 Please select all of the Government income types that you have received, for yourself or a dependent, in the last 12 months:

- ❑ Social Security - Retirement (1)
- ❑ Social Security - Disability (2)
- ❑ Supplemental Security Income (3)
- ❑ VA benefits (4)
- ❑ Head Start / Peach Care (5)
- ❑ Secondary Education Grants (6)
- ❑ WIC (7)
- ❑ TANF (8)
- ❑ SNAP (9)
- ❑ Other Nutrition Assistance (10)
- ❑ Housing Assistance (rent control, Section 8, HUD) (11)
- ❑ Utility Assistance (12)
- ❑ Other Federal Program (13)
- ❑ Other State Program (14)

Q24 How much do you receive from ${lm://Field/1}, and how many times per month do you receive this income? This can be monetary or non-monetary benefits.

Amount received (1) _____
# of times per month (2) _____

Q25 In the last 12 months, have you received any benefits from a non-governmental organization? This can include benefits such as food and transportation services from private or charitable aid, community outreach, church donations, etc.

- ❍ No (1)
- ❍ Yes (2)

Q26 Average monthly monetary value of the benefit (if not $, make a best estimate): _____

(Copied and edited for readability in print from Qualtrics software. There was also a picture book with images of each set of lottery boxes, as shown in Figure 1 of the manuscript.)

"2-Box" First Instructions

We are now going to take some time to talk about a choice task that you will do. This task uses a book with pictures of balls with various colors that we will place in the cage.

[Enumerator open up the "2-Box" book with pictures of the tasks to choice 0. Participants should only see one page of the book at once.]

On each page in the book you will be shown a picture like the one here. Each picture shows yellow and red balls on the left and white and blue balls on the right. We will explain what the colors mean in a moment. In front of you there is a round cage with a handle and two boxes with the actual balls in them. We are going to put the balls into this cage, whirl it around counterclockwise 5 times, and then turn the cage in the opposite direction so that one ball will fall out.

Let us demonstrate now using the balls shown on the left in your picture book. You can see that there are 6 balls colored yellow, and 4 balls colored red. Please place all of these balls into the cage on your left. I will assist you. Now we are going to whirl the cage around at least 5 times. Now we change the direction and slowly turn the cage, until one ball falls out. We can now see what color that ball is.

Now you have seen how the cage works.

Choice 0

We ask that you pretend that you will be paid in this task depending on what color ball comes out of the cage. As you can see in the picture in the book each colored ball has a dollar value. That is the amount of money that you are going to pretend to be able to make.

We ask that you pretend that the colors are worth the following amounts of money:

Yellow balls are worth $1.40   Red balls are worth $2.50
White balls are worth 10 cents, and   Blue balls are worth $8.

The picture on the left has 6 yellow balls and 4 red balls. The picture on the right has 6 white balls and 4 blue balls. We have placed those balls in boxes next to the picture.

[Enumerator place the boxes with the actual balls, one box for the yellow/red and one for white/blue]

Your task is to choose which box of balls to put in the cage. You can choose either the 6 yellow and 4 red balls, with a pretend chance to earn either $1.40 or $2.50, or you can choose the 6 white and 4 blue balls, with a pretend chance of earning either 10 cents or $8. After you have chosen which box of color balls to put in the cage you will once again whirl it around and select one ball to come out.

Which color ball that is selected determines your pretend earnings. We ask that you make the selection as if you were paid for real.

Let us see how this works. Please choose if you want to put the 6 yellow and 4 red balls in the cage, or if you want to put the 6 white and 4 blue balls there. When you are sure of what you want to do, please put

those balls in the cage.
[Wait]
You have finished making your choice and putting the balls in the cage. Now let us whirl the cage at least 5 times counterclockwise. Now I will slowly turn the cage in the other direction until a ball comes out.

A ball of color _____ was selected. Please look at the picture to see how much pretend money this gives you. The amount of pretend money you would get is _____.

[Enumerator record this on the record sheet as well]

This is the recording sheet we will be recording all of pretend and real earnings for today's interview on. As you can see there are numerous sections in which I am able to keep a running total for all of our results. This sheet will always sit in a position clearly visible to you so you may always know how much you have earned or pretended to earn on a specific activity, game or survey. As I record new real or pretend earnings I will pause, state the previous value and new current value aloud, and point to this on the sheet so that you may clearly see how the values add up.

After a ball has been selected from the cage we will empty the cage of all balls before beginning to set up the next choice.

You are now going to be given several choices like this, where you will be asked to select a box to put in the cage for selecting a ball. We will pay you the money that you earn in cash today.

Each page of the picture book shows you a picture of two sets of balls, one on the left and the other on the right. On each page the numbers of balls in various colors will differ, but the value of each ball will be the same for the next few choices.

The colors are worth the following amounts of money:
Yellow balls are worth $1.40   Red balls are worth $2.50
White balls are worth 10 cents, and   Blue balls are worth $8.

For each of these pages you will choose to place either the yellow and red balls on the left or the white and blue balls on the right into the cage. In each of these choices you will be paid the amount of money on the ball that comes out of the cage. The earnings that you make across all of the following pages will be recorded on a record sheet so that you may easily see the outcomes of these choices.

[Enumerator show participant the record sheet]

For each page look carefully at how many balls there are of each color. Then look also at how much money each colored ball is worth.

After a ball has been selected from the cage we will empty the cage of all balls before beginning to set up the next choice.

Choice 1

The colors are worth the following amounts of money:
Yellow balls are worth $1.40   Red balls are worth $2.50
White balls are worth 10 cents, and   Blue balls are worth $8.

Please choose if you want to put the 7 yellow and 3 red balls in the cage, or if you want to put the 7 white and 3 blue balls there. When you are sure of what you want to do, please put those balls in the cage.
 [Wait]

You have finished making your choice and putting the balls in the cage.

A ball of color _____ was selected. Please look at the picture to see how much money this gives you. The amount of money you would get is _____.

(The software repeats these instructions for another 4 choice tasks. Each task has the same money values but a different probability. These, including the order in which they are presented, are shown in Table 1.)

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For each of the next five choices you will be making choices similar to the one you just made. For choices 6 – 10, please follow these steps:

>   Turn the page over in the book. *[Enumerator put balls in the boxes]*
>   See how many balls there are of each color.
>   For choices 6 - 10, the cash amounts and the mix of colors is different from the previous tasks.
>
>
>   The values of the balls are now as follows:
>   Yellow balls are $4   Red balls are $6
>   White balls are $0, and Blue balls are $12.
>   Choose which set of balls to place in the cage.
>
>   Once we have recorded your selection please:
>   Place the selected balls into the cage.
>
>   I will (we will) whirl the cage counterclockwise 5 times.
>   I will (we will) spin the cage 1 time in the opposite direction to select a single ball.
>   Match the value of the color ball selected with the value in the picture book.
>   We will record color and cash earnings on the record sheet.

