

## Material for Online Appendix

### **Rounding, Focal Point Answers and Nonresponse to Subjective Probability Questions**

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#### APPENDIX

##### ***Subjective Probability Questions***

We present details on the six subjective probability questions. The first question asks about the stock market from 2002 until 2010. In 2002 and 2004 the question is:

*“We are interested in how well you think the economy will do in the next year. By next year at this time, what is the percent chance that mutual fund shares invested in blue chips stocks like those in the Dow Jones Industrial Average will be worth more than they are today?”*

For later waves, “next year” was replaced by “in the future.” In 2002, there are quite a few missings, which according to the HRS is due to an incorrect skip pattern.

The second question we use is asked of respondents of age 65 and under:<sup>1</sup>

*“What is the percent chance that you will live to be 75 or more?”*

Two questions concern personal financial issues: bequests and inheritances. In 1994 and 1996, the question about bequests is as follows:<sup>2</sup>

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<sup>1</sup> We do not use 111 person-wave observations where the respondent was over age 65.

*“And what are the chances that you (or your husband/ wife/ partner) will leave an inheritance totaling \$10,000 or more?”*

From 1998 onwards, the wording of the question is somewhat different:

*“Including property and other valuables that you might own, what are the chances that you (and your husband/ wife/ partner) will leave an inheritance totaling \$10,000 or more?”*

The question about inheritances was asked from 1994 to 2006. The wording of this second question is the same in all waves except for 2006:

*“And how about the chances that you will receive an inheritance within the next ten years?”*

In 2006, the wording was changed to:

*“(Not counting anything you might give or leave to each other,) [what/What] are the chances that you (or your [husband/ wife/ partner]) will receive an inheritance during the next 10 years?”*

The final two questions we consider are work related:

*“What do you think are the chances that you will work full-time after you reach age 62?”<sup>3</sup>*

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<sup>2</sup> If the answer is more than zero, a follow-up question asks about the chances of leaving a bequest of \$100,000 or more. We do not discuss the results for this question since the results were unsurprising.

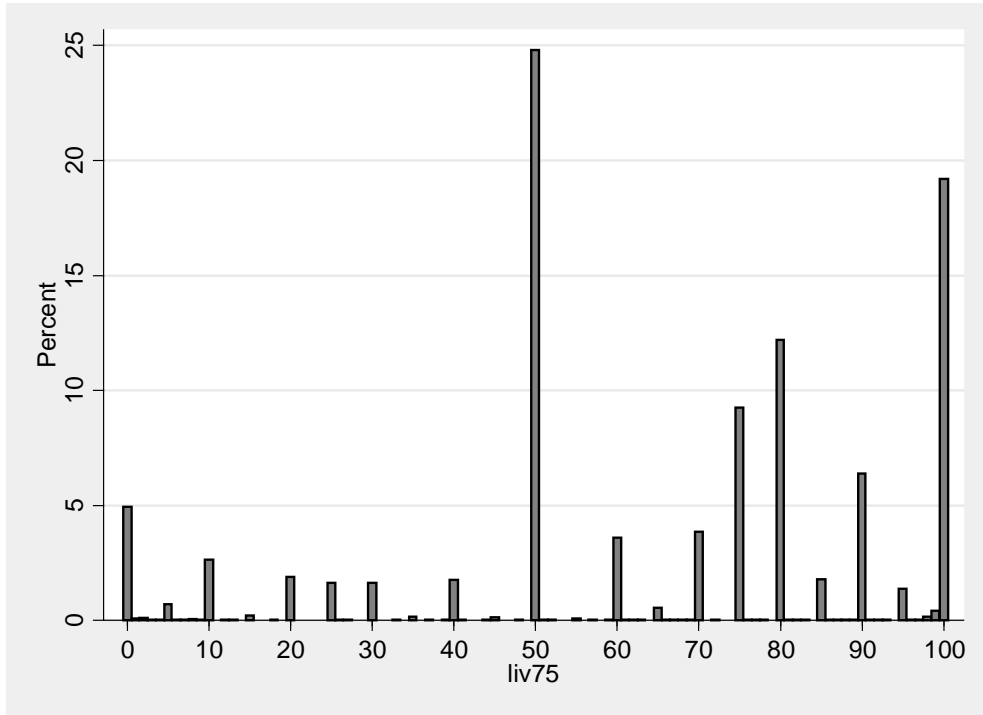
<sup>3</sup> We do not use the follow-up question about the probability of working full-time after age 65.

