

Appendix I

Experimental instructions

Introduction

This is an experiment in decision-making. Research foundations have provided funds for conducting this research. Your payoffs will depend partly on your decisions and the decisions of the other participants and partly on chance. Please pay careful attention to the instructions as a considerable amount of money is at stake.

The entire experiment should be complete within an hour and a half. At the end of the experiment you will be paid privately. At this time, you will receive \$10 as a participation fee (simply for showing up on time). Details of how you will make decisions and receive payments will be provided below. After you read the instructions, the instructions will also be read aloud by the instructor, and you may also ask any questions.

During the experiment we will speak in terms of experimental tokens instead of dollars. Your payoffs will be calculated in terms of tokens and then translated at the end of the experiment into dollars at the following rate:

$$4 \text{ Tokens} = 1 \text{ Dollar}$$

Your participation in the experiment and any information about your payoffs will be kept strictly confidential. Each participant will be assigned a participant ID number. This number will be used to record all data, and no one will have both the list of participant ID numbers and names.

You will never be asked to reveal your identity to anyone during the course of the experiment. Neither the instructors nor the other participants will be able to link you to any of your decisions. Neither your name nor any other identifying information about you will be used in any final reports of the study.

Please do not talk with anyone during the experiment. In order to keep your decisions private, please do not show your choices to any other participant. We also ask everyone to remain silent until the end of the experiment. At the end of the experiment you will be paid privately according to your participant ID number.

Part I

In this part of the experiment, you will participate in 50 independent decision problems that share a common form. This section describes in detail the process that will be repeated in all decision problems and the computer program that you will use to make your decisions.

In each decision problem you will be asked to allocate tokens between yourself (Hold) and another person (Pass) who will be chosen at random (entirely dependent upon chance) from the group of participants in the experiment. For each allocation, you and the other person will each receive tokens.

Each choice will involve choosing a point on a line representing possible token allocations. In each choice, you may choose any Hold / Pass combination that is on the line. Hold corresponds to the y -axis and Pass corresponds to the x -axis in a two-dimensional graph. Examples of lines that you might face appear in Attachment 1.

[Attachment 1 here]

Each decision problem will start by having the computer select such a line randomly (entirely dependent upon chance) from the set of lines that intersect with at least one of the axes at 50 or more tokens, but with no intercept exceeding 100 tokens. The lines selected for you in different decision problems are independent of each other, and are also independent of the lines selected for any of the other participants in their decision problems.

For example, as shown in Attachment 2, choice A represents an allocation in which you Hold y tokens and Pass x tokens. Thus, if you choose this allocation, you will hold y tokens and you will pass x tokens to the participant with whom you are matched in that round. Another possible allocation is B , in which you hold w tokens, and pass z tokens to the participant with whom you are matched in that round.

[Attachment 2 here]

To choose an allocation, use the mouse to move the pointer on the computer screen to the allocation that you wish to choose. When you are ready to make your decision, left-click to enter your chosen allocation. After that, confirm your decision by clicking on the Submit button. Note that you can choose only Hold and Pass combinations that are on the line. To move on to

the next round, press the OK button. The computer program dialog window is shown in Attachment 3.

[Attachment 3 here]

Next, you will be asked to make an allocation in another decision. Again, all decision problems are independent of each other. This process will be repeated until all the 50 rounds are completed. At the end of the last round, you will be informed that this part of the experiment has ended.

Payoffs

Your payoffs are determined as follows. At the end of this part of the experiment, the computer will randomly select one of the fifty decision rounds from each participant to carry out. You will then receive the tokens you held in this round (the tokens allocated to Hold). The participant with whom you were matched will receive the tokens that you passed (the tokens allocated to Pass).

You will therefore receive two groups of tokens: one based on your own decision to hold tokens and one based on the decision of another random participant to pass tokens. The computer will make sure that the same two participants are not paired twice.

The round selected, and your choice and payment for the round will be recorded in the large window that appears at the center of the program dialog window. At the end of the experiment, the tokens will be converted into money. Each token will be worth $1/4$ dollars.

Rules

Your participation in the experiment and any information about your payoffs will be kept strictly confidential. Your payment-receipt and participant form are the only places in which your name and social security number are recorded.

You will never be asked to reveal your identity to anyone during the course of the experiment. Neither the experimenters nor the other participants will be able to link you to any of your decisions. In order to keep your decisions private, please do not reveal your choices to any other participant.

