Subject Instructions for the Paper Titled

“Direct Tests of Models of Social Preferences and a New Model”

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Instructions for Experiment 1

No Talking Allowed
Now that the experiment has begun, we ask that you do not talk. If you have a question after we finish reading the instructions, please raise your hand and the experimenter will approach you and answer your question in private.

A Monitor and Two Groups
A monitor has been selected randomly from among those of you who came here today. The rest of you have been divided randomly into two groups, called Group X and Group Y. Group X people are seated all around the room. Group Y people are standing at the back of the room.

Anonymity
Each person in Group X will be randomly paired with a person in Group Y. No one will learn the identity of the person she/he is paired with.

Group Y Endowments
Each person in Group Y will be given a $10 endowment to put in his/her pocket.

Group X Endowments
Each person in Group X will be given a $10 endowment. As explained below, each Group X person will have a decision to make about what to do with her/his endowment.

Complete Privacy
This experiment is structured so that no one, including the experimenters, the monitor, and the other subjects will ever know the personal decision of anyone in the experiment. This is accomplished by a procedure in which you collect your money payoff, contained in a sealed envelope, from a lettered mailbox that only you have the key for. Your privacy is guaranteed because neither your name nor your student ID number will appear on any form that records your decisions in this experiment. The only identifying mark on the decision forms will be a letter known only to you. You will be able to collect your money payoffs with privacy by using a key, which opens a mailbox. The key and mailbox will be labeled with the same letter as your decision-reporting forms. But you will be the only person who knows your personal letter.
The Group X Decision Task
Before the Group X people make their decisions, the Group Y people will leave the room. Then each person in Group X will decide whether to keep all $10 of his/her endowment or give some or all of it to his/her paired person in Group Y. Every dollar given by a person in Group X to a person in Group Y will be tripled by the experimenters. The following table shows how this works.

<table>
<thead>
<tr>
<th>If the Group X Person Gives</th>
<th>The Experimenters Triple the Amount</th>
<th>And the Group Y Person Receives</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>3 * 0</td>
<td>0</td>
</tr>
<tr>
<td>1</td>
<td>3 * 1</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>3 * 2</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>3 * 3</td>
<td>9</td>
</tr>
<tr>
<td>4</td>
<td>3 * 4</td>
<td>12</td>
</tr>
<tr>
<td>5</td>
<td>3 * 5</td>
<td>15</td>
</tr>
<tr>
<td>6</td>
<td>3 * 6</td>
<td>18</td>
</tr>
<tr>
<td>7</td>
<td>3 * 7</td>
<td>21</td>
</tr>
<tr>
<td>8</td>
<td>3 * 8</td>
<td>24</td>
</tr>
<tr>
<td>9</td>
<td>3 * 9</td>
<td>27</td>
</tr>
<tr>
<td>10</td>
<td>3 * 10</td>
<td>30</td>
</tr>
</tbody>
</table>

Group Y Has No Decision to Make
The Group Y people do not have any decision to make. **This means that they will keep all of the tripled number of certificates sent to them by individuals in Group X.**

The Role of the Monitor
The monitor was randomly chosen from among the students who volunteered for today’s experiment. The monitor will be in charge of distributing and collecting the little boxes that contain the envelopes containing mailbox keys and response forms. In addition, the monitor will be asked to watch and make sure that the experimenters actually follow the procedures that have been explained here.
Instructions for Experiment 2

No Talking Allowed
Now that the experiment has begun, we ask that you do not talk. If you have a question, please raise your hand and an experimenter will approach you and answer your question in private.

Four Groups
The students here today have been divided randomly into four groups, called Groups W, X, Y, and Z. If you are reading these instructions, you are a member of Group W and will be making a decision that will determine the money payoffs of three other people in this experiment, one from each of the other three groups.

The students in the three other groups have no decision to make in this experiment. They will be asked to fill out a questionnaire during the time you are will be recording your decisions in this experiment.