After a ball has been selected from the cage we will empty the cage of all balls before beginning to set up the next choice.

Choice 6

The colors are worth the following amounts of money:
Yellow balls are worth $4.00   Red balls are worth $6.00
White balls are worth nothing ($0), and Blue balls are worth $12.

Please choose if you want to put the 8 yellow and 2 red balls in the cage, or if you want to put the 8 white and 2 blue balls there. When you are sure of what you want to do, please put those balls in the cage.
 [Wait]

A ball of color _____ was selected. Please look at the picture to see how much money this gives you. The amount of money you would get is _____.

(These instructions repeat for the final 4 tasks.)

<u>Bingo Cage Total Earnings:</u>

Choice 1: $
Choice 2: $
Choice 3: $
Choice 4: $
Choice 5: $
Choice 6: $
Choice 7: $
Choice 8: $
Choice 9: $
Choice 10: $
 [Enumerator enter verified Total Earnings below]

_____

Appendix C:

Documentation of Variable Generation

While many questions about demographic characteristics where asked both of the respondent and of the other household members, we focus only on the respondent in our analysis. Part of the reason for this is that including detailed data on household members can make it possible to identify the household, losing the anonymity of the responses.

All references to which questions were used to generate the variable refers to the documentation in Appendix B.

Male

Dummy variable that captures responses to HR02.

Young, Mid, and Old

Dummy variables that captures responses to HR03. Young is 18-35 years old, Mid is 36-49 years old, and Old is 50 years old and older.

OtherIncome

Variable named OtherMoneyTotalMonth in code. Based on questions Q17-Q26.

For *waves 1 and 2* Q16.

In *wave 3* session 2 the question was more detailed, asking about money received from three different sources: government, other people (both household members and others), and NGO benefits. For each of them they could list more than one possible source. All questions covered the last month. We use the sum across all these sources.

HomeLowEquity

From the demographic census Q2

The variable HomeLowEquity is a dummy variable that is encoded 0 only if they own their home fully with no mortgage, otherwise it is encoded as 1.

WorkHours

Variable in code is HrsWorkTotalMonth.

For *waves 1 and 2* Q7 which covers the last 30 days. Based on the response to thiese question we constructed the variable capturing the total number of hours per month that they had worked by first multiplying their response by 52, the number of weeks in a year, and then dividing by 12 months

Wave 3 Q10 – Q12 which covers the last 12 months.

WorkEarnings

For *waves 1 and 2* Q8
This is the variable EarnTotalPerMonth in the code.

There is only one response independent of how many jobs they had. To get the hourly work earnings we then divide this response by the number of hours worked during the month.

For *wave 3* we used the response to the following question which concerns the last 12 months prior to the interview:

Q16 Average wage per hour -or- average salary per week?

❍ Per hour wage (1) _____
❍ Per week salary (2) _____

Respondents answered only one of these questions.

NoHighSchool and **HighEducation** are dummy variables created from the question HR09. In the code these variables are EducNHS (NHS=No High School) and EducMHS (MHS=More than High School).

Many of the response options were included to allow variation in responses regarding household members that are children, so are not relevant for respondents.

Education category HR09	Response in W1W2	Response in W3	W1W2+W3 (N=108)	Discrete categories
4		1	1	
5	6	2	8	
6	10	15	25	34 NoHighSchool
7	15	11	26	32
8	2	4	6	
9	10	12	22	42HighEducation.
10	3	5	8	
11	4	2	6	
12		5	5	
13		1	1	

For the categories where we have responses from our adult respondents we see that most of them say "9=Some Highschool", "10=Graduated from highschool", or "12=Some college". We therefore create discrete variables that capture these categories and lump the other categories in with these as they fit. So "NoHighSchool" includes categories 4-6, "High Education" includes categories 9-13, and the remainder falls into a category of those who have only High School graduation or GED, which is the reference in our regression models.

GeneralUnemployment is a dummy variable that captures whether a respondent has been unemployed at any time during the last 12 months. This unemployment can be permanent or

long-term and involve being retired or on disability, or it can be short-term and involve any short, temporary period of unemployment during the last 12 months. It includes those who report they are unemployed but actively looking for work as well as those who are not looking for work. All who indicate that they are looking for work are also encoded as short term unemployed, unless they have been completely unemployed for the last 12 months. *Thus, our variable GeneralUnemployment includes those who are out of the workforce.*

We generate this variable from responses to several different questions. During the demographic census they were asked about their *Primary Activity* during the last 12 months. For respondents during the first two interview waves (waves 1 and 2) this question asked them to indicate the one most important activity they engaged in during the last 12 months. This is HR10. For respondents during the third, final interview wave this question asked to indicate all primary activities during the last 12 months, see Q6.

Waves 1 and 2

For HR10, if they respond unemployed for themselves, we set ***GeneralUnemployment=1***.

For Q7 we read the number of hours during the past 30 days. (Some respondents gave answers to only 1a and others only to 1b, depending on what they could best recall and feel comfortable answering). If they reported 0 hours we recorded ***GeneralUnemployment=1.***

For Q9 and Q10 in waves 1 and 2 if they responded No to either or to both, we recorded ***GeneralUnemployment=1.***

Wave 3

For Q6 if they checked either (1) or (2) or both we recorded ***GeneralUnemployment=1.***

For Q11 if they respondend "yes" , then for each employer listed in Q12 we asked Q13.

If they responded "no" to Q13 for all employers listed in Q12encoded ***GeneralUnemployment=1***.

While there were some differences in the questions asked in waves 1 and 2 vs. wave 3, this way of encoding the responses gives a more defined response to a question of unemployment than the common way of only asking a question of the form "Were you unemployed during _____". They are always encoded as unemployed if they gave a negative response to the question about working during the last 12 months. However, even if they did say they worked during the last 12 months, they were encoded as unemployed if they did not work during the most recent 30 days, or if they had stated unemployment as a primary activity in the first interview session.

ShortTermUnemployment. Using the combination of these questions also allows us to generate a variable that captures if the encoded unemployment was short-term or temporary. If we encoded them as unemployed and there was any evidence at all of them having worked then their unemployment was only considered temporary. For example, this is the case if they worked

during the last 12 months but also had no work during the last 30 days or reported unemployment as a primary activity.

