Inequality Questionnaire

This questionnaire concerns people's attitude to inequality. We would be interested in **your** view, based on hypothetical situations. Because it is about attitudes there are no "right" answers. Some of the possible answers correspond to assumptions consciously made by economists: but these assumptions may not be good ones. Your responses will help to shed some light on this, and we would like to thank you for your participation. The questionnaire is anonymous.

Alfaland consists of five regions that are identical in every respect other than the incomes of their inhabitants. Everyone within a given region receives the same income, but personal incomes differ from region to region.

Two economic policy proposals A and B are being considered for implementation in Alfaland next year. It is known that – apart from their impact on personal incomes – the two policies would have the same effect on the population. The impact upon the regions' incomes would depend upon the particular state of the Alfaland economy at the time the policy (A or B) is to be introduced.

In each of questions (1) to (6) two alternative lists of incomes A and B (in Alfaland local currency) are given. Each of these pairs represents the outcomes of the A–policy and the B–policy on the five regions in each of six different situations in which Alfaland might find itself next year. In each case please state which policy you consider would result in **higher inequality** in Alfaland by circling A or B. If you consider that the two policies will result in the **same inequality** then circle both A and B.

1) A = (2, 5, 9, 20, 30)   B = (2, 6, 8, 20, 30)

2) A = (2, 5, 9, 20, 30)   B = (3, 5, 9, 20, 29)

3) A = (2, 5, 9, 20, 30)   B = (2, 6, 9, 20, 29)

4) A = (2, 5, 9, 20, 30)   B = (2, 10, 9, 15, 30)
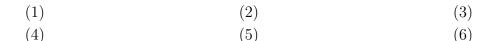
5) A = (10, 10, 10, 10, 30)   B = (10, 10, 10, 20, 20)

6) A = (2, 5, 9, 20, 30)   B = (2, 6, 9, 19, 30)

In question 7 you are presented with a hypothetical income change and some possible views about the effects on inequality of that change. The views are labelled a), ..., e). Please circle the letter alongside the view that corresponds most closely to your own. You can check more than one answer, provided that you consider they do not contradict each other. Feel free to add any comment that explains the reason for your choice.

7) Suppose we transfer income from the inhabitants of a relatively high–income region to those of a relatively low–income region, without changing the income of any other region. The transfer is not so large as to make the "rich" region "poor" and the "poor" region "rich", but it may alter their income rankings relative to the other, unaffected regions.

  (a) Inequality in Alfaland must fall if the ranking by income of all the regions remains the same. If there is any change in the income ranking of the regions then it is possible that inequality increases or remains the same.

  (b) If the transfer is from the richest to the poorest region, and after the transfer the richest region remains the richest and the poorest remains the poorest, inequality must fall. In other cases we cannot say a priori how inequality will change.

  (c) The transfer may change the relative position of other regions. So we cannot say a priori how inequality will change.

  (d) Inequality in Alfaland must fall, even if there is a change in the income ranking of the regions as a result of this transfer, and even if the transfer is not from the richest region to the poorest.

  (e) None of the above.

In the light of your answer to question 7, would you want to change your answer to question 1–6? If so, please state your new response here.

(1)   (2)   (3)
(4)   (5)   (6)

Finally, we would be grateful for some information about yourself:

- Are you male or female?   M/F
  Please circle your answer.

- What is your age?   . . . years

- What is your special subject of study?   . . . .

- Were you employed before university?   Yes/No
  Please circle your answer.

- How would you rate your political views? "extreme left" / "extreme right"

  $\bigcirc$–$\bigcirc$–$\bigcirc$–$\bigcirc$–$\bigcirc$–$\bigcirc$–$\bigcirc$

  Please put a × on this scale.

