# Appendix A for

# "Cutthroat capitalism versus cuddly socialism: Are Americans more meritocratic and efficiency-seeking than Scandinavians?"

# Supplementary analysis

## Introduction

In this appendix, we provide some further discussion of our estimation approach for the prevalence of the different fairness views, report the p-values for Result 6, and provide additional tables and figures referred to in the paper or specified in the pre-analysis plan but not included in the main part of the paper.

## **Estimation approach**

We here provide a more detailed discussion of the estimation approach we use in the paper when studying the prevalence of the different fairness views in the sample.

When estimating the shares of egalitarians, libertarians, and meritocrats, we rely on the behavior in the merit treatment and the luck treatment. Since we have a betweenindividual design, we need to introduce some minimal assumptions on how behavior in one treatment is informative for how the spectator would have behaved in the other treatment:

- *Egalitarian assumption*: If a spectator divides equally in the merit treatment, then the spectator would also have divided equally in the luck treatment.
- *Meritocratic assumption*: If a spectator allocates a greater share to the more productive worker in the merit treatment, then the spectator would not have allocated a smaller share to the lucky worker in the luck treatment.
- *Libertarian assumption*: If a spectator allocates everything to the lucky worker in the luck treatment, then the spectator would also have allocated everything to the more productive worker in the merit treatment.

We also assume that the fairness view of a spectator is not affected by treatment. Given these minimal assumptions, we estimate the prevalence of each of the three fairness views in the following way:

- **Egalitarians**: The share of egalitarians is given by the share of participants dividing equally in the merit treatment.
- **Meritocrats**: The share of meritocrats is given by the difference between the share of participants allocating more to the more productive worker in the merit treatment and the share of participants allocating more to the lucky worker in the luck treatment.
- Libertarians: The share of libertarians is given by the share of participants allocating everything to the lucky worker in the luck treatment.

The estimators for egalitarians and libertarians follow straightforwardly from combining the observed behavior with the corresponding minimal assumption. From the Egalitarian assumption, it follows that the share of participants dividing equally in the merit treatment would also have done so in the luck treatment, and thus they satisfy the definition of the egalitarian fairness view. Everyone else in the merit treatment violates the egalitarian fairness view by not dividing equally between the workers. Thus, the share of participants dividing equally in the merit treatment equals the share of participants in the merit treatment with the egalitarian fairness view. In the same way, it follows from the Libertarian assumption that the share of participants allocating everything to the lucky worker in the luck treatment would also have allocated everything to the more productive worker in the merit treatment, and thus they satisfy the definition of the libertarian fairness view. Everyone else in the luck treatment violates the libertarian fairness view by not allocating everything to the lucky worker. Thus, the share of participants allocating everything to the lucky worker in the luck treatment equals the share of participants in the luck treatment with the libertarian fairness view. Further, given the assumption that the fairness view is not affected by treatment, it follows that the share of egalitarians in the merit treatment and the share of libertarians in the luck treatment provide an estimate of the share of participants in the sample with the egalitarian and the libertarian fairness view, respectively.

Finally, to provide an estimate of the share of participants with the meritocratic fairness view, we first note that participants dividing equally or giving less to the more productive worker in the merit treatment violate the definition of the meritocratic fairness view. Further, from the Meritocratic assumption, it follows that the share of participants allocating a greater share to the more productive worker in the merit treatment would not have allocated less to the lucky worker in the luck treatment. If they would have divided equally in the luck treatment, they satisfy the definition of the meritocratic fairness view, but not if they would have allocated more to the lucky worker. An estimate of the share of participants in the merit treatment that would have given more to the lucky worker in the luck treatment is provided by the actual share of participants that give more to the lucky worker in the luck treatment. Thus, the difference between the share of participants allocating more to the more productive worker in the merit treatment and the share of participants allocating more to the lucky worker in the luck treatment provides an estimate of the share or meritocrats in the merit treatment. And again, since the fairness view is not affected by treatment, it follows that the share of meritocrats in the merit treatment provides an estimate of the share of participants in the sample with the meritocratic fairness view.