HHSize. The number of household members living with the respondent are given in the demographic census. We subtract the respondent. By definition, individuals living in the house who are financially independent, are not considered as part of the household.

Nkids simply counts the number of household members, as defined above under HHSize, that are indicated to be children.

Dependants. This is an alternative measure of household size. It subtracts the shared heads of the household (HR06) from HHSize. In *wave 3* respondents were also directly asked Q4. Only six households differ in this measure compared to the one based on number of shared heads. If an individual is not a shared head, but still not considered a dependant in Q4, it could be, for example, because the individual is a child of another adult household member.

A household that has several shared heads offers risk sharing and is less vulnerable to the risk of the respondent falling ill or losing a job than is a household where the respondent is the sole head of the household. Thus by excluding the shared head in the count of household size we are controlling for the risk reduction that this shared head may be providing.

DependantKids. This is an alternative measure of the number of, only including those children who were directly identified as dependants, as discussed above under Dependants. Thus, this differs from NKids only in *wave 3* where question Q4 was asked.

PersonsPerRoom. The variable PersonsPerRoom measures the ratio of the number of household members, as defined above under HHSize, to the number of bedrooms in the home (Q3). A household that has a high value of this variable is strapped for housing resources, and therefore has fewer options available to compensate for income losses than do households with more housing resources. Such strategies that are available to those with more housing resources can involve taking in renters or other individuals who can contribute to household finances. A more crowded household can also lead to members, especially children, suffering psychologically from the lack of privacy and personal space.

DependantsPerRoom. This variable is a variation of PersonsPerRoom that is based on the variable Dependants instead of the variable HHSize.

KidsPerRoom takes the ratio of the number of children (NKids) to the number of bedrooms. For two households in *wave 3*, where we have a direct response to who is considered a dependant, there was one more child than the number of dependant children. In these cases the non-dependant child was a dependant of another adult in the household.

DependantKidsPerRoom. This variable is a variation of KidsPerRoom that is based on the variable KidDependant instead of the variable NKids.

SoloResponsible is a dummy variable that encodes those respondents who are sole heads of a household with dependants. This variable does not include those who live by themselves. We also encoded this variable as 0 of the respondent was married or had a domestic partner.

SoloLargeHH interacts HHSize with SoloResponsible.

SoloManyKids interacts the number of children, NKids, with SoloResponsible.

SoloPersonsPerRoom interacts PersonsPerRoom with SoloResponsible

SoloKidsPerRoom interacts KidsPerRoom with SoloResponsible.

Appendix D:

Additional Results

TABLE D1: Correlation table

	Male	Mid	GenUnemp	ShTermUnem	WrkHrs	WrkEarn	OtherIncome	HomLowEq	NoHighSch	HighEduc
Male	1.00									
Mid	-0.08	1.00								
	0.67									
GenUnemp	-0.22	-0.22	1.00							
	0.22	0.23								
ShTermUnem	-0.22	-0.19	0.28	1.00						
	0.23	0.31	0.12							
WorkHours	0.20	0.17	-0.76	-0.09	1.00					
	0.28	0.37	0.00	0.61						
WrkEarn	0.21	-0.04	-0.49	0.27	0.79	1.00				
	0.24	0.83	0.00	0.14	0.00					
OtherIncome	0.11	-0.13	0.05	0.04	-0.19	-0.10	1.00			
	0.57	0.46	0.80	0.82	0.29	0.58				
HomeLowEquity	-0.10	0.15	0.03	0.08	-0.30	-0.12	0.12	1.00		
	0.57	0.42	0.86	0.65	0.10	0.50	0.53			
NoHighSch	0.13	-0.13	0.31	-0.17	-0.43	-0.44	-0.16	0.14	1.00	
	0.47	0.48	0.08	0.35	0.01	0.01	0.39	0.46		
HighEduc	0.04	0.04	-0.31	-0.30	0.39	0.34	-0.13	-0.27	-0.50	1.00
	0.82	0.84	0.09	0.09	0.03	0.06	0.49	0.13	0.00	
HHSize	-0.26	-0.01	-0.05	0.53	0.17	0.47	0.17	-0.02	-0.33	-0.16
	0.15	0.95	0.78	0.00	0.34	0.01	0.35	0.93	0.07	0.37
NKids	-0.38	0.05	-0.03	0.58	0.11	0.39	0.02	-0.02	-0.25	-0.17
	0.03	0.80	0.87	0.00	0.55	0.03	0.92	0.91	0.17	0.36
Dependants	-0.31	0.07	0.01	0.56	0.08	0.36	0.02	-0.09	-0.27	-0.16
	0.08	0.71	0.98	0.00	0.68	0.04	0.93	0.62	0.14	0.38
DependantKids	-0.34	0.05	-0.03	0.58	0.09	0.38	0.01	-0.02	-0.25	-0.17
	0.06	0.80	0.87	0.00	0.62	0.03	0.95	0.91	0.16	0.36
PersonsPerRoom	-0.35	-0.07	0.00	0.59	0.16	0.36	0.07	0.08	-0.21	-0.29
	0.05	0.72	0.98	0.00	0.38	0.04	0.72	0.68	0.26	0.10
DependantsPerRoom	-0.31	0.00	-0.02	0.66	0.10	0.31	-0.04	-0.02	-0.26	-0.21
	0.08	0.99	0.91	0.00	0.60	0.08	0.84	0.93	0.16	0.26
KidsPerRoom	-0.38	-0.01	-0.05	0.66	0.13	0.33	-0.03	0.04	-0.24	-0.21
	0.03	0.94	0.80	0.00	0.49	0.06	0.88	0.81	0.19	0.25
KidDepPerRoom	-0.33	-0.01	-0.05	0.67	0.10	0.32	-0.04	0.04	-0.24	-0.21
	0.06	0.94	0.80	0.00	0.58	0.08	0.84	0.81	0.18	0.24
SoloLargeHH	-0.32	0.10	-0.01	0.44	0.05	0.30	0.01	-0.03	-0.14	-0.22
	0.08	0.58	0.97	0.01	0.78	0.09	0.94	0.89	0.45	0.22
SoloManyKids	-0.31	0.11	-0.04	0.47	0.11	0.36	0.02	-0.05	-0.20	-0.19
	0.08	0.57	0.84	0.01	0.56	0.04	0.92	0.80	0.28	0.29
SoloPersonPerRoom	-0.35	-0.01	0.04	0.52	0.00	0.19	-0.05	0.05	-0.02	-0.31
	0.05	0.96	0.84	0.00	0.99	0.30	0.80	0.77	0.90	0.08
SoloKidsPerRoom	-0.32	0.04	-0.03	0.58	0.10	0.29	-0.03	0.02	-0.19	-0.25
	0.08	0.83	0.87	0.00	0.58	0.11	0.89	0.91	0.30	0.17

TABLE D1 cont'd: Correlation Table

	HHSize	NKids	Dep	KidDep	PersPerRoom	DepPerRoom	KidsPerRoom	KidDepPerRoom	SoloLargeHH	SoloKids	SoloPersPerRoom
HHSize	1.00										
NKids	0.91	1.00									
	0.00										
Dependants	0.90	0.98	1.00								
	0.00	0.00									
DependantKids	0.90	0.99	0.99	1.00							
	0.00	0.00	0.00								
PersonsPerRoom	0.85	0.79	0.75	0.77	1.00						
	0.00	0.00	0.00	0.00							
DependantsPerRoom	0.80	0.90	0.91	0.91	0.84	1.00					
	0.00	0.00	0.00	0.00	0.00						
KidsPerRoom	0.80	0.91	0.87	0.89	0.87	0.97	1.00				
	0.00	0.00	0.00	0.00	0.00	0.00					
KidDepPerRoom	0.79	0.90	0.89	0.91	0.85	0.99	0.98	1.00			
	0.00	0.00	0.00	0.00	0.00	0.00	0.00				
SoloLargeHH	0.81	0.92	0.95	0.94	0.73	0.86	0.82	0.85	1.00		
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
SoloManyKids	0.82	0.95	0.95	0.96	0.71	0.89	0.86	0.88	0.98	1.00	
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
SoloPersonPerRoom	0.68	0.78	0.79	0.81	0.82	0.89	0.86	0.89	0.89	0.85	1.00
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
SoloKidsPerRoom	0.71	0.86	0.85	0.87	0.78	0.96	0.95	0.97	0.88	0.91	0.92
	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The abbreviated variable names, particularly used in the column headings, correspond to the full variable names in this way: *GenUnemp* = GeneralUnemployment, *ShTermUnem* = ShortTermUnemployment, *WrkHrs* = WorkHours, *WrkEarn* = WorkEarnings, *HomLowEq* = HomeLowEquity, *NoHighSch* = NoHighSchool, *HighEduc* = HighEducation, *Dep* = Dependants, *KidDep* = DependantKids, *PersPerRoom* = PersonsPerRoom, *DepPerRoom* = DependantsPerRoom, *KidDepPerRoom* = DependantKidsPerRoom, *SoloKids* = SoloManyKids, *SoloPersPerRoom* = SoloPersonsPerRoom.

TABLE D2: *Robustness tests with models including both WorkEarnings and WorkHrs*

	Test 1	Test 2	Test 3
r equation			
Constant	0.470**	0.457**	0.490**
SoloResponsible	-0.027	-0.033	-0.097
HHSIZE	0.197*	0.196*	
NKids	-0.336*	-0.337*	
PersonsPerRoom	-0.346	-0.340	
KidsPerRoom	0.743*	0.748*	
Dependants			0.229*
KidDependants			-0.370*
DependantsPerRoom			-0.404
KidDependantsPerRoom			0.817**
Male	-0.003	0.000	-0.006
Mid	-0.095	-0.092	-0.091
GeneralUnemployment	-0.096	-0.066	-0.103
ShortTermUnemployment		-0.044	-0.003
WorkEarnings	-0.009	-0.009	-0.009
WorkHrs	-0.001	-0.000	-0.000
Other Income	0.001	0.001	0.002*
HomeLowEquity	0.069	0.067	0.067
No High School	0.009	-0.001	0.003
High Education	0.052	0.052	0.065
μ equation			
Constant	0.112**	0.112**	0.113**
N	770	770	770

Notes: * pvalue<0.01, ** pvalue<0.001.
Errors are clustered on the individual respondent due to the panel structure of the data. OtherIncome is scaled to measure thousands of dollars.

Model 3 to Model 5 in the paper corresponds to Test 1 to Test 3, respectively. When we simultaneously estimate work earnings as well as work hours, neither is significant (there is a high correlation between the two variables). Referred to in footnote 35.

TABLE D3: *Robustness tests of estimated Fechner error model with covariates*

	Test 4	Test 5	Test 6	Test 7	Test 8
r equation					
Constant	0.421**	0.417**	0.420**	0.420**	0.422**
μ equation					
Constant	0.121**	0.119**	0.102	0.094	0.094
SoloResponsible	0.001	-0.014	0.010	0.008	-0.001
HHSIZE	-0.002		0.002	-0.002	
NKids	-0.034		-0.030	-0.026	
PersonsPerRoom	0.009		-0.000	0.005	
KidsPerRoom	0.173		0.170	0.178	
Dependants		-0.007			-0.016
KidDependants		-0.030			-0.012
DependantsPerRoom		0.070			0.086
KidDependantsPerRoom		0.084			0.050
Male			0.002	0.002	0.001
Mid			-0.034	-0.033	-0.033
GeneralUnemployment			0.053	0.095	0.096
ShortTermUnemployment				-0.044	-0.045
WorkEarnings			0.000	0.001	0.001
Other Income			0.000	0.000	0.000
HomeLowEquity			-0.029	-0.026	-0.028
No High School			0.042	0.025	0.023
High Education			0.004	0.011	0.010
N	800	800	770	770	770

Notes: * pvalue<0.01, ** pvalue<0.001.
Errors are clustered on the individual respondent due to the panel structure of the data. OtherIncome is scaled to measure thousands of dollars.

Model 1 to Model 5 in the paper corresponds to Test 4 to Test 8, respectively. We estimate model specifications that include the covariates on the error term instead of on the utility function to test whether the effects on risky choices are driven by decision errors: this is not the case; the error term is not significantly related to any of the main covariates. Referred to in footnote 38.

TABLE D4: *Robustness tests of models including a tremble error term*

	Test 9	Test 10	Test 11	Test 12	Test 13
r equation					
Constant	0.362**	0.408**	0.408**	0.402**	0.440**
SoloResponsible	-0.053	-0.131	-0.030	-0.038	-0.100
HHSIZE	0.206*		0.199*	0.199*	
NKids	-0.364**		-0.335*	-0.336*	
PersonsPerRoom	-0.330		-0.350	-0.343	
KidsPerRoom	0.774*		0.736*	0.745**	
Dependants		0.247*			0.243*
KidDependants		-0.408*			-0.384**
DependantsPerRoom		-0.428			-0.441
KidDependantsPerRoom		0.893*			0.856*
Male			0.003	0.007	0.000
Mid			-0.098	-0.094	-0.095
GeneralUnemployment			-0.044	-0.013	-0.059
ShortTermUnemployment				-0.058	-0.010
WorkEarnings			-0.011**	-0.010*	-0.010*
Other Income			0.001	0.001	0.002*
HomeLowEquity			0.080	0.074	0.074
No High School			0.000	-0.011	-0.003
High Education			0.021	0.026	0.043
μ equation					
Constant	0.138*	0.146*	0.142*	0.138*	0.142*
ω equation					
Constant	-1.153	-2.087	-3.241	-2.146	-3.128
N	800	800	770	770	770

Notes: * pvalue<0.01, ** pvalue<0.001.
Errors are clustered on the individual respondent due to the panel structure of the data. OtherIncome is scaled to measure thousands of dollars.

