4/2/96

Supplies:
1. paper and pencils for notes. 10-sided die.
2. Registration forms/Post-exp. questionnaire. Money.
3. Number the consent forms so that we know who passes and fails important quiz questions.
4. **Prepare proposer sample forms. Attach to inside wall of proposer cubicle.**

Persuasion Experiment Instructions:
Costly Entry

When Subjects enter Lab:
_____ Ask them to read and sign consent forms.
_____ Pay on-time bonus.
_____ Pay extras.

Experiment
Welcome to the UCSD Political Science Experimental Lab. Today's experiment is part of a study on decision making. At the end of the experiment, we will pay you for your participation. The amount we pay you depends on your decisions, the decisions of others, and chance. While we cannot guarantee that you will earn any specific amount, we can guarantee that if you are careful, make good decisions, and complete the experiment, then you can expect to earn between $10 and $60. Today's experiment will last no longer than 90 minutes.

This is a pen-and-paper experiment. Thus, you are to record all of your actions on questionnaires that we will later distribute. Along the way, you may have questions about the experiments. If you do, please raise your hand and one of us will assist you.

It is very important that you do not communicate with any other participant at any time during the experiment. If you do, we will ask you to leave. [Pause]

Now we are going to tell you how to make money. One way to make money is to pay attention to the instructions. After each set of instructions, you will take a brief quiz. In return, we will pay you 50 cents for every quiz question that you answer correctly.

The other way to make money is to be careful when you participate in the experiment. This experiment consists of 35 trials. In each trial, you will play one of two roles -- you will be either a proposer or a chooser. In every trial, we will randomly select one of you to be the proposer and eleven of you to be choosers.
[Distribute Sequence/Proposer/Chooser handout set 1.]

The first five trials in the experiment proceed as described on the first page of your handout. First, the proposer decides whether or not to make a proposal. If the proposer does not make a proposal, then choosers do nothing. If the proposer makes a proposal, then each of the choosers gets to make a choice. The choice is whether to pick the proposal or a second alternative called the status quo.

How much money you make depends on whether or not the proposer makes proposals and on whether choosers, when given an opportunity to do so, pick the proposal or the status quo. Now we have gone over the general structure of the experiment, we will give you more specific instructions.

If you are chosen to be the proposer, you will receive a form that looks like the second page of your handout. As the proposer, your job is to decide whether or not to make a *proposal*. If you make a proposal, then the choosers pick either your proposal or another alternative called the *status quo*. If you do not make a proposal, then the choosers do nothing and we move to the experiment's next trial. You choose your action by circling the phrase ``If you make a proposal" or the phrase "If you do not make a proposal" on the left side of the form. Examples of circled forms are being walked around the room.

[SHOW EXAMPLES]

Now look at the bottom of the column labeled "You Earn Per Chooser." You can see that if you make no proposal, then you earn nothing. **[PAUSE]**

In this column, you also can see that how much you earn when you make a proposal depends on what the choosers pick. In the example, you earn nothing for each chooser who picks the status quo and 20 cents for every chooser who picks your proposal. So, if you make a proposal and all eleven choosers pick it, then we pay you $2.20. By contrast, if all eleven choosers pick the status quo, then you earn nothing.

Remember it is always the case that the proposer earns nothing for making no proposal or for making a proposal that no choosers pick. By contrast, how much the proposer makes when choosers pick the proposal varies throughout the experiment. In this example, the proposer makes 20 cents for every chooser that picks the proposal. During the experiment, this amount varies.

If you move over to the column labeled "Chooser Earns," you can see how much choosers make. In this example, each chooser earns 50 cents for picking the status quo and 30 cents for picking your proposal. Note that each of these amounts ***will change*** often during the experiment. Are there any questions about the proposer?

Now suppose that you are one of the choosers. If you are a chooser, then you will receive a form that looks like the one on the third page of your handout. If the proposer makes a proposal, then we will ask you to make a choice. If you look in the column labeled "You Earn", you can see that we pay you 50 cents if you pick the status quo and 30 cents if you pick the proposal. During the actual experiment, each of these amounts will be different.

