

Instructions – Roles and Endowments

Welcome. Thank you for participating in this experiment. Please do not talk to other participants during the session. If you have any questions, feel free to raise your hand and ask the lab assistants.

At the beginning of the experiment, you will be randomly assigned to **role A** or **role B**. If you are assigned to **role A**, you will be randomly paired with a participant in **role B**, and vice versa. You will remain in the same role for the entire session.

Each participant will be assigned to an endowment bracket and, according to that, they will receive an initial monetary endowment expressed in tokens ($1 \text{ token} = 10 \text{ CZK}$).

Participants in **role A** are in the Medium bracket and they will receive 6 tokens .

Participants in **role B** will be evenly and randomly divided into two brackets.

- **Low bracket** : Endowment of 2 tokens
 - **High bracket** : Endowment of 10 tokens
- } Treatments T0 and T2
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- **Low bracket** : Endowment of 4 tokens
 - **High bracket** : Endowment of 8 tokens
- } Treatments T1

The decision-making phase is divided into two blocks of **10 rounds** each. In the first block, you will be paired in each round with a different participant from the other role; within this block, you will never interact with the same person more than once. In the second block, you will again play one round with each of the same participants, but the order of the pairings will be different from the first block. At all times, your decisions remain completely anonymous: you will not know the identity of the other participants, and they will not know yours.

Participants in **role A** will be informed whether the **role B** participant they are paired with belongs to the low or high bracket.

Additional information for Treatment T2 (Mobility) only

Endowment change

*Between the two blocks, half of the **role B** participants from the low bracket will be randomly moved to the high bracket, and half from the high bracket will be moved to the low bracket.*

Instructions – Decision Task

During each round of the decision-making phase, the participant in **role A** chooses between two actions: **Stop** and **Continue**. Simultaneously, the participant in **role B** chooses between two actions: **Take** and **Share**.

Decisions are made independently and simultaneously. Neither participant knows the other's choice until the outcome is revealed.

If the participant in **role A** chooses **Stop**, both A and B will receive their initial monetary endowment.

If A chooses **Continue** and B chooses **Take**, A will receive 0 tokens, while B will receive:

- 6 tokens if they belong to the low bracket;
- 22 tokens if they belong to the high bracket. } Treatments T0 and T2
- 10 tokens if they belong to the low bracket;
- 18 tokens if they belong to the high bracket. } Treatments T1

If A chooses **Continue** and B chooses **Share**, A will obtain 12 tokens while B will receive:

- 4 tokens if they belong to the low bracket;
- 20 tokens if they belong to the high bracket. } Treatments T0 and T2
- 8 tokens if they belong to the low bracket;
- 16 tokens if they belong to the high bracket. } Treatments T1

This information is summarized in the table below:

<u>Summary Table:</u>		Earnings Participant A	Earnings Participant B	
			Low bracket	High bracket
A chooses Stop		6 tokens	2 tokens	10 tokens
A chooses Continue	B chooses Take	0 tokens	6 tokens	22 tokens
	B chooses Share	12 tokens	4 tokens	20 tokens

Figure 1: Payoffs in Treatments T0 and T2.

<u>Summary Table:</u>		Earnings Participant A	Earnings Participant B	
			Low bracket	High bracket
A chooses Stop		6 tokens	4 tokens	8 tokens
A chooses Continue	B chooses Take	0 tokens	10 tokens	18 tokens
	B chooses Share	12 tokens	8 tokens	16 tokens

Figure 2: Payoffs in Treatments T1.

Guesses and Estimates

Before making your choice, we will ask you to make an estimate if you are in **role A** or make a guess if you are in **role B**. In detail:

- **role A:** In each round, you will estimate how many participants in role B *within the same bracket (High or Low) as the B participant you are matched with in that round* will choose **Share** in that round. The estimate can be any number from **0** to **5**. Your estimate is evaluated against the actual number of role-B participants in that bracket who choose **Share** in that round. Each correct estimate earns **1 token**.
- **role B:** In each round, you will guess the estimate made by the role-A participant you are paired with in that round. The guess can be any number from **0** to **5**. Your guess is evaluated against the estimate actually made by your paired A in that round. Each correct guess earns **1 token**.

Payments

At the end of the experiment, the computer will randomly select one round within each block. You will be paid based on the choices made by you and the participant you were paired with during those two rounds of the decision-making phase.

Additionally, you will be paid for each correct estimate or guess made during all decision-making phases. Furthermore, you will receive a fixed participation fee for taking part in this session and for answering the final questionnaires.