



Instructions:

1. Go to *The Balloon Test* web site at <https://www.investmentphilosophy.com/behavioural-finance/your-attitude-to-risk/the-balloon-test>
2. Read the activity objective on the top of the home page (under the title) and click “Start.”
3. Decide when (i.e., for how long?) to keep pumping a balloon to earn 50 points for each pump. This is like earning money on an investment.
4. Decide when to stop pumping to collect your points, ideally before the balloons burst. This is like selling an investment for a profit. At any time your balloons can burst, however, and make a loud popping noise (if sound is turned up on your computer). This is like losing money on an investment.
5. Play the game for five rounds. This is like investing for the long term where investment results can vary.
6. Compare your total points to the baseline data and answer the following questions:
 - What was the highest and lowest number of points that you received on the five rounds of play?
 - How did you feel when your first balloon burst?
 - Did having a bubble burst change your behavior on subsequent rounds of play (i.e., future decisions)?
 - Did having a “good run” without balloons popping change your behavior on subsequent rounds of play?
 - How would you assess your risk tolerance as an investor?
 - What did *The Balloon Test* activity teach you about investing in stocks or stock mutual funds?