- How would you rate your family's income in 1990? Please put a × on this scale. "very poor" / "very rich"

  $\bigcirc$–$\bigcirc$–$\bigcirc$–$\bigcirc$–$\bigcirc$–$\bigcirc$–$\bigcirc$

- How would you rate your own income prospects in the year 2010? Please put a × on this scale. "very poor" / "very rich"

  $\bigcirc$–$\bigcirc$–$\bigcirc$–$\bigcirc$–$\bigcirc$–$\bigcirc$–$\bigcirc$

Risk Questionnaire

This questionnaire concerns people's attitude to risk. We would be interested in **your** view, based on hypothetical situations. Because it is about attitudes there are no "right" answers. Some of the possible answers correspond to assumptions consciously made by economists: but these assumptions may not be good ones. Your responses will help to shed some light on this, and we would like to thank you for your participation. The questionnaire is anonymous.

Alfaland consists of five regions that are identical in every respect other than the incomes of their inhabitants. Everyone within a given region receives the same income, but personal incomes differ from region to region. An immigrant to Alfaland would be assigned at random, with equal probability, to any one of these five regions. Such a person would therefore have a 20% chance of being on any one of five income levels.

Two economic policy proposals A and B are being considered for implementation in Alfaland next year. It is known that – apart from their impact on personal incomes – the two policies would have the same effect on the population. The impact upon the regions' incomes would depend upon the particular state of the Alfaland economy at the time the policy (A or B) is to be introduced.

In each of questions (1) to (6) two alternative lists of incomes A and B (in Alfaland local currency) are given. Each of these pairs represents the outcomes of the A–policy and the B–policy on the five regions in each of six different situations in which Alfaland might find itself next year. In each case please state which policy you consider would result in **higher risk** for a person immigrating to Alfaland by circling A or B. If you consider that the two policies will result in the **same risk** to a potential immigrant then circle both A and B.

1) A = (2, 5, 9, 20, 30)   B = (2, 6, 8, 20, 30)

2) A = (2, 5, 9, 20, 30)   B = (3, 5, 9, 20, 29)

3) A = (2, 5, 9, 20, 30)   B = (2, 6, 9, 20, 29)
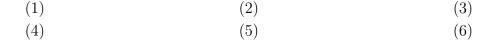
4) A = (2, 5, 9, 20, 30)   B = (2, 10, 9, 15, 30)

5) A = (10, 10, 10, 10, 30)   B = (10, 10, 10, 20, 20)

6) A = (2, 5, 9, 20, 30)   B = (2, 6, 9, 19, 30)

In question 7 you are presented with a hypothetical income change and some possible views about the effects on risk of that change. The views are labelled a), ..., e). Please circle the letter alongside the view that corresponds most closely to your own. You can check more than one answer, provided that you consider they do not contradict each other. Feel free to add any comment that explains the reason for your choice.

7) Suppose we transfer income from the inhabitants of a relatively high–income region to those of a relatively low–income region, without changing the income of any other region. The transfer is not so large as to make the "rich" region "poor" and the "poor" region "rich", but it may alter their income rankings relative to the other, unaffected regions.

   (a) Risk for a potential immigrant to Alfaland must fall if the ranking by income of all the regions remains the same. If there is any change in the income ranking of the regions then it is possible that risk increases or remains the same.

   (b) If the transfer is from the richest to the poorest region, and after the transfer the richest region remains the richest and the poorest remains the poorest, risk must fall. In other cases we cannot say a priori how risk will change.

   (c) The transfer may change the relative position of other regions. So we cannot say a priori how risk will change.

   (d) Risk for a potential immigrant to Alfaland must fall, even if there is a change in the income ranking of the regions as a result of this transfer, and even if the transfer is not from the richest region to the poorest.

   (e) None of the above.

In the light of your answer to question 7, would you want to change your answer to question 1–6? If so, please state your new response here.

(1)   (2)   (3)
(4)   (5)   (6)

Finally, we would be grateful for some information about yourself:

- Are you male or female?   M/F
  Please circle your answer.

- What is your age?   . . . years

- What is your special subject of study?   . . . .

- Were you employed before university?   Yes/No
  Please circle your answer.

