

## Earning Money

To begin, you will be given a \$10 thank-you payment, just for participating in this study! You will receive this thank-you payment in two equally sized payments of \$5 each. The two \$5 payments will come to you at two different times. These times will be determined in the way described below.

In this study, you will make 47 choices over how to allocate money between two points in time, one time is "earlier" and one is "later." The earlier and later times will vary across decisions. Once all 47 decisions have been made, we will **randomly select one of the 47 decisions as the decision-that-counts**. We will use the decision-that-counts to determine your actual earnings. Note, since all decisions are equally likely to be chosen, you should make each decision as if it will be the decision-that-counts.

When calculating your earnings from the decision-that-counts, we will add to your earnings the two \$5 thank you payments. Thus, you will always get paid at least \$5 at the chosen earlier time, and at least \$5 at the chosen later time.

The day before you are scheduled to receive one of your payments, we will send you an email reminder that the payment is coming. On the scheduled day of payment, a check will be placed for delivery in campus mail services by Professor Andreoni and his assistants. Campus mail service guarantees delivery of 100% of mail on the same day.

The check will be written by Professor James Andreoni, Director of the UCSD Economics Laboratory, and drawn on the USE Credit Union on Campus. On your table is a business card for Professor Andreoni with his contact information. Please keep this in a safe place. If one of your payments is not received you should immediately contact Professor Andreoni, and we will hand-deliver payment to you.

## Your Identity

In order to receive payment, we will need to collect the following pieces of information from you: name, campus mail box, email address, and student PID. This information will only be seen by Professor Andreoni and his assistants. After all payments have been sent, this information will be destroyed. Your identity will not be a part of subsequent data analysis.

You have been assigned a participant number. This will be linked to your personal information in order to complete payment. After all payments have been made only the participant number will remain in the data set.

## The Study

In this study you are asked to make a series of 47 decisions about how to divide a set of tokens between two dates. Tokens will later be exchanged for money. The tokens you allocate to later date will always be worth more money than tokens you allocate to the earlier date. This process is best described by an example.

Below is a sample Decision Screen, like what you will see in the study.

## Choosing the Decision-that-Counts

The first decision on the screen shows the choice to allocate 100 tokens between February 12th and February 26th. Notice that today's date is high-lighted in yellow on the calendar above the tab. Also note that the earlier date (February 12th) is highlighted in green while the later date (February 26th) is highlighted in blue. In each decision the dates

Start

Instructions

### Choosing the Decision-that-Counts

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In this decision, each token you allocate to February 12th is worth \$0.10, while each token you allocate to February 26th is worth \$0.15. So, if you allocate all 100 tokens to February 12th you will earn \$10 on this date, and nothing on February 26th. If you allocate all 100 tokens to February 26th you will receive \$15 on this date and nothing on February 12th. You are also free to allocate some tokens to the earlier date and some to the later date. For instance, if you allocate 50 tokens to February 12th and 50 to February 26th, you will earn \$5.00 on February 12th and \$7.50 on February 26th. Remember that however you allocate the tokens, any earnings will be added to your \$5 thank-you payment for both the earlier and later dates. So, even if you allocate all your tokens to one of the dates, you will still receive a check of at least \$5 on both the earlier and later dates.

Notice that you can navigate through all 47 decisions by using the tabs at the top of the decision screen. Notice also that, on the right, the computer automatically calculates how much you will receive on both the earlier and later dates, if this is chosen as the decision-that-counts. You can revise your choices as much as you like. Once you are satisfied with all of your decisions, you can click on the "submit decisions" button.

March 2010	April 2010	May 2010	June 2010
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
July 2010	August 2010	September 2010	October 2010
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

Please, be sure to complete the decisions behind each group-size tab before clicking submit. You can make your decisions in any order, and can always revise your decisions before submitting them.