You choose by circling either the phrase "If you choose the Status Quo" or the phrase "If you choose the proposal." The column labeled "Proposer earns" tells choosers how much the proposer makes. In this example, you can see that the proposer earns 20 cents if you pick the proposal. By contrast, the proposer earns nothing if you pick the status quo.

When the proposer decides not to make a proposal you do not get to make a choice. However, we will pay you the amount you would have earned had you chosen the status quo. So, in this example, if the proposer makes no proposal, then we pay each chooser 50 cents. Are there any questions about choosers?

We will now hand out the first quiz. Whenever we give you a quiz, the first thing you should do is write your name on it. This will help us pay you. Remember that we pay you 50 cents for each quiz question that you answer correctly. You earn nothing for every question that you answer incorrectly. You may begin the quiz when you receive it.
[Distribute, process, and collect first quiz.**]**

We will now use a coin and a six-sided die to determine who will be the proposer for the next 5 trials. [roll the die]. To protect the integrity of the experiment, we ask all of you to place your heads on your desk for just a moment. [Pause.] Will the proposer please move to the proposer's chair. [Pause.] You may lift your heads off your desk now. We will now begin Trials 1-5.
[Distribute Trial 1-5 questionnaires.]

Will the proposer please decide whether or not to make a proposal for Trial 1.

MAKES A PROPOSAL
The proposer has made a proposal, will choosers please pick either the status quo or the proposal in Trial 1.

NO PROPOSAL
The proposer has made no proposal in Trial 1.

We will now pay you for your picks in Trial 1. [reader checks results. Mat pays.]

[Assistant pays.]

Will the proposer please decide whether or not to make a proposal for Trial 2.

MAKES A PROPOSAL
The proposer has made a proposal, will choosers please pick either the status quo or the proposal in Trial 2.

NO PROPOSAL
The proposer has made no proposal in Trial 2.

We will now pay you for your picks in Trial 2. [reader checks results. Mat pays.]

[Assistant pays.]

We will now run Trials 3, 4, and 5. To move the experiment along, we will pay you your remaining earnings at the end of the experiment.

Will the proposer please decide whether or not to make a proposal for Trial [3 4 5]

MAKES A PROPOSAL
The proposer has made a proposal, will choosers please pick either the status quo or the proposal in Trial [3 4 5].

NO PROPOSAL
The proposer has made no proposal in Trial [3 4 5].

We will now collect your questionnaires.
[Assistant collect Trial 1-5 questionnaires and Handout Set 1].

We are now ready to move on to the next set of trials. Please pay close attention to these instructions as they will be followed by a quiz in which we pay you 50 cents for every question that you answer correctly.
[Distribute Sequence/Proposer/Chooser handout set 2.]

Please look at the first page of your new handout. The ways in which the next ten trials differs from the previous five trials are in italics. In the next ten trials, choosers do *not* know exactly how much we will pay they them for picking the proposer's proposal. Instead, the choosers know that a coin toss determines how much we pay them if they choose the proposal. Now we will give more specific instructions.

If you are chosen to be the proposer, then you will receive a form that looks like the one on the second page of your handout. As before, if you are the proposer, then your job is to decide whether or not to make a *proposal* to the choosers. Recall that if you make no proposal, or if you make a proposal that none of the choosers pick, then you earn nothing.

In the column labeled "you earn per chooser" you can see that if you make a proposal, and the coin lands *heads*, then you earn nothing for every chooser who picks your proposal. By contrast, if you make a proposal, and the coin lands *tails*, then you earn 60 cents for every chooser who picks your proposal.

Unlike the choosers, you, the proposer, always know the outcome of the coin toss. For example, you can see the sentence "The coin landed *tails*" on the left side of your form. You can also see, in the column labeled "you earn," that the number under tails is in large bold font, while the number under heads is smaller and not bold. In every trial, the large bold numbers indicate the coin toss winner.

