Supplementary Material

Supplement to “Eliciting risk preferences using choice lists”

DAVID J. FREEMAN
Department of Economics, Simon Fraser University

YORAM HALEVY
Department of Economics, University of Toronto

TERRI KNEELAND
Department of Economics, University College London

APPENDIX A: EXPERIMENTAL DETAILS

Our online experiment was composed of two components: the mTurk interface used to recruit and pay subjects and an external experiment website where subjects made their choice decisions.

Using the mTurk interface, we (as the recruiter) released an ad for a task (“HIT” for Human Intelligence Task) which could be viewed by online workers (turkers). All turkers that satisfy the required criteria can view a description of the HIT (in our case, we required turkers to have a US based account and a completion record of 95% or greater). Our HIT description was a short description of the experiment that included a unique HIT passcode along with a link to our experiment webpage, which was hosted on a private server. Turkers could either accept or decline the HIT once they read the description. If a turker accepted the HIT, he would click on the link to the external experiment website and enter his unique mTurk identifier and the HIT passcode. The passcode was unique per HIT and one-time use. The passcode would expire after the turker completed the experiment. This prevented a turker from completing the HIT multiple times. Figure 1 provides an example of one of our HIT descriptions.

Once subjects logged into the external experiment website, they consented to the experiment, read the instructions, answered a short quiz to indicate understanding, made their choices, and were then informed of their bonus payment (determined by a random number computer generator) and received a unique completion code. Subjects then entered the completion code back in the HIT page in the mTurk interface to complete the HIT. Figures 2 and 3 provide a set of example instructions and questions from treatment L1, and Figure 4 shows the question in treatment P1. Instructions and questions from other treatments were similar.

David J. Freeman: david_freeman@sfu.ca
Yoram Halevy: yoram.halevy@utoronto.ca
Terri Kneeland: t.kneeland@ucl.ac.uk

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Description:

This HIT asks you to make a series of choices among alternatives that involve monetary prizes. The HIT should take between 5-10 minutes to complete. Your answers will be used in an academic study on decision-making.

Please click the link below to begin the HIT. Please enter your mTurk Worker ID and the following mTurk HIT ID where prompted in order to begin the survey.

mTurk HIT ID: $[pw]

When you are finished, you will receive a Completion Code that you must enter in the box below to receive credit for participation.

Completion Code: ___________________________

Please do not take this HIT if you are not willing to commit 10 minutes of your full concentration to the HIT. The data we collect is being used for scientific research. We greatly appreciate your full attention and careful consideration of each question.

Note: Any versions of this HIT can only be taken once by each worker. If you complete this HIT more than once, you will only be paid for the first time. Click here for list of workers who have completed a version of this HIT.

*Note: Javascript is required for this HIT

Please accept the HIT before you begin!

CLICK HERE TO BEGIN HIT

Figure 1. Mechanical Turk HIT description.

Subjects were linked in our dataset (that contained the choice and payment data) to the mTurk site by both their mTurk identifier and their completion code. This allowed us to match a turker’s account with his payment information recorded in our dataset, and pay the turker accordingly.

Subjects were paid a flat rate payment for completing the HIT and earned a “bonus” based on their choices. In our experiment, the payment corresponded to the show-up fee and the bonus corresponded to the incentivized payment. Payments must be set equal for all turkers who complete a HIT in the same batch, but bonuses may differ. Both payments and bonuses are at the recruiters discretion, thus turkers do not need to be paid unless they complete the task. We offered a payment of $1 for completing the HIT, and a bonus of $0, $3, or $4 corresponding to the risky outcomes in our lotteries. Bonuses depended upon the element of chance described in the RIS, the lotteries and the subject’s choices. All payments were in American dollars. Subjects completed the experiment (HIT) by submitting a completion code generated by our website to the mTurk interface. A random number generator was used to resolve all risks automatically, and subjects were informed of how much of a bonus would be paid after completing the study. Payments were credited to subjects’ mTurk accounts within 30 minutes of completing the experiment.

A recruiter can recruit n subjects for an experiment by releasing a “batch” with n HITS. These tasks can be identical or individualized by the inputs in a csv file. We used
Instructions
You will be paid $1 for completing this HIT. When you have finished, you will be given an ID number. You must copy that ID number into the Mechanical Turk HIT page and submit the HIT in order to receive payment.

In addition, you will receive a BONUS payment. You will be asked to answer one question in which you make a series of choices between two options (Option A and Option B). Your bonus payment will be determined by your choices in this question.

