



Welcome

This is a research study about decision-making. This study has been approved by the University of Pittsburgh IRB. Your participation is voluntary and you may withdraw from this project at any time. There are no foreseeable risks associated with this project, nor are there any direct benefits to you beyond monetary compensation.

Your anonymity in this study is guaranteed. Your name will not be recorded or connected to any decisions you make in this experiment. Your anonymous research data may be used for future research and may be shared with other investigators.

Contact

Please contact the principal investigator, Marissa Lepper, at M.LEPPER@PITT.EDU or through the messaging system if you have any questions or concerns.

Please enter your Prolific PID. *Note that this should be autofilled with your ID.*

 I'm not a robot



Study Information

The entire study will take 10 minutes on average but should take no longer than 20. We ask that you please fill the survey out in one sitting and give it your full attention. The survey may not work on cell phones.

You will receive a \$2.50 payment plus any additional bonus payments you earn based on your choices. Expected bonus is \$1.25.

There are three parts in this study followed by a survey. **One part will be randomly selected to count towards your payment.** Each part is equally likely to count, so it is in your best interest to treat every part as if it will determine your bonus payment.

You will be asked to read instructions which will describe exactly how your payoffs will be determined. Please read them all carefully. **All instructions in this study are accurate and truthful.**

The next button will appear in 10 seconds.



Part One

Part One consists of two questions about debt.

Debts typically require a minimum payment each month. Paying under this amount is considered a missed payment, and repeatedly missing payments can result in default. Defaulting on a debt can have severe penalties. The number of missed payments before default and the exact penalties vary between different types of debt.

For the following questions, please only consider types of debts that are *not* backed by collateral, meaning that defaulting *does not* result in your property being repossessed. **Examples of this type of debt include student loans and credit card debt.**

The next button will appear in 10 seconds.



Part One – Question One

Sometimes people who have multiple types of debt (such as both credit card and student debt) **cannot** afford to make the minimum payment for **all** of their debt. When this happens, they must decide which debt to make a payment on.

Please take a moment to think of what characteristics different types of debt can have that would factor into the decision of which to make a payment on. Please only consider types of debts that are *not* backed by collateral, meaning that defaulting *does not* result in repossession or foreclosure.

In your opinion, what two characteristics are the most important to consider in this situation? Briefly explain why (one sentence maximum for each).





Part One - Question Two

Below are some factors someone may consider when deciding which debt to make a payment on when they *cannot* afford the minimum payment on *all* of their debt.

Please only consider types of debts that are *not* backed by collateral, meaning that defaulting *does not* result in repossession or foreclosure.

Please rank the factors below from most influential (1) to least influential (5) by dragging and dropping them. If this part is selected for payment, you will receive \$0.50 for each rank that matches that of the majority of participants in today's study. This bonus will be paid tomorrow.

- Size of Penalties: Prioritizing the debt with the more severe overall penalties, regardless of when they happen
- Size: Prioritizing the debt with the larger balance
- Timing of Default: Prioritizing the debt that is closest to default
- Interest Rates: Prioritizing the debt with the higher interest rate
- Timing of Penalties: Prioritizing the debt with the more immediate penalties



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Part Two

The items on the left are consequences that may happen if you default on a debt. Please look at them and determine if they describe a *potential consequence of defaulting on federal student loans, credit card debt, both, or neither*. You can classify them by dropping them into the correct box. The order you place them in the box does not matter. If this part is chosen for payment, you will receive \$0.25 for each correct classification.

You have two minutes to complete this question, so it is in your best interest to do so quickly using your current knowledge.

Items	Federal Student Loans
The IRS does not give you your tax refund	
court order	

Credit Card Debt

Both



Part Three

You will make three decisions in Part Three.

Some bonuses from this part will be paid **today** (March 16, 2023) and some bonuses will be paid in **15 days from today** (March 31, 2023). If this part is selected for payment, **you will receive \$0.10 as a base bonus payment on both dates**. Your choices will determine what *additional* payments you receive.

Each decision consists of a list with several rows of two options, Option A and Option B. Option A is always a \$1.00 bonus payment today. Option B varies between lists and rows.

Your task is to decide at which point you switch from preferring Option A to preferring Option B. You will indicate this by selecting the option you prefer in each row, i.e., Option A in this row and all of the row above it, and Option B for all of the rows below it.

