

# Welcome to SSEL

Welcome and thank you for participating in today's experiment.

Place all of your personal belongings away, so we can have your complete attention.

It is very important that you do not touch the computer until you are instructed to do so. When you are told to use the computer, please use it only as instructed. In particular, do not attempt to browse the web or use programs unrelated to the experiment.

Raise your hand if you need a pencil.

# The Experiment

The experiment you will be participating in today is an experiment in decision making. At the end of the experiment you will be paid for your participation in cash. Each of you may earn different amounts. The amount you earn depends on your decisions, chance, and on others' decisions.

You will be using the computer for the entire experiment. **DO NOT** socialize or talk during the experiment.

# Instructions

The experiment consists of **20 periods**.

In each period of the experiment, you will be part of a randomly selected group of **9 subjects**.

In each period, the computer will pick one of two jars (both being equally likely) for your group:

- The **red** jar contains **two red** balls and **one blue** ball.
- The **blue** jar contains **two blue** balls and **one red** ball.

You will **NOT** know which jar was chosen for your group.

# Instructions

In each period, we will randomly draw a ball (with replacement) from the selected jar for each of you. The draw's color is your **type**.

You will **NOT** know the types of other members of your group and others will not know your type. All you know is that others' types are drawn from **the same jar** as yours.

# Instructions

Each person in your group will have the option of voting for one of the two colors or abstaining.

That is, each of you will have to choose between the following three options:

- Abstain
- Vote Blue
- Vote Red

# Instructions

You will incur a cost if you vote for Blue or Red:

In 10 periods the voting cost = 25 points

In 10 periods the voting cost = 50 points

The voting cost will be indicated on your screen and is the same for all members of your group.

To summarize, after observing **your type** and **your cost**, you will have to choose between:

- Abstain (free)
- Blue (costly)
- Red (costly)

# Instructions

In order to assist you with your choice, we will conduct a **survey** in each period. That is, you will make two sequential decisions:

**Survey Stage:** You will declare your intended choice (Abstain, Blue, or Red).

**Actual Choice:** After observing the intended choices in your group, you will commit to a choice between

- Abstain (free)
- Blue (costly)
- Red (costly)

# Instructions

The color receiving the **majority** of votes will constitute the **group's choice**.

In case of a tie, we will randomly pick the **red** or **blue** color as the **group's choice** (both colors being equally likely).

Your earnings depend on:

1. your group's choice
2. your type
3. your voting costs.



# Your Payoffs

Your payoffs are determined according to:

If The Group Decision Is:	And Your Type Is:	Your Payoff Will Be:
Red	Red	200
Red	Blue	0
Blue	Red	0
Blue	Blue	200

If you vote Red or Blue, your voting costs will be subtracted from that period's payoff.

# Guesses

Prior to making your actual choice (between abstain, blue, and red), and after observing the survey's results, you will be asked to **guess**:

1. The composition of your group (number of reds, number of blues, summing up to 9).
2. The number of red and blue votes in your group (including your own, possibly summing up to  $<9$ ).

At the end of the experiment, we will randomly pick one of your guesses. If it is correct, we will give you a **\$10** bonus.

# What You See - Screen 1

Period

Period

3 out of 20

Your Type is Blue

If The Group Decision Is:	And Your Type Is:	Your Payoff Will Be:
Red	Red	200
Red	Blue	0
Blue	Red	0
Blue	Blue	200

Your Cost of Voting is 40

Please indicate what you plan to do (this will not restrict your ultimate choice)

Vote Red  
 Vote Blue  
 Abstain

OK

Type

Payoffs

# What You See - Screen 1

Period

3 out of 20

Your Type is Blue

If The Group Decision Is:	And Your Type Is:	Your Payoff Will Be:
Red	Red	200
Red	Blue	0
Blue	Red	0
Blue	Blue	200

Your Cost of Voting is 40

Please indicate what you plan to do (this will not restrict your ultimate choice)

Vote Red  
 Vote Blue  
 Abstain

OK

Voting Cost

Your Survey Response

# What You See - Screen 2

Period

3 out of 20

Your Type is Blue

If The Group Decision Is:	And Your Type Is:	Your Payoff Will Be:
Red	Red	200
Red	Blue	0
Blue	Red	0
Blue	Blue	200

Your Cost of Voting is 40

In your group, the results of the initial survey were 1 Red vote, 2 Blue votes, and no Abstentions.

OK

Survey Results

# What You See - Screen 3

Period 3 out of 20

Your Type is Blue

In your group, the results of the initial survey were 1 Red vote, 2 Blue votes, and no Abstentions.

Your guess for the group composition:

Red:

Blue:

(These should add up to the group size.)

Your guess for the final vote:

Red:

Blue:

(These do not have to add up to the group size.)

OK

Type

Survey Results

Composition Guess

Vote Guess

# What You See - Screen 4

Period

3 out of 20

Your Type is Blue

If The Group Decision Is:	And Your Type Is:	Your Payoff Will Be:
Red	Red	200
Red	Blue	0
Blue	Red	0
Blue	Blue	200

Your Cost of Voting is 40

In your group, the results of the initial survey were 1 Red vote, 2 Blue votes, and no Abstentions.

What is your ultimate choice?

- Vote Red
- Vote Blue
- Abstain

OK

Your  
Decision

# Feedback

When each member of your group has made a selection or chose to abstain, the group's choice is calculated.

You will see the selections made in your group and your resulting payoff (Screen 5).



Period

3 out of 20

Your Type is Blue

Your vote was Blue

Your group had no Red votes and 1 Blue vote

This means the Group Decision is Blue

Your Payoff 200

Your Voting Cost (0 if you did not vote) 40

Your Net Payoff 160

Your Cumulative Payoff 320

OK



# Your Earnings

In the experiment your earnings are denoted by points. Each point is worth 1 cent, so **200 points = \$2.**



You will be paid at the end of the experiment the total amount you have earned in all of the periods and possibly your guessing bonus. You will also receive \$5 for coming to the lab.

You need not tell any other participant how much you earned.

# Let the Experiment Begin!

To ensure your privacy and that of others in the experiment, please pull out the dividers as far as they will go.

If there are no questions, we will now begin the experiment.