This estimation approach is asymptotically consistent (since the random variation between treatments converges to zero as the number of observations goes to infinity) and always guarantees that the sum of the estimated shares of egalitarians, meritocrats and libertarians is equal or less than one. To see the latter, let

A = the share of participants dividing equally in the merit treatment,

B = the share of participants giving more to the more productive worker in the merit treatment,

C = the share of participants giving more to the lucky worker in the luck treatment, and D = the share of participants giving everything to the lucky worker in the luck treatment.

According to the estimation approach:

A = the share of egalitarians, (B - C) = the share of meritocrats, and D = the share of libertarians.

Suppose now that A + (B - C) + D > 1. This would imply that (A + B) > 1 + (C - D). By definition, C > D. But  $(A + B) \le 1$ , since (A + B) is the share of individuals giving at least as much to the more productive worker in the merit treatment. If A + (B - C) + D < 1, we refer to the remaining share of participants as holding **Other** fairness views.

### **Result 6: p-values**

We here provide p-values for Result 6 in the main part of the paper.

**Result 6:** The causal effects of merit and efficiency on inequality acceptance and the comparison of the United States and Norway in terms of inequality acceptance are strikingly robust across subgroups in society:

- Introducing merit instead of luck as the source of inequality causes a large and statistically significant increase in inequality acceptance in all subgroups. **p- values** Conservatives: p < 0.001 (the United States), p < 0.001 (Norway), Nonconservatives: p < 0.001 (the United States), p < 0.001 (Norway); High Education: p < 0.001 (the United States), p < 0.001 (Norway); Low education: p = 0.043 (the United States), p < 0.001 (Norway); Males: p < 0.001 (the United States), p < 0.001 (Norway); Females: p < 0.001 (the United States), p < 0.001 (Norway); Males: p < 0.001 (Norway); Females: p < 0.001 (the United States), p < 0.001 (Norway).
- Introducing a cost of redistribution causes no statistically significant increase in inequality acceptance for any of the subgroups in the United States, but a significant increase for Conservative and Male spectators in Norway. **p-values** Conservatives: p = 0.901 (the United States), p = 0.050 (Norway), Non-conservatives: p = 0.793 (the United States), p = 0.498 (Norway); High Education: p = 0.589 (the United States), p = 0.101 (Norway); Low education: p = 0.781 (the United States), p = 0.374 (Norway); Males: p = 0.817 (the United States), p = 0.028 (Norway); Females: p = 0.877 (the United States), p = 0.907 (Norway).

• There is systematically more inequality acceptance in the United States than in Norway in all subgroups. **p-values** - Conservatives: p < 0.001 (Luck), p < 0.001 (Merit), p = 0.092 (Efficiency); Non-conservatives: p < 0.001 (Luck), p < 0.001 (Merit), p < 0.001 (Efficiency); High Education: p < 0.001 (Luck), p = 0.004 (Merit), p = 0.058 (Efficiency); Low Education: p < 0.001 (Luck), p = 0.005 (Merit), p = 0.011 (Efficiency); Males: p < 0.001 (Luck), p < 0.001 (Merit), p = 0.002 (Efficiency); Females: p < 0.001 (Luck), p = 0.001 (Merit), p = 0.002 (Efficiency); Females: p < 0.001 (Luck), p = 0.005 (Merit), p = 0.001 (Efficiency); Females: p < 0.001 (Luck), p = 0.005 (Merit), p = 0.001 (Merit), p = 0.001 (Luck), p = 0.001 (Merit), p = 0.002 (Efficiency); Females: p < 0.001 (Luck), p = 0.005 (Merit), p = 0.011 (Efficiency).