If this part is selected for payment, one row from one decision list will be implemented. You will receive your preferred choice for that row on the corresponding payment dates on top of the \$0.10 base payments both today and in 15 days. All rows have an equal chance of being selected.

The next button will appear in 10 seconds.

Part Three – Decision One

In this decision, you will choose how much money you want to receive today (March 16) and how much you want to receive in 15 days (March 31).

Your task is to decide which row you switch from wanting Option A (\$1.00 today) to wanting Option B (some payment in 15 days).
If this decision is chosen for payment, one row will randomly be selected. Your preferred option in that row will be added to your base payment. This means:

- If you prefer Option A in that row, you will get a \$1.10 bonus today and a \$0.10 bonus in 15 days
- If, instead, you prefer Option B, you will get a \$0.10 bonus today and a bonus of \$0.10 plus the amount listed on the far right of that row in 15 days.

Please indicate the row in which you want to switch by selecting Option A in that row and all rows above it and Option B for all rows below it.

	Option A	Option B	
\$1.00 today	<input checked="" type="radio"/>	<input type="radio"/>	\$0.95 in 15 days
\$1.00 today	<input type="radio"/>	<input type="radio"/>	\$1.00 in 15 days
\$1.00 today	<input type="radio"/>	<input type="radio"/>	\$1.05 in 15 days
\$1.00 today	<input type="radio"/>	<input type="radio"/>	\$1.10 in 15 days
\$1.00 today	<input type="radio"/>	<input type="radio"/>	\$1.15 in 15 days
\$1.00 today	<input type="radio"/>	<input type="radio"/>	\$1.20 in 15 days
\$1.00 today	<input type="radio"/>	<input type="radio"/>	\$1.25 in 15 days
\$1.00 today	<input type="radio"/>	<input type="radio"/>	\$1.30 in 15 days
\$1.00 today	<input type="radio"/>	<input type="radio"/>	\$1.35 in 15 days
\$1.00 today	<input type="radio"/>	<input type="radio"/>	\$1.40 in 15 days
\$1.00 today	<input type="radio"/>	<input type="radio"/>	\$1.45 in 15 days
\$1.00 today	<input type="radio"/>	<input type="radio"/>	\$1.50 in 15 days
\$1.00 today	<input type="radio"/>	<input type="radio"/>	\$1.55 in 15 days
\$1.00 today	<input type="radio"/>	<input type="radio"/>	\$1.60 in 15 days
\$1.00 today	<input type="radio"/>	<input type="radio"/>	\$1.65 in 15 days

The next button will appear in 20 seconds.

Your task is to decide which row you switch from wanting Option A (\$1.00 today) to wanting Option B (a lottery that pays \$2.00 today with some chance).

If this decision is chosen for payment, one row will randomly be selected. Your preferred option in that row will be added to your base payment. This means:

- If you chose Option A in that row, you will get a \$1.10 bonus today and a \$0.10 bonus in 15 days
- If you chose Option B, the computer will implement the lottery by randomly and fairly selecting a number between 1 and 100
 - If the number is less than or equal to the chance of \$2 in that row, you get an additional \$2.00 bonus today. This means your total bonuses will be \$2.10 today and \$0.10 in 15 days
 - If the number is greater than the chance of \$2 in that row, you do not get any additional bonus. This means your total bonuses will be \$0.10 today and \$0.10 in 15 days.

Please indicate the row in which you want to switch by selecting Option A in that row and all rows above it and Option B for all rows below it.

	Option A	Option B	
\$1.00 today	<input checked="" type="radio"/>	<input type="radio"/>	Today: 0% chance of \$2.00; 100% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	Today: 10% chance of \$2.00; 90% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	Today: 20% chance of \$2.00; 80% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	Today: 30% chance of \$2.00; 70% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	Today: 40% chance of \$2.00; 60% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	Today: 50% chance of \$2.00; 50% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	Today: 60% chance of \$2.00; 40% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	Today: 70% chance of \$2.00; 30% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	Today: 80% chance of \$2.00; 20% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	Today: 90% chance of \$2.00; 10% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input checked="" type="radio"/>	Today: 100% chance of \$2.00; 0% chance of \$0.00

Your task is to decide which row you switch from wanting Option A (\$1.00 today) to wanting Option B (\$2.62 in 15 days with some chance).

