Poverty Identity and Preference for Challenge: Evidence from US and India

Online Appendix

1 Study 1 Materials

I. Treatment Questions
See Table 1 within the main text.

II. Task Choice

Which task would you like to complete?

1. Sit back and watch an entertaining short video of your choice for about 3 minutes. You will not be entered into the raffle.

2. Complete a cognitively demanding task that requires your focused attention. The task will take about 3 minutes. For each question that you solve correctly, you will receive an additional raffle ticket into a $50 Amazon.com gift card grand prize lottery.

III. Completing the Selected Task

N-back task: Participants who selected the challenging labor task were given additional details on the 2-back task:
You will be completing what is known as the N-Back task, a procedure designed to test attention and working memory. The basic version that you will complete today is called the 2-back task. You will be presented with a sequence of images, and your job will be to respond whether the image you see is the same image as the one presented two trials before – or in other words, whether it's the same as what was "2 steps back" from the current image. To perform effectively, you should keep a buffer in mind of what the last two images were and update as you move along.

Video options: Among participants who chose to watch the video instead of completing the challenging labor task, these video options were offered to participants after making the task choice:

1. Casey Neistat - Snowboarding with the NYPD [2:42]

2. Oktapodi - Animated Short Film, 2009 Oscar Nominee [2:25]

3. Vox - The World War II meme that circled the world [2:07]

4. GoPro: Backflip Over 72ft Canyon - Kelly McGarry Red Bull Rampage 2013 [2:03]

5. Dwight Interviews Himself // The Office US [2:16]

IV. Additional Measures

Financial Well-Being Index (items from Sharma and Alter 2012):
Responses provided on 7-point scales with anchors 1 = much worse, 7 = much better.

1. Compared to my financial position last year, my financial position this year is:

2. In comparison to most of my peers, I am financially:

3. Compared to my material possessions last year, my material possessions this year are generally:

4. In comparison to most of my peers material possessions, my material possessions are:

5. In comparison to last year, my ability to spend money freely is:

Identification Strength (items adapted from Benjamin et al. 2015):
Responses provided on 7-point scales with anchors 1 = strongly disagree, 7 = strongly agree.

1. My socioeconomic identity is an important part of my self-image.

2. My socioeconomic identity is an important reflection of who I am.

3. My socioeconomic identity has very little to do with how I feel about myself. [reverse]

4. My socioeconomic identity is unimportant to my sense of what kind of person I am. [reverse]

Confidence in task performance: Responses provided on 7-point scales with anchors 1 = strongly disagree, 7 = strongly agree.

1. I feel that I would perform better than most other participants on the Cognitive Performance Task I had an opportunity to complete earlier.

Risk preference elicitation questions, based on Holt and Laury (2002):

1. Which of the two lotteries below would you prefer?
   10% chance of $4.00, and 90% chance of $3.20
   10% chance of $7.70, and 90% chance of $2.00

2. Which of the two lotteries below would you prefer?
   20% chance of $4.00, and 80% chance of $3.20
   20% chance of $7.70, and 80% chance of $2.00

3. Which of the two lotteries below would you prefer?
   30% chance of $4.00, and 70% chance of $3.20
   30% chance of $7.70, and 70% chance of $2.00

4. Which of the two lotteries below would you prefer?
   40% chance of $4.00, and 60% chance of $3.20
   40% chance of $7.70, and 60% chance of $2.00

5. Which of the two lotteries below would you prefer?
   50% chance of $4.00, and 50% chance of $3.20
   50% chance of $7.70, and 50% chance of $2.00

6. Which of the two lotteries below would you prefer?
   60% chance of $4.00, and 40% chance of $3.20
   60% chance of $7.70, and 40% chance of $2.00

7. Which of the two lotteries below would you prefer?
   70% chance of $4.00, and 30% chance of $3.20
   70% chance of $7.70, and 30% chance of $2.00

8. Which of the two lotteries below would you prefer?
   80% chance of $4.00, and 20% chance of $3.20
   80% chance of $7.70, and 20% chance of $2.00

9. Which of the two lotteries below would you prefer?
   90% chance of $4.00, and 10% chance of $3.20
   90% chance of $7.70, and 10% chance of $2.00