February 12, February 26

Divide Tokens between February 12 (4 week(s) from today), and February 26 (2 week(s) later)		February 12	February 26
1	Allocate 100 tokens: <input type="text" value="100"/> tokens at \$0.10 on February 12, and <input type="text" value="0"/> tokens at \$0.15 on February 26		

--Clicking this button will submit ALL your decisions behind every tab

Instructions

Consider another example. The screen below shows an allocation of 47 tokens for February 12th and 75 tokens for February 26th. Notice how the cash values are automatically computed. Suppose this decision was chosen as the decision-that-counts for payment. Then this subject would be paid \$2.50 on February 12th and \$11.25 on February 26th. The person's earlier payment of \$2.50 + \$5.00 (thank-you payment) = \$7.50 would be placed in campus mail on February 12th. The person's later payment of \$11.25 + \$5.00 (thank-you payment) = \$16.25 would be placed in campus mail on February 26th.

Please, be sure to complete the decisions behind each group-size tab before clicking submit. You can make your decisions in any order, and can always revise your decisions before submitting them.

February 12, February 26

Divide Tokens between February 12 (4 week(s) from today), and February 26 (2 week(s) later)		February 12	February 26
1	Allocate 100 tokens: <input type="text" value="25"/> tokens at \$0.10 on February 12, and <input type="text" value="75"/> tokens at \$0.15 on February 26	\$2.50	\$11.25

<--Clicking this button will submit ALL your decisions behind every tab

Suppose instead that the following choice was made: 40 tokens for February 12th and 60 tokens for February 26th. Then, if the decision was chosen as the decision-that-counts, this subject's earlier payment of \$9 (= \$4 + \$5 thank-you payment) would be placed in campus mail on February 12th and the later payment of \$14 (= \$9 + \$5 thank-you payment) would be placed in campus mail on February 26th.

Please, be sure to complete the decisions behind each group-size tab before clicking submit. You can make your decisions in any order, and can always revise your decisions before submitting them.

February 12, February 26

Divide Tokens between February 12 (4 week(s) from today), and February 26 (2 week(s) later)		February 12	February 26
1	Allocate 100 tokens: <input type="text" value="40"/> tokens at \$0.10 on February 12, and <input type="text" value="60"/> tokens at \$0.15 on February 26	\$4.00	\$9.00

<--Clicking this button will submit ALL your decisions behind every tab

## Instructions

1	Allocate 100 tokens: <input type="text" value="40"/> tokens at \$0.10 on February 12, and <input type="text" value="60"/> tokens at \$0.15 on February 26	\$4.00	\$9.00

&lt;--Clicking this button will submit ALL your decisions behind every tab

*Important:* The number of tokens to allocate will change across different decisions, ranging from 100 to 120 tokens..

*Important:* Tokens allocated to the earlier time will always be worth \$0.10 each. Tokens allocated to the later time will always be worth more than \$0.10, and can be worth anywhere from \$0.11 to \$0.22 each, depending on the decision.

After completing all the decisions on the first tab, move on to the second tab and so forth. Make sure to complete all the tabs and to take your time on each decision. You can come back and change your decisions at any time before submitting them. The study will not end until everyone has completed all 47 decisions.

Each decision is numbered. At the end of the study, the proctor will draw one random number from a hat to determine which decision will actually be the decision-that-counts for payment. Every participant will be paid for this decision number.

*Important:* Since each of the 47 decisions is equally likely to be chosen as the decision that counts, you should treat each decision independently, imagining that it will in fact be chosen as the decision-that-counts.

#### Important things to remember

- You will get \$10 in thank-you payments just for participating.
- The thank-you payment will be split \$5 at the earlier time and \$5 at the later time.
- You will make 47 decisions about how to allocate tokens between an earlier time and a later time.
- The tokens you allocate to the earlier time will always be worth \$0.10, but tokens you allocate to the later time will be worth more than this.
- One of the 47 decisions you make will be randomly selected to be the decision-that-counts for payment.
- You will get an email reminder the *day before* your payment is to arrive.
- Your payment, by check, will arrive by campus mail to the mailbox number you provide.
- Campus mail promises 100% on-time delivery.