### **Tables and Figures**

We here provide additional tables and figures referred to in the heterogeneity analysis and the analysis of the survey questions, or described in the pre-analysis plan (Sections 4.1.3 and 4.2.2 and Sections 4.1.4 and 4.2.3) but not included in the main part of the paper. All other tests specified in the pre-analysis plan are included in the paper. We also include an overview of the post-tax income categories for the survey questionnaire.

	B=1 if Conservative	B=1 if High Income	B=1 if High Education	B=1 if Female			
Merit	0.183***	0.150***	0.111**	0.168***			
	(0.037)	(0.046)	(0.054)	(0.045)			
Cost	0.011	-0.044	-0.017	0.012			
	(0.041)	(0.050)	(0.060)	(0.050)			
Merit x Norway	-0.043	0.030	0.060	-0.042			
	(0.049)	(0.061)	(0.071)	(0.057)			
Cost x Norway	0.011	0.064	0.057	0.082			
	(0.052)	(0.065)	(0.075)	(0.066)			
Merit x B	0.037	0.094	0.123*	0.051			
	(0.068)	(0.067)	(0.066)	(0.063)			
Cost x B	-0.003	0.122	0.039	-0.004			
	(0.076)	(0.075)	(0.073)	(0.069)			
Merit x B x Norway	0.000	-0.139	-0.147*	0.002			
	(0.089)	(0.088)	(0.086)	(0.081)			
Cost x B x Norway	0.093	-0.018	-0.020	-0.085			
	(0.101)	(0.098)	(0.093)	(0.089)			
B x Norway	-0.013	0.032	-0.010	0.081			
	(0.068)	(0.067)	(0.064)	(0.061)			
Norway	-0.198***	-0.236***	-0.198***	-0.241***			
	(0.036)	(0.047)	(0.051)	(0.044)			
В	0.085	-0.080	0.010	-0.118**			
	(0.053)	(0.052)	(0.051)	(0.048)			
Conservative		0.097*** (0.021)	0.106*** (0.019)	0.106*** (0.019)			
High income	-0.016 (0.019)		-0.015 (0.019)	-0.016 (0.019)			
Missing income	0.008 (0.025)		0.009 (0.025)	0.007 (0.025)			
High education	0.030 (0.018)	0.044** (0.020)		0.030 (0.018)			
Female	-0.076*** (0.018)	-0.081*** (0.019)	-0.075*** (0.018)				
Age	0.000	0.001	0.000	0.000			
	(0.001)	(0.001)	(0.001)	(0.001)			
Constant	0.349***	0.356***	0.355***	0.363***			
	(0.039)	(0.046)	(0.049)	(0.044)			
Observations $R^2$	2000	1668	2000	2000			
	0.121	0.124	0.123	0.124			
<i>lincom:</i> Merit (US, B)	0.220***	0.244***	0.233***	0.220***			
Cost (US, B)	(0.057)	(0.049)	(0.038)	(0.043)			
	0.008	0.078	0.023	0.007			
	(0.064)	(0.056)	(0.042)	(0.047)			
Merit (Norway, not B)	0.140***	0.180***	0.171***	0.126***			
Merit (Norway, B)	0.177***	0.135***	0.146***	0.179***			
Cost (Norway, not B)	0.022	0.020	0.041	0.094**			
Cost (Norway, B)	0.052) 0.112* (0.057)	0.042) 0.124** (0.048)	0.060 (0.036)	0.004 (0.038)			
Standard errors in parentheses,	* $p < 0.1$ , ** $p < 0.05$ , *** $p < 0.01$						

Table A1: Corresponding to Table 4, with coefficients for the control variables.

