

One aspect of the utility of gambling may evidence itself in failures of idempotence, i.e., when all chance outcomes give rise to the same consequence the "gamble" may not be indifferent to its common consequence. Under the assumption of segregation, such gambles can be expressed as the joint receipt of the common consequence and what we call "an element of chance," namely, the same gamble with the common consequence replaced by the status quo. Generalizing, any gamble is indifferent to the joint receipt of its element of chance and a certain consequence, which is called the "kernel equivalent" of the gamble. Under idempotence, the kernel equivalent equals the certainty equivalent. Conditions are reported (Theorem 4) that are sufficient for the kernel equivalents to have the kind of utility representation first discussed by Luce and Fishburn (1991), including being idempotent. This utility representation of the kernel equivalents together with the derived form of utility over joint receipts yields a utility representation of the original structure. Possible forms of the utility of an element of chance are developed.