

German Internet Panel (GIP): Module "Inflation" November Wave 2014; Cognitive Online-Pretest

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German Internet Panel (GIP) – Module “Inflation” November Wave 2014

Cognitive Online-Pretest
September 2014

Timo Lenzner & Hannah Soiné

GESIS-Projektbericht 2014|06

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GESIS-Projektberichte

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Content

	Page
1 Aims of the pretest.....	5
2 Sample.....	6
3 Methods.....	7
4 Results.....	8

1 Aims of the pretest

The German Internet Panel (GIP) is part of the collaborative research center 884 "The Political Economy of Reforms" (CRC 884) at the University of Mannheim. The GIP is the central data collection instrument at the CRC and provides information about individual reform preferences and their change in several research teams. At the same time GIP is the first longitudinal study conducted online that is based on a random sample of the population. It also includes people who did not have access to computers and/or internet before by providing them with the necessary equipment.

In preparation of a sub-module about "inflation" for the panel-wave in November 2014, some questions were tested in an online-pretest from a methodological angle to potentially improve them.

For that purpose the GESIS Pretest lab was assigned the task to conduct a cognitive online-pretest by Prof. Dr. Nicole Baerg.

2 Sample

Number of invitations sent: 120

Number of completed questionnaires: 108

Selection of target population: Quota sampling. The participants were recruited from the non-probability online panel "GESIS Online Panel Pilot".

Quotas: The selection of the target population was based on age-group (18 - 40 years; 41 years and older), education ("Fachhochschulreife"/"Abitur"; no "Abitur") and gender quota.

Age group	Education	Female	Male	Total
18 - 40	Less than Abitur	11	10	21
18 - 40	Fachhochschulreife/Abitur	15	15	30
41 +	Less than Abitur	19	19	38
41 +	Fachhochschulreife/Abitur	15	16	31
TOTAL		60	60	120

Realised quotas:

Age group	Education	Female	Male	Total
18 - 40	Less than Abitur	11	7	18
18 - 40	Fachhochschulreife/Abitur	12	15	27
41 +	Less than Abitur	19	18	37
41 +	Fachhochschulreife/Abitur	10	16	26
TOTAL		52	56	108

3 Methods

Field time:	16 th of July to 13 th of August 2014
Procedure:	Usage of an online-questionnaire with additional open and closed probing-questions.
Cognitive techniques:	General Probing, Category Selection Probing, Specific Probing.
Incentives:	5 Euros

4 Results

Tested question:

1. Eine Person bezahlt aktuell, also im Juli 2014, 1.500 Euro pro Monat für Lebensmittel und Kleidung.

Was schätzen Sie: Wie viel Euro wird diese Person für die gleichen Lebensmittel und die gleiche Kleidung im Juli 2015 bezahlen?

Gehen Sie bitte davon aus, dass sich weder die Lebensumstände, noch das Konsumverhalten der Person verändern wird, d.h. sie wird in 12 Monaten ähnliche Produkte und Dienstleistungen im gleichen Umfang wie derzeit nutzen.

Bei dieser Frage können Sie nur eine Antwort geben.

Frequency distribution (N=108)

Less than 1500 EUR	7	6,48 %
1500 EUR	6	5,56 %
1515 EUR	12	11,11 %
1530 EUR	26	24,07 %
1545 EUR	16	14,81 %
1560 EUR	9	8,33 %
1575 EUR	11	10,19 %
1590 EUR	5	4,63 %
1605 EUR	11	10,19 %
1620 EUR	2	1,85 %
1635 EUR	-	0,00 %
1650 EUR or more	3	2,78 %

Cognitive techniques:

General Probing, Category Selection Probing, Specific Probing.

Findings:

Roughly half of the respondents expect a price rise that matches approximately a 2% rate of inflation (1515 EUR – 1545 EUR), the value also presented as the expectation of the ECB later on. The rest of the answers are widely spread and all of the answer options but "1635 EUR" were selected.

The replies to the category selection probe (*"Could you please explain your answer in a little more detail? Why did you choose this value?"*) reveal that the majority of the respondents understand that

the topic of this question is inflation. 30% explicitly mention the word inflation (e.g. *"Rate of inflation around 2%"*, ID 97) and another 56% explain their answer to question 1 with their expectations about the development of prices (e.g. *"Because I think that prices for food will continuously rise and the same goes for clothes"*, ID 99).

