

# Supplementary Material to “Trust in the government increases financial well-being and overall well-being during COVID-19”

Kinga Barrafrem<sup>1</sup>, Gustav Tinghög<sup>2</sup>, Daniel Västfjäll<sup>3</sup>

## Used scales

**Table S1** Measures of financial well-being. Each of the scales is the average of answers to each of the items.

Subscale	Item
Financial Anxiety	<ol style="list-style-type: none"> <li>1. I get unsure by the lingo of financial experts</li> <li>2. I am anxious about financial and money affairs</li> <li>3. I tend to postpone financial decisions as long as possible</li> <li>4. After making a decision, I am anxious whether I was right or wrong</li> </ol>
Financial Security	<ol style="list-style-type: none"> <li>1. I feel secure in my current financial situation</li> <li>2. I feel confident about my financial future</li> <li>3. I feel confident about having enough money to support myself in retirement, no matter how long I live</li> </ol>

**Table S2** Measures of general well-being. Each of the scales is the average of answers to each of the items.

Subscale	Item
Satisfaction with Life	<ol style="list-style-type: none"> <li>1. In most ways my life is close to my ideal.</li> <li>2. I am satisfied with my life.</li> <li>3. So far I have gotten the important things I want in life.</li> <li>4. If I could live my life over, I would change almost nothing</li> <li>5. The conditions of my life are excellent.</li> </ol>
Subjective Happiness	<ol style="list-style-type: none"> <li>1. In general, I consider myself: not a very happy person (1) – a very happy person (7)</li> <li>2. Compared with most of my peers, I consider myself: less happy (1) – more happy (7)</li> <li>3. Some people are generally very happy. They enjoy life regardless of what is going on, getting the most out of everything. To what extent does this characterization describe you? Not at all (1) – a great deal (7)</li> <li>4. Some people are generally not very happy. Although they are not depressed, they never seem as happy as they might be. To what extent does this characterization describe you? Not at all (1) – a great deal (7)</li> </ol>

<sup>1</sup> Corresponding author. JEDI Lab, Division of Economics, Department of Management and Engineering, Linköping University, 581 83 Linköping, Sweden, kinga.barrafrem@liu.se

<sup>2</sup> JEDI Lab, Division of Economics, Department of Management and Engineering, Linköping University; The National Center for Priority Setting in Health Care, Department of Medical and Health Sciences, Linköping University, Linköping, Sweden

<sup>3</sup> JEDI Lab, Division of Psychology, Department of Behavioral Sciences and Learning, Linköping University, Linköping, Sweden; Decision Research, Eugene, OR, USA

**Table S3** Measures related to COVID-19.

Variable	Item
Trust in government: finance	How much trust do you have in the state authorities to handle the economic challenges that Sweden faces?
Trust in government: health	How much trust do you have in the state authorities to handle the healthcare challenges that Sweden faces?
Financial risk	How much risk do you think the ongoing COVID-19 pandemic poses to your financial situation?
Health risk	How much risk do you think the ongoing COVID-19 pandemic poses to your health?
Income change	Did your income decrease as a result of the COVID-19 pandemic? No / Yes, a smaller part of my income / Yes, a significant part of my income

**Table S4** The measure of financial literacy. Financial literacy is a sum of correct answers to these questions.

Item
<p>1. Suppose you had £100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have in the account if you left the money to grow?</p> <p>More than £102 / Exactly £102 / Less than £102 / Don't know</p>
<p>2. Imagine that the interest rate on your savings account was 1% per year and inflation was 2% per year. After 1 year, with the money in this account, would you be able to buy...</p> <p>More than today / Exactly the same as today / Less than today / Don't know</p>
<p>3. Do you think the following statement is true or false? "Buying a single company stock usually provides a safer return than a stock mutual fund."</p> <p>True / False / Don't know</p>
<p>4. Bonds are securities that are issued with a fixed interest rate for a certain period of time. If interest rates fall, what will typically happen to bond prices?</p> <p>They will rise / They will fall / They will stay the same / There is no relationship between bond prices and the interest rate / Don't know</p>
<p>5. 5. A 15-year mortgage typically requires higher monthly payments than a 30-year mortgage, but the total interest paid over the life of the loan will be less.</p> <p>True / False / Don't know</p>

**Table S5** Socioeconomic variables.

Variable	Item
Female	Are you a man nor a woman? - Man - Woman
Age	How old are you?
Education	What is your highest completed education? - Primary education - Secondary education - Higher education, less than 3 years - Higher education, 3 years or more
Household income	What is your household's approximate total monthly income before tax? - Less than 15 000 - 15 000 – 24 999 - 25 000 – 34 999 - 35 000 – 44 999 - 45 000 – 54 999 - 55 000 or more

