Supplementary Material for

The distributional preferences of an elite

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**Supplementary Materials:**

**Fig. S1.** Critical Cost Efficiency Indices. The figure presents histograms of the Critical Cost Efficiency Index (CCEI) in the UC Berkeley and ALP samples. CCEIs closer to 1 mean the data are closer to perfect consistency with GARP and hence to perfect consistency with utility maximization.

**Fig. S2.** Estimated $\hat{\alpha}_n$ Parameters. The figure presents histograms of the $\hat{\alpha}_n$ estimates in the UC Berkeley and ALP samples. $\hat{\alpha}_n$ indexes fair-mindedness – the relative utility weight placed on one’s own payoff vis-à-vis the payoff to other.
Fig. S3. Estimated $\hat{\rho}_n$ Parameters. The figure presents histograms of the $\hat{\rho}_n$ estimates in the UC Berkeley and ALP samples. $\hat{\rho}_n$ indexes equality-efficiency tradeoffs – $\hat{\rho}_n$ values closer to 1 indicate greater efficiency focus.

Table S1. Regressions of Estimated CES Parameters – ALP Elite and Non-Elite Samples.

<table>
<thead>
<tr>
<th>Specification:</th>
<th>Tobit</th>
<th>Quantile Regressions</th>
<th>Probit</th>
<th>$I(\hat{\rho}_n &gt; 0)$</th>
</tr>
</thead>
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<tr>
<td>Dep. var.:</td>
<td>$\hat{\alpha}_n$</td>
<td>$\hat{\rho}_n$</td>
<td>$\hat{\rho}_n$</td>
<td>$\hat{\rho}_n$</td>
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<tr>
<td>Panel A: without controls</td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
<td>(4)</td>
</tr>
<tr>
<td>ALP elite</td>
<td>0.027</td>
<td>-0.281</td>
<td>0.236</td>
<td>0.225**</td>
</tr>
<tr>
<td>Constant</td>
<td>0.66***</td>
<td>-0.81***</td>
<td>-0.052</td>
<td>0.391***</td>
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<tr>
<td>Observations</td>
<td>260</td>
<td>260</td>
<td>260</td>
<td>260</td>
</tr>
<tr>
<td>Panel B: including controls for age and gender</td>
<td>(0.032)</td>
<td>(0.646)</td>
<td>(0.194)</td>
<td>(0.093)</td>
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<tr>
<td>ALP elite</td>
<td>0.038</td>
<td>0.301</td>
<td>0.298</td>
<td>0.259**</td>
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<tr>
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<td>260</td>
<td>260</td>
<td>260</td>
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Standard errors in parentheses. *** indicates significance at the 99 percent level; ** indicates significance at the 95 percent level; and * indicates significance at the 90 percent level.
Table S2. Regressions of Estimated CES Parameters – UC Berkeley and ALP Samples.

<table>
<thead>
<tr>
<th>Specification</th>
<th>Tobit</th>
<th>25th percentile</th>
<th>50th percentile</th>
<th>75th percentile</th>
<th>Probit</th>
<th>I(\hat{\rho}_n &gt; 0)</th>
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<tr>
<td>Dep. var.</td>
<td>\hat{\alpha}_n</td>
<td>\hat{\rho}_n</td>
<td>\hat{\rho}_n</td>
<td>\hat{\rho}_n</td>
<td>\hat{\rho}_n</td>
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<tr>
<td>UC Berkeley</td>
<td>0.158***</td>
<td>0.548***</td>
<td>0.244**</td>
<td>0.305***</td>
<td>0.270***</td>
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<td></td>
<td>(0.020)</td>
<td>(0.245)</td>
<td>(0.114)</td>
<td>(0.053)</td>
<td>(0.127)</td>
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<tr>
<td>Constant</td>
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<td>-0.867***</td>
<td>0.005</td>
<td>0.420***</td>
<td>0.004</td>
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<td></td>
<td>(0.011)</td>
<td>(0.139)</td>
<td>(0.065)</td>
<td>(0.030)</td>
<td>(0.071)</td>
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<td>457</td>
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<td>260457</td>
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</table>

Standard errors in parentheses. *** indicates significance at the 99 percent level; ** indicates significance at the 95 percent level; and * indicates significance at the 90 percent level.