- How would you rate your political views?   "extreme   "extreme
  Please put a × on this scale.   left"   right"

  ○–○–○–○–○–○–○

- How would you rate your family's income   "very   "very
  in 1990? Please put a × on this scale.   poor"   rich"

  ○–○–○–○–○–○–○

- How would you rate your own income   "very   "very
  prospects in the year 2010?   poor"   rich"
  Please put a × on this scale.

  ○–○–○–○–○–○–○

Table 8a: Comparison Between Inequality and Risk, Within Each Version, with a Gender Breakdown
(percentage shares)

		Mean	Std. Dev.	$p > |t|^*$
Version O				
Inequality	(I)	0.5274	0.2746	
				0.057
Risk	(R)	0.6282	0.3278	
	I	0.4848	0.2668	
female				0.501
	R	0.5449	0.3450	
	I	0.5481	0.2789	
male				0.011
	R	0.7117	0.2877	
Version 1				
	I	0.6014	0.2521	
				0.039
	R	0.7235	0.3006	
	I	0.6032	0.2385	
female				0.479
	R	0.6944	0.3861	
	I	0.6111	0.2677	
male				0.117
	R	0.7281	0.2911	
Version 2				
	I	0.5797	0.2670	
				0.724
	R	0.6014	0.3191	
	I	0.5833	0.2635	
female				1.000
	R	0.5833	0.3356	
	I	0.5774	0.2740	
male				0.702
	R	0.6065	0.3191	

* Null Hypothesis: Equality of Mean Across Versions (p–value)

Table 8b: Comparison Across Versions, Both for Inequality and Risk, No Gender Breakdown
(percentage shares)

	Mean	Std. Dev.	$p > |t|^*$
Inequality			
Inequality, vers. O (I)	0.5274	0.2746	
			0.148
Inequality, vers. 1 (I_1)	0.6014	0.2521	
Inequality, vers. O (I)	0.5274	0.2746	
			0.316
Inequality, vers. 2 (I_2)	0.5797	0.2670	
Inequality, vers. 1 (I_1)	0.6014	0.2521	
			0.689
Inequality, vers. 2 (I_2)	0.5797	0.2670	
Risk			
Risk, vers. O (R)	0.6282	0.3278	
			0.127
Risk, vers. 1 (R_1)	0.7235	0.3006	
Risk, vers. O (R)	0.6282	0.3278	
			0.669
Risk, vers. 2 (R_2)	0.6014	0.3191	
Risk, vers. 1 (R_1)	0.7235	0.3006	
			0.065
Risk, vers. 2 (R_2)	0.6014	0.3191	

* Null Hypothesis: Equality of Mean Across Versions (p–value)

Table 8c: Comparison Across Versions, Both for Inequality and Risk, With Gender Breakdown
(percentage shares)

		Mean	Std. Dev.	$p > |t|^*$
Inequality				
	I	0.4848	0.2668	
female				0.134
	I_1	0.6032	0.2385	
	I	0.5484	0.2789	
male				0.369
	I_1	0.6111	0.2677	
	I	0.4848	0.2668	
female				0.250
	I_2	0.5833	0.2635	
	I	0.5481	0.2789	
male				0.662
	I_2	0.5774	0.2740	
	I_1	0.6032	0.2385	
female				0.806
	I_2	0.5833	0.2635	
	I_1	0.6111	0.2677	
male				0.657
	I_2	0.5774	0.2740	
Risk				
	R	0.5449	0.3450	
female				0.356
	R_1	0.6944	0.3861	
	R	0.7117	0.2877	
male				0.807
	R_1	0.7281	0.2911	
	R	0.5449	0.3450	
female				0.765
	R_2	0.5833	0.3356	
	R	0.7117	0.2877	
male				0.143
	R_2	0.6065	0.3191	
	R_1	0.6944	0.3861	
female				0.554
	R_2	0.5833	0.3356	
	R_1	0.7281	0.2911	
male				0.091
	R_2	0.6065	0.3191	

* Null Hypothesis: Equality of Mean Across Versions (p–value)