If this decision is chosen for payment, one row will randomly be selected. Your preferred option in that row will be added to your base payment. This means:

- If you chose Option A in that row, you will get a \$1.10 bonus today and a \$0.10 bonus in 15 days
- If you chose Option B, the computer will implement the lottery by randomly and fairly selecting a number between 1 and 100
 - If the number is less than or equal to the chance of \$2.62 in that row, you get an additional \$2.62 bonus in 15 days. This means your total bonus will be \$0.10 today and \$2.72 in 15 days
 - If the number is greater than the chance of \$2.62 in that row, you do not get any additional bonus. This means your total bonus will be \$0.10 today and \$0.10 in 15 days.

Please indicate the row in which you want to switch by selecting Option A in that row and all rows above it and Option B for all rows below it.

	Option A	Option B	
\$1.00 today	<input checked="" type="radio"/>	<input type="radio"/>	In 15 days: 0% chance of \$2.62; 100% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	In 15 days: 10% chance of \$2.62; 90% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	In 15 days: 20% chance of \$2.62; 80% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	In 15 days: 30% chance of \$2.62; 70% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	In 15 days: 40% chance of \$2.62; 60% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	In 15 days: 50% chance of \$2.62; 50% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	In 15 days: 60% chance of \$2.62; 40% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	In 15 days: 70% chance of \$2.62; 30% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	In 15 days: 80% chance of \$2.62; 20% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	In 15 days: 90% chance of \$2.62; 10% chance of \$0.00
\$1.00 today	<input type="radio"/>	<input type="radio"/>	In 15 days: 100% chance of \$2.62; 0% chance of \$0.00

Thank you for participating today. You are almost done with the study. Please take a moment to answer some survey questions.

What was your combined household income (before taxes) in 2022?

Less than \$10,000	\$80,000 - \$99,999
\$10,000 - \$19,999	\$70,000 - \$79,999
\$20,000 - \$29,999	\$60,000 - \$69,999
\$30,000 - \$39,999	\$50,000 - \$59,999
\$40,000 - \$49,999	\$100,000 - \$149,999
\$50,000 - \$59,999	More than \$150,000

Select all of the following that you have had before:

Credit Card(s)	Cryptocurrency
Federal Student Loans	Medical Debt
Savings Account(s)	Mortgage
Checking/Debit Account(s)	Auto Loan
Private Student Loans	Prefer not to answer
None	

How many hours per week do you typically spend on Prolific?

How frequently do you cash out on Prolific?

Everyday I Work	Multiple times a week	Once a Week	Twice a Month	Once a Month	Other
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How frequently do you pay your credit card bill in full each month?

Always	Most of the time	About half the time	Sometimes	Never	Prefer Not to Answer	N/A
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In a typical month, how frequently do you check your credit card balance?

Daily	Multiple times a week	Once a week	A few times a month	Once a month	Never	Prefer not to say	N/A
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Have you ever made under the minimum payment on your credit card?

Yes, and I defaulted	Yes, but I never defaulted	No	I don't know	Prefer not to say	N/A
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How well do you understand the terms of credit cards (interest rates, the consequences of defaulting, etc)?

Not well at all	Slightly well	Moderately well	Very well	Extremely well
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Are your student loans paid off in full?

Yes
No
Prefer not to say
N/A

Have you ever paid less than the required monthly payment for your student loans (i.e., not when they were in deferral or had a moratorium on payment)

Yes, and I defaulted on them	Yes, but I never defaulted on them	No	Prefer not to say	N/A
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How well do you understand the terms of student loans (the interest rate, the consequences of defaulting, etc)? Consider this without any government intervention.

Not well at all	Slightly well	Moderately well	Very well	Extremely well
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How old are you?

What gender do you identify with?

Male	Non-binary / third gender
Female	Prefer not to say

What is your highest level of education?

Less than high school	4 year degree
High school graduate	Professional degree
Some college	Doctorate
2 year degree	

Which of the following best describes your situation?

Employed full time	Retired
Employed part time	Student
Unemployed looking for work	Disabled
Unemployed not looking for work	

Any comments? You can leave this blank.





Thank you for participating!

You have now completed the study. **Please hit next to submit your survey and get redirected back to Prolific.**

You will receive your \$2.50 payment today and your bonus payments on their corresponding dates. **Please email m.lepper@pitt.edu or reach out through the messaging system if you have any questions about the study or your payment.**

Decision Selected for Payment: Part 3

Question 2

Bonus Today: \$1.1

Bonus in 15 Days (March 30): \$0.1

Total Bonus: \$1.2