So, suppose that you are the proposer in this example. Then if you make a proposal, and all eleven choosers pick it, then we would pay you $6.60. By contrast, if all eleven choosers pick the status quo, then you earn nothing.

Moving over to the column labeled "Chooser earns," you can see what the choosers make. In this example, each chooser earns 50 cents for picking the status quo, 50 cents for picking the proposal when the coin lands on heads and 90 cents for picking the proposal when the coin lands on tails. Unlike the proposer, choosers do not know the coin toss outcome. Are there any questions about the proposer?

Now suppose that you are a chooser. You will receive a form that looks like the one on the third page of your handout. Unlike previous trials, you can no longer be certain about how much money you will make if you pick the proposal. To see this, look in the column labeled "you earn." In this example, if you pick the proposal, then we pay you 50 cents if the coin lands on heads and 90 cents if the coin lands on tails.

The column labeled "proposer earns" shows choosers how much the proposer makes. In this example, you can see that if you pick the proposal, then we pay the proposer nothing when the coin lands on heads and 60 cents when the coin lands on tails. As before, we pay the proposer nothing if you, as a chooser, pick the status quo. Are there any questions about choosers?

We will now give you a short quiz on the instructions. Remember that we pay you 50 cents for each quiz question that you answer correctly. You get nothing for every quiz question that you answer incorrectly. You may begin the quiz when you receive it.
[Distribute, process, and collect Quiz 2.]

We will now use a coin and a 6-sided die to determine who will be the proposer for the next ten trials. [roll the die]. To protect the integrity of the experiment, we ask all of you to place your heads on your desk for just a moment. [Pause.] Will the proposer please move to the proposer's chair. [Pause.] You may lift your heads off your desk now. We are now distributing the questionnaires for Trials 6-15.

Earlier in the day, we tossed one coin for each trial. So for the next set of ten trials, there were ten coin tosses--one for each trial. Remember that the proposer always knows the result of the coin toss and that the choosers never do.
[Distribute Trial 6-15 questionnaires.]

Will the proposer please make a decision for Trial [6 7 8 9 10 11 12 13 14 15]

MAKES A PROPOSAL
The proposer has made a proposal, will choosers please pick either the status quo or the proposal in Trial [6 7 8 9 10 11 12 13 14 15].

NO PROPOSAL
The proposer has made no proposal in Trial [6 7 8 9 10 11 12 13 14 15].

We will now collect your questionnaires.
[Assistant collect Trial 6-15 questionnaires and Set 2].

We are now ready to move on to the next set of ten trials. Please pay close attention to these instructions as they will be followed by a quiz in which we pay you 50 cents for every question that you answer correctly.
[Distribute Sequence/Proposer/Chooser handout set 3.]

Please look at the first page of your new handout. The ways in which the next ten trials differ from the previous ten are in italics. You can see that there is only one difference. **This time, the proposer must pay 20 cents per chooser to make a proposal. [PAUSE]**

To see how this works, turn to the second page of your handout and suppose that you are the proposer. As before, your job is to decide whether or not to make a proposal. Now, however, if you do decide to make a proposal, then before anything else happens, you pay us 20 cents per chooser. Then the experiment continues as before. Remember, first you pay, then the choosers play.

In the column labeled "You earn per chooser" you can see that if you make a proposal, and the coin lands on *heads*, then you earn nothing for every chooser who picks your proposal. By contrast, if you make a proposal, and the coin lands on *tails*, then you earn 60 cents for every chooser who picks your proposal. As before, the proposer always knows the outcome of the coin toss.

Now suppose, for a moment, that the actual coin toss outcome is tails. What this means is that if the proposer pays us 20 cents per chooser, then we will pay the proposer 60 cents for every chooser who picks the proposal. By contrast, if the coin toss outcome is heads, then we will pay the proposer nothing for every chooser who picks the proposal. Are there any questions about how the proposer makes money?

