
Numeracy Test for Clients (or Anyone)

By No Author *Thu, Sep 27, 2018*

Numeracy Test

(Administered as part of a study of the reasons why people do or don't like income annuities.)

Imagine that we roll a fair, six-sided die 1,000 times. Out of 1,000 rolls, how many times do you think the die would come up even (2,4, or 6)?

In the BIG BUCKS LOTTERY, the chances of winning a \$10.00 prize are 1%. What is your best guess about how many people would win a \$10.00 prize if 1,000 people each buy a single ticket from BIG BUCKS?

In the ACME PUBLISHING SWEEPSTAKES, the chance of winning a car is 1 in 1,000. What percent of tickets of ACME PUBLISHING SWEEPSTAKES win a car?

If the chance of getting a disease is 10%, how many people out of 1000 would be expected to get the disease?

If the chance of getting a disease is 20 out of 100, this would be the same as having a ___ % chance of getting the disease.

A bat and a ball cost \$1.10 in total. The bat costs \$1.00 more than the ball. How much does the ball cost? ___ cents

If it takes 5 machines 5 minutes to make 5 widgets, how long would it take 100 machines to make 100 widgets? ___ minutes

In a lake, there is a patch of lily pads. Every day, the patch doubles in size. If it takes 48 days for the patch to cover the entire lake, how long would it take for the patch to cover half of the lake? ___ days

Source: NBER Working Paper 25067, Sept. 2018.