Except for the year 2006, this question was supposed to be asked only if the respondent was working and less than 62 years old. We, therefore, also deleted the 2006 answers of respondents who were not working or aged 62 or older.

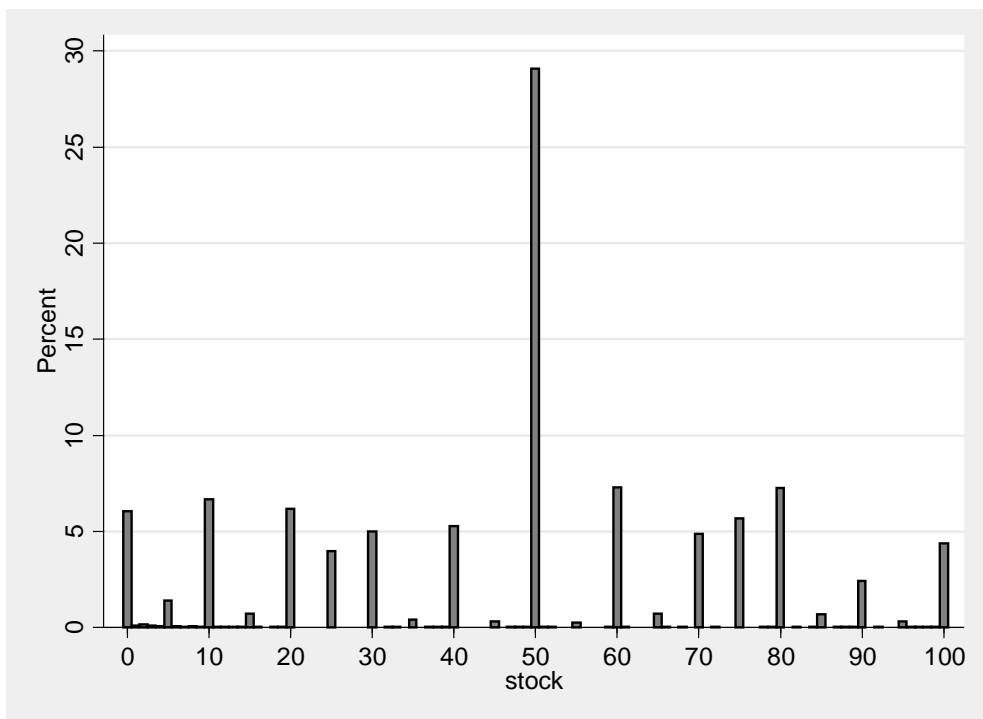
The last question we consider was asked from 1994-2002:

*“What about the chances that your health will limit your work activity during the next 10 years?”*

