

Risk Aversion, Earnings Uncertainty and Labour Supply

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About the study

If you are aged 18 to 60 and have a family income of less than £20,000 per year, I would like to invite you to take part in a study on insecure work. The study aims to better understand how pay insecurity affects the decisions of low income workers. Your participation is entirely voluntary and you are free to withdraw at any point from the study without penalty or disadvantage. Before you agree to participate, please read carefully the information provided in this sheet. If you have questions or would like more information please ask a member of the team.

Background to the study

This experiment is part of a larger project on Risk Aversion, Earnings Uncertainty and Labour Supply funded by the Nuffield Foundation, a charitable trust that funds social science research across the UK. The project is led by Dr Silvia Avram, a researcher at the University of Essex. The project aims to better understand how people decide whether and how much to work when wages are unpredictable and whether changing public policies to improve income security would help people stay in work.

The Experiment

If you agree to participate, you will be asked to attend one experimental session at EssexLab (University of Essex, Wivenhoe Park, CO4 3SQ)/ First Site in Colchester Town (Lewis Gardens, High Street, Colchester CO1 1JH). The experiment will last approximately 2 hours and will be conducted on a tablet. No previous IT experience is required. You will be given detailed instructions at the beginning of the experiment and members of our team will be on site to help if anything is unclear.

During the experiment, you will be asked to choose repeatedly between performing a work task (transcribing text) in return for earnings and a fixed payment. You will also be asked to play a lottery and answer a few simple demographic questions. There are no right or wrong decisions. The purpose of the experiment is to study decision making processes and in no way is it intended to be a test.

Payment

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ISER incorporates:

Understanding Society, the UK Household Longitudinal Study (UKHLS)
ESRC Research Centre on Micro-Social Change
EUROMOD Tax-benefit microsimulation model for the European Union



In return for your participation you will receive a guaranteed show up fee of £10 and additional experimental earnings of between £10 and £50. How much you will earn will depend partly on your choices and partly on luck. You will receive both your show up fee and your experimental earnings at the end of the experimental session.

Are there any risks?

We are not aware of any risks associated with your participation in this study.

Withdrawal

Your participation in this study is entirely voluntary. You are free to withdraw from the study at any point during the experiment without giving a reason and without penalty. To withdraw from the study, just notify a member of the research team. Please note that to ensure confidentiality we do not store any identifying personal information linked with the data you provided during the experiment (see also *What happens with your data?*). It is therefore not possible to withdraw from the study after you have left the experiment as we can no longer identify which data belongs to you. Should you choose to withdraw, any data we collected during the experimental session will be destroyed.

Informed consent

Should you agree to take part in the study, you will be asked to sign an informed consent form. This is to make sure you understand the study information, the terms under which you participate and what happens with the data you provided.

What happens with your data?

As part of the experiment, we will ask you for your name and your contact details: address, email and telephone number. We collect this personal data so that we can inform you about the scheduling of the experimental sessions and to make sure no one participates more than once. Only the principal investigator, Silvia Avram will have access to this information. Once all experimental sessions are completed, your personal data will be safely destroyed. At no point is your personal information linked with the data you provide as a participant in the experimental study.

We will call the data we collect in the experimental session your experimental data. It includes demographic information (gender, age, education, employment history), a measure of your appetite for risk taking, your choices on the work task and your experimental earnings. Your experimental data is completely anonymized and



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confidential. To maximize confidentiality, we will not link any identifying personal information such as name or contact details linked with your experimental data.

The data will be stored in electronic files and analysed using statistical methods. At the end of the project, the anonymized data will be archived and deposited with the UK Data Service, a data centre based at the University of Essex.

Findings

Findings from this study will be published in a report available here: <https://www.nuffieldfoundation.org/risk-aversion-earnings-uncertainty-and-labour-supply>. We would be very happy to provide you with a copy of the report as well as other publication materials, should you be interested. If you wish to receive these materials, please let a member of the research team know.

Concerns and complaints

If you have any concerns or complaints about the study, please contact in the first instance the principal investigator, Dr Silvia Avram. If you are still concerned or believe that your complaint has not been properly addressed, please contact the ISER Research Director, Prof Emilia DelBono. If you are still unsatisfied, please contact the University of Essex Research Governance and Planning Manager, Sarah Manning-Press. Contact details are listed below.

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