

0.1 Instructions

The original instructions in German are available from the authors upon request. Below is the English translation of the instructions used in treatment GIVE. Differences in the instructions in treatment TAKE are marked by square brackets ”[...]“.

General information

You are participating in a study on economic decision-making. If you read the following explanations carefully, you can earn a substantial amount of money. It is therefore very important that you read these explanations carefully and understand them.

During the study no communication of any kind is allowed. If you have any questions, please indicate it and raise your hand. We will come to you and answer your question in private, so that the other participants will not be disturbed.

The study consists of exactly two parts. Information on the second part will be handed out to you after you have completed part one. The first part features a quiz. The quiz consists of 20 multiple-choice questions with four given answers each, of which one is the correct solution. Please indicate for each question the answer that you think is correct.

Please confirm each of your answers by clicking “OK” in order to proceed to the next question. As soon as all participants have completed the quiz in part one of the study, you receive the instructions for part two.

Do you have any questions?

Information on part two of the study

In part two, all monetary amounts are presented in Taler. At the end of the study, the Taler you have earned will be converted into Euro and paid out to you. The conversion rate is 1 Taler = 0.2 Euro. In addition to the earnings from part two, every participant receives a show-up fee of 4 Euro.

At the beginning of the study, all participants are randomly matched into groups of four. Accordingly, except for yourself, three other participants belong to your group. Every participant has to decide how to allocate a certain amount of Taler between two different accounts. The first account is a private account. The second account is a public account (group account) for all group members. A participant's payoff at the end of the study is composed of these two accounts, i.e.:

$$\begin{aligned} \text{your payoff} = & 1 * \text{no. of Taler in your private account} \\ & + 0.4 * \text{no. of Taler in the group's public account} \end{aligned}$$

Initially, there are 0 Taler [80 Taler] in the public account of your group (group account) and 20 Taler [0 Taler] in your private account. Each participant has to decide how many Taler he wants to contribute to [withdraw for himself from] the group account. Every participant can contribute [withdraw] an integer amount between 0 and 20 Taler to [from] the group account.

Every Taler that you do not contribute to the group account remains on your private account. [Every Taler that you withdraw from the group account is put into your private account.] After all participants have made their decisions, the Taler in your group account are multiplied by the factor 1.6 and distributed equally among all four group members. Your payoff from the group account thus increases [decreases] by 0.4 Taler for each Taler that you contribute to [withdraw from] the group account. At the same time also the payoffs of the three other members of your group increase [decrease] by

0.4 Taler, because they receive payoffs from the group account as well.

Participants make their decisions sequentially. In each group, one participant is the first to decide. This is the participant who, out of all four group members, has answered the most quiz questions correctly. Before this participant's decision is revealed to the other three group members, these latter have to decide for each of the 21 possible contribution [withdrawal] decisions how many Taler they want to contribute to [withdraw from] the group account themselves. Of course, when you make the 21 decisions, you do not know which one will become relevant. Therefore, you should consider each decision carefully. Only after all participants have entered their decisions, the contribution [withdrawal] decision of the first participant is revealed. This decision and the decisions of the three other group members for this situation finally determine the participants' payoffs.

To further familiarize you with the procedure, the decision screens are presented below. Moreover, in a few seconds some additional control questions will appear on your screen. Afterwards, the second part of this study begins. After finishing the second part, we will ask you to fill out a short questionnaire. This questionnaire constitutes the final part of today's study. Afterwards you will be informed about your payoff, which will be paid to you in private.

Having answered the most quiz questions correctly in your group, you are now the first to decide how many Talers you want to contribute to (withdraw from) the group account. Afterwards, the other participants take their decisions.

Your contribution (withdrawal) decision:

OK

The participant who had answered the most quiz questions correctly in your group was the first to make his contribution (withdrawal) decision.

The following table depicts his possible contribution (withdrawal) decisions (between 0 and 20). Please enter your own contribution (withdrawal) decision for each case in the cells beneath.

0

7

14

1

8

15

2

9

16

3

10

17

4

11

18

5

12

19

6

13

20

OK