Persuasion
Verification Instructions (4/15/96)

When Subjects enter Lab:

_____ Ask them to read and sign consent forms.
_____ Pay on-time bonus.
_____ Pay extras.

Supplies:

1. Paper and pencils for notes. 10-sided die.
2. Registration forms. Post-experimental questionnaire. Money.
3. Number the consent forms so that we know who passes and fails important quiz questions.
4. Get signaling sheets ready: Heads. Tails. You get paid 50 cents for every correct prediction they make. You get paid 50 cents for every incorrect prediction they make.

Read to Subjects:

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 two hours.

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 we give you a set of instructions, you will take a brief quiz on them. 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 make money by predicting the outcomes of coin tosses. Every time you make a correct prediction, we pay you $1. Every time you make an incorrect prediction, you earn nothing. Are there any questions about how you earn money?

[Distribute Trial 1-6 questionnaire]

We are now handing out a questionnaire. Whenever we give you a new questionnaire, the first thing you should do is write your name on it. This will help us pay you.

To see how our experiment works, please look at Practice Trial 1. In Practice Trial 1, the subject predicts that the coin will land on tails. If the coin does land on tails, then we pay the subject $1. If it lands on heads, then the subject earns nothing.

To make a prediction, put a check on the line next to the word Heads or the word Tails when we instruct you to do so. Once you make a prediction for a particular coin toss, you cannot scribble it out or change it. If you do, then you earn nothing for that coin toss, even if the check mark that is not scribbled out is correct. Are there any questions about how to make a prediction?

Throughout the experiment, we will vary the difficulty of making a correct prediction. In some trials, it will be easy to make correct predictions. In other trials, it will be more difficult. The coin tosses in the first two trials should be very easy to predict. This is true because we will toss the coin and show you the result *before* we ask you to make predictions.

We will now toss the first coin. [Toss the coin]. The outcome of Trial 1 is [heads/tails]. [show all participants the result]. Please make a prediction about the outcome of Trial 1. [Subjects make predictions.]

We will now check the results and pay you for your predictions.
[Check results and pay.]

We will now toss the second coin. [Toss the coin]. The outcome of Trial 2 is [heads/tails]. [show all participants the result]. Please predict the outcome of Trial 2. [Subjects make predictions.]

We will now check the results and pay you for your predictions.
[Check results and pay.]

We will now toss the coin four more times. As before, we pay you $1 every time you make a correct prediction. Unlike before, however, we will record, but will not tell you, the results of the four tosses. Thus, you must make your prediction ***before*** each toss. To move the experiment along, we will reveal coin toss outcomes and pay you your remaining earnings at the end of the experiment. Remember: you earn nothing if you scribble out your prediction.

We will now toss the third coin and record the result. [Toss coins behind partition] Please predict the coin toss outcome in Trial 3.

We now toss the [fourth fifth sixth] coin and record the result. [Toss coins behind partition] Please predict Trial [4 5 6].

We will now collect your questionnaires. [**Collect Trial 1-6 questionnaire.]**

We are now ready to move on to the next set of trials. Please pay close attention to these new instructions as they will be followed by a quiz in which we pay you 50 cents for every question that you answer correctly.

The change in the experiment is that, from now on, we will randomly select one of you to be a *reporter*. We call the other Z-1 subjects *predictors*. Unlike the Z-1 predictors, the reporter gets to see the coin toss outcome. After he or she sees the coin toss outcome, the reporter's job is decide whether or not to provide information about the coin toss outcome to the predictors. After the reporter makes this decision, the predictors make predictions.
Now that we have described the general structure of the experiment, we will give you more specific instructions.
[Distribute Common Interests handout (questionnaire attached).]

Please look at the first page of your handout. Here you can see the sequence of events of the next two experimental trials. First, we toss a coin. Second, we show the coin toss outcome to the reporter. Third, the reporter decides whether or not to send a report to the predictors. If the reporter makes a report, then it is delivered to me and I read it to all of the predictors. After I read the report, then the predictors make their predictions. Then that trial ends and we move to the next one. Are there any questions about the sequence of events?

Below item number 3 in the sequence of events are examples of how to make a report if you are selected to be the reporter. You do so by checking the line next to the word "heads" or the line next to the word "tails" or the line next to the phrase "No Report." So, if you check the line next to the word heads, then I say "The reporter reports heads." If you check the line next to the word tails, then I say "The reporter reports tails." If you check the line next to the phrase "No Report," then I say "The reporter has made no report."