Model 1 to Model 5 in the paper corresponds to Test 9 to Test 13, respectively. We add a tremble error term (ω) to the main specification.

In particular, $y_{i,k} = 1(0)$ denotes the choice of the Risky (Safe) option by participant i in task k:

$$lnL(r, \mu, \omega; y, X) = \sum_{i,k} \left[\left((1 - \omega) lnL_{j=R} + \frac{\omega}{2} \right) |y_{i,k} = 1 \right) + \left(((1 - \omega)(1 - lnL_{j=R}) + \frac{\omega}{2} \right) |y_{i,k} = 0 \right]$$

The tremble error term is not significant and the Fechner error is still significant. Referred to in footnote 39.

TABLE D5: *Tests of including both Dependants and HHSize variables*

	Test 14	Test 15
r equation		
Constant	0.363**	0.398**
SoloResponsible	-0.044	0.008
HHSIZE	0.178	0.213
NKids	-0.336	-0.206
PersonsPerRoom	-0.251	-0.334
KidsPerRoom	0.875*	0.853*
Dependants	0.065	0.020
KidDependants	-0.066	-0.165
DependantsPerRoom	-0.186	-0.137
KidDependantsPerRoom	-	-
Male		0.021
Mid		-0.097
GeneralUnemployment		-0.018
ShortTermUnemployment		-0.055
WorkEarnings		-0.012*
Other Income		0.001
HomeLowEquity		0.084
No High School		-0.017
High Education		0.027
μ equation		
Constant	0.118**	0.112**
N	800	770

Notes: * pvalue<0.01, ** pvalue<0.001.
Errors are clustered on the individual respondent due to the panel structure of the data. OtherIncome is scaled to measure thousands of dollars.

Dependants is a subset of the number of household members captured by HHSize. When including both sets of variables only KidsPerRoom remains significant. As Table D1 shows these variables are highly correlated so this loss in significance is not surprising. KidDependantsPerRoom is omitted due to collinearity with KidsPerRoom.

Test of differences in coefficients for Test 14

```
------------------------------------------------------------------------------
            |      Coef.    Std. Err.      z     P>|z|     [95% Conf. Interval]
------------+-----------------------------------------------------------------
 diffHHSIZE |    .1126554    .2613106     0.43   0.666    -.3995039    .6248148
   diffNKids|   -.2703005    .3162968    -0.85   0.393    -.8902307    .3496298
 diffPerRoom|    -.065364    .552244     -0.12   0.906    -1.147742    1.017014
------------------------------------------------------------------------------
```

diffHHSIZE = _b[HHSIZE] - _b[Dependants]
diffNKids = _b[Nkids] - _b[KidDependants]
diffPerRoom = _b[PersonsPerRoom] - _b[DependantsPerRoom]

Test of differences in coefficients for Test 15

```
------------------------------------------------------------------------------
            |      Coef.    Std. Err.      z     P>|z|     [95% Conf. Interval]
------------+-----------------------------------------------------------------
 diffHHSIZE |    .1928279    .2254998     0.86   0.392    -.2491436    .6347995
   diffNKids|   -.0419414    .3065029    -0.14   0.891    -.6426762    .5587933
 diffPerRoom|   -.1965783    .5003789    -0.39   0.694    -1.177303    .7841464
------------------------------------------------------------------------------
```

There is no significant difference between the coefficient estimates on the full household variables and the dependants variables. The difference between dependants and non-dependants does not seem to affect the risk attitude of the household head. These tests are referred to in footnote 41.

TABLE D6: *Robustness tests of models with HHSize specification*

	Test 16	Test 17	Test 18	Test 19	Test 20	Test 21	Test 22
r equation							
Constant	.372**	.363**	.406**	.441**	.440**	.440**	.397**
SoloResponsible	-.048	-.054	-.173	-.200	-.332*	-.290*	-.156
HHSize	.060	.205*	.044				.066
NKids	-.046	-.358**	-.053				-.192
PersonsPerRoom		-.323					-.048
KidsPerRoom		.754*					.396
SoloLargeHH			.047	.266*	.056	.146**	.199
SoloManyKids			-.001	-.418**	-.089	-.258*	-.225
SoloPersons PerRoom				-.402	.245		-.353
SoloKidsPerRoom				.860*		.410**	.461
μ equation							
Constant	.121**	.118**	.121**	.118**	.121**	.119**	.117**
N	800	800	820	800	800	800	800

Notes: * pvalue<0.01, ** pvalue<0.001.
Errors are clustered on the individual respondent due to the panel structure of the data. OtherIncome is scaled to measure thousands of dollars.

SoloLargeHH is HHSize interacted with SoloResponsible. SoloManyKids is NKids interacted with SoloResponsible. SoloPersonsPerRoom is PersonsPerRoom interacted with SoloResponsible. SoloKidsPerRoom is NKids interacted with SoloPersonsPerRoom. The interactions with SoloResponsible generates similar coefficients for the other variables as when the interaction is not included. Test 17 here is a replication of Model 1 in Table 3. Referred to in footnote 42.

TABLE D7: *Robustness tests of models with Dependant specification*

	Test 23	Test 24	Test 25	Test 26	Test 27	Test 28	Test 29
r equation							
Constant	0.416**	0.411**	0.451**	0.441**	0.440**	0.441**	0.442**
SoloResponsible	-0.082	-0.132	-0.205	-0.243	-0.294*	-0.269*	-0.244
Dependants	0.057	0.245*	-0.082				0.146
KidDependants	-0.043	-0.399*	0.096				-0.261
Dependants PerRoom		-0.417					-0.523
KidDependants PerRoom		0.865*					0.880
SoloDependants			0.179*	0.224	0.046	0.149**	0.078
SoloKid Dependants			-0.162	-0.363*	-0.107	-0.267**	-0.101
SoloDependants PerRoom				-0.234	0.290*		0.289
SoloKid Dependants PerRoom				0.679		0.411**	-0.203
μ equation							
_cons	0.122**	0.119**	0.120**	0.118**	0.119**	0.118**	0.118**
N	820	800	820	800	800	800	800

Notes: * pvalue<0.01, ** pvalue<0.001.
Errors are clustered on the individual respondent due to the panel structure of the data. OtherIncome is scaled to measure thousands of dollars.