Risk preference elicitation question, based on Eckel and Grossman (2002):

1. Which of the six different lotteries below would you prefer the most?
   100% chance of $2.80
   50% chance of $2.40, and 50% chance of $3.60
   50% chance of $2.00, and 50% chance of $4.40
   50% chance of $1.60, and 50% chance of $5.20
   50% chance of $1.20, and 50% chance of $6.00
   50% chance of $0.20, and 50% chance of $7.00

Time preference elicitation questions, based on Epper et al. (2011):

Notice that Prospect A is the same throughout while Prospect B gets better towards the bottom. Choose the option where you begin to prefer Prospect B we will then assume that you prefer Prospect A in all the comparisons above and that you prefer Prospect B in all the comparisons below.

1. At which comparison do you begin to prefer Prospect B over Prospect A?
   Prospect A: Receive $12 in 1 month vs. Prospect B: Receive $2 today
   Prospect A: Receive $12 in 1 month vs. Prospect B: Receive $4 today
   Prospect A: Receive $12 in 1 month vs. Prospect B: Receive $6 today
   Prospect A: Receive $12 in 1 month vs. Prospect B: Receive $8 today
   Prospect A: Receive $12 in 1 month vs. Prospect B: Receive $10 today

2. At which comparison do you begin to prefer Prospect B over Prospect A?
   Prospect A: Receive $12 in 3 months vs. Prospect B: Receive $2 today
   Prospect A: Receive $12 in 3 months vs. Prospect B: Receive $4 today
   Prospect A: Receive $12 in 3 months vs. Prospect B: Receive $6 today
   Prospect A: Receive $12 in 3 months vs. Prospect B: Receive $8 today
   Prospect A: Receive $12 in 3 months vs. Prospect B: Receive $10 today

3. At which comparison do you begin to prefer Prospect B over Prospect A?
   Prospect A: Receive $30 in 1 month vs. Prospect B: Receive $5 today
   Prospect A: Receive $30 in 1 month vs. Prospect B: Receive $10 today
   Prospect A: Receive $30 in 1 month vs. Prospect B: Receive $15 today
   Prospect A: Receive $30 in 1 month vs. Prospect B: Receive $20 today
   Prospect A: Receive $30 in 1 month vs. Prospect B: Receive $25 today

4. At which comparison do you begin to prefer Prospect B over Prospect A?
   Prospect A: Receive $30 in 3 months vs. Prospect B: Receive $5 today
   Prospect A: Receive $30 in 3 months vs. Prospect B: Receive $10 today
   Prospect A: Receive $30 in 3 months vs. Prospect B: Receive $15 today
   Prospect A: Receive $30 in 3 months vs. Prospect B: Receive $20 today
   Prospect A: Receive $30 in 3 months vs. Prospect B: Receive $25 today

5. At which comparison do you begin to prefer Prospect B over Prospect A?
   Prospect A: Receive $24 in 2 months vs. Prospect B: Receive $4 today
   Prospect A: Receive $24 in 2 months vs. Prospect B: Receive $8 today
   Prospect A: Receive $24 in 2 months vs. Prospect B: Receive $12 today
   Prospect A: Receive $24 in 2 months vs. Prospect B: Receive $16 today
   Prospect A: Receive $24 in 2 months vs. Prospect B: Receive $20 today

6. At which comparison do you begin to prefer Prospect B over Prospect A?
   Prospect A: Receive $6 in 2 months vs. Prospect B: Receive $1 today
   Prospect A: Receive $6 in 2 months vs. Prospect B: Receive $2 today
   Prospect A: Receive $6 in 2 months vs. Prospect B: Receive $3 today
   Prospect A: Receive $6 in 2 months vs. Prospect B: Receive $4 today
   Prospect A: Receive $6 in 2 months vs. Prospect B: Receive $5 today

2 Study 2 Materials

I. Pre-Experiment Questionnaire:

1. Gender: 1. Male 2. Female 3. Other

2. Languages spoken: 1. Marathi 2. Hindi 3. English 4. Gujarati 5. Tamil 6. Telugu 7. Haryanvi 8. Other
   item Age: 1. 18-25 2. 26-35 3. 36-45 4. 46-55 5. 56-65 6. 66+

3. Religion: 1. Hindu 2. Muslim 3. Buddhist 4. Christian 5. Other

4. Education: 1. No education 2. Some primary (Std 1 to 5) 3. Some secondary (Std 6-10) 4. 10th Std graduate 5. Some higher secondary (Std 11 to 12) 6. Some college 7. College graduate and above

5. Are you: 1. Married 2. Single 3. Divorced 4. Widowed

6. How many children do you have?

II. Baseline Task

You are asked to sort the lentils. You will receive one rupee per gram of both kinds of lentils sorted.