Around 12% of the respondents state that they have either exclusively or partially thought about changing living conditions or changes in consumer behavior when answering question 1 (e.g. *"Prices for clothes might be affected by the summer sale"*, ID 116). Hence, these respondents did either not understand, read or follow the instruction in this question (which specifically states that the living conditions of the person do not change).

Moreover, some participants expressed (here and also at later stages of the survey) that the amount of 1.500 EUR the person in the example pays for food and clothes is far too high, inappropriate or unrealistic (e.g. *"I don't have that much money to my disposal in total, let alone only for food/clothes"*, ID 155).

20 participants (19%) responded to the probing question how easy it was for them to answer question 1 with "rather difficult". The reasons they provide for their difficulties are:

- a lack of background information (e.g. *"Because normally you would have to consider a lot more aspects"*, ID 95),
- a lack of knowledge or interest in the topic of the question (e.g. *"I'm not an economist. Also, I haven't thought about this topic before"*, ID 120), or
- the fact that they have to answer the question with a specific number (e.g. *"I know for sure the prices are rising continuously, but I don't know at which percentage/year"*, ID 155).

Recommendation:

We recommend to lower the amount of money the person in the example spends on food and clothes and to highlight the instruction that the living conditions are still the same both optically and by modifying the sentence structure a little bit:

„Eine Person bezahlt aktuell, also im Juli 2014, 500 Euro pro Monat für Lebensmittel und Kleidung.

Was schätzen Sie: Wie viel Euro wird diese Person für die gleichen Lebensmittel und die gleiche Kleidung im Juli 2015 bezahlen?

Gehen Sie bitte davon aus, dass sich die Lebensumstände und das Konsumverhalten der Person nicht verändern werden, d.h. sie wird in 12 Monaten ähnliche Produkte und Dienstleistungen im gleichen Umfang wie derzeit nutzen.

Bei dieser Frage können Sie nur eine Antwort geben."

Tested question:

2. Die Europäische Zentralbank (EZB) erwartet, dass die wichtigen Zinssätze für eine längere Zeit auf dem gegenwärtigen Level oder darunter liegen werden. Diese Einschätzung beruht auf den insgesamt gedämpften Inflationsaussichten (*Bedingung 2*: von derzeit 1 Prozent pro Jahr).

Bedingung 1: Die Inflationserwartung für die Eurozone deckt sich mit dem Ziel der Europäischen Zentralbank, die Preissteigerung auf angemessenem Niveau zu halten.

Bedingung 2: Die Inflationserwartung für die Eurozone deckt sich mit dem Ziel der Europäischen Zentralbank, die Preissteigerung nahe 2 Prozent zu halten.

Bei der vorherigen Frage haben Sie angegeben, dass eine Person im Juli 2015 [XXXX] EUR für Lebensmittel und Kleidung ausgeben wird. Dieser Betrag entspricht einer jährlichen Inflationsrate von [X] Prozent.

Wenn Sie nun die Erwartungen der EZB berücksichtigen, was schätzen Sie: Wie viel Euro wird diese Person für die gleichen Lebensmittel und die gleiche Kleidung im Juli 2015 bezahlen?

Gehen Sie bitte davon aus, dass sich weder die Lebensumstände, noch das Konsumverhalten der Person verändern wird, d.h. sie wird in 12 Monaten ähnliche Produkte und Dienstleistungen im gleichen Umfang wie derzeit nutzen.

Bei dieser Frage können Sie nur eine Antwort geben.

