

Appendix for “Aging and Financial Decision Making”

Cognition Tests

The global cognition score is calculated by converting raw scores on each of the 19 tests listed below to z scores, using the mean and standard deviation from the full cohort at baseline, and then averaging the z scores to produce the composite measure. The composite measure of each cognitive domain is calculated similarly using only the tests in that domain.

Episodic Memory

1. Logical memory (immediate) Story A from the Logical Memory subset of the Wechsler Memory Scale-Revised;
2. Logical memory (delayed) Story A from the Logical Memory subset of the Wechsler Memory Scale-Revised;
3. CERAD Word list recall (immediate)
4. CERAD Word list recall (delayed)
5. CERAD Word list recognition
6. East Boston Story (immediate)
7. East Boston Story (delayed)

Perceptual Speed

1. Oral version of the Symbol Digit Modalities Test
2. Number Comparison
3. 2 indices from a modified version of the Stroop Neuropsychological Screening test

Semantic Memory

1. Verbal fluency from CERAD;
2. 15 item version of the Boston Naming Test
3. 15-item reading test

Visuospatial Ability

1. 15-item version of Judgment of Line Orientation
2. 16-item version of Standard Progressive Matrices

Working Memory

1. Digit Span subtests-forward of the Wechsler Memory Scale-Revised
2. Digit Span subtests-backward of the Wechsler Memory Scale-Revised
3. Digit Ordering

Survey Questions

Numeracy Questions

1. Which of these percentages represents the biggest risk of getting a disease? 1%, 10%, 5%
2. A store is offering 15% off a television that is normally priced at \$1000. How much money would you save on the TV during this sale? \$15, \$150, \$1500
3. If a television set is on sale for \$899, which is \$200 off its normal price, what is the normal price? \$699, \$1099, \$1299
4. If 5 people all have the winning numbers in the lottery and the prize is \$2 million, how much will each of them receive? \$200,000; \$400,000; \$600,000
5. If the chance of getting a disease is 10 percent, how many people out of 1,000 would be expected to get the disease? 100, 10, 90, 900
6. In a sale, a shop is selling all items at half price. Before the sale, a sofa costs \$300. How much will it cost in the sale? \$150, \$600, \$900
7. Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow: more than \$102, exactly \$102, or less than \$102?
8. Again, suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow: more than \$110, exactly \$110, or less than \$110?
9. Imagine that the interest rate on your savings account is 1% per year and inflation is 2% per year. After 1 year, will you be able to buy more than, exactly the same as, or less than today with the money in your account?

Financial Knowledge and Confidence Questions for Overconfidence Measure

Note: Each financial knowledge question is followed by the same confidence question below.

How confident are you that you answered that question correctly?

extremely confident, fairly confident, a little confident, not at all confident

1. What do the initials FDIC stand for?

2. What does the FDIC do?

approves new drugs for clinical use, protects the funds people or depositors place in banks and savings institutions, underwrites mortgages and other loans

3. When interest rates go up, what do bond prices do: go down, go up, or stay the same?

4. True or False. An older person with \$100,000 to invest should hold riskier financial investments than a younger person with \$100,000 to invest.

5. True or False. Using money in a bank account to pay off credit card debt is usually wise.

6. True or False. To make money in the stock market, you have to buy and sell stocks often.

7. True or False. Stocks and mutual funds generally produce higher average returns above inflation compared to fixed-income investments such as bonds.

Self-confidence Question

Using a 1-10 point rating scale, where 1 indicates that you are not at all confident and 10 indicates that you are completely confident, how would you rate your general level of confidence?

Financial Confidence Question

Please give a number between 1 and 7 indicating the degree to which you agree or disagree with this statement, with 1 being strongly agree and 7 strongly disagree. I am good at managing day to day financial matters such as keeping up with checking accounts, credit cards, payments, and budgeting.

Question about Who Makes Financial Decisions

Currently, who is (are) primarily responsible for making your financial decisions: you, your spouse/partner, your child, or someone else? If someone else, please specify the other person.