There are three factors that you should be aware of. First, the reporter can make *true* reports or *false* reports, what reports they make are entirely up to them. Second, the predictors never hear the reporter's voice, I read all reports. Third, the predictors do not see the true coin toss result, all they hear is the reporter's report about it.

If you turn to the next page of your handout, you can see how the predictors and the reporter earn money. Predictors earn money the same way they did earlier in the experiment, we pay each predictor $1 for every correct prediction that they make. The reporter makes money in a different way. If the reporter makes no report, then he or she earns nothing. If, on the other hand, the reporter makes a report, then the first thing that happens is that he or she pays us $2. One dollar is the cost to the reporter of making a report. This dollar comes from the money that the reporter earned for answering quiz questions correctly and participating in the experiment's other trials. In exchange for

paying us $2, we pay the reporter 50 cents every time a predictor makes a correct prediction.

At the bottom of the page is an example of how the reporter makes money. In the example, the reporter makes a report, therefore he or she pays us $2. Then all 11 predictors make correct predictions. As a result, we pay the reporter $5.50 -- that is, 50 cents per correct prediction times 11 correct predictions. The reporter's total earnings for the trial are $3.50 -- the $5.50 we paid the reporter minus the $2 that the reporter paid us. Are there any questions about how the reporter makes money?

We will now give you a short quiz on the instructions. We will pay you 50 cents for every question that you answer correctly. Feel free to look at the information on your handout during the quiz. Write your name on the quiz and begin taking when you receive it. [Check quizzes.]

We will now use a coin and a six-sided die to determine who will be the reporter for the next 4 coin tosses. [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 reporter please move to the reporter's chair. [Pause.] You may lift your heads off your desk now.

We are now ready for the next trial. [toss the coin and show to the reporter]. [check report.] The report for Trial number [7 8] is [nothing/heads/tails]. Please make your predictions.

We will now collect your questionnaires. **[Collect questionnaires].**

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.

The next two trials differ from the previous trials in one important way. This time if the reporter pays $2 to make a report, then the reporter makes more money when the predictors make *incorrect predictions*. That is, if the reporter pays $2 to make a report, then he or she earns 50 cents for every *incorrect* prediction that the predictors make. Also, and as before, a reporter who makes no report pays nothing and earns nothing. Predictors make money the same way they did in previous trials -- we pay them $1 for every correct prediction they make.
[Distribute Conflicting Interest handout & questionnaires.]

To recap, the sequence of events is same as in the previous trials, except now if the reporter pays the fee and makes a report, then we pay the reporter 50 cents for each *incorrect* prediction that a predictor makes. Are there any questions?
[answer questions]

We will now give you a short quiz on the instructions. Feel free to look at the information on your handout during the quiz. We again pay you 50 cents for every question that you

answer correctly. Please write your name on the quiz and begin taking it when you receive it. [Check quizzes.]

We are now ready for the next trial. [toss the coin and show to the reporter]. [check report.] The report for Trial number [9 10] is [nothing/heads/tails]. Please make your predictions.

We will now collect your questionnaires. **[Collect questionnaires].**

We are now ready to move on to the next set of trials. Please pay close attention to the new instructions as they will be followed by a quiz in which we pay you 50 cents for every question that you answer correctly.

The change in the experiment is that from now on there is a 50% chance that the reporter makes money when predictors make *correct* predictions and a 50% chance that the reporter makes money when predictors make *incorrect* predictions. The new handout shows exactly how this works.

A trial now begins the roll of a six-sided die. If the die lands on 1, 2 or 3, then any reporter who pays $2 to make a report earns 50 cents for every *correct* prediction that a predictor makes. If the die lands on 4, 5 or 6, then any reporter who pays $2 to make a report earns 50 cents for every *incorrect* prediction that a predictor makes. Thus, in every trial, there is a 50% chance that the reporter gets paid when predictors predict correctly and a 50% chance that the reporter gets paid when predictors make incorrect predictions.

After we roll the six-sided die, then we tell the reporter whether he or she is being paid for correct or incorrect predictions. We do not provide this information to the predictors. Therefore, only the reporter knows how he or she is being paid for each trial.

After we tell the reporter whether he or she is being paid for correct or incorrect predictions, then we tell him or her the outcome of the coin toss. Next, the reporter decides whether or not to pay us $2 to make a report. Then, I read the reporter's report, if there is one. Next, predictors make predictions. Then, the trial ends and we move to the next one. Are there any questions about the sequence of events?

We will now give you a short quiz on the instructions. Feel free to look at the information on your handout during the quiz. Again, we pay you 50 cents for every correct answer. [assistant distribute quiz].

We will now appoint a reporter for the next 10 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 reporter please move to the reporter's chair. You may lift your heads off your desk now.
[Distribute Trial 11-20 questionnaire.]

To make the experiment run efficiently, we earlier today rolled the six sided die one time for each of the remaining experimental trials. So, for Trials 11 through 20, we rolled this die ten times, once for each trial. Remember, in any particular trial, there is a 50 percent chance that a reporter who pays $2 to make a report is paid when predictors make correct predictions and a 50 percent chance that a reporter who pays $2 to make a report is paid when predictors make incorrect predictions.

We are now ready for the next trial. [check report.] The report for Trial number [11 12 13 14 15 16 17 18 19 20] is [nothing/heads/tails]. Please make your predictions.

We will now collect your questionnaires.
[Collect 50% handout and Trial 11-20 questionnaires.]

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 verification handout & questionnaires.]**

The final 15 trials differ from the previous trials in only one way. This time, for each trial, there is a 70% chance that I will tell the predictors the true coin toss result instead of reading them the reporter's report, which may be true or false. Specifically, before each trial, we roll a ten sided die to determine whether I read the true coin toss outcome or the reporter's report. [Show ten-sided die.] If the die lands on 1 through 7, then I announce the true coin toss result. If the coin lands heads, I say heads -- regardless of what the reporter reported. If it lands tails, I say tails -- regardless of what the reporter reported. If the ten-sided die lands on 8, 9, or 10, then I announce the speaker's report if there is one, as I have in previous trials. So, in each trial, there is a 70% chance that what I read is based on the coin toss result and a 30% chance that what I read is based on the reporter's report.

Note that what you will hear me say is either "heads," "tails," or "the reporter has made no report." Predictors will not know, and cannot learn, whether what I say is based on the true coin toss result or the reporter's report. All you will know is that in about 11 of the next 15 trials, what I say will be determined by the coin toss outcome, while in about 4 of the next 15 trials, what I say will be determined by the reporter's report. Note that for every trial, it is still true that there is a 50% chance that the reporter gets paid when predictors predict correctly and a 50% chance that the reporter gets paid when predictors make incorrect predictions.

Here is a brief example. Suppose that the *six* sided die lands on the number 2. This means that if the reporter pays us $2 to make a report, then he or she makes 50 cents for each correct prediction that a predictor makes. Next, we show the coin toss outcome to the reporter, who for this example is one of the experimenters. [Toss the coin and show it to the reporter.] Next, the reporter decides whether or not to pay $2 to make a report. I then roll the *ten* sided die to determine whether to reveal the reporter's report or the true coin toss result. In this example, the die has landed on the number 7. Therefore, I will say

_____, because _____ is the true coin toss result. Had the coin landed on 8, 9, or 10, I would say -----, because ----- is the report that the reporter made. Are there any questions about the new sequence of events?

To recap, the sequence of events is as follows. A trial begins when we use a six-sided die to determine whether to pay the reporter for correct or incorrect predictions. Next, we tell the reporter how he or she earns money. Then, we tell the reporter the coin toss result. Next, the reporter decides whether or not to pay us $2 to make a report. Then, I roll the ten-sided die. If the die lands on 1 though 7, then I reveal the coin toss outcome. If it lands on 8,9, or 10, then I read the reporter's report, if there is one. Next, predictors make predictions. Are there any questions?

We will now give you a short quiz on the instructions. Feel free to look at the information on your handout during the quiz. Again, we pay you 50 cents for every quiz question that you answer correctly. You may begin the quiz when you receive it. **[Distribute, then Check quizzes.]**

We will now appoint a reporter for the next 15 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 reporter please move to the reporter's chair. You may lift your heads off your desk now.

To move the experiment along, we earlier today rolled the ten sided die 15 times, once for each of the next 15 trials. These rolls of the die determine whether my report is based on the coin toss outcome or the reporter's report.

We are now ready for the next trial. [check report.] The report for Trial number [21 22 23 24 25 26 27 28 29 30 31 32 33 34 35] is [nothing/heads/tails]. Please make your predictions.

We will now collect your questionnaires.
[Collect Verification handout and questionnaire.]

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.]