Frequency distribution (N = 107)

Expenses in July 2015 / equals an annual inflation rate of	Condition 1		Condition 2		Total	
Less than 1500 EUR / -1% (i.e. negative inflation and increasing value of the currency)	1	1,92 %	1	1,82 %	2	1,87 %
1500 EUR / 0%	5	9,62 %	2	3,64 %	7	6,54 %
1515 EUR / 1%	9	17,31 %	14	25,45 %	23	21,50 %
1530 EUR / 2%	15	28,85 %	24	43,64 %	39	36,45 %
1545 EUR / 3%	5	9,62 %	7	12,73 %	12	11,21 %
1560 EUR / 4%	7	13,46 %	3	5,45 %	10	9,35 %
1575 EUR / 5%	2	3,85 %	1	1,82 %	3	2,80 %
1590 EUR / 6%	2	3,85 %	2	3,64 %	4	3,74 %
1605 EUR / 7%	4	7,69 %	1	1,82 %	5	4,67 %
1620 EUR / 8%	-	0,00 %	-	0,00 %	-	0,00 %
1635 EUR / 9%	-	0,00 %	-	0,00 %	-	0,00 %
1650 EUR or more / 10% or more	2	3,85 %	-	0,00 %	2	1,87 %
N	52	100 %	55	100 %	107	100%

Cognitive techniques:

Category Selection Probing, Specific Probing.

Findings:

Comparing the two experimental conditions we see that the wording of the questions clearly affects the responses. In condition 2 the answers concentrate much more around the 2% mark as desired by the ECB while the answers in the first experimental condition are more widely spread. One possible reason for this might be that the phrasing "at a reasonable level" is interpreted individually different. Another possible explanation is that the expectation of the ECB is not even included in the decision-making process because of its inaccuracy.

In response to the specific probe, 68% of the respondents in condition 2 state that the expectations of the ECB influenced them in their decision. In condition 1 only 55% stated that they were influenced by it. This suggests that the second proposed explanation of respondents not even including the expectations in their decision-making is more likely than an individually differing interpretation of "at a reasonable level/auf angemessenem Niveau".

The answers to the category selection probe (*"Could you please explain your answer in a little more detail? Why did you choose this value?"*) also show that participants in condition 2 include the expectation of the ECB more often and modify their answer more often in accordance with the expectation (42% of participants) than those in condition 1 (33% of participants). Hence, the experimental manipulation seems to be effective.

Moreover, the evaluation of the category selection probe produced the following results:

- 25% of the respondents state that their answer is still the same as in question 1 and did not change because of the ECB's expectations (e.g. *"The inflation is calculated using a basket of goods, therefore the prediction of the ECB can't just be transferred and I stay with my estimate"*, ID 168).
- 10% of the respondents disagree with the prediction of the ECB or do not believe the ECB is really pursuing these aims (e.g. *"Evaluations and predictions of the ECB are nice, but the reality mostly looks different"*, ID 177).
- 2% of the respondents argue that more factors than just inflation influence the changing of prices (e.g. *"The ECB factors in financial transactions etc. but the prices for food are not just rising because of the inflation but because of supply and demand, speculations at the stock market, expiring subsidizations..."*, ID 155)
- 14% of the respondents just ignore the expectation of the ECB (e.g. *"Regardless of the inflation everything gets more expensive"*, ID 137).

The final probe for this question asked about the comprehensibility of the expectations of the ECB. About one fifth of the participants answered they were "rather not comprehensible" (17%) or "not comprehensible at all" (2%). Here the two conditions again differ a little bit: Condition 2 was perceived as a little more comprehensible ("rather not" and "not at all" comprehensible in condition 1 = 22.5% vs. in condition 2 = 14.5%).

Recommendation:

The recommendations for question 1 should be adopted for this question as well. In addition, to decrease the percentage of respondents who do not take the expectations of the ECB into account, the expectations could be visually highlighted:

„Die Europäische Zentralbank (EZB) erwartet, dass die wichtigen Zinssätze für längere Zeit auf gegenwärtigem Level oder darunter liegen werden. Diese Einschätzung beruht auf den insgesamt gedämpften Inflationsaussichten (*Bedingung 2*: von derzeit 1 Prozent pro Jahr).

Bedingung 1: Die Inflationserwartung für die Eurozone deckt sich mit dem Ziel der Europäischen Zentralbank, die Preissteigerung **auf angemessenem Niveau zu halten**.

Bedingung 2: Die Inflationserwartung für die Eurozone deckt sich mit dem Ziel der Europäischen Zentralbank, die Preissteigerung **nahe 2 Prozent zu halten**.

Bei der vorherigen Frage haben Sie angegeben, dass eine Person im Juli 2015 [XXXX] EUR für Lebensmittel und Kleidung ausgeben wird. Dieser Betrag entspricht einer jährlichen Inflationsrate von [X] Prozent.