Please do not talk with anyone during the experiment. We ask everyone to remain silent until the end of the last round. If there are no further

questions, you are ready to start. An instructor will approach your desk and activate your program. At the end of this part of the experiment, you will receive further instructions.

Part II

This part of the experiment employs the same experimental computer program. In this part of the experiment, you will also participate repeatedly in 50 independent decision problems that share a common form. This section describes in detail the differences between the two parts of the experiment. After you read this part of the instructions, it will also be read aloud by the instructor, and you may also ask any questions.

In each decision problem you will again be asked to allocate tokens between yourself (Hold) and another person (Pass) who will be chosen at random from the group of participants in the experiment. Once again, each choice will again involve choosing a point on a line representing possible token allocations.

Again, each decision problem will start by having the computer select such a line randomly from the set of lines that intersect with at least one of the axes at 50 or more tokens, but with no intercept exceeding 100 tokens. The lines selected for you in different decision problems are again independent of each other, and are also independent of the lines selected for any of the other participants in their decision problems. Recall that to choose an allocation, use the mouse to move the pointer on the computer screen to the allocation that you desire and clicking on your chosen allocation.

In this part of the experiment the computer will identify and three allocations that have certain properties and label these allocations on the lines that you face. In particular, the computer will identify and label three allocations that reflect alternative conceptions of putting equal weight on the payout to yourself and the payout to the other person:

- This allocation always lies at the endpoint of the line segment that is farthest from the origin. This maximizes the sum of payouts.
- This allocation always lies at the midpoint of the line segment. The allocation gives you and the other person each half of your maximum feasible payout.
- This allocation always lies on the 45 degree line. The payouts are the same to yourself and to the other person.

Two examples of lines on which these allocations have been identified appear in Attachments 4 and 5 below.

[Attachment 4 here]

[Attachment 5 here]

The method of determining payment is the same as before. Each participant will receive two groups of tokens, her own decision and the decision of another random participant (with the computer's again ensuring that the same two participants are not paired twice). You will receive your payment for this part of the experiment, together with your payment for the previous part, as you leave the experiment. Once again, at the end of this part of the experiment, the computer will randomly select one of the fifty decision rounds from each participant to carry out. You will then receive the tokens you held in this round. The participant with whom you were matched will receive the tokens that you passed in this round. The computer will again ensure that the same two participants are not paired twice.

Participant Survey

Please fill out the following brief survey. Please note that your responses will remain entirely confidential.

1. What is your gender?
2. What is your age?
3. What is your year? [1- First] [2 - Second] [3 - Third] [4 - Other]
4. What was your undergraduate major(s)? Who taught your first term courses [1 - Torts] [2 - Contracts] [3 - Procedure] [4 - Constitutional Law], lecture / seminar?
5. Were you born in the United States? If not, where were you born?
6. Was your mother born in the United States? If not, where was she born?
7. Was your father born in the United States? If not, where was he born?

8. If you grew up in the United States, what is the zip code of the place where you grew up?
9. If you grew up outside the United States, which country did you grow up in?
10. What was the highest level of education attained by your father?
 - [1] Less than high school
 - [2] Finished high school
 - [3] Some college
 - [4] College degree
 - [5] Graduate or professional degree
11. What was the highest level of education attained by your mother?
 - [1] Less than high school
 - [2] Finished high school
 - [3] Some college
 - [4] College degree
 - [5] Graduate or professional degree
12. How many siblings do you have?
13. How many of your siblings are older than you?
14. Did your mother work full-time for a significant period during your childhood?
15. What is your ethnicity?
 - [1] Black/African American
 - [2] European/Caucasian-American
 - [3] Latino/Hispanic American
 - [4] Asian/Pacific Islander/Asian-American
 - [5] Native American
 - [6] Other
 - [7] Multiple
16. Were you raised in a religious home?