**Materials and Methods:**

**Experimental Procedures.** All experiments were conducted using a graphical computer interface that allowed subjects to indicate their chosen budget allocation using a computer mouse or keyboard. The experimental sessions at YLS were conducted in a computer laboratory on campus, and the experimental sessions at UCB were conducted at the designated Experimental Social Science Laboratory (Xlab). Throughout the experimental sessions we ensured anonymity and effective isolation of subjects in order to minimize any interpersonal influences that could stimulate other-regarding behavior. A participation fee and subsequent earnings were paid in private at the end of the experimental session. The same graphical computer interface and experimental protocol were incorporated into the ALP, and the experiment was hosted as part of their survey instrument via the internet. The ALP respondents received their payments from the ALP reimbursement system via direct deposit into a bank account.

At the end of the experiment, payoffs were determined as follows. The experimental program first randomly selected one decision round to carry out for payment. In the YLS and UCB experiments, each subject then received the tokens that he had allocated to $\pi_s$ in that round, and another subject with whom he was matched received the tokens allocated to $\pi_o$. Thus, every subject received two groups of tokens, one based on his own decision to allocate tokens to $\pi_s$ and one based on the decision of another random subject to allocate tokens to $\pi_o$.

The random selection approach has been used in previous studies (5,6). The concern with this payout method is that it may create a sense of reciprocity amongst subjects, as they all are both givers and receivers of tokens. We mitigate these concerns to the extent possible by emphasizing that they will be dealing with a separate individual in each round, and that the computer program would guarantee that the same two subjects were not paired twice. That is, for any pair of subjects $i$ and $j$, if $i$ passed tokens to $j$, then $i$ did not also receive tokens from $j$ so the same two subjects were not paired as self-other and other-self. In the ALP experiments, each subject received the tokens that he allocated to $\pi_s$ in the round selected for payment and a randomly-chosen ALP respondent not sampled for the experiment received the tokens allocated to $\pi_o$. The payoffs were calculated in tokens and then translated into dollars at the end of the experiment. In the Yale Law School (YLS) experiment conducted in 2007 each token was worth 25 cents. In the YLS experiment conducted in 2010 and 2013, as well as in the experiments fielded with the

**External Database S1:** replication materials are available online at: XXXX.
American Life Panel (ALP) and the experiments conducted at UC Berkeley (UCB), each token was worth 33 cents.

Beyond the payout method, the other difference across samples is that the ALP experiments were conducted via the internet, while the YLS and UCB experiments were conducted in the laboratory. Studies comparing the reliability of Mturk experiments to standard lab experimental methods (through, for example, analyzing the consistency of subjects’ responses through repeated responses to comparable tests) find that the two methods produce comparable results. This suggests that online test-takers’ focus on the experimental task is comparable to that of in-person subjects. Further, the obvious bias from both the two-person payout as well as in-person participation in the YLS and UCB experiments would be to increase fair-mindedness due to reciprocity or in-group favoritism, whereas we find that ALP subjects are more fair-minded than both the YLS and UCB subjects.

The experimental method (the graphical interface) is applicable to many types of individual choice problems. Choi et al. (34) and employ a similar platform to study risk preferences and produce very different behaviors. Ahn et al. (35) extended the work in Choi et al. (34) on risk to settings with ambiguity, and Choi et al. (36) investigate the correlation between attitudes toward risk, and demographic and economic characteristics in the CentERpanel, a representative sample of Dutch households. Since the experimental designs in these studies share the same graphical interface, we are building on the data sets and expertise we have acquired in previous work.

Experimental Instructions.

Instructions used for YLS sessions held in 2007.

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 Tokens = 1 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.

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.

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.

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.

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.

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.

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.