Wenn Sie nun die Erwartungen der EZB berücksichtigen, was schätzen Sie: Wie viel Euro wird diese Person für die gleichen Lebensmittel und die gleiche Kleidung im Juli 2015 bezahlen?

Gehen Sie bitte davon aus, dass sich die Lebensumstände und das Konsumverhalten der Person **nicht** verändern werden, d.h. sie wird in 12 Monaten ähnliche Produkte und Dienstleistungen im gleichen Umfang wie derzeit nutzen.

Bei dieser Frage können Sie nur eine Antwort geben."

Tested question:

3. Mit welcher jährlichen Inflationsrate rechnen Sie in 5 Jahren?

Bei dieser Frage können Sie nur eine Antwort geben.

Frequency distribution (N = 108)

	Condition 1		Condition 2		Total	
-1% (i.e. negative inflation and increasing value of the currency)	1	1,89 %	-	0,00 %	1	0,93 %
0%	1	1,89 %	2	3,64 %	3	2,78 %
1%	5	9,43 %	3	5,45 %	8	7,41 %
2%	10	18,87 %	22	40,00 %	32	29,63 %
3%	15	28,30 %	15	27,27 %	30	27,78 %
4%	5	9,43 %	1	1,82 %	6	5,56 %
5%	6	11,32 %	8	14,55 %	14	12,96 %
6%	3	5,66 %	1	1,82 %	4	3,70 %
7%	1	1,89 %	1	1,82 %	2	1,85 %
8%	-	0,00 %	-	0,00 %	-	0,00 %
9%	1	1,89 %	-	0,00 %	1	0,93 %
10% or more	5	9,43 %	2	3,64 %	7	6,48 %
N	53	100,00%	55	100,00%	108	100,00 %

Cognitive techniques:

Category Selection Probing.

Findings:

More than 70% of the participants assume that the inflation rate will be between two and five percent in five years. Approximately seven percent select the maximum value; they expect more than 10% inflation in five years.

Roughly 10% of the respondents do not correctly estimate the annual rate of inflation in five years, that is, in 2019, but sum up the expected rates of inflation for the next five years (e.g. "I think it increases by one percent each year" – respondent answers with 5%, ID 154).

Comparing the two experimental conditions we see again (similar to question 2) that in condition 2 clearly more people select 2% as their answer, which is the inflation rate the ECB aims at as the upper limit as stated in question 2. The experimental manipulation is therefore probably also affecting the answers to question 3.

Recommendation:

To clarify that the topic of this question is the inflation rate in 2019, we recommend rephrasing the question like this:

„Mit welcher Inflationsrate rechnen Sie in 5 Jahren, also im Jahr 2019?
Bei dieser Frage können Sie nur eine Antwort geben.“

Tested question:

4. Mit welcher jährlichen Inflationsrate rechnen Sie in 10 Jahren?*Bei dieser Frage können Sie nur eine Antwort geben.*

Frequency distribution (N = 105)

	Condition 1		Condition 2		Total	
-1% (i.e. negative inflation and increasing value of the currency)	1	1,96 %	-	0,00 %	1	0,95 %
0%	-	0,00 %	2	3,70 %	2	1,90 %
1%	4	7,84 %	1	1,85 %	5	4,76 %
2%	6	11,76 %	19	35,19 %	25	23,81 %
3%	17	33,33 %	13	24,07 %	30	28,57 %
4%	4	7,84 %	4	7,41 %	8	7,62 %
5%	4	7,84 %	4	7,41 %	8	7,62 %
6%	4	7,84 %	1	1,85 %	5	4,76 %
7%	2	3,92 %	2	3,70 %	4	3,81 %
8%	1	1,96 %	2	3,70 %	3	2,86 %
9%	-	0,00 %	-	0,00 %	-	0,00 %
10% or more	8	15,69 %	6	11,11 %	14	13,33 %
N	51	100,00 %	54	100,00 %	105	100,00 %

Cognitive techniques:

Category Selection Probing.

Findings:

In comparison to the previous question there are no notable differences in the expectations of the respondents. There is only a small trend towards higher inflation expectations.

Similar to the last question, some respondents do not estimate the inflation rate for the year 2024, but sum up the rates for each year over ten years (e.g. *"Then we would be at 20%, 2% each year"* – respondent answers with 10% and more, ID 96).