III. Treatment Questions

Please refer Table 4 within the main text.

IV. Payment Choice

You are asked to sort the lentils again, but this time you have an option in the choice of payment: Option A - same as before, Re 1 per gram (flat-rate pay) or Option B, if you sort 25 or more grams, you would get Rs 3 per gram (challenging pay)

V. Additional Measures

Public goods game: You have been given ten plastic coins, each worth 2 rupees. So in total, you have 20 rupees. This money is now yours. You have to make a decision now: You can either contribute at least a part of your money, or not. It is okay if you do not wish to give anything either. Whatever you and the other participants in this room give, we will pool it, double it, and distribute the doubled amount equally among all. Think for a minute before you answer.

Risk task: Now you have another decision to make. You can either have 120 rupees, or choose to toss a coin. If heads appears, then you get 200 rupees, if tails appears, you get 40 rupees. Only one person randomly chosen from this round will get the payment.

Life Orientation Test - Revised: Participants were handed a laminated piece of paper with five colors on it - dark green, representing strongly agree, and 1 on our scale, green, representing agree, and 2 on our scale, yellow, representing neither agree nor disagree, and 3 on our scale, red, representing disagree, and 4 on our scale, and dark red, representing strongly disagree, and 5 on our scale.

1. In uncertain times, I usually expect the best.

2. It is easy for me to relax.

3. If something can go wrong for me, it will.

4. Im always optimistic about my future.

5. I enjoy my friends a lot.

6. It is important for me to keep busy.

7. I hardly ever expect things to go my way.

8. I dont get upset too easily.

9. I rarely count on good things happening to me.

10. Overall, I expect more good things to happen to me than bad.

Financial emergency questions: Each question had these options: 1. I have it 2. From family 3. From friends 4. I will take a loan from a moneylender 5. I will take a loan from a bank 6. Not sure 7. Definitely could not get it.

1. If you urgently need 100 rupees, where would you get it from?

2. If you urgently need 1,000 rupees, where would you get it from?

3. If you urgently need 10,000 rupees, where would you get it from?

4. If you urgently need 1,00,000 rupees, where would you get it from?

Miscellaneous:

1. What is your average spending on non-necessities every week?

2. As compared to people who live where I do, I feel —— capable of getting things done: 1. More 2. Less 3. Just as

3. Name of hometown:

4. Population of hometown (in thousands):

5. Distance of nearest petrol pump/hospital in hometown:

6. Type of home: 1. Kutcha 2. Pucca 3. 1RK 4. 1 BHK 5. 2 BHK

7. Ownership of the house: 1. Self 2. Rented

8. Rent (if applicable): 1. 300 2. 301 - 500 3. 501-700 4. 701-1000 5. 1001-1200 6. 1201-1500 7. 1501-1700 8. 1701-2000 9. 2000

9. Last months electricity bill: 1. 300 2. 301 - 500 3. 501-700 4. 701-1000 5. 1001-1200 6. 1201-1500 7. 1501-1700 8. 1701-2000 9. 2000

10. Do you know anyone from this batch of participants? 1. Yes 2. No

3   Summary Statistics

	Control	PI	Self-Aff
Avg. weekly spending in rupees on non-necessities (self-report)	280.73	258.63	216.37
KM to nearest petrol pump/govt hospital (self-report)	16.93	17.42	10.54
Do you know anyone in this session?	71.5%	75.5%	72.7%

Life Orientation Test - Revised (1-5 scale)

	Control	PI	Self-Aff
In uncertain times I usually expect the best	4.54	4.52	4.68
It's easy for me to relax	3.39	3.05	3.21
If something can go wrong for me it will	3.50	3.57	3.23
I'm always optimistic about my future	4.78	4.71	4.77
I enjoy my friends a lot	4.57	4.26	4.32
It's important for me to keep busy	4.33	4.37	4.41
I hardly ever expect things to go my way	3.26	3.38	3.09
I don't get upset too easily	3.74	3.63	3.95
I rarely count on good things happening to me	2.86	3.06	2.80
Overall, I expect more good things to happen to me than bad	4.63	4.54	4.67

As compared to people who live where I do I feel I am _____ of getting things done.