**Attachment 1**

![Graph](image)

![Graph](image)
Instructions used for YLS sessions held in 2010 and 2013, UC Berkeley sessions held in 2011.

This is an experiment in decision-making. Your payoffs will depend partly on your decisions and on the decisions of the other participants and partly on chance. Funding for this experiment has been provided by the University of California and by public and private research foundations. Please pay careful attention to the instructions as a considerable amount of money is (potentially) at stake.

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 only the person(s) making payments (not the experimenters) will have both the list of participant ID numbers and names. Neither the experimenters 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.

The entire experiment should be complete within 1½ hours. Your earnings in the experiment will be $5 as a participation fee (simply for showing up on time) plus whatever you earn in the experiment proper. You will be paid privately according to your participant ID number as you leave the room at the end of the experiment. You are free to leave at any time, but if you leave before the experiment is over, you will only receive the $5 show-up fee. Details of how you will make decisions and receive payments will be provided below.
During the experiment we will speak in terms of experimental tokens instead of dollars. Your earnings will be calculated in terms of tokens and then translated at the end of the experiment into dollars at the following rate:

\[3 \text{ Tokens} = 1 \text{ Dollar}\]

The instructions will be read aloud by the experimenter, and you may also ask questions if anything is unclear. Once the experiment begins, we ask everyone to remain silent. In order to keep your decisions private, please do not reveal your choices to any other participant. If you have any questions, please raise your hand and an experimenter will approach your desk.

In this 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. The computer program dialog window is shown in Attachment 1.

In each decision problem, you will be asked to allocate tokens between two accounts, labeled \(x\) and \(y\). The \(x\) account corresponds to the \(x\)-axis (the horizontal axis) and the \(y\) account corresponds to the \(y\)-axis (the vertical axis) on a two-dimensional graph. Each choice will involve choosing a point on a line representing possible token allocations. Your payoff will be determined by the number of tokens in your \(x\) and \(y\) accounts, by the number of tokens in another participant’s \(x\) and \(y\) accounts, and by chance. The instructions below will describe in detail how the payoff will be determined.

Each decision problem will start by having the computer select a line randomly from the set of lines that (i) intersect with at least one of the axes at 50 or more tokens and (ii) have no intercept above 100 tokens or below zero tokens. Examples of lines that you might face are shown in Attachment 2. The lines selected for you in different decision problems are independent of each other and of the lines selected for any of the other participants in their decision problems, and will not depend on your choices in any of the earlier decision problems.

In each choice, you may choose any \(x\) and \(y\) pair that is on the line. For example, as illustrated in Attachment 3, choice \(A\) represents a decision to allocate \(q\) tokens to the \(x\) account and \(r\) tokens to the \(y\) account. Similarly, choice \(B\) represents a decision to allocate \(w\) tokens to the \(x\) account and \(z\) tokens to the \(y\) account. Note that these amounts can be less than zero.

To choose an allocation, use the mouse to move the pointer on the computer screen to the allocation that you desire. The computer will only allow you to choose \(x\) and \(y\) combinations that are on the line. 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. To move on to the next round, click the OK button. Once you have clicked the OK button, your decision cannot be revised. Next, you will be asked to make a decision in another independent decision. This process will be repeated until all 50 decision problems are completed. At that point, you may have to wait for other participants to finish.

For each allocation that you make in the experiment, you will receive the number of tokens in your \(y\) account. Another person, who will be chosen at random (entirely dependent upon chance) from the group of participants in the experiment and who will remain anonymous, will receive the number of tokens in your \(x\) account. In addition, you will receive the number of tokens in the \(x\) account of a third person, also chosen at random (entirely dependent upon chance) from the group of participants in the experiment and who will remain anonymous. In the
same way, the person who has been chosen to receive the tokens from your $x$ account will receive those tokens plus the tokens in her own $y$ account. Neither you nor any other participant will observe who allocated tokens to whom in any decision round. The computer will make sure that the participant to whom you allocate tokens does not allocate tokens to you (and vice versa).