Moreover, 21% of the respondents argue that they could not foresee such a long-term development and thus have to speculate (e.g. *"Pure speculation, I can't oversee the development for such a long term"*, ID 91).

Comparing the two experimental conditions we see again (similar to question 2 and 3) that in condition 2 a lot more people select 2% as their answer, which is the inflation rate the ECB aims at as the upper limit. The experimental manipulation is therefore probably even affecting the answers to question 4.

Recommendation:

Similar to question 3, it should be clarified in question 4 that the respondents are supposed to state the inflation rate they expect in 2024:

„Mit welcher Inflationsrate rechnen Sie in 10 Jahren, also im Jahr 2024?
Bei dieser Frage können Sie nur eine Antwort geben.“

It should also be considered to remove this question as it will probably not provide additional information that has not already been gathered with question 3.

Tested question:

5. Weiter oben haben Sie folgende Informationen gelesen:
Bedingung 1: Die Inflationserwartung für die Eurozone deckt sich mit dem Ziel der Europäischen Zentralbank, die Preissteigerung auf angemessenem Niveau zu halten.
Bedingung 2: Die Inflationserwartung für die Eurozone deckt sich mit dem Ziel der Europäischen Zentralbank, die Preissteigerung nahe 2 Prozent zu halten.
 Für wie detailliert halten Sie diese Information?

Frequency distribution (N = 107)

	Condition 1		Condition 2		Total	
Not detailed at all	10	18,87 %	7	12,96 %	17	15,89 %
Little detailed	21	39,62 %	20	37,04 %	41	38,32 %
Moderately detailed	16	30,19 %	22	40,74 %	38	35,51 %
Pretty detailed	5	9,43 %	4	7,41 %	9	8,41 %
Very detailed	1	1,89 %	1	1,85 %	2	1,87 %
N	53	100 %	54	100 %	107	100 %

Cognitive techniques:

Category Selection Probing.

Findings:

Overall the information is perceived as rather not detailed. More than half of the respondents (54%) state that the information is "not detailed at all" or "little detailed". This is slightly more the case in condition 1 than in condition 2 (58.5% vs. 50%).

The following things were criticized by the respondents:

- 41% of the respondents think that the information is too general or too abstract (e.g. "As I said, I don't know much about financial policy, for an average consumer the information is too general and not comprehensible at all", ID 144; "Nowhere is explained how this goal should be achieved", ID 89; "What are the reasons for this expectation?", ID 107).
- 32% of the participants in condition 1 criticize the term "appropriate/angemessen" as too vague (e.g. "Appropriate level is little specific", ID 97).
- 6% of the participants in condition 2 criticize the term "near/nahe" as too vague (e.g. "Near 2% is somewhere between 1% and 3% for me", ID 98).

Recommendation:

No changes recommended.

Tested question:

6. Die Hauptaufgabe der europäischen Zentralbank (EZB) ist es, dafür zu sorgen, dass die Preise in der gesamten Eurozone stabil bleiben. Das bedeutet, dass die EZB dafür verantwortlich ist, dass sich die Preise über die Zeit hinweg nur wenig verändern.
Wie erfüllt die EZB Ihrer Meinung nach die Aufgabe, die Preise stabil zu halten?

Frequency distribution (N = 108)

	Condition 1		Condition 2		Total	
Very poorly	2	3,77 %	1	1,82 %	3	2,78 %
Poorly	10	18,87 %	9	16,36 %	19	17,59 %
Neither poorly nor well	25	47,17 %	32	58,18 %	57	52,78 %
Well	15	28,30 %	13	23,64 %	28	25,93 %
Very well	1	1,89 %	-	0,00 %	1	0,93 %
N	53	100 %	55	100 %	108	100 %

Cognitive techniques:

None.

Befund:

A little more than 50% of the respondents state that the ECB fulfills its task to keep the prices stable "neither poorly nor well". The two extreme answer categories ("Very poorly", "Very well") are only picked very rarely. There are no differences in the answers between the two conditions.

Recommendation:

No changes recommended.