Test 24 is a replication of Model 2 in Table 3. This Table is referred to in footnote 42. Comparing Test 16 to 17 and Test 23 to 24 we see that if we do not include the crowdedness variables the household size variables are not significant. This is because they are strongly correlated but have opposite effects.

Test 18 and 19 as well as 25 and 26 add the variables that interact SoloResponsible with household composition. In Test 18 where we keep the household size variables in the model and add its interactions with SoloResponsible we lose all significance. This is likely because they are all highly correlated and reflect the same effects, but because we include all of them the standard errors are larger. It is a problem of collinearity. We do not see the same complete lack of significance in Test 25. Here instead we see SoloDependants take up the association that was found for Dependants in Test 24. Test 19 and 26 mimic our models from the paper but include only the interactions with SoloResponsible, and the coefficients are very similar.

SoloResponsible is significant in Test 20, 21, 27, and 28 where we specify the household composition influences only via their interactions with SoloResponsible, but leave one of the crowdedness variables out. Comparing Test 19 and 26 to Test 20 and 27, where we have dropped crowdedness with children, that influence is now picked up by the other crowdedness variable. Comparing Test 19 and 26 to Test 21 and 28, where we have dropped crowdedness with adults, we similarly see that influence being picked up by the child crowdedness variable.

For completeness we also include model specifications that include both household composition variables interacted with SoloResponsible, and those without such interactions. Nothing is significant.

TABLE D8: Robustness of using Mid as age dummy

	Test 30	Test 31	Test 32
r equation			
Constant	0.306	0.302	0.342*
SoloResponsible	-0.027	-0.036	-0.100
HHSIZE	0.202	0.202*	
NKids	-0.334*	-0.338*	
PersonsPerRoom	-0.349	-0.342	
KidsPerRoom	0.721*	0.736*	
Dependants			0.245*
KidDependants			-0.385*
DependantsPerRoom			-0.437
KidDependantsPerRoom			0.843*
Male	-0.001	0.004	-0.003
Young	0.108	0.107	0.108
Old	0.100	0.093	0.094
GeneralUnemployment	-0.052	-0.015	-0.062
ShortTermUnemployment		-0.067	-0.017
WorkEarnings	-0.011*	-0.011*	-0.011*
Other Income	0.001	0.001	0.002*
HomeLowEquity	0.086	0.080	0.079
No High School	0.008	-0.006	0.004
High Education	0.028	0.033	0.052
μ equation			
Constant	0.112**	0.112**	0.113**
N	770	770	770

Notes: * pvalue<0.01, ** pvalue<0.001.
Errors are clustered on the individual respondent due to the panel structure of the data. OtherIncome is scaled to measure thousands of dollars.

Model 3, 4 and 5 in the paper corresponds to Test 30, 31, and 32, respectively. This Table is referred to in footnote 44.

Young and Old are not significant, consistent with Mid not being significant in Table 3.

TABLE D9: *Robustness tests of models with non-linear effects for HHSize and Dependants*

	Test 33	Test 34	Test 35	Test 36	Test 37
r equation					
Constant	0.396**	0.428**	0.429**	0.418**	0.455**
SoloResponsible	-0.039	-0.118	-0.023	-0.032	-0.094
HHSize	0.140		0.168	0.177	
HHSize2	0.009		0.004	0.003	
NKids	-0.362**		-0.331*	-0.333*	
PersonsPerRoom	-0.271		-0.317	-0.320	
KidsPerRoom	0.719*		0.700*	0.716*	
Dependants		0.179			0.216
Dependants2		0.006			0.002
KidDependants		-0.373*			-0.369*
DependantsPerRoom		-0.337			-0.402
KidDependantsPerRoom		0.783*			0.804*
Male			0.001	0.004	-0.002
Mid			-0.097	-0.095	-0.094
GeneralUnemployment			-0.053	-0.025	-0.067
ShortTermUnemployment				-0.052	-0.005
WorkEarnings			-0.011*	-0.010*	-0.011*
Other Income			0.001	0.001	0.002*
HomeLowEquity			0.077	0.074	0.073
No High School			0.000	-0.009	-0.002
High Education			0.026	0.030	0.049
μ equation					
Constant	0.118**	0.119**	0.112**	0.112**	0.113**
N	800	800	770	770	770

Notes: * pvalue<0.01, ** pvalue<0.001.
Errors are clustered on the individual respondent due to the panel structure of the data. OtherIncome is scaled to measure thousands of dollars.

Model 1 to Model 5 in the paper corresponds to Test 33 to Test 37, respectively. This Table is referred to in footnote 45. We include the square of HHSIZE in Test 33, 35 and 36, and the square of Dependants in Test 34 and 37. By including the square variables the non-linear variable loses significance but the square terms are not significant either.

TABLE D10: *Robustness tests of models including stay-home parent/adult*

	Test 38	Test 39	Test 40	Test 41	Test 42
r equation					
Constant	0.363**	0.414**	0.366**	0.367**	0.439**
SoloResponsible	-0.067	-0.140	-0.041	-0.042	-0.104
HHSIZE	0.222*		0.231*	0.230*	
NKids	-0.371**		-0.360**	-0.359**	
PersonsPerRoom	-0.332		-0.359	-0.357	
KidsPerRoom	0.775**		0.771**	0.771**	
Dependants		0.253			0.253
KidDependants		-0.405*			-0.388*
DependantsPerRoom		-0.425			-0.449
KidDependantsPerRoom		0.878*			0.857*
AdultCare	-0.071	-0.029	-0.159	-0.153	-0.045
Male			0.014	0.014	-0.000
Mid			-0.086	-0.086	-0.094
GeneralUnemployment			0.032	0.035	-0.052
ShortTermUnemployment				-0.012	0.003
WorkEarnings			-0.011**	-0.011*	-0.011*
Other Income			0.001	0.001	0.002*
HomeLowEquity			0.085	0.084	0.078
No High School			-0.035	-0.036	-0.007
High Education			0.026	0.027	0.048
μ equation					
Constant	0.118**	0.119**	0.112**	0.112**	0.113**
N	800	800	770	770	770

Notes: * pvalue<0.01, ** pvalue<0.001.
Errors are clustered on the individual respondent due to the panel structure of the data. OtherIncome is scaled to measure thousands of dollars.