Your total earnings in the experiment will be determined as follows. At the end of the experiment, the computer will randomly select one of the 50 decision problems to carry out for payoffs. The round selected depends solely upon chance. You will then receive the tokens you allocated to the $y$ account in this round plus the tokens that the randomly chosen third person allocated to her or his $x$ account in this round. You will therefore receive two groups of tokens: one based on your own decision to allocate tokens ($y$) and one based on the decision of another random participant to allocate tokens ($x$). At the end of the experiment, the tokens will be converted into money. Each token will be worth 33 Cents. You will receive your payment as you leave the experiment.

Attachment 1
Instructions used for ALP subjects.

This is an experiment in decision-making. Please pay careful attention to the instructions as a considerable amount of money is at stake. 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 into dollars at the end of the experiment at the following rate:

2 Tokens = 1 Dollar

You are free to stop at any time. If you do not complete the experiment now, you may return to complete the experimental session at any time between now and 2013-08-15. If you do not complete the experiment between now and 2013-08-15, you will not receive any payment. Details of how you will make decisions and receive payments will be provided below.

In this experiment, you will make 50 decisions that share a common form. We next describe 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, you will be asked to allocate tokens between yourself and another person who will be chosen at random from the group of American Life Panel (ALP) respondents who were not asked to participate in this experiment.

We will refer to the tokens that you allocate to yourself as tokens that you Hold, and tokens that you allocate to the other person as tokens that you Pass to that individual. The identity of the ALP respondent who receives the tokens you pass depends entirely on chance.

Each decision will involve choosing a point on a line representing possible token allocations to you (Hold) and the other ALP respondent (Pass). In each decision, you may choose any combination of tokens to Hold and Pass – in other words, any combination of tokens to yourself and tokens to the other ALP respondent – that is on the line. Examples of lines that you might face appear in the diagrams below. In each graph, Hold corresponds to the vertical axis and Pass corresponds to the horizontal axis; the points on the diagonal lines in the graphs represent possible token allocations to Hold (tokens you to you) and Pass (tokens to the other ALP respondent) that you might choose.

![Diagrams](image)

By picking a point on the diagonal line, you choose how many tokens to hold for yourself and how many to pass to the other person. You may select any allocation to Hold and Pass on that line. If, for example, the diagonal line runs from 50 tokens on the Hold axis to 50 tokens on the Pass axis (see Diagram 4), you could choose to hold all 50 tokens for yourself, or pass all 50 tokens to the other person, or anything in between. However, most of the decision problems will involve flatter or steeper lines: if the line is flatter (see Diagram 5), one less token for yourself means more than one additional token is passed to the other person; if the line is steeper (see Diagram 6), one less token held means less than one additional token passed to the other person.

![Diagrams](image)

To further illustrate, in the example below, 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 for yourself and you will pass x tokens to another person. Another possible allocation is B, in which you hold w tokens and pass z tokens to the other person.
Each of the 50 decision problems will start by having the computer select a diagonal line at random. All of the lines that the computer will select will intersect with at least one of the axes at 50 or more tokens, but will not intersect either axis at more than 100 tokens. The lines selected for you in different decision problems are independent of each other and depend solely upon chance.

The computer program dialog window is shown here. In each round, you will choose an allocation by using the mouse to move the pointer on the computer screen to the allocation that you wish to choose (note that the pointer does not need to be precisely on the diagonal line to shift the allocation).

When you are ready to make your decision, left click to enter your chosen allocation. After that, confirm your decision by clicking on the OK button. Note that you can choose only Hold and Pass combinations that are on the diagonal line. Once you have clicked the OK button, your decision cannot be revised.

After you submit each choice, you will be asked to make another allocation in a different decision problem involving a different diagonal line representing possible allocations. Again, all decision problems are independent of each other. This process will be repeated until all 50 decision rounds are completed. At the end of the last round, you will be informed that the experiment has ended.
Next, you will have two practice decision rounds. The choices you make in these practice rounds will have no impact on the final payoffs to you or to the other ALP respondent. In each round, you may choose any combination of tokens to Hold (tokens to you) and Pass (tokens to the other ALP respondent) that are on the line. To choose an allocation, use the mouse to move the cursor on the computer screen to the allocation that you desire.