**Table S6** The relationship between trust in government and general well-being. Linear regression models

VARIABLES	Satisfaction with Life	Satisfaction with Life	Subjective Happiness	Subjective Happiness
Trust in gov.: finance	0.070** (0.028)	0.042 (0.027)	0.077** (0.037)	0.050 (0.037)
Trust in gov.: healthcare	0.081*** (0.029)	0.065** (0.027)	0.114*** (0.037)	0.096*** (0.036)
Financial risk		-0.074*** (0.018)		-0.091*** (0.023)
Health risk		-0.035* (0.020)		-0.025 (0.027)
Financial literacy		0.041* (0.025)		0.049 (0.030)
Household income		0.161*** (0.018)		0.138*** (0.023)
Female		-0.044 (0.060)		0.011 (0.075)
Age		0.009*** (0.002)		0.013*** (0.002)
Educ.: Secondary		0.280** (0.119)		0.185 (0.164)
Educ.: University <3 years		0.413*** (0.128)		0.371** (0.175)
Educ.: University ≥3 years		0.299** (0.126)		0.241 (0.171)
Constant	2.335*** (0.083)	1.536*** (0.191)	3.575*** (0.110)	2.689*** (0.251)
Observations	1,021	1,021	1,021	1,021
R-squared	0.067	0.213	0.070	0.169

**Note:** Robust standard errors (MacKinnon & White, 1985) in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. Outcome variables are listed on the top of each column. Satisfaction with life takes values between 1 (low satisfaction) and 5 (high satisfaction). Subjective happiness takes values between 1 (low happiness) and 7 (high happiness). Trust in government variables take value between 1 (low trust) and 7 (high trust) and indicate trust in governmental institutions to cope with financial/health challenges of COVID-19 pandemic; Financial risk and health risk take value between 1 (low perceived risk) and 7 (high perceived risk) and indicate perceived risk that COVID-19 pandemic has on one's own financial situation and health status; Financial literacy takes values between 0 (low fin. literacy) and 5 (high fin. literacy). Household income is an ordinal variable and represents monthly gross income of a household where the lowest category is "less than 15 000 SEK" and the highest category is "55 000 SEK or more"; Reference category for Female is male and for Education is primary education.

**Table S7** The relationship between trust in government and financial well-being. Linear regression models with standardized beta coefficients.

VARIABLES	(1) Financial security	(2) Financial security	(3) Financial anxiety	(4) Financial anxiety
Trust in gov.: finance	0.242***	0.172***	-0.068	-0.017
Trust in gov.: healthcare	0.006	-0.029	-0.024	0.007
Financial risk		-0.197***		0.210***
Health risk		-0.100***		0.118***
Financial literacy		0.129***		-0.119***
Household income		0.263***		-0.116***
Female		-0.134***		0.049
Age		0.099***		-0.175***
Educ.: Secondary		0.089		-0.158***
Educ.: University <3 years		0.091*		-0.179***
Educ.: University ≥3 years		0.145**		-0.158***
Observations	1,021	1,021	1,021	1,021
R-squared	0.061	0.294	0.008	0.165

**Note:** Standardized beta coefficients are listed \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. Outcome variables are listed on the top of each column. Financial anxiety takes values between 1 (low level of anxiety) and 5 (high level of anxiety). Financial security takes values between 1 (low level of security) and 5 (high level of security). Trust in government variables take value between 1 (low trust) and 7 (high trust) and indicate trust in governmental institutions to cope with financial/health challenges of COVID-19 pandemic; Financial risk and health risk take value between 1 (low perceived risk) and 7 (high perceived risk) and indicate perceived risk that COVID-19 pandemic has on one's own financial situation and health status; Financial literacy takes values between 0 (low fin. literacy) and 5 (high fin. literacy). Household income is an ordinal variable and represents monthly gross income of a household where the lowest category is "less than 15 000 SEK" and the highest category is "55 000 SEK or more"; Reference category for Female is male and for Education is primary education.

**Table S8** Direct and indirect effects on Satisfaction with Life in SEM analysis

Variable	Direct effect	Indirect effect	Total effect
Trust in gov.: finance	0.001	0.069***	0.070**
Trust in gov.: healthcare	0.078***	0.003	0.081***
Financial security	0.388***		0.388***
Financial anxiety	-0.140***		-0.140***

**Note:** \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. Indirect effect for Trust in gov.: finance =  $0.164 \cdot 0.388 + (-0.035) \cdot (-0.140) = 0.069$ . Indirect effect for Trust in gov.: healthcare =  $0.004 \cdot 0.388 + (-0.012) \cdot (-0.140) = 0.003$ .

**Table S9** Direct and indirect effects on Subjective Happiness in SEM analysis

Variable	Direct effect	Indirect effect	Total effect
Trust in gov.: finance	0.008	0.069***	0.077**
Trust in gov.: healthcare	0.110***	0.005	0.114***
Financial security	0.363***		0.363***
Financial anxiety	-0.265***		-0.265***

**Note:** \*\*\* p<0.01, \*\* p<0.05, \* p<0.1. Indirect effect for Trust in gov.: finance =  $0.164 \cdot 0.363 + (-0.035) \cdot (-0.265) = 0.069$ . Indirect effect for Trust in gov.: healthcare =  $0.004 \cdot 0.363 + (-0.012) \cdot (-0.265) = 0.005$ .