Model 1 to Model 5 in the paper corresponds to Test 38 to Test 42, respectively. This Table is referred to in footnote 45. We create a new variable, *AdultCare*: this variable takes values equal to 1 when the HH has (i) dependent children and (ii) one adult not working who could therefore take care of them. 33 households have a non-working adult in the household. This new variable is not significant in any of our specifications.

TABLE D11: *Robustness tests of models including recent unemployment*

	Test 43	Test 44	Test 45	Test 46
r equation				
Constant	0.406**	0.444**	0.388**	0.407**
SoloResponsible	-0.036	-0.102	-0.035	-0.096
HHSIZE	0.205*		0.205*	
NKids	-0.344*		-0.346*	
PersonsPerRoom	-0.355		-0.355	
KidsPerRoom	0.752*		0.761*	
Dependants		0.248*		0.244
KidDependants		-0.388*		-0.386*
DependantsPerRoom		-0.449		-0.451
KidDependantsPerRoom		0.859*		0.874*
Male	-0.000	-0.004	0.004	0.007
Mid	-0.091	-0.093	-0.084	-0.079
GeneralUnemployment	-0.030	-0.062		
Recent Unemployment	-0.068	-0.033	-0.085	-0.067
WorkEarnings	-0.011*	-0.010*	-0.010*	-0.009*
Other Income	0.001	0.002*	0.001	0.002
HomeLowEquity	0.080	0.077	0.076	0.069
No High School	-0.002	0.000	-0.009	-0.016
High Education	0.027	0.048	0.025	0.044
μ equation				
Constant	0.112**	0.113**	0.112**	0.113**
N	770	770	770	770

Notes: * pvalue<0.01, ** pvalue<0.001.
Errors are clustered on the individual respondent due to the panel structure of the data. OtherIncome is scaled to measure thousands of dollars.

Model 4 to Model 5 in the paper corresponds to Test 43 (45) and Test 44 (46), respectively. This Table is referred to in footnote 46.

Recent unemployment is an additional measure capturing only unemployment during the past 30 days. For Waves 1 and 2 we encode the variable starting from Q10: recent unemployed are those that did not work during the last 30 days but had worked during the last 12 months or reported a primary activity different from unemployment. For Wave 3, we ask Q11 "In the last 12 MONTHS, have you worked for pay?", if the answer was "yes", but they respond "no" to Q13 "Are you currently employed with this job?" (to all the job they have stated), we consider them as recent unemployed. This new variable is not significant.

Testing for Cumulative Earnings Effect

Since our participants are paid for each task they perform there is a chance that their expressed risk preferences are affected by the accumulation of these additional earnings. Further, these earnings depend on the risk preference of the participant, so are not exogenous. In order to test for if accumulated earnings affect risk attitudes we perform a two-step procedure, where in the first step we estimate how cumulative earnings depend on the lottery parameters and participant characteristics, and in the second step we use predicted earnings from that model in the full estimation model. Thus, the cumulative earnings that are included in the model where we estimate risk attitudes only reflect the modeled part from step one, not the residual variation which may depend on risk attitudes. The first step uses an OLS model of the individual task earnings:

$$(D1) Earnings_{it} = \alpha_0 + \sum_d \alpha_d X_{di} + \sum_t \alpha_k Z_{kt} + \epsilon_{ik}$$

where X_d is a vector of exogenous demographics ($d = Male, Mid$) where Mid is middle age, that varies across i, and Z_{kt} is a vector of lottery task characteristics indicated by k (the EV difference and the Variance difference between the risky and the safe lottery plus a dummy variable (H) to account for tasks with the higher dollar stakes) that varies across t lottery tasks. The earnings equation (D1) was estimated separately for waves 1 and 2 and wave 3. In waves 1 and 2 the lottery tasks included another type of task, in addition to the one analyzed in this paper, with the order varying. This therefore affected the cumulative earnings. Based on model D1 we then predict task earnings, and construct the cumulative predicted task earnings.

TABLE D12: *OLS regression of actual earnings for each task on exogenous variables*.

Earnings	Coef.	Std. Err.	t	P>|t|	[95% Conf. Interval]	
EVDiff	0.345	0.056	6.22	0.000	0.235	0.456
varDiff	0.096	0.009	10.16	0.000	0.077	0.114
H	6.228	0.251	24.79	0.000	5.728	6.728
Male	-.047	0.126	-0.37	0.710	-0.297	0.203
Mid	0.317	0.148	2.14	0.036	.022	0.613
Constant	-0.406	0.230	-1.77	0.081	-0.863	0.051

Notes: R^2=0.65, N=820,

We can compare the standard deviation of the earnings we predict from this OLS model to the standard deviation of the actual earnings in each task.

TABLE D13: *Actual and Predicted Earnings*

Variable	Obs	Mean	Std. Dev.	Min	Max
Actual Earnings	820	6.068	4.018	0	12
$\widehat{Earnings}$	820	6.068	3.245	1.002	10.047

The variable *Actual Earnings* captures observed earnings for each of the 10 lottery tasks. The variable $\widehat{Earnings}$ is predicted earnings using the model in Table D12. The variance of $\widehat{Earnings}$ is 65.2% of the variance in the observed variable *Actual Earnings*, thus our instrumented cumulative earnings variable captures more than half of the variation in actual earnings.

Step two uses the predicted earnings in our EUT CRRA estimated model.

TABLE D14: *EUT CRRA model with predicted cumulative earnings*

	Test 47	Test 48	Test 49
r equation			
Constant	0.466**	0.457**	0.499**
SoloResponsible	-0.032	-0.039	-0.104
HHSize	0.202*	0.201*	
NKids	-0.317*	-0.320*	
PersonsPerRoom	-0.346	-0.339	
KidsPerRoom	0.686*	0.698*	
Dependants			0.244
KidDependants			-0.366*
DependantsPerRoom			-0.432
KidDependantsPerRoom			0.801*
Male	0.004	0.008	0.002
Mid	-0.099	-0.095	-0.095
GeneralUnemployment	-0.063	-0.031	-0.078
ShortTermUnemployment		-0.058	-0.007
WorkEarnings	-0.011**	-0.011*	-0.011*
Other Income	0.001	0.001	0.002
HomeLowEquity	0.088	0.082	0.081
No High School	0.002	-0.011	-0.002
High Education	0.018	0.022	0.039
$\widehat{Earnings}$	-0.001	-0.001	-0.001
μ equation			
Constant	0.112**	0.112**	0.113**
N	770	770	770

Notes: * pvalue<0.01, ** pvalue<0.001.
Errors are clustered on the individual respondent due to the panel structure of the data. OtherIncome is scaled to measure thousands of dollars.