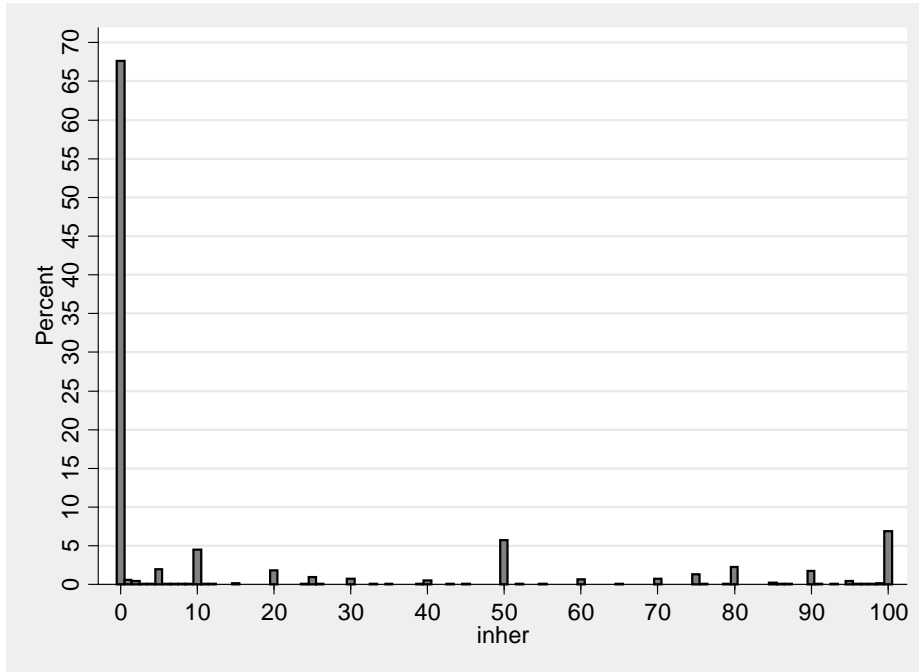
This question was only asked if the respondent was currently working. Answers of respondents who already had a work limiting health condition as well as answers given by proxy respondents were dropped.



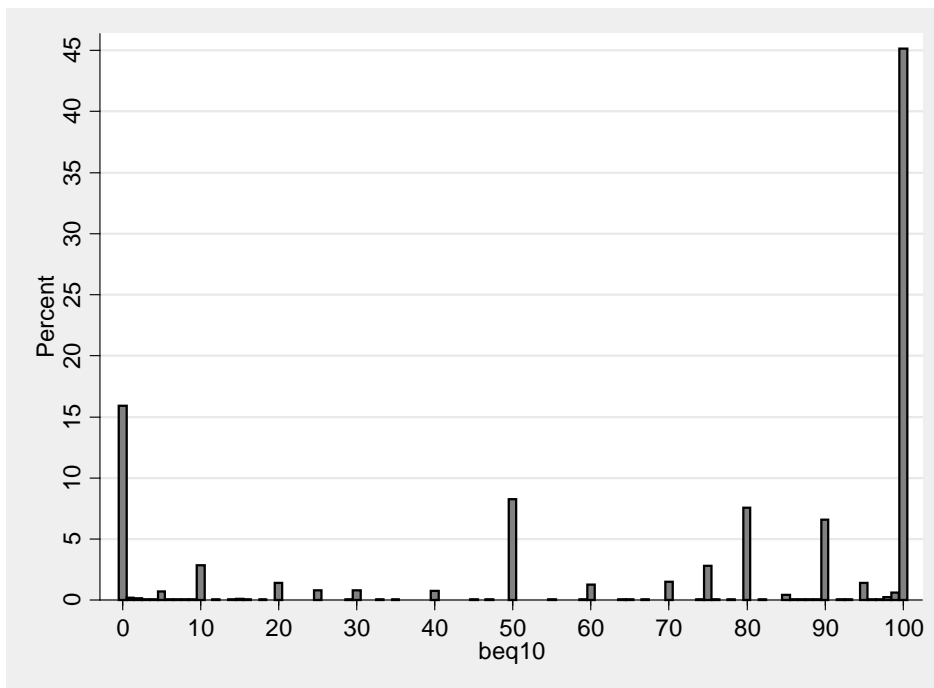
**Figure A1 Distribution of Numerical Responses: Survival 75**