Options A and B will consist of a monetary payment (either 3 or 4 dollars) to be paid with some random chance.

The random chance is determined by a stated number X which is between 1 and 100 and a numbered ball drawn from a box. The box contains 100 balls numbered 1 to 100. If the number on the ball drawn is less than or equal to the stated number X, then the random draw is successful.

For example, one Option may be: "$4 if the number on the ball drawn is less than or equal to 50." This means, that if the number on the ball drawn is less than or equal to 50, you receive $4 as your bonus payment. If the number on the ball drawn is greater than 50, you will not receive a bonus payment.

The box contains 100 balls numbered 1 to 100. Each number is in the box exactly once. Each number is equally likely to be drawn.

To ensure you understand the instructions, please answer the following quiz. You must successfully complete the quiz before you may continue.

Quiz
Scroll your mouse over the boxes below to select your answers. Your selected answer will be highlighted in yellow.

1. A ball is drawn from a box containing 100 balls numbered 1 to 100 as described above.
   (a) The ball with the number 11 has the same chance of being drawn as the ball with the number 83?
      True   False

   (b) Which is more likely? The ball drawn has a number less than or equal to 90
       The ball drawn has a number less than or equal to 20
       (c) Which is more likely? The ball drawn has a number less than or equal to 40
       The ball drawn has a number less than or equal to 60

2. Suppose you choose the Option "$4 if the number on the ball chosen is less than or equal to 50."
   (a) What is your bonus if the ball drawn is numbered 32?
      $0   $4
   (b) What is your bonus if the ball drawn is numbered 89?
      $0   $4
   (c) What is your bonus if the ball drawn is numbered 50?
      $0   $4

You may continue when you have completed the Quiz

Continue

Figure 2. Instructions for treatment L1.
Question 1
For each line below, please choose whether you prefer Option A or Option B.

Your bonus will be determined by your choice (Option A or Option B) from a randomly selected line. Each choice could be the one that counts, so you should treat each and every line as if that choice will determine your bonus payment.

A number will be drawn from a box containing 100 balls numbered 1-100 as described in the instructions. If the number on the ball drawn is less than or equal to the number indicated in the question, then you will be paid according to your choice in the selected line.

For example, in the second line below: Option A is $3 if the number on the ball drawn is less than or equal to 100. Option B is $4 if the number on the ball drawn is less than or equal to 98. If you choose Option A, then you would be paid $3. If you choose Option B, then you would be paid $4 if the number on the ball drawn is less than or equal to 98.

Scroll your mouse over the boxes below to choose your preferred option. Your selected choice will be highlighted in yellow. Please select either Option A or Option B in each line.

<table>
<thead>
<tr>
<th>Line #</th>
<th>Option A</th>
<th>Option B</th>
</tr>
</thead>
<tbody>
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<td>1</td>
<td>100</td>
<td>100</td>
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<td>2</td>
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<tr>
<td>26</td>
<td>100</td>
<td>50</td>
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</tbody>
</table>

When you have made all of your choices please press ‘Continue’

Figure 3. List for treatment L1.
Appendix B: Review of experiments on mechanical turk

As a large online labor market, mTurk provides a convenient way to recruit and pay subjects over the internet. It allows researchers to economize on costs and experiment on a different population from undergraduates, and has been advocated as a platform for recruiting subjects by psychologists studying judgement and decision-making (Mason and Suri (2012), Paolacci, Chandler, and Ipeirotis (2010), Buhrmester, Kwang, and Gosling (2011)), political scientists (Berinsky, Huber, and Lenz (2012)), and economists (Horton, Rand, and Zeckhauser (2011)). A potential downside of running experiments on mTurk is that subjects complete the experiment from their home computer, and not in a controlled lab environment, making it difficult to know for sure who the subjects really are and how much attention they are paying to the tasks. Paolacci, Chandler, and Ipeirotis (2010) found that the population of US-based turkers who participate in experiments is heterogeneous and is more representative of the US population than typical undergraduate samples, and that turkers pay as much attention to experimental tasks as undergraduates in a lab. Paolacci, Chandler, and Ipeirotis (2010) and Horton, Rand, and Zeckhauser (2011) showed that some standard experimental results in the judgement and decision-making literature can be qualitatively and quantitatively replicated using turkers.
References


Co-editor Peter Arcidiacono handled this manuscript.

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