

Invitation-to-Gamble Treatment

INSTRUCTION SHEET

Thank you for participating today. Each participant will be requested to select a large envelope randomly from a set of envelopes provided by one of the supervisors. Each large envelope contains a questionnaire, a small white envelope, a calculation form, and a small brown envelope containing an amount of money provided as financial compensation for your work on the questionnaire. The questionnaires are of ten different lengths, ranging from 30 to 120 questions. The compensation for completing the questionnaires is made up of a flat amount of \$10 for the time you spend on the instructions plus 30 cents per question. Therefore, the compensation for completing the shortest questionnaire is 19 dollars (10 dollars flat amount, plus $\$0.30 \times 30$ questions = \$9) and the compensation for completing the longest questionnaire is 46 dollars (10 dollars flat amount, plus $\$0.30 \times 120$ questions = \$36) The front page of the questionnaire and the calculation form are both identified by the same unique private number. However, only you are aware of the number associated with the material you have randomly selected. Neither the supervisors of today's session nor those who will analyze the questionnaire subsequently will know your identity. Thus, your privacy is completely protected, enabling you to respond truthfully to the questions posed without worrying that your responses could ever be linked directly to you.

Upon opening the envelope, please look first at the front page of the questionnaire. You will see a statement indicating the number of pages and the number of questions contained in your questionnaire. Please verify that both the number of pages and the number of questions you have actually received correspond to the numbers indicated. Also specified is the amount of money contained in the small brown envelope. Please also verify that the amount of money received corresponds to the amount indicated. If there are any discrepancies, please raise your hand and inform a supervisor immediately before beginning work on the questionnaire.

Once you have verified the contents of your package, you may begin completing the questionnaire. It is important to work privately. Please do not communicate with other participants either verbally or in any other manner. Complete privacy is important, and we expect your cooperation. We must ask anyone found communicating with others in any manner to leave the room and to return both their questionnaire and their compensation. If you have any problems, please raise your hand and a supervisor will come to your aid.

Upon completing the questionnaire, please remove the calculation form from the small white envelope. You will then decide how much of your total compensation, i.e. of the total amount of cash that you received in the brown envelope, to disclose on the calculation form. You are required to submit 30% of your disclosed compensation as a participation fee. You do not pay the participation fee on money that you do not disclose, and only you know the true amount of money that you have received. You may disclose any amount of money between zero and the amount of money you actually received. For example, if you received \$2.00 as compensation, but only disclosed \$1.00, then you would pay \$.30 as a participation fee. Write the amount of money you choose to disclose in the indicated spot on the calculation form. Then, in the space provided, multiply the indicated amount by 30%. This is your participation fee. You may use a

calculator to ensure the accuracy of your 30% calculation. Please put the calculated participation fee based on your disclosure into the white envelope together with the completed form itself, and seal the envelope. Then place the small white envelope and the questionnaire back into the large envelope and keep the rest of your cash in the brown envelope.

At this point, you should quietly raise your hand. Please do not speak or shout. It is important to maintain silence so that those still working are not disturbed. A supervisor will take you to another room nearby where you will hand in the large envelope containing the completed questionnaire, the instructions, and the small white sealed envelope with the calculation form and the required participation fee based on your disclosure. You should keep with you the small brown envelope containing the balance of the cash. Now that you have made your disclosure, your envelope may be randomly chosen for a check on the amount of money you disclosed and the resulting participation fee. To determine whether or not yours will be checked, you will be asked to draw a token from a bag containing three black tokens and one red token. If you draw the red token, your large envelope will be delivered to a special desk set up to conduct the required checks privately. Note that for each participant, there is a 25% chance of drawing the red token and hence having to undergo a check. At the checking desk, you will be asked to temporarily hand in your small brown envelope. Your small white envelope will then be opened in private, the calculation form will be scrutinized and the amount of the participation fee you actually paid will be checked using the data provided on the front of the questionnaire. If the participation fee is correct, the small brown envelope will be returned to you and you are free to go. However, if the participation fee is not correct, you will be required to pay the unpaid portion of the participation fee plus a shortfall payment. The shortfall payment will be 1.5 times the unpaid portion of the participation fee. This unpaid fee plus the shortfall payment will be taken from the small brown envelope, and the balance returned to you in that envelope to keep.

If the token drawn by you is black, we will not check your small white envelope. You are free to go. The sum contained in the small brown envelope is yours to keep.

YOU MAY NOW RAISE YOUR HAND IF YOU HAVE ANY QUESTIONS.