United States	Norway
"Less than \$1000",	"0 to 100.000 NOK",
"\$1000 to \$1900",	"100.001-200.000"
"\$2000 to \$2900",	"200.001-300.000"
"\$3000 to \$3900",	"300.001-400.000"
"\$4000 to \$4900",	"400.001-500.000"
"\$5000 to \$5900",	"500.001-600.000"
"\$6000 to \$7400",	"600.001-700.000"
"\$7500 to \$9999",	"700.001-800.000"
"\$10000 to \$14900",	"800.001-900.000"
"\$15000 and up",	"900.001-1.000.000"
"I prefer not to answer",	"1.000.001-1.100.000"
"I don't have any income"	"1.100.001-1.200.000"
	"1.200.001-1.300.000"
	"1.300.001-1.400.000"
	"1.400.001-1.500.000"
	"1.500.001 or more"
	"I prefer not to answer"
	"I don't know"

Table A2: Income categories

*Note:* The table provides an overview of the income categories used for monthly post-tax income in Table 2.

IaUIC AJ.	INCIDENTIAL	Th nerween (	Stallual ULZ	cuj golicial su	hput tut cyu	alizilig pullu	ics and mipic	inclued incquality in u
		United	States			Nor	way	
	Luck	Merit	Cost	All	Luck	Merit	Cost	All
e	0.248* (0.137)	$0.531^{***}$ (0.143)	0.242** (0.122)	0.326*** (0.075)	0.350** (0.166)	0.627*** (0.150)	0.245* (0.130)	0.380*** (0.084)
Constant	0.171** (0.072)	0.055 (0.096)	0.166** (0.071)	$0.149^{***}$ (0.045)	-0.323*** (0.054)	-0.446*** (0.067)	-0.414*** (0.057)	-0.379*** (0.034)
Observations $R^2$	333 0.011	333 0.043	334 0.012	1000 0.020	333 0.018	334 0.053	333 0.011	1000 0.023
Standard errors i	n parentheses	~						

Table A3. Relationship between (standardized) general support for equalizing policies and implemented inequality in the experiment

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\* p < 0.1, \*\* p < 0.05, \*\*\* p < 0.01

*Note:* The table reports regressions of the answer to the survey question on whether the society should equalize income (standardized to have a mean of zero and a standard deviation of one) on implemented inequality, *e*, defined by  $e = \frac{|\text{Income Worker A} - |\text{Income Worker B}|}{\text{Total Income}}$  (taking the value from zero to one) for each country and each treatment separately. The survey question response is given on a scale from 1 to 10. 1 means that the participant agrees completely with the statement on the left, 10 means that the participant agrees completely with the statement on the right, and the numbers in between indicate the extent to which the participant agrees or disagrees with the statements. The statement on the left is "A society should aim to equalize incomes." and the statement on the right is "A society should not aim to equalize incomes."

	Luck	Merit	Cost	All
e	0.248* (0.137)	0.531*** (0.143)	0.242** (0.122)	0.248* (0.137)
Norway	-0.494*** (0.090)	-0.500*** (0.117)	-0.581*** (0.091)	-0.494*** (0.090)
e x Norway	0.102 (0.215)	0.096 (0.207)	0.002 (0.178)	0.102 (0.215)
Merit				-0.116 (0.120)
Cost				-0.004 (0.101)
Merit x Norway				-0.007 (0.147)
Cost x Norway				-0.087 (0.128)
e x Merit				0.284 (0.197)
e x Cost				-0.005 (0.183)
e x Merit x Norway				-0.006 (0.298)
e x Cost x Norway				-0.099 (0.279)
Constant	0.171** (0.072)	0.055 (0.096)	0.166** (0.071)	0.171** (0.072)
Observations $R^2$	666 0.079	667 0.138	667 0.104	2000 0.108
<i>lincom:</i> e (Merit, US) e (Cost, US) e (Luck, Norway) e (Merit, Norway) e (Cost, Norway)				0.531*** (0.143) 0.242** (0.122) 0.350** (0.166) 0.627*** (0.150) 0.245*

Table A4: Relationship between (standardized) general support for equalizing policies and implemented inequality in the experiment, pooled data

Standard errors in parentheses, \* p < 0.1, \*\* p < 0.05, \*\*\* p < 0.01

*Note:* The table reports regressions of the answer to the survey question on whether the society should equalize income (standardized to have a mean of zero and a standard deviation of one) on implemented inequality e, defined by  $e = \frac{|\text{Income Worker } A - \text{Income Worker } B|}{\text{Total Income}}$ . The survey question response is given on a scale from 1 to 10. 1 means that the participant agrees completely with the statement on the left, 10 means that the participant agrees or disagrees with the statements. The statement on the left is "A society should aim to equalize incomes."



