Appendix 2 Experimental Instructions

The experiment was conducted from January to March 2012 at LABEX-EM, the experimental lab of the University of Rennes. Subjects were recruited using the ORSEE (Greiner, 2004) software, and the experiment was run using a purpose-written software coded in Z-tree (Fischbacher, 2007). In the recruitment phase, subjects were informed that they would be required to participate in three successive experimental sessions scheduled at regular (four-week) intervals. Before entering the lab, subjects had to confirm their willingness to make that commitment. The rest of this appendix translates into English the instructions that participating subjects received.

General Instructions

Thank you for participating in our experiment. During this experiment, you will have to make decisions involving various amounts of money. If you follow the instructions, you could win quite a large amount of money. All your responses will be converted into anonymous data after the experiment. During the experiment, you must answer a series of choice questions. There are no right or wrong answers to these questions. We are interested in your preferences: the only right answer to a choice task is the choice that you prefer.

Twenty people will participate in this experimental session. During the session, you will have to make decisions individually and collectively. Therefore, you will decide alone on some decisions and will interact with other participants on other decisions. For reasons of anonymity, you will not have access to the other participants' identities.

The experiment consists of two parts:

- in the first [second] part, you will decide as an individual;
- in the second [first] part, you will make a decision in common as a member of a group of five people (i.e., you and four other people).

Gains and Payment

Your final payment will be determined by the choices you made during the experiment. For your participation, you will receive a show-up fee of €20. This fee is conditional on your participation in the three experimental sessions. The show-up fee will be paid at the end of the third experimental session only if you attend all three of the sessions.

During the experiment, you will be asked to answer a series of choice questions regarding different amounts of money available at different dates. The display represented in Figure 7 gives an example of one such series. Option A offers a fixed amount of €100 to be obtained in 4 weeks' time. Option B offers a series of six amounts, equally ranged between €50 and €100, to be obtained tomorrow. For each of the six amounts, you will be asked to indicate whether you would like to choose option A or option B. Once you have switched between option A and option B, a scrollbar will appear on the screen. The scrollbar allows you to refine the amount of money at which you switch your choice from A to B. For instance, suppose you switch at €72.

If you switch at €72, do you agree that you prefer to choose option B at a higher amount than €72? (Y/N). Do you agree that you prefer to wait 4 weeks and choose option A at prices lower than €72? (Y/N). If you have any questions, please feel free to ask the experimenter.

The payment will be implemented as follows. At the end of each experimental session, four participants will be selected at random from among the twenty participants attending the session. For each of these participants, the computer will select one decision at random. For that decision, the computer will select one possible choice at random. Let's take the decision represented in Figure 7 as an example. For that decision, an integer between 50 and 100 will be selected at random.

If the computer draws 63, then the selected choice is between €63 tomorrow and €100 in 4 weeks' time. Do you agree? (Y/N). If you chose €72 as a switching point, then your selected choice is therefore €100 in four weeks' time and you will receive your payment directly by bank transfer from the National Treasury within 4 weeks.

Do you agree? (Y/N).

Suppose that instead the computer draws 83; then the selected choice is between €83 tomorrow and €100 in 4 weeks' time. Do you agree? (Y/N). If you chose €72 as a switching point, then your selected choice is therefore €83 tomorrow and you will receive your payment directly by bank transfer from the National Treasury tomorrow. Do you agree? (Y/N). If you have any questions, please feel free to ask the experimenter.

At the end of the experimental session, you will get a receipt from the University of Rennes 1 for the payment.

Individual Decisions

For these decisions, you will have to reply alone to a series of choice questions regarding different amounts of money available at different dates. The display represented in Figure 7 shows an example of a series of questions. Option A offers a fixed amount of €100 to be obtained in 4 weeks' time. Option B offers a series of six amounts, equally ranged between €50 and €100, to be obtained tomorrow. For each of the six amounts, you will be asked to indicate whether you would like to choose option A or option B. Once you will have switched between option A and option B, a scrollbar will appear. The scrollbar allows you to refine the amount of money at which you switch your choice from A to B.

Once you will have selected a switching point, you can continue by clicking on "OK". You can also cancel your choice. When you click on "OK", a confirmation screen will appear and you can proceed with the next decision.

Collective Decisions

For collective decisions, you will have to reply in groups of five to a series of choice questions regarding different amounts of money available at different dates. For these decisions, a display similar to the one represented in Figure 9 will appear. This display will allow you to communicate with the other members of the group before deciding as a group. All the collective amounts will be shared equally among

the group members. For collective decisions, the majority rule will apply: for each choice, whenever at least three of the five members agree, their choice will be adopted by the group. The decision will be made after four successive displays of voting intentions for each group member and a final vote. Groups will remain the same for all decisions; in other words, you will make a group decision with the same people each time. For reasons of anonymity, you will be identified by a color for each decision. Colors will be reshuffled randomly between each decision.

For the first trial, you will be presented with a display similar to the one represented in Figure 8. Option A offers a fixed amount of €500 to be obtained by the group in four weeks' time. Option B offers a series of six amounts, equally ranged between €250 and €500, to be obtained by the group tomorrow. For each of the six amounts, you will be asked to indicate whether you would like the group to choose option A or option B. Once you have switched between option A and option B, a scrollbar will appear. The scrollbar allows you to refine the amount of money at which you switch your choice from A to B. Suppose you switch at €350.

If you switch at €350, do you agree that you prefer the group to choose option B at a higher amount than €350? (Y/N). Do you agree that you prefer the group to wait four weeks and choose option A at a lower amount than €350? (Y/N). If you have any questions, please feel free to ask the experimenter.

Once you have selected a switching point, you can continue by clicking on "OK". When you click on "OK", your opinion will be sent to the other members of the group and you will get their opinions.

The results of the trial will be displayed along with the next decision to be made (Figure 9).The display will enable you to see the opinions of the other members of the group. The results of the previous trial will show you, for each possible choice between option A and option B, whether or not a majority has been reached. After four successive trials, the decision you make will be the final vote for your group. After that decision, the result of the vote will appear (Figure 10). The screen will display the votes of each member, the group switching point, and your share. Suppose that the decision of your group led to a switching point of €349.

If your group switches at €349, do you agree that a majority of members prefer to

choose option B at a higher amount than €349? (Y/N). Do you agree that, if the selected amount is lower than €349 amount, you would get your share which is 100 euros in 4 weeks times? Do you agree that a majority of the members would prefer to wait 4 weeks and get option A at a lower amount than 349 euros? (Y/N). Do you agree that, if the selected amount is equal to €472 (higher than €349), you would get your share, which is €83.6 tomorrow? If you have any questions, please feel free to ask the experimenter.

Once your group has made a decision, you can proceed with the next decision.