

CLEAR SIGNAL TREATMENT+PAY 1 Treatment

Introduction: Welcome and thank you for participating in our study. You will receive \$10 for participating; this will be yours to keep. You will also have the opportunity to earn more money based on your decisions, the decisions of others, and luck. So, please pay attention to the instructions.

Screen 0: Within the next part of the experiment, you will complete a task 20+ times. There will be a 25% chance to play an additional round after 20 rounds. One of your 20+ rounds will be randomly drawn and used for your final payment. For example, if you earned \$5 in round 15 and round 15 was drawn for your final payment, your final payment for this study would be \$15.

Screen 1: For this task, you will be paired with another participant in the room to decide how to split \$10. Your partner will not know your name and all your interactions will remain anonymous. After the first set of partners are assigned, you will have a 50% chance to be assigned the role of PLAYER 1 and a 50% chance to be PLAYER 2. Your assigned role will continue for the remainder of the experiment. However, each round your assigned partner will be a different person in the room.

PLAYER 1 will receive an allocation of \$10 and will be asked to decide how to split this amount with PLAYER 2. You will be provided with more details on the following screens.

Please click next to proceed.

PLAYER 1 Instructions

Screen 2s: You have been randomly assigned the role of PLAYER 1. You will remain in this role for the remainder of this task. As PLAYER 1, you will receive an allocation of \$10. Within the next stage of the experiment, for each round, the computer will randomly display a secret number representing the amount you should send to PLAYER 2. This secret number ranges from \$0 to \$10 in increments of \$1. Your task is to decide the amount you want to report as the secret number to PLAYER 2. YOU may report any number you wish to report (from 0 to 10).

Your payment from this task is \$10 minus the amount you report as the secret number to PLAYER 2.

For example, if YOU report that the secret number is 2, your payment will be equal to \$10-\$2 or \$8. PLAYER 2 will receive \$2.

Another example, if YOU report that the secret number is 8, your payment will be equal to \$10-\$8 or \$2. PLAYER 2 will receive \$8.

Please click next to continue.

Screen 3s: PLAYER 2 will receive a signal about the value of the secret number. The signal that PLAYER 2 will receive is exactly equal to the secret number.

Before moving on, we will briefly check your understanding of the procedures. If the computer displays a secret number of 4, you can only report and send \$4 to PLAYER 2?
{T or F; False, you can report any amount}

Screen 4s: [Screen displays a value for the secret number (as defined above)]

Screen 5s: You will now report the amount for the secret number. The amount you report will be sent over to PLAYER 2. Your reported amount does not have to be the true secret value. Please remember that the amount you report will be deducted from your \$10 allocation.

{Box where they can report their value}

Screen 6s: Your payment for this task is X (where X equals 10-reported value).
The next round will start shortly!

Screen 7s: You have been matched with a new PLAYER 2 and have received another allocation of \$10. Within the next stage of the experiment, the computer will randomly display a secret number representing the amount you should send to PLAYER 2. This secret number ranges from \$0 to \$10 in increments of \$1. Your task is to decide the amount you want to report as the secret number to PLAYER 2. YOU may report any number you wish to report.

Screen 8s: [Screen displays a value for the secret number (as defined above)]

Screen 9s: You will now report the amount for the secret number. The amount you report will be sent over to PLAYER 2. Your reported amount does not have to be the true secret value. Please remember that the amount you report will be deducted from your \$10 allocation.

Remember that PLAYER 2 will receive a signal that is exactly equal to the secret number.
{Box where they can report their value}

Screen 10s: Your payment for this task is X (where X equals 10-reported value).
The next round will start shortly!

Restart sequence of 7s to 10s for rounds 3-20. 25% chance of moving to round 21.

PLAYER 2 Instructions

Screen 2r: You have been randomly assigned the role of PLAYER 2. You will remain in this role for the remainder of this task. PLAYER 1 received an allocation of \$10. Within the next stage of the experiment, for each round, the computer will randomly display a secret number representing the amount PLAYER 1 should send to YOU. This secret number ranges from \$0 to \$10 in increments of \$1. PLAYER 1 will report the value of the secret number. PLAYER 1 may report any number he/she wishes to report.

Your payment for this task is equal to the amount PLAYER 1 reports as the secret number.
YOU will receive a signal about the value of the secret number. The signal YOU will receive is exactly equal to the computer's secret number.

Please click next to continue with the experiment.

{Next screen should display at the same time as Screen 6s}

Screen 3s: The secret number was equal to A (Identical to number on screen 4s).

PLAYER 1 reported that the secret number was R (Reported value). Your payment for this portion of this experiment is R.

Guess the Secret Number

What do you think the value of the secret number was? If this round is selected for payment and you answer correctly, you will earn \$1.

[report the number of PLAYER 1 in the room] How many PLAYER 1 participants reported the secret number truthfully? If this round is selected for payment and you answer correctly, you will earn \$1.

Screen 4r: You have been matched with another random PLAYER 1 who has received another allocation of \$10. Within the next stage of the experiment, the computer will randomly display a secret number representing the amount PLAYER 1 should send to YOU. This secret number ranges from \$0 to \$10 in increments of \$1. PLAYER 1 will report the value of the secret number. PLAYER 1 may report any number he/she wishes to report.

Your payment for this task is equal to the amount PLAYER 1 reports as the secret number. YOU will receive a signal about the value of the secret number. The signal YOU will receive is exactly equal to the computer's secret number.

{Next screen should display at the same time as Screen 10s}

Screen 5s: The secret number was equal to A (Identical to number on screen 4s).

PLAYER 1 reported that the secret number was R (Reported value). Your payment for this portion of this experiment is R.

Guess the Secret Number

What do you think the value of the secret number was? If this round is selected for payment and you answer correctly, you will earn \$1.

[report the number of PLAYER 1 in the room] How many PLAYER 1 participants reported the secret number truthfully? If this round is selected for payment and you answer correctly, you will earn \$1.

Restart sequence of 4r to 5s for rounds 3-20. 25% chance of moving to round 21.

Two Qualitative Questions

How important is honesty to you?

Should PLAYER 1 be rewarded for honesty?

How so?

Thank you for your participation!