Figure A1: Types for different subgroups

*Note:* The graph illustrates the share of each fairness type for the subgroups. The standard errors are indicated by the bars.

	B=1 if Conservative	B=1 if High Education	B=1 if Female
Merit	0.185***	0.114**	0.166***
	(0.037)	(0.055)	(0.046)
Cost	0.014	-0.010	0.007
	(0.041)	(0.059)	(0.051)
Merit x Norway	-0.046	0.051	-0.032
	(0.048)	(0.071)	(0.058)
Cost x Norway	0.006	0.044	0.089
	(0.052)	(0.075)	(0.067)
В	0.097*	0.018	-0.133***
	(0.053)	(0.050)	(0.048)
B x Merit	0.029	0.118*	0.061
	(0.069)	(0.067)	(0.063)
B x Cost	-0.007	0.031	0.006
	(0.077)	(0.073)	(0.069)
B x Merit x Norway	0.011	-0.132	-0.013
	(0.089)	(0.087)	(0.082)
B x Cost x Norway	0.096	-0.006	-0.094
	(0.101)	(0.094)	(0.090)
B x Norway	-0.015	-0.026	0.086
	(0.069)	(0.064)	(0.061)
Norway	-0.192***	-0.180***	-0.242***
	(0.036)	(0.050)	(0.045)
Constant	0.333***	0.351***	0.431***
	(0.028)	(0.040)	(0.036)
Observations $R^2$	2000	2000	2000
	0.111	0.098	0.108
Merit (US, B)	0.214***	0.232***	0.227***
Cost (US, B)	(0.058)	(0.039)	(0.043)
	0.007	0.021	0.013
	(0.065)	(0.043)	(0.047)
Merit (Norway, not B)	0.139***	0.165***	0.133***
	(0.030)	(0.045)	(0.035)
Merit (Norway, B)	0.178***	0.151***	0.181***
	(0.048)	(0.032)	(0.038)
Cost (Norway, not B)	0.020	0.034	0.096**
	(0.032)	(0.046)	(0.043)
Cost (Norway, B)	0.108*	0.059	0.008
	(0.058)	(0.037)	(0.038)

Table A5: Results for heterogeneity regressions, without control variables.

Standard errors in parentheses \* p < 0.1, \*\* p < 0.05, \*\*\* p < 0.01

## Appendix B, with screenshots for

# "Cutthroat capitalism versus cuddly socialism: Are Americans more meritocratic and efficiency-seeking than Scandinavians?"

This document shows screenshots for the spectator and worker parts of the experiment, respectively. Since the experiment was conducted using a web platform, actual layout on participants' computers could vary depending on the screen resolution and magnification (user adjustable).

### 1 Spectator design

In contrast to traditional survey questions that are about hypothetical situations, we now ask you to make a choice that has consequences for a real life situation.

A few days ago two individuals, let us call them worker A and worker B, were recruited via an international online market place to conduct an assignment. They were each offered a participation compensation of 2 USD regardless of what they were paid for the assignment. After completing the assignment, they were told that their earnings from the assignment would be determined by their productivity. The most productive worker would earn 6 USD for the assignment and the other worker would earn nothing for the assignment. They were not informed about who was the most productive worker. However, they were told that a third person would be informed about the assignment and who was the most productive worker, and would be given the opportunity to redistribute the earnings and thus determine how much they were paid for the assignment.

