

Appendix 2 - Instructions

Welcome

Welcome to the economics experiment. In this experiment you will be making a series of decisions. The decisions that you and the other participants make will determine the amount of money you and they earn. The experiment will last about 75 minutes. You will be paid your earnings in cash at the end of the experiment.

Good Luck!

Decision Rounds:

- You will be participating in a total of 46 decision rounds.
- All of your decisions will be anonymous—no one in the room will be able to tie you to your decisions. Not even the people running the experiment!
- For each decision you will be paired with one other person from the experiment.
- The person you are paired with will change randomly each round.
- There are 24 participants, and you will play everyone exactly twice.
- Most importantly, you will never know whom you are paired with at any time.

Chips

- With each decision you will be earning chips. The most you can earn in any decision is 100 chips, and the least is zero chips.
- Each round the chips you earn will be added to your total.
- At the end of the game we will pay you for your total chips. Each chip will be worth 1.5 cents. For example, if you earn 2000 chips over all 46 rounds, you will earn $2000 \times \$0.015 = \30.00 .

The Roles

- For each decision you will be assigned the role of either **player Red** or **player Blue**.
- Your role will change randomly throughout the experiment, so play close attention to the decisions both roles have to make.

The Options

- For each decision round, player Red will be selecting either Option A or B

Option A:

- Option A is simple. Under Option A only player Red earns any chips. Player B earns nothing.

- The amount player Red can earn in Option A will change randomly each round. The amount of chips will be either 84, 65, 46, 23 or 0.
- Option A will be shown on the decision screen something like this. The length of the bar indicates the number of chips:



Option B:

- Option B is more complicated. In Option B there are 100 chips to split between the two players.
- If option B is selected then player Red/player Blue/both players must “set the slider”, that is, must allocate chips between player Red and Blue by moving a slider back and forth on the computer screen.
- Here is an example of the slider. Player Red is allocated the chips indicated in RED and player Blue the chips indicated in BLUE. Test this by moving the slider below:



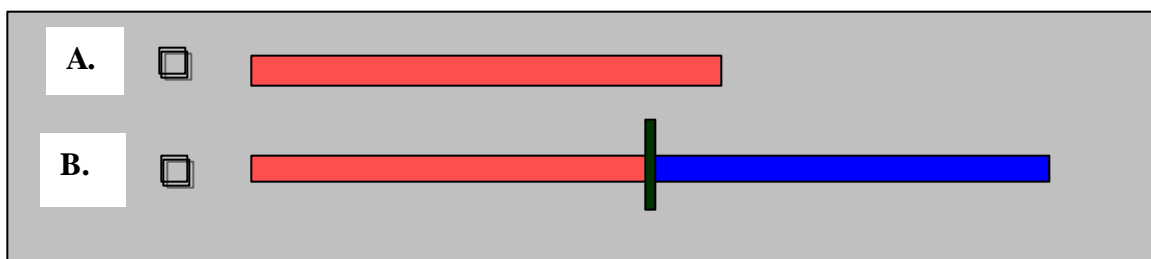
[[NOTE: Up to this point the instructions are the same for all three games, except in the fuchsia part under Option A and Option B.]]

The Decision for Player Red



1. Player Red selects A or B by clicking the box.
2. If player Red selects A then player Red gets the RED area and player Blue gets nothing.
3. If player Red chooses B, then Red moves the slider to allocate area to both players. Red gets the RED area and player Blue gets the BLUE area.

The Decision for Player Blue



1. Player Blue does nothing, but waits for player Red's decision.
2. The gray box indicates that player Blue has no control over the decision.

Some Examples

Examples always make things clearer. When you are ready, click below to begin six examples of the decisions.

[\[\[Continue to Examples\]\]](#)

Example 1:

- *Player is Red, $A=84$*
- *They can set the slider as they please.*
- *When they submit, then they get a results screen.*

Example 2:

- *Player is Blue, $A=65$*
- *When they submit, then they get a results screen.*
 - *Say that player Red set the slider at $Red=55$*

QUIZ Page:

To make sure you understand the instructions, complete the following questions:

Suppose Red and Blue made the decisions indicated below.

How much would Red Earn? [box to type answer in]

How much would Blue Earn? [Box]

[Submit Answer] (if answer is wrong, return to quiz and say try again)

Decision Page:

- *$A=46$*
- *Red Chooses B and slider at 33*

Important things to remember:

- There will be 46 decision rounds.
- You will be matched with others randomly each round.
- Your identity is secret.
- Your role, Red or Blue, will change randomly each round.
- Each chip you earn will be worth **\$0.015** at the end of the experiment.

Thanks and good luck!