

Appendix 1 (not for publication): Experimental Instructions

The experiment was conducted in German language, and the original instructions were also in German (available upon request). Titles in Italic were not shown.

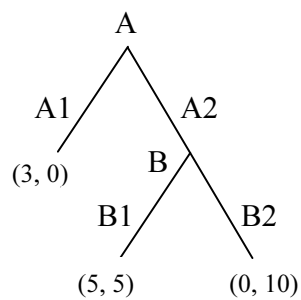
Instructions

Welcome to our experimental study on decision making. You will receive a show-up fee of 2.5 euro. In addition, you can gain more money as a result of your decisions in the experiment.

You will be given a subject ID number. Please keep it confidentially. Your decisions will be anonymous and kept confidential. Thus, other participants won't be able to link your decisions with your identity. You will be paid in private, using your subject ID, and in cash at the end of the experiment.

When you have any questions, please feel free to ask by raising your hand, one of our assistants will come to answer your questions. Please DO NOT communicate with any other participants.

You have been randomly paired with another subject to play the following game. One of you is called player A and the other player is called player B. The role of the players are randomly determined and you will be informed your role when the game starts. The game has two stages. In stage 1, player A needs to choose between A1 and A2. If she chooses A1, then player A will receive 3 euro and player B will receive 0 euro. In stage 2, player B chooses between B1 and B2, without knowing what player A has chosen. Player B's choice will only be implemented conditional on player A has chosen A2. If player B chooses B1 and player A chooses A2, both players will receive 5 euro. If player B chooses B2 and player A chooses A2, player B will receive 10 euro and player A will receive 0 euro.



Before subjects know the result of the trust game, ask the following:

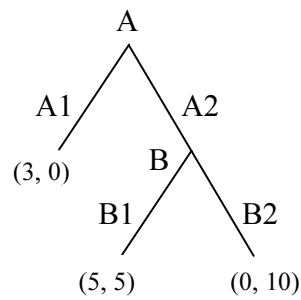
1. In your estimation, how many percent of player Bs in this experiment has chosen B2?
(the one with the closest guess to the true percentage will receive 3 euro)
____percent
2. In your estimation, how many percent of player As in this experiment has chosen A2?
(the one with the closest guess to the true percentage will receive 3 euro)
____percent

Questionnaire (for player A)

Now we have some questions for you. Please answer them carefully.

1. What was the decision chosen by player B in the previous experiment? (you will receive 0.5 euro for the right answer)

B1 B2

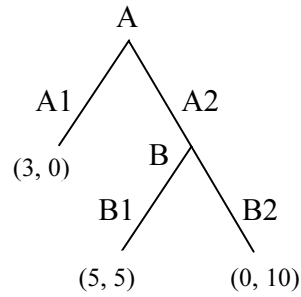


2. Please rate the kindness of player B's decision. (your answer will not influence your final payoff.)

-10	-9	-8	-7	-6	-5	-4	-3	-2	-1	0	1	2	3	4	5	6	7	8	9	10	
Very unkind									unkind		kind										Very kind

3. What did you choose in the previous experiment? (you will receive 0.5 euro for the right answer)

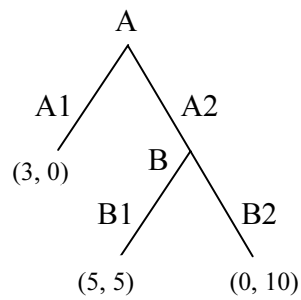
A1 A2



4. Please rate the kindness of your decision. (your answer will not influence your final payoff.)

-10	-9	-8	-7	-6	-5	-4	-3	-2	-1	0	1	2	3	4	5	6	7	8	9	10	
Very unkind									unkind		kind										Very kind

5. In your estimation, how many percent of player Bs in the previous experiment has chosen B2? (the one with the closest guess to the true percentage will receive 3 euro)
____percent
6. In your estimation, how many percent of player As in the previous experiment has chosen A2? (the one with the closest guess to the true percentage will receive 3 euro)
____percent

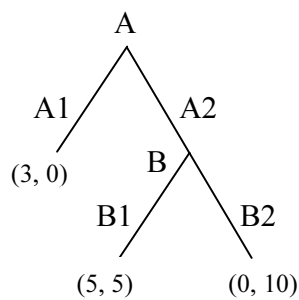


Questionnaire (for player B)

Now we have some questions for you. Please answer them carefully.

1. What did you choose in the previous experiment? (you will receive 0.5 euro for the right answer)

B1 B2

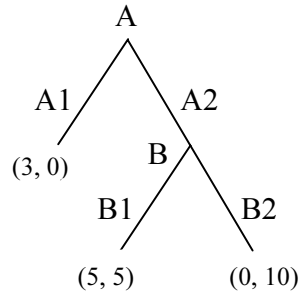


2. Please rate the kindness of your decision. (your answers will not influence your final payoff.)

-10	-9	-8	-7	-6	-5	-4	-3	-2	-1	0	1	2	3	4	5	6	7	8	9	10	
Very unkind									unkind		kind										Very kind

3. What did player A choose in the previous experiment? (you will receive 0.5 euro for the right answer)

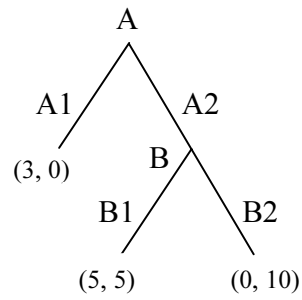
A1 A2



4. Please rate the kindness of player A's decision. (your answers will not influence your final payoff.)

-10	-9	-8	-7	-6	-5	-4	-3	-2	-1	0	1	2	3	4	5	6	7	8	9	10	
Very unkind									unkind		kind										Very kind

5. In your estimation, how many percent of player Bs in the previous experiment has chosen B2? (the one with the closest guess to the true percentage will receive 3 euro)
_____percent
6. In your estimation, how many percent of player As in the previous experiment has chosen A2? (the one with the closest guess to the true percentage will receive 3 euro)
_____percent



Dictator Game (for player A)

Thanks for your participation in the experiment held on <date, time> at the Goethe-Galerie. In the experiment, you have played a game together with player B. Now, you and the same player B from the previous game will play a new game. The rule of the game is as follows. There is 10 euro which will be allocated between you and player B. You will choose how much player B will receive out of the 10 euro (you are free to choose between any amounts from 0 to 10 euro (inclusive)). You will receive the remaining amount.

Payment Arrangement:

You can come to pick up your money in one of the following time slots:

Date	Time	Venue
2010-xx-xx (day)	3:00PM-6:00PM	Goethe-Galerie

Notes: Please email us at experiment@econ.mpg.de. If this date does not fit your schedule, we will try to arrange a new time for you.

Please make your decision now.

I will allocate ____euro out of 10 euro to player B.