

Our research questions and corresponding hypotheses are as follows:

- A) Are workers from underrepresented groups (URMs) more failure averse than workers from majority groups? That is, are they relatively less willing to take on jobs with a higher risk of failure?

*Hypothesis A:* The gap between URMs and other workers in the likelihood of taking on a higher-risk, higher-reward job will increase in treatment conditions with stronger consequences for failure.

- B) If so, is this because said workers anticipate discriminatory responses by employers to failure on the job?

*Hypothesis B:* Giving employers demographic information about workers will increase the gap between URMs and other workers in treatments with greater consequences for failure.

- C) What proportion of workers' failure aversion is due to (i) a rational expectations response to anticipated discrimination against their demographic group, versus (ii) behavioral traits and preferences that increase the psychological penalty of failure on the job?

*Hypothesis C:* Some amount will be due to each.

*Hypothesis C1:* There will be demographic differences in willingness to pursue a job with a higher risk of failure even when the worker cannot face personally discriminatory consequences for such failure. This difference (compared to baseline) will be observed both when separation risk is salient to the individual worker (treatment cell 3), indicating individual behavioral differences in failure sensitivity, and when separation risk is not salient (treatment cell 2), indicating consideration for discrimination against one's demographic group (group consideration).

*Hypothesis C2:* Adding the possibility of discrimination against oneself will widen the demographic gap in willingness to pursue a higher-risk, higher-reward job; the "difficulty choice gap" between URMs and other workers will widen when comparing treatment cell 4 to treatment cell 3.

- D) Do our answers to (A), (B), and (C) differ when defining "URM" in terms of race versus gender?

*Hypothesis D:* Because behavioral mechanisms already differ across race and gender, it is likely that this is the case.

- E) Will employers discriminate on demographics when making their hiring decisions?

*Hypothesis E:* Yes. When demographics are revealed, they will be significantly predictive of the employer's retention decision, even after controlling for other worker observables.

*Hypothesis E1:* Specifically, URM status interacted with first round score will be significant in a binary choice generalized linear model of the employer's retention decision, even after controlling for all other observables.