Tested question:

7. Die Inflationsrate beeinflusst nicht nur die Höhe der Preise, sondern auch die Höhe der Zinssätze für Kredite, also den Preis, der für geliehenes Geld gezahlt wird. Wenn die Inflationsrate steigt, dann steigen die Preise, es sinken jedoch die Zinsen für Kredite, das heißt höhere Preisen und niedrigere Zinsen. Wenn die Inflationsrate sinkt, dann sinken die Preise, es steigen jedoch die Zinsen für Kredite, also niedrigere Preise und höhere Zinsen.

Angenommen, die Person aus der vorigen Aufgabe hätte zusätzlich zu ihren heutigen monatlichen Ausgaben von 1.500 Euro eine monatliche Kreditrückzahlung über 500 Euro für den Kauf eines neuen Autos abzubezahlen. Stellen Sie sich folgendes Beispiel vor: In 12 Monaten steigen die Preise für die monatlichen Ausgaben auf 1.700 Euro, die Kreditrückzahlung ist jedoch nur noch 265 Euro wert (im Vergleich zu den heutigen 500 Euro)

Welche Kombination von Preis und Kreditrückzahlung würden Sie persönlich bevorzugen?

Wählen Sie bitte eine der untenstehenden Kombinationen von Preis und Kreditrückzahlung aus.

Frequency distribution (N = 99)

Price / Loan repayment	Condition 1		Condition 2		Total	
Less than 1500 EUR / More than 547 EUR	8	16,67 %	7	13,73 %	15	15,15 %
1500 EUR / 547 EUR	3	6,25 %	2	3,92 %	5	5,05 %
1515 EUR / 520 EUR	3	6,25 %	6	11,76 %	9	9,09 %
1530 EUR / 495 EUR	10	20,83 %	15	29,41 %	25	25,25 %
1545 EUR / 471 EUR	-	0,00 %	2	3,92 %	2	2,02 %
1560 EUR / 447 EUR	-	0,00 %	3	5,88 %	3	3,03 %
1575 EUR / 425 EUR	2	4,17 %	7	13,73 %	9	9,09 %
1590 EUR / 403 EUR	2	4,17 %	1	1,96 %	3	3,03 %
1605 EUR / 383 EUR	2	4,17 %	1	1,96 %	3	3,03 %
1620 EUR / 363 EUR	-	0,00 %	-	0,00 %	-	0,00 %
1635 EUR / 344 EUR	2	4,17 %	1	1,96 %	3	3,03 %
1650 EUR or more / 326 EUR or less	16	33,33 %	6	11,76 %	22	22,22 %
N	48	100,00 %	51	100,00 %	99	100,00 %

Cognitive techniques:

Category Selection Probing, Specific Probing.

Findings:

Three answer categories are selected particularly often: 15% of the participants prefer a relatively high loan repayment over high living expenses, 22% prefer the other extreme. The third frequently selected category is the one that matches the 2% inflation rate that was expected by the ECB in experimental condition 2. This means that some respondents may probably not state their personal preference but select the scenario they think is most likely to occur.

The category selection probe for this question (*"Could you please explain your answer in a little more detail? Why did you choose this value?"*) revealed the following question problems:

- In 25% of the cases the answer of the respondent indicates they did not understand the purpose/topic of the question (e.g. *"The loan has to be repaid either way. If the loan repayment decreases I have to pay longer, or I increase the rate again and complete the repayment earlier"*, ID 133).
- In 16% of the cases the respondents state that they did not understand the question (e.g. *"Because I didn't understand it, but I had to choose something"*, ID 94).
- 7.5% of the participants state that they do not want to take out a loan in general (e.g. *"I personally would never take out a loan"*, ID 124). It is unclear whether these people actually put themselves in the position of the person in the example or whether they simply ignore it.
- 9% of the participants state that having to repay a loan is unpleasant for them. Thus, they want to repay it as fast as possible and decide (mistakenly) to choose a higher rate of repayment (e.g. *"I would want to repay the loan as fast as possible"*, ID 185).
- Approximately 3% of the respondents only took the expected inflation rate into account when they answered and did not factor in the amount of the loan (e.g. *"Equals 1% inflation rate"*, ID 135)

Only around 21% of the answers indicate that the participants really understood the question. 18% of them argue correctly that the last answer category "1650 EUR or more / 326 EUR or less" is the cheapest for them overall (e.g. *"If prices and wages rise the loan repayment gets easier because the loan is less valuable"*, ID 140). Another 3% of the respondents argue it is more important to them that living expenses remain low because this affects more people in total (e.g. *"Because the prices decrease, they apply for everyone. The interest only affects people who actually have to repay loans"*, ID 171).