In the column labeled "chooser earns" the proposer can see that each chooser earns 50 cents for picking the status quo, 50 cents for picking the proposal when the coin lands on heads and 90 cents for picking the proposal when the coin lands on tails. Again, only the proposer, and not the choosers, knows the coin toss outcome. Are there any questions about the proposer?

Now turn to the third page of your handout and suppose that you are a chooser. Again, you do not know the coin toss outcome, which means that you do not know how much we will pay you if you pick the proposal. In the column labeled "you earn" you can see that we pay you 50 cents if you pick the status quo, 50 cents if you pick the proposal when the coin lands heads, and 90 cents if you pick the proposal when the coin lands tails.

In the column labeled "Proposer earns" you can see how much the proposer makes. In this example, if you pick the proposal, then we pay the proposer 60 cents when the coin lands on tails and nothing when the coin lands on heads. In addition, you can see how

much the proposer paid to make a proposal. In this case, you can see that the proposer paid 20 cents per chooser. Are there any questions about choosers?

We will now give you a short quiz on the instructions. Remember that we pay you 50 cents for each quiz question that you answer correctly. You get nothing for every question that you answer incorrectly. You may begin the quiz when you receive it.
[Reader: Distribute, process, and collect Quiz 3.]

We will now randomly determine who will be the proposer for the next ten trials. To protect the integrity of the experiment, we ask all of you to place your heads on your desk for just a moment. [Pause.] Will the proposer please move to the proposer's chair. [Pause.] You may lift your heads off your desk now. We are now distributing the questionnaires for Trials 16-25.
[Distribute Trial 16-25 questionnaires.]

Will the proposer please make a decision for Trial [16 17 18 19 20 21 22 23 24 25]

MAKES A PROPOSAL
The proposer has made a proposal, will choosers please pick either the status quo or the proposal in Trial [16 17 18 19 20 21 22 23 24 25].

NO PROPOSAL
The proposer has made no proposal in Trial [16 17 18 19 20 21 22 23 24 25].

We will now collect your questionnaires.
[Assistant collect Trial 16-25 questionnaires and Handout Set 3].

We are now ready to move on to the next set of five trials.
[Distribute Sequence handout 4.]

Please look your new handout. The ways in which the next ten trials differs from the previous ten are in italics. These ten trials differ from the previous ten trials in *only one way*. This time, the proposer must pay 40 cents per chooser to make a proposal. Are there any questions?

We will now give you a short quiz on the instructions. Remember that we pay you 50 cents for each quiz question that you answer correctly. You get nothing for every question that you answer incorrectly. You may begin the quiz when you receive it.
[Reader: Distribute, process, and collect Quiz 4.]

We will now determine who will be the proposer for the next ten trials. [roll the die]. To protect the integrity of the experiment, we ask all of you to place your heads on your desk for just a moment. [Pause.] Will the proposer please move to the proposer's chair. [Pause.] You may lift your heads off your desk now. We are now distributing the questionnaires for Trials 26-35.

[Distribute Trial 26-35 questionnaires.]

Will the proposer please make a decision for Trial [26 27 28 29 30 31 32 33 34 35]

MAKES A PROPOSAL
The proposer has made a proposal, will choosers please pick either the status quo or the proposal in Trial [26 27 28 29 30 31 32 33 34 35].

NO PROPOSAL
The proposer has made no proposal in Trial [26 27 28 29 30 31 32 33 34 35].

We will now collect your questionnaires.
[Assistant collect Trial 26-35 questionnaires and Handout 4].

Conclusion
This concludes the experiment. We will now compute the results and your payoffs. While we are doing this, we would like you to fill out a post experimental questionnaire. Please respond to each of the questions carefully. In a few moments, we will call each of you individually to collect your questionnaire and to pay you. At that time, you are free to go. Thanks again for your participation.

[tabulate results and call up each participant individually to collect post experiment questionnaire and pay them. Give each participant a receipt (with their social security number) and business card.**]**