When you are ready to make your first practice choice, left-click to enter your chosen allocation. To revise your allocation in the first practice round, click the CANCEL button. To confirm your decision, click on the OK button. You will then be automatically moved to the second practice round. After you complete the two practice rounds, click NEXT to proceed to the next screen.

Payoffs will be determined as follows. At the end of the experiment, the computer will randomly select one of the 50 decisions you made to carry out for real payoffs. You will receive the tokens you held in that round (the tokens allocated to Hold). Another respondent of the American Life Panel (ALP) will receive the tokens that you passed (the tokens allocated to Pass). Note that the recipient of the tokens you pass was not asked to participate in this experiment – he or she is not making any allocation decisions.
At the end of last round, you will be informed of the round selected for payment, and your choice and payment for the round. At the end of the experiment, the tokens will be converted into money. Each token will be worth 0.50 dollars, and payoffs will be rounded up to the nearest cent. Recall that you are free to stop at any time, and you may return to complete the experimental session at any time between now and 2013-08-15. If you do not complete the experiment between now and 2013-08-15, neither you nor the other ALP respondent that has been selected to receive the tokens you pass will receive any payment.

To review, in every decision problem in this experiment, you will be asked to allocate tokens to Hold and Pass. At the end of the experiment, the computer will randomly select one of the 50 decision problems to carry out for payoffs. The round selected depends solely upon chance. You will then receive the number of tokens you allocated to Hold in the chosen round. Another person, who will be chosen at random from the group of ALP respondents who were not asked to participate and who will remain anonymous, will receive the number of tokens you allocated to Pass in the chosen round. Each token will be worth 50 cents.

Instructions used for UC Berkeley sessions held in 2004.

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 $5 as a participation fee (simply for showing up on time). Details of how you will make decisions and receive payments will be provided below.

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:

3 Tokens = 1 Dollar

In this experiment, you will participate repeatedly 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 from the group of participants in the experiment. The other person will not be told of your identity. Note that the person will be different in each problem. For each allocation, you and the other person will each receive tokens.

Each choice will involve choosing a point on a graph representing possible token allocations. In each choice, you may choose any Hold / Pass pair that is in the region that is shaded in gray. Examples of regions that you might face appear in Attachment 1.

Each decision problem will start by having the computer select such a region randomly from the set of regions that intersect with either the Hold-axis or the Pass-axis at 50 tokens or more. The regions selected for you in different decision problems are independent of each other and of the regions selected for any of the other participants in their decision problems.
For example, as illustrated 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 receive $y$ tokens and the participant with whom you are matched in that round will receive $x$ tokens. Another possible allocation is $B$, in which you receive $w$ tokens, and person with whom you are matched receives $z$ tokens.

To choose an allocation, use the mouse or the arrows on the keyboard to move the pointer on the computer screen to the allocation that you desire. At any point, you may either right-click or press the Space key to find out the allocation that the pointer is at.

When you are ready to make your decision, either left-click or press the Enter key to submit your chosen allocation. After that, confirm your decision by clicking on the Submit button or pressing the Enter key. Note that you can choose only Hold / Pass combinations that are in the gray region. To move on to the next round, press the OK button.

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

Your payoffs are determined as follows. At the end of the experiment, the computer will randomly select one decision round from each participant to carry out. That participant will then receive the tokens that she held in this round, and the participant with whom she was matched will receive the tokens that she passed.

Each participant will therefore receive two groups of tokens, one based on her own decision to hold tokens and one based on the decision of another random participant to pass tokens. The computer will ensure that the same two participants are not paired twice.

The round selected and your choice and your 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 1/3 Dollars. You will receive your payment as you leave the experiment.

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.
Attachment 2

Hold
100

A

y

x

0

100 Pass

B

w

z

0

100 Pass

20