17. What is your religious affiliation, if any?

- [1] Catholic
- [2] Protestant
- [3] Jewish
- [4] Hindu
- [5] Islamic
- [6] Other
- [7] None
- [8] Multiple

18. Approximately how often do you attend religious services?

- [1] At least weekly
- [2] Once a month
- [3] Only on special holidays
- [4] Almost never
- [5] Never

19. If there were a national election tomorrow, which party would you vote for? [1- Democratic] [2 - Republican] [3 - Other]

20. How often do you go out (on dates, with friends, etc)?

- [1] Several times a week
- [2] Twice a week
- [3] Once a week
- [4] Twice a month
- [5] Once a month
- [6] Several times a year
- [7] Almost never

21. Approximately how many hours per week do you spend studying?

22. Approximately how many hours per week do you spend watching TV?

23. Approximately how many hours per week did you spend in paid employment last semester?

24. Approximately how many hours do you spend doing volunteer work per week?

25. Are you a member of any of the following organizations? (check all that apply) [Yes] [No]

- [1] Political club
- [2] Sports team or club
- [3] Service organization
- [4] Religious organization
- [5] Newspaper or magazine

26. Generally speaking, would you say that people can be trusted or that you cannot be too careful in dealing with people?

- [1] People can almost always be trusted
- [2] People can usually be trusted
- [3] You usually cannot be too careful in dealing with people
- [4] You almost always cannot be too careful in dealing with people
- [5] Cannot choose

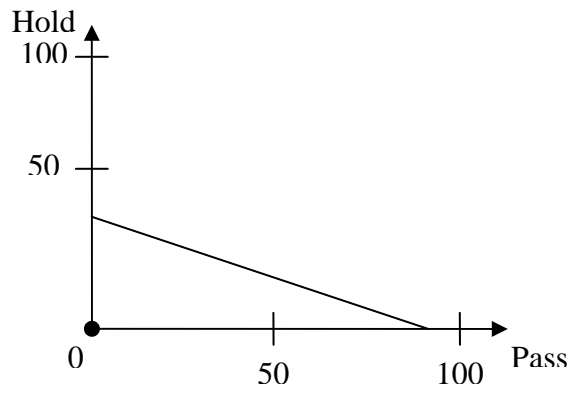
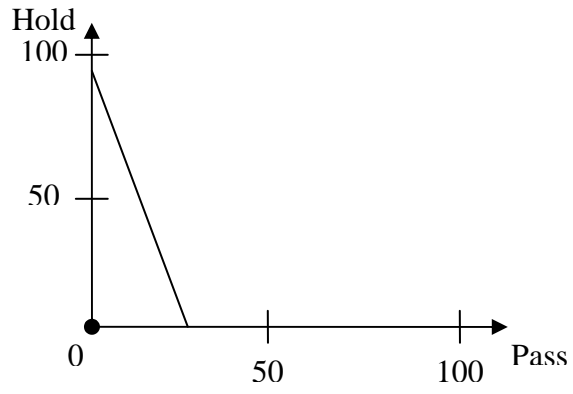
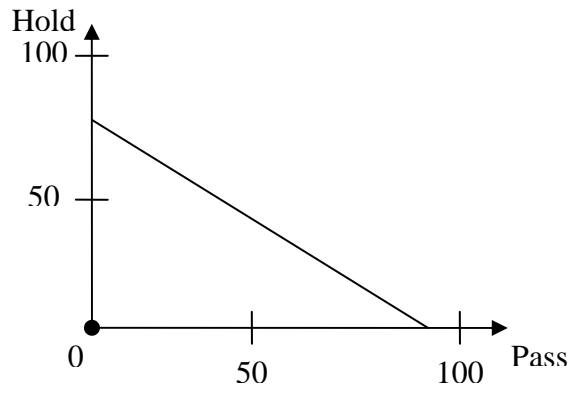
27. Do you believe that people who work hard end up much better, better, worst or much worst than those that do not put forth any effort?

- [1] Much better off than those that do not put forth any effort
- [2] Better off than those that do not put forth any effort
- [3] Worse off than those that do not put forth any effort
- [4] Much worse off than those that do not put forth any effort
- [5] Do not know

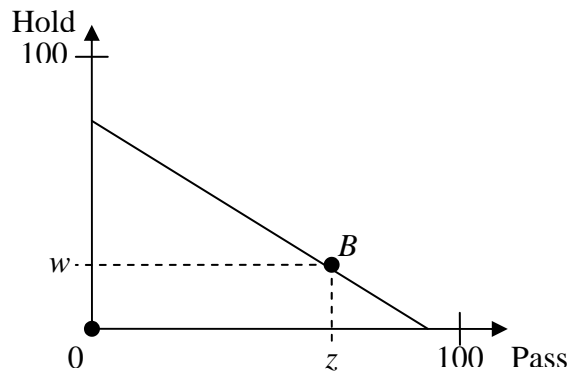
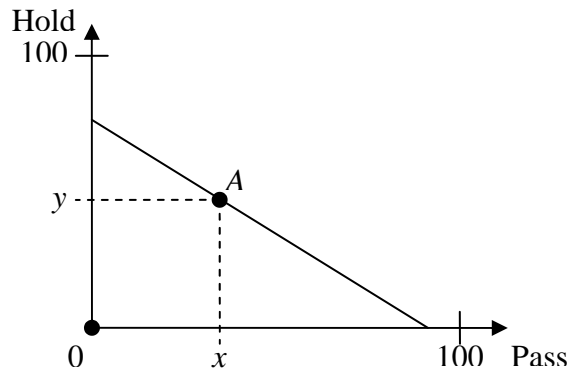
28. Some believe competition is harmful because it brings out the worst in people; others believe that competition is good because it makes people work hard and stimulates new ideas. Do you believe that:

- [1] Competition is very harmful
- [2] Competition is somewhat harmful
- [3] Competition is somewhat beneficial
- [4] Competition is very beneficial
- [5] Do not know

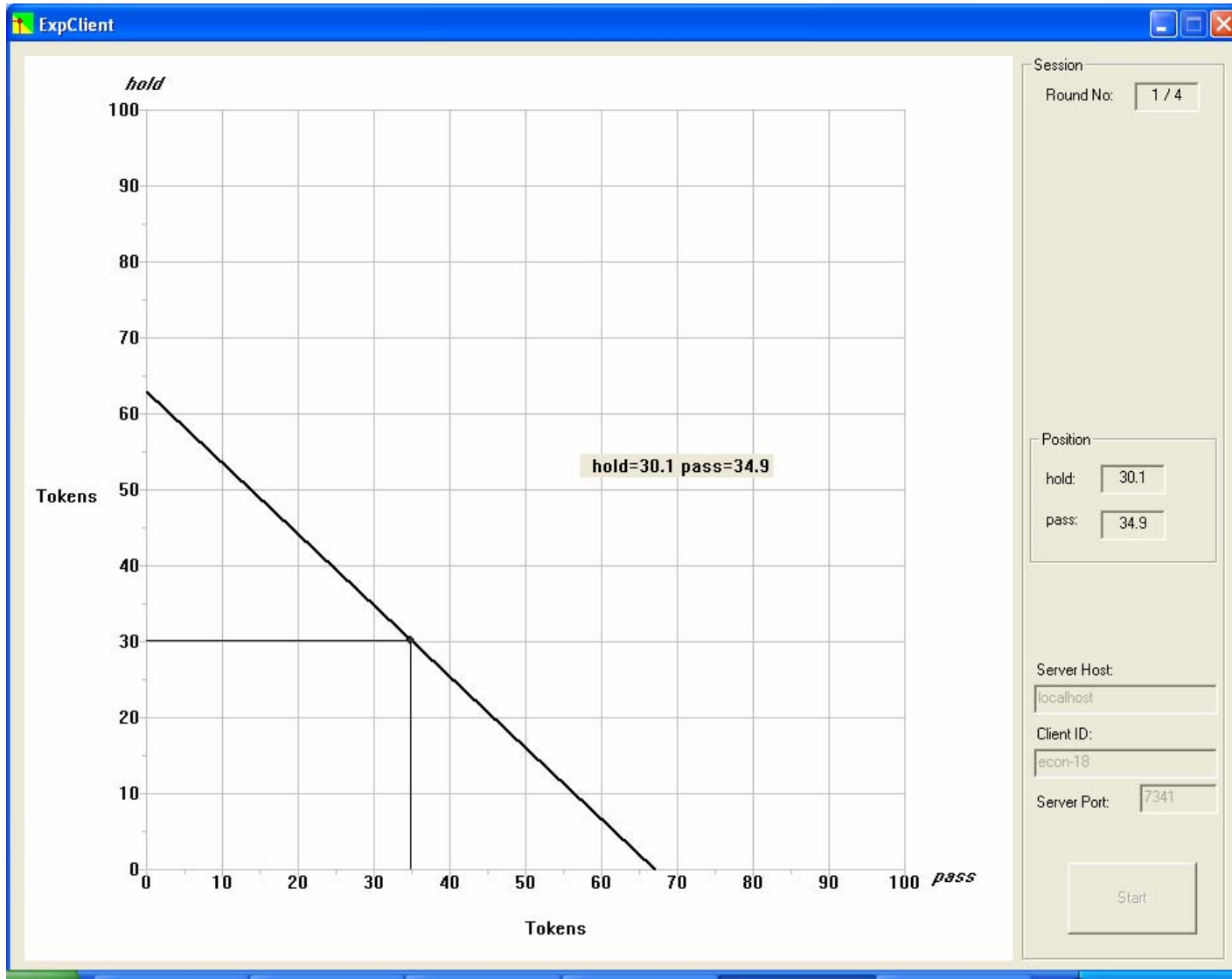
Attachment 1



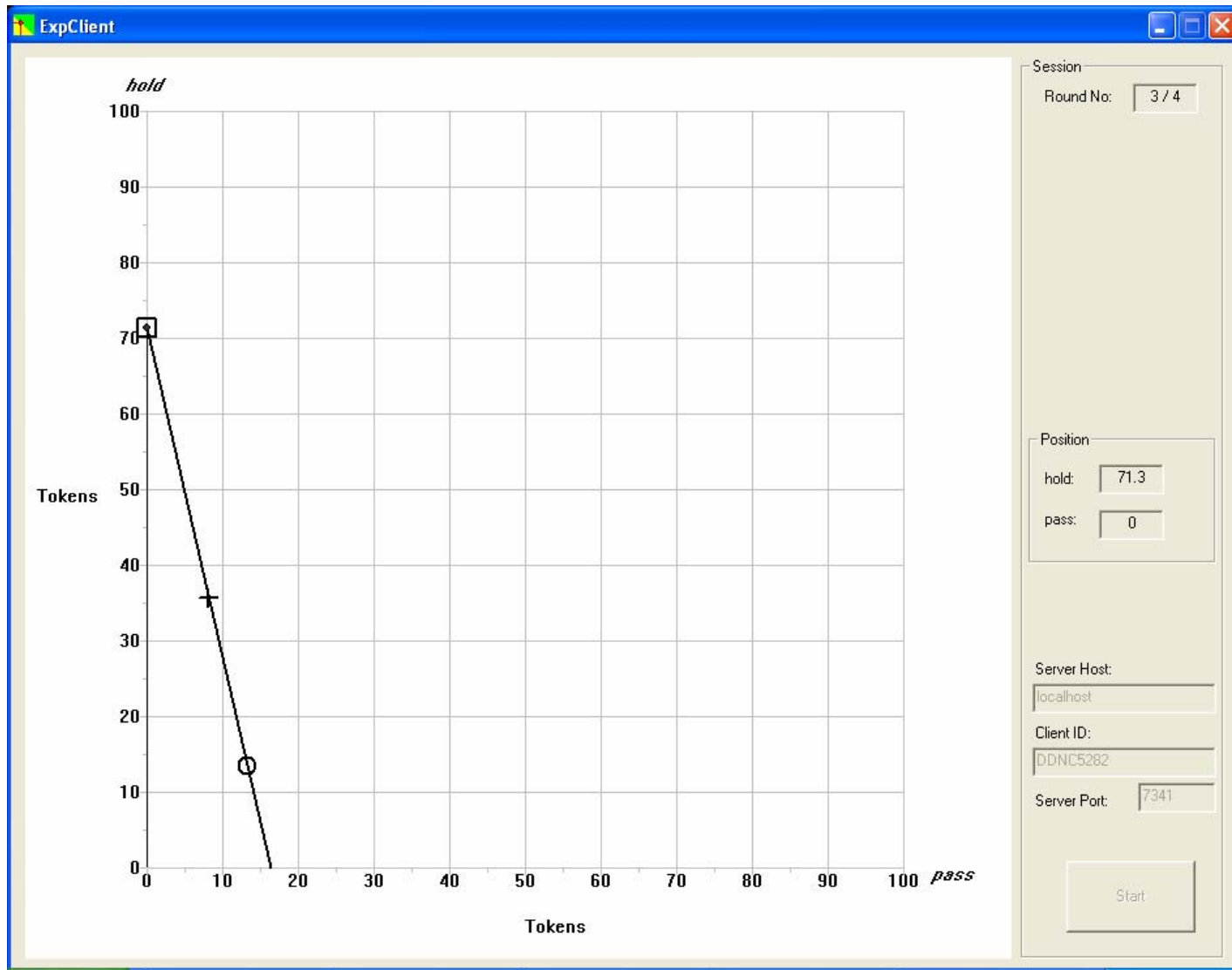
Attachment 2



Attachment 3



Attachment 4



Attachment 5

