This paper tests the effectiveness of extrinsic motivation (e.g., monetary incentives) at promoting effort on challenging tasks depending on whether the incentive is framed as a gain or a loss from a reference point. In a series of studies we find that loss-framed incentives motivate people significantly more than a gain-framed incentives. Further, we show that people incorrectly predict that the gain framed incentives would be more motivating. We identify a lay belief in the positive correlation between incentive enjoyment and motivation as one factor contributing to this error and conclude by demonstrating a means to de-bias these predictions.