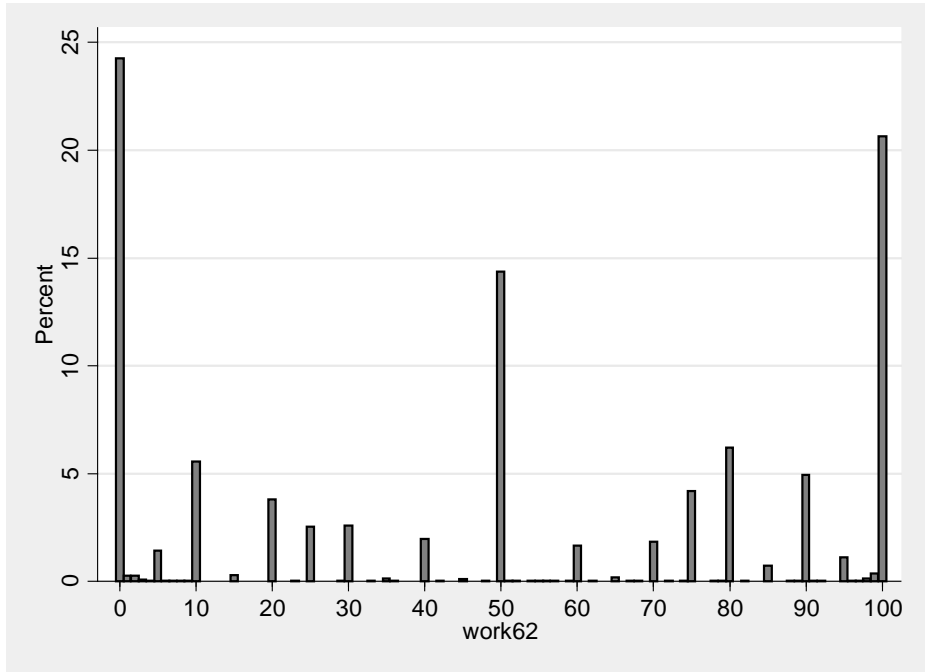
**Figure A2 Distribution of Numerical Responses: Stock Market**



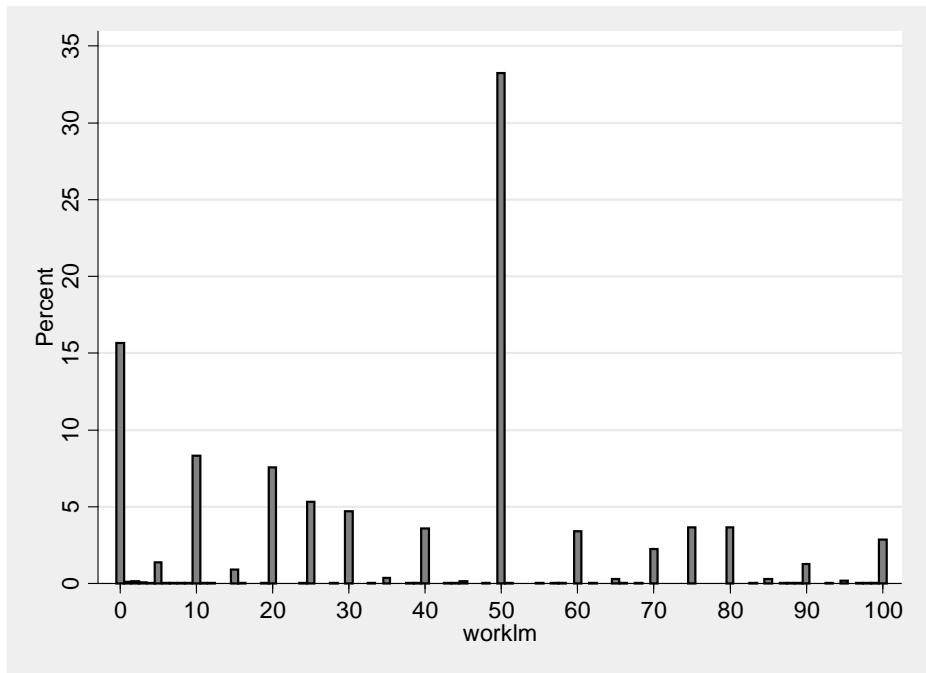
**Figure A3 Distribution of Numerical Responses: Inheritances**



**Figure A4 Distribution of Numerical Responses: Bequests**



**Figure A5 Distribution of Numerical Responses: Work 62**



**Figure A6 Distribution of Numerical Responses: Work Limitations**