	Control	PI	Self-Aff
Less capable	21.2%	26.5%	10.7%
Just as capable	37.7%	37.4%	46.7%
More capable	41.1%	36.1%	42.7%

If you urgently needed _____, where could you get it?

	Control	PI	Self-Aff
100 Rupees - Have It	47.7%	40.6%	48.0%
100 Rupees - Family	51.7%	55.5%	55.3%
100 Rupees - Friends	45.7%	44.5%	36.0%
100 Rupees - Loan (Moneylender)	1.3%	3.2%	2.7%
100 Rupees - Loan (Bank)	0.0%	0.0%	0.7%
100 Rupees - Not Sure	0.0%	0.6%	0.0%
100 Rupees - Definitely Could Not Get It	2.0%	0.6%	0.0%

If you urgently needed _____, where could you get it?

	Control	PI	Self-Aff
1,000 Rupees - Have It	17.2%	6.5%	17.3%
1,000 Rupees - Family	57.6%	63.2%	63.3%
1,000 Rupees - Friends	42.4%	38.1%	34.7%
1,000 Rupees - Loan (Moneylender)	3.3%	8.4%	6.7%
1,000 Rupees - Loan (Bank)	0.0%	1.3%	2.0%
1,000 Rupees - Not Sure	1.3%	0.6%	4.0%
1,000 Rupees - Definitely Could Not Get It	7.3%	7.1%	2.0%

If you urgently needed _____, where could you get it?

	Control	PI	Self-Aff
10,000 Rupees - Have It	4.6%	1.3%	3.3%
10,000 Rupees - Family	51.0%	43.2%	44.7%
10,000 Rupees - Friends	21.2%	18.7%	16.0%
10,000 Rupees - Loan (Moneylender)	17.9%	16.8%	21.3%
10,000 Rupees - Loan (Bank)	10.6%	9.0%	18.0%
10,000 Rupees - Not Sure	4.6%	7.7%	8.0%
10,000 Rupees - Definitely Could Not Get It	17.9%	21.9%	13.3%

If you urgently needed _____, where could you get it?

	Control	PI	Self-Aff
100,000 Rupees - Have It	1.3%	0.0%	1.3%
100,000 Rupees - Family	26.5%	16.8%	20.7%
100,000 Rupees - Friends	11.9%	4.5%	4.0%
100,000 Rupees - Loan (Moneylender)	15.2%	11.0%	12.7%
100,000 Rupees - Loan (Bank)	21.9%	22.6%	24.0%
100,000 Rupees - Not Sure	8.6%	14.2%	12.7%
100,000 Rupees - Definitely Could Not Get It	37.1%	41.3%	34.7%

Amount of last month's electricity bill (rupees)

	Control	PI	Self-Aff
Elec. Bill <300	7.3%	4.5%	5.3%
Elec. Bill 301-500	9.9%	8.4%	7.3%
Elec. Bill 501-700	8.6%	7.7%	10.0%
Elec. Bill 701-1000	9.9%	10.3%	17.3%
Elec. Bill 1001-1200	13.9%	9.0%	7.3%
Elec. Bill 1201-1500	7.3%	9.0%	10.7%
Elec. Bill 1501-1700	4.6%	8.4%	7.3%
Elec. Bill 1701-2000	9.3%	10.3%	9.3%
Elec. Bill 2000+	29.1%	32.3%	25.3%

What type of home do you live in?

	Control	PI	Self-Aff
1 BHK	4.6%	6.5%	6.7%
1 RK	39.7%	33.5%	32.7%
2 BHK	4.6%	3.2%	2.7%
Kutcha	19.9%	23.2%	22.0%
Pucca	31.1%	33.5%	36.0%