Welcome to this decision-making experiment!

Please silence and put away electronic devices.

Instructions

You will receive an $8 show-up fee, and will be able to earn more. The exact amount earned will depend on chance and choices made during the experiment.

The number of participants in this room is a multiple of 3, as there are 3 possible Player roles in this experiment: Player 1, Player 2 and Player 3. At the beginning of the experiment, the computer will randomly assign roles, making sure there are equally many Player 1's, Player 2's and Player 3's. The computer will inform you of your role, which will remain fixed throughout the experiment.

There are **15** rounds in this experiment. At the start of each round, the computer randomly places every participant into a three-person group. Each three-person group is constructed by drawing one Player 1, one Player 2, and one Player 3. Players stay in their three-person group for the duration of the round.

How does a round unfold?

Each round can consist of multiple stages, all of which are identical in structure. Once a stage is over, the computer throws a (simulated) 100-sided die and another stage occurs if a number lower than or equal to 75 comes up. Thus after every stage, there is a 75% chance that the round continues to another stage and a 25% chance that the round ends. Remember that everyone's player role and matched group is the same across all the stages of a round.

In each stage of a round, you will receive some experimental points (denoted EP) based on the decisions of players in your group. Your running total for a round is the sum of the points you received in the stages of that round.

What happens in each stage of a round?

The baseline payoff in every stage is 100 EP for each player; but within a group, the current stage payoffs can be modified from these baselines by Player 1's and 2's decisions as follows. Player 1 moves first and has three options:

○ *Baseline* means the baseline payoffs are received in this stage.

○ *Deduct from 2* means Player 1 pays 2 EP, and 50 EP are deducted from Player 2's baseline payoff in this stage.

○ *Transfer from 3 to 1* requires Player 2 to choose either *Yes* or *No*. If Player 2 picks *No*, baseline payoffs are received this stage. If Player 2 picks *Yes*, then both Player 1 and Player 2 pay 10 EP, and there is a transfer of 50 EP from Player 3 to Player 1 in this stage.

The following table summarizes the possible stage payoffs as a function of choices made:

	Player 1 stage payoff (EP)	Player 2 stage payoff (EP)	Player 3 stage payoff (EP)
Player 1: Baseline	100	100	100
Player 1: Deduct from 2	98	50	100
Player 1: Transfer from 3 to 1 Player 2: Yes	140	90	50
Player 1: Transfer from 3 to 1 Player 2: No	100	100	100

At the end of each stage, the stage's outcome will be displayed to the three players.

What happens at the end of the experiment?

Once all rounds have been completed, there will be a short and optional exit survey. Your participation is voluntary and does not affect your payoff.

At the end of the experiment, the computer randomly chooses one round for your payment. Your experimental-point total for that round will be converted to dollars at the rate of $0.05 per experimental point. You will be paid the dollar payoff from your selected round in addition to the $8 show-up fee. All player identities remain anonymous. No one will learn what role you played or what payoff you earned.

We are almost ready to start the experiment. Before doing so, there will be a short quiz to check your understanding of some key features of the experiment, as well as a chance to examine how the player decision screens work.