The results from the specific probe (*"How easy was it for you to answer question 7?"*) also point towards problems on the part of the participants. Almost 70% state, it was "very difficult" or "rather difficult" to answer the question. The reasons for this difficulty are:

- Approximately 8% of the participants say they do not understand the relationship between interest for loans and inflation rate (e.g. *"Is there anyone who understands how you calculated those 265 Euros?"*, ID 95).
- More than 30% of the respondents express problems with the topic of the question because they do not know much about it (e.g. *"Because I never thought about this problems and because I do not understand a lot of the financial policy"*, ID 95).
- Nearly 13% of the respondents state that the question was difficult to answer because they had to think about it first (e.g. *"I tried calculating which option is the cheapest one for me"*, ID 106).

The last probing question regarding the comprehensibility of the explanations about the relationship between interest and inflation rate was answered with "little comprehensible" or "not comprehensible at all" by 25% of the respondents.

Recommendation:

The objective of this question is unclear, that is, it is unclear what respondents are supposed to do. Are they supposed to provide their estimate of the prices and the repayment rate in 12 months? Are they supposed to provide the optimal ratio of price and repayment rate? Or something else? Given that the question objective is unclear, we are not able to provide a concrete suggestion for improvement but only some general recommendations.

We recommend to rephrase the explanation of the relationship between interest and inflation rate to break down the complexity of the topic as much as possible for the participants.

Especially the misconception that the loan will be repaid faster if you pick a higher repayment rate or that it takes longer if you pick a rate of less than 500 Euros should be corrected. This could eventually be accomplished by including the statement that the repayment time is the same in all answer categories. Alternatively or in addition, a statement on the duration of the loan repayment could be included.

Additionally, the way how the repayment rates are calculated should be explained, i.e. which interest rates are at the base of these calculations.

Finally, the recommendation for question 1 should also be adopted here, that is, the amount of 1.500 Euros/1.700 Euros should be reduced.

Tested question:

8. Wie oft schauen oder lesen Sie Nachrichten?
Bei dieser Frage können Sie nur eine Antwort geben.

Frequency distribution (N = 108)

	Condition 1		Condition 2		Total	
Never	1	1,89%	-	0,00%	1	0,93%
Less than once per week	4	7,55%	1	1,82%	5	4,63%
Once per week	-	0,00%	2	3,64%	2	1,85%
Every 4-6 days	2	3,77%	4	7,27%	6	5,56%
Every 2-3 days	4	7,55%	6	10,91%	10	9,26%
Once per day	20	37,74%	17	30,91%	37	34,26%
More than once per day	22	41,51%	25	45,45%	47	43,52%
N	53	100,00%	55	100,00%	108	100,00%

Cognitive techniques:

None.

Findings:

Around 78% of the respondents state to watch or read the news once or more than once per day, only 5.5% state they do so less than once a week or never.

Recommendation:

No changes recommended.

Tested question:

9. Wie oft schauen oder lesen Sie Nachrichten zu wirtschaftlichen Themen?
Bei dieser Frage können Sie nur eine Antwort geben.

Frequency distribution (N = 107)

	Condition 1		Condition 2		Total	
Never	4	7,69%	1	1,82%	5	4,67%
Less than once per week	7	13,46%	15	27,27%	22	20,56%
Once per week	5	9,62%	2	3,64%	7	6,54%
Every 4-6 days	7	13,46%	5	9,09%	12	11,21%
Every 2-3 days	10	19,23%	14	25,45%	24	22,43%
Once per day	15	28,85%	12	21,82%	27	25,23%
More than once per day	4	7,69%	6	10,91%	10	9,35%
N	52	100,00%	55	100,00%	107	100,00%

Cognitive techniques:

None.

Findings:

Approximately 35% of the participants state to watch or read news on economic topics once or more than once a day. 40% do this between one and four times per week and 25% less than once a week or never.

Recommendation:

No changes recommended.