You are the third person and we now want you to choose whether to redistribute the earnings for the assignment between worker A and worker B. Your decision is completely anonymous. The workers will receive the payment that you choose for the assignment within a few days, but will not receive any further information.

Worker A was most productive and earned 6 USD for the assignment, thus worker B earned nothing for the assignment.

Please state which of the following alternatives you choose:

#### I do not redistribute:

worker A is paid 6 USD and worker B is paid 0 USD.

#### I do redistribute:

- worker A is paid 5 USD and worker B is paid 1 USD.
- worker A is paid 4 USD and worker B is paid 2 USD.
- worker A is paid 3 USD and worker B is paid 3 USD.
- worker A is paid 2 USD and worker B is paid 4 USD.
- worker A is paid 1 USD and worker B is paid 5 USD.
- worker A is paid 0 USD and worker B is paid 6 USD.

#### q2

We now want you to indicate to what extent you agree with the following statements. 1 means that you agree completely with the statement on the left, 10 means that you agree completely with the statement on the right, and the numbers in between indicate the extent to which you agree or disagree with the statements.

A society should aim to equalize incomes.	1	2 3	4	5 6	7	8	9	10	A society should not aim to equalize incomes.
					D				

### 2 Worker design



Please read the instructions below carefully

#### General instructions:

The results from this experiment will be used in a research project. It is therefore important that you carefully read and follow all instructions. Note that you will remain anonymous throughout the experiment. We will only use your Worker ID to assign payments and check that you have not participated in this experiment before.

You will be paid a fixed participation fee of 2 USD and you may, depending on the actions you and others take, earn additional money.

You will be given detailed instructions on your screen before each part of the experiment. Please read the instructions to each part carefully.

If you have any questions regarding this experiment, you may contact thechoicelab@nhh.no

I have read and understood the the above and want to participate in this study:

Yes

No



#### Part 1 — Production phase

The first part of the experiment is a production phase where you are given three assignments to work on.

>>

>>

Go on to the next page to receive instructions for the first assignment.



#### Assignment 1:

In the first assignment you are asked to work on a sentence unscrambling task for 5 minutes. Your performance will not be measured as there is no right or wrong answer, but we do ask you to work continuously on this assignment.

#### Description of the assignment:

You will be shown five English words and are asked to form a sentence or an expression by using four of these words. This means that each sentence or expression must only contain four words.

For example, if the words given to you are "sky, blue, is, the, old", then you can construct the sentence:

#### the sky is blue

Write the sentence or expression that you form into the blank space using your keyboard. Your answer will be submitted automatically after 20 seconds and you will auto-advance to five new words.

This assignment will last for 5 minutes and we ask you to work continuously. When you have read and understood the instructions press >> to start the assignment.





BAG BOOKS SKY OF A



You have now completed the first out of three assignments.

On the next page you will receive instructions for the second assignment.

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#### Assignment 2:

In the second assignment you are once again asked to work on a sentence unscrambling task for 5 minutes.

As before, your answer will be submitted automatically after 20 seconds and you will auto-advance to five new words. Your performance will still not be measured as there is no right or wrong answer, but we do ask you to work continuously on this assignment as well.

Press >> to start the second assignment.

>>





#### PERFECT WAS HOTEL THE NICE



You have now completed the second assignment.

On the next page you will receive instructions for the third and final assignment.



#### Assignment 3

In the third assignment you are asked to work on a code recognition task for 5 minutes. For this assignment we will measure your performance by the number of points you receive. You will be informed about your score at the end of the assignment.

#### Description of the assignment:

On top of the page you will be shown a 3-digit code that you must find and check off from a matrix of 3digit codes in random order. The assigned code will occur multiple times in the same matrix and you will be given 1 point for each correct marking. You will be subtracted 1 point if you check off a wrong code, but you will not lose any points for failing to check off all occurrences of the correct code.

Your matrix will be submitted automatically after 60 seconds and you will auto-advance to the next page. This assignment will last for 5 minutes and after 5 minutes you will be taken to the last part of the survey.

Below you are shown a simplified example to make sure you understand the assignment. When you have read and understood the instructions press >> to start the assignment.

#### This is an example:

The code you must check off is: 123

123	283
231	🔲 123
952	641
864	820
123	462
791	123



0028

The code you must check off is: 241 407 559 917 522 459 293 743 241 778 241 303 234 951 807 637 454 583 □ 743 □ 538 □ 330 □ 265 □ 816 □ 661 □ 998 □ 678 □ 269 □ 241 □ 578 □ 241 □ 308 □ 233 □ 464 □ 749 □ 495 602 241 602 121 241 314 241 850 144 518 241 494 354 247 258 957 777 537 914 241 340 241 410 274 674 721 711 971 290 666 265 783 775 674 □ 144 □ 942 □ 723 □ 922 □ 241 □ 873 □ 337 □ 474 □ 630 □ 241 □ 574 □ 615 □ 695 □ 388 □ 241 □ 174 □ 926 ■ 435 ■ 146 ■ 618 ■ 219 ■ 980 ■ 674 ■ 391 ■ 749 ■ 795 ■ 380 ■ 340 ■ 859 ■ 882 ■ 210 ■ 912 ■ 703 ■ 707 265 241 943 723 843 241 924 218 241 607 876 757 160 427 925 234 255 689 795 416 622 233 508 648 602 223 589 701 393 372 942 124 241 377 617 705 572 891 524 634 975 874 241 966 729 730 216 900 241 241 809 763 874 180 241 187 241 891 603 881 405 241 389 510 130 268 739 350 241 806 833 585 205 623 567 241 341 843 560 546 810 796 180 842 948 303 274 173 361 273 241 533 446 590 280 759 334 205 307 654 447 408 221 818 938 997 241 216 554 566 300 495 472 360 641 543 431 549 764 365 241 926 542 395 355 674 241 197 191 653 527 172 140 884 225 220 882 979 108 932 919 883 354 358 744 545 809 241 661 968 317 355 881 347 609 537 241 809 879 334 540 213 121 555 596 527 241 702 906 



You have now completed the third and final assignment. Your total score on Assignment 3 is **0**. Press >> to continue to the next part of the experiment.



#### Part 2 – Determination of payments

You have now completed your work on all three assignments. We will now explain how you will paid for this work. After you have completed this HIT, we will for each assignment match you with another participant who has completed the same assignment. The payment to you and the other participant is determined by a two-stage process. Below we explain this process in more detail.

#### First stage:

Assignment 1: For this assignment, your earnings are determined by a lottery where each of you with equal probability earns 6 USD or 0 USD.

Assignment 2: For this assignment, your earnings are determined in the same way as for assignment 1.

Assignment 3: For this assignment, your earnings are determined by how productive you are. The participant with the highest score earns 6 USD and the other participant earns 0 USD. If you both have the same score, you will be matched with another participant.

#### Second stage:

For each assignment, a randomly selected third person will be given the opportunity to redistribute the earnings between you and the other participant. This person will not know the identity of you or the other participant, but will be informed about the nature of the assignment and your earnings for this assignment.

For each assignment, either you or the other participant earns 6 USD and the other participant earns 0 USD. If the third person chooses not to redistribute, each of you will be paid your earnings from the assignment. If the third person chooses to redistribute earnings for assignment 1 and 3, increasing the payment of the participant with the low earnings by 1 USD decreases the other participant's payment by 1 USD. For assignment 2, increasing the payment of the participant with the low earning the participant with the low earnings by 2 USD.

You will receive your payments for the three assignments within three weeks and it will be paid separately from your fixed participation fee of 2 USD.

Please click >> to continue.



Finally, if you have any comments or suggestions related to this experiment please write them down in the blank space below. Your feedback is very important to improve our research.