Model 3 to Model 5 in the paper corresponds to Test 47 to Test 49, respectively. The variable $\widehat{Earnings}$ is the predicted earnings using the model in Table D12. It is not significant. This discussion and these three Tables are referred to in footnote 21.

Alternative specifications: Logit regression of propensity to choose *Safe*

TABLE D15: *Logit regression*

	Test 50	Test 51	Test 52	Test 53	Test 54
Dependant variable: choosing the safe lottery					
SoloResponsible	-0.050	-0.115	-0.032	-0.039	-0.092
HHSize	0.175*		0.173*	0.174*	
NKids	-0.312**		-0.294**	-0.298**	
PersonsPerRoom	-0.278		-0.296	-0.296	
KidsPerRoom	0.673*		0.655*	0.671**	
probRisky	-1.623**	-1.617**	-1.667**	-1.669**	-1.662**
HighStake	0.213**	0.212**	0.228**	0.228**	0.227**
Dependants		0.205*			0.209*
KidDependants		-0.345*			-0.336**
DependantsPerRoom		-0.337			-0.365
KidDependantsPerRoom		0.750*			0.749*
Male			-0.001	0.003	-0.004
Mid			-0.081	-0.080	-0.085
EducNHS			-0.007	-0.014	-0.002
EducMHS			0.015	0.019	0.037
GeneralUnemployment			-0.028	0.001	-0.043
WorkEarnings			-0.009**	-0.009**	-0.008*
Other Income			0.001	0.001	0.002*
HomeLowEquity			0.072	0.066	0.066
ShortTermUnemployment				-0.051	-0.011
N	800	800	770	770	770

Note: All coefficients are marginal effects on the probability of selecting the safe lottery evaluated at the means of the variables.
* pvalue<0.01, ** pvalue<0.001.
Errors are clustered on the individual respondent due to the panel structure of the data. OtherIncome is scaled to measure thousands of dollars.

Model 1 to Model 5 in the paper corresponds to Test 50 to Test 54, respectively. A negative coefficient implies a lower propensity to choose the safe option, i.e. a lower risk aversion. The results confirm those of the EUT models. This Table is referred to in footnote 48.

Alternative specifications: RDU specification

TABLE D16: *RDU specification – covariates in to r equation*

	Test 55	Test 56	Test 57	Test 58	Test 59
r equation					
Constant	0.072	0.142	0.158	0.133	0.199
SoloResponsible	-0.072	-0.178	-0.034	-0.049	-0.134
HHSize	0.267*		0.264	0.263	
NKids	-0.469**		-0.436*	-0.443*	
PersonsPerRoom	-0.411		-0.459	-0.444	
KidsPerRoom	0.982*		0.946*	0.971*	
Dependants		0.323			0.314
KidDependants		-0.524*			-0.495*
DependantsPerRoom		-0.550			-0.558
KidDependantsPerRoom		1.139			1.092*
Male			-0.002	0.005	-0.004
Mid			-0.151	-0.140	-0.136
GeneralUnemployment			-0.084	-0.024	-0.084
ShortTermUnemployment				-0.110	-0.044
WorkEarnings			-0.015*	-0.014*	-0.014
Other Income			0.001	0.001	0.002*
HomeLowEquity			0.109	0.101	0.099
No High School			0.035	0.009	0.017
High Education			0.047	0.056	0.077
γ equation					
Constant	1.552**	1.550**	1.513**	1.534**	1.515**
μ equation					
Constant	0.124**	0.125**	0.118**	0.118**	0.119**
N	800	800	770	770	770

Notes: * pvalue<0.01, ** pvalue<0.001.
Errors are clustered on the individual respondent due to the panel structure of the data. OtherIncome is scaled to measure thousands of dollars.

Model 1 to Model 5 in the paper corresponds to Test 55 to Test 59, respectively. The parameter γ shows the decision weight assuming an everywhere concave or convex function when outcomes are ranked best to worst. $\gamma < 1$ implies a concave function where respondents overweights the probability of the best outcome, consistent with risk loving preferences, or optimistic perceptions. $\gamma > 1$ implies a convex function where respondents underweights the probability of the best outcomes, consistent with risk averse preferences, or pessimistic perceptions.

We replicate Model 1- Model 5 with RDU specification. Therefore, the estimates from these models include three parameters: r, the curvature of the utility function, μ, the Fechner, and γ the probability weighting parameter for the decision weight.

The same covariates are significant with the same signs and approximate magnitudes as in the EUT models. The main difference is that the constant term for r is not significant in the RDU model. Here instead we see that γ curvature is significantly above one, consistent with the risk averse constant term for r in the EUT models.

TABLE D17: *RDU specification – covariates in γ equation*

	Test 60	Test 61	Test 62	Test 63	Test 64
r equation					
Constant	0.180	0.156	0.188	0.196	0.190
γ equation					
SoloResponsible	-0.205	-0.381	-0.171	-0.158	-0.263
HHSIZE	0.562**		0.586**	0.575*	
NKids	-1.014**		-1.041*	-1.014*	
PersonsPerRoom	-0.903*		-0.974	-0.948	
KidsPerRoom	2.267*		2.395*	2.298	
Dependants		0.751*			0.768**
KidDependants		-1.288*			-1.269*
DependantsPerRoom		-1.250*			-1.366*
KidDependantsPerRoom		2.871*			2.824*
Male			-0.042	-0.050	-0.051
Mid			-0.207	-0.199	-0.277
GeneralUnemployment			-0.086	-0.140	-0.332
ShortTermUnemployment				0.088	0.222
WorkEarnings			-0.026**	-0.026**	-0.024**
Other Income			0.006	0.006	0.011
HomeLowEquity			0.234	0.253	0.268
No High School			-0.193	-0.192	-0.081
High Education			-0.033	-0.044	0.027
Constant	1.404**	1.551**	1.534**	1.519**	1.593**
μ equation					
Constant	0.125**	0.126**	0.119**	0.119**	0.119**
N	800	800	770	770	770

Notes: * pvalue<0.01, ** pvalue<0.001.
Errors are clustered on the individual respondent due to the panel structure of the data. OtherIncome is scaled to measure thousands of dollars.

Model 1 to Model 5 in the paper corresponds to Test 60 to Test 64, respectively. The constant term for γ still implies risk aversion, and the r parameter is not strongly significant. The coefficients on the covariates tell the same story as Table D16 and the EUT models. A positive significant coefficient is a marginal effect that adds to pessimism, or risk aversion. The main difference is that *PersonsPerRoom* is significant in Test 60. Tables D16 and D17 are referred to in footnote 48.