Anonymity
Each person in Group W will be randomly matched with three people, one each from Groups X, Y, and Z. You will not learn the identity of the other people you are matched with. Likewise, the three other people you are matched with will not learn your identity.

Complete Privacy
This experiment is structured so that no one, including the experimenters, the monitor, and the other subjects will ever know the personal decision of anyone in the experiment. Every person’s privacy is guaranteed because neither his/her name nor student ID number will appear on any form that records decisions in this experiment.
Your Decision Task
You are asked to choose one row from the following table by circling the number of the row you choose in the Row Numbers column. Notice that your payoff is $10 in every row; this means that your decision does not affect your own dollar payoff. Also notice that the Group X person’s payoff is $0 in every row; this means that your decision does not affect his/her dollar payoff. Your decision does determine the payoffs to the Group Y and Group Z people. Their payoffs are different in the three rows. Which row do you choose?

Please consider your decision carefully. Your recorded decision determines the money payoffs of two other people.

Please circle the number (1 or 2 or 3) of the row you decide to choose in the Row Numbers column.

<table>
<thead>
<tr>
<th>Row Numbers</th>
<th>Your Payoff</th>
<th>Group X Person’s Payoff</th>
<th>Group Y Person’s Payoff</th>
<th>Group Z Person’s Payoff</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$10</td>
<td>$0</td>
<td>$6</td>
<td>$6</td>
</tr>
<tr>
<td>2</td>
<td>$10</td>
<td>$0</td>
<td>$15</td>
<td>$15</td>
</tr>
<tr>
<td>3</td>
<td>$10</td>
<td>$0</td>
<td>$2</td>
<td>$33</td>
</tr>
</tbody>
</table>
Instructions for Experiment 3

No Talking Allowed
Now that the experiment has begun, we ask that you do not talk. If you have a question, please raise your hand and an experimenter will approach you and answer your question in private.

Four Groups
The students here today have been divided randomly into four groups, called Groups W, X, Y, and Z. If you are reading these instructions, you are a member of Group W and will be making a decision that will determine the money payoffs of three other people in this experiment, one from each of the other three groups.

The students in the three other groups have no decision to make in this experiment. They will be asked to fill out a questionnaire during the time you are will be recording your decisions in this experiment.

Anonymity
Each person in Group W will be randomly matched with three people, one each from Groups X, Y, and Z. You will not learn the identity of the other people you are matched with. Likewise, the three other people you are matched with will not learn your identity.

Complete Privacy
This experiment is structured so that no one, including the experimenters, the monitor, and the other subjects will ever know the personal decision of anyone in the experiment. Every person’s privacy is guaranteed because neither his/her name nor student ID number will appear on any form that records decisions in this experiment.
Your Decision Task
You are asked to choose one row from the following table by circling the number of the row you choose in the Row Numbers column. Notice that your payoff is $10 in every row; this means that your decision does not affect your own dollar payoff. Your decision does determine the payoffs to the Group X, Group Y, and Group Z people. Their payoffs are different in the three rows. Which row do you choose?

Please consider your decision carefully. Your recorded decision determines the money payoffs of three other people.

Please circle the number (1 or 2 or 3) of the row you decide to choose in the Row Numbers column.

<table>
<thead>
<tr>
<th>Row Numbers</th>
<th>Your Payoff</th>
<th>Group X Person’s Payoff</th>
<th>Group Y Person’s Payoff</th>
<th>Group Z Person’s Payoff</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$10</td>
<td>$0</td>
<td>$15</td>
<td>$15</td>
</tr>
<tr>
<td>2</td>
<td>$10</td>
<td>$3</td>
<td>$12</td>
<td>$15</td>
</tr>
<tr>
<td>3</td>
<td>$10</td>
<td>$4</td>
<td>$5</td>
<td>$21</td>
</tr>
</tbody>
</table>
Instructions for Experiment 4

No Talking Allowed
Now that the experiment has begun, we ask that you do not talk. If you have a question after we finish reading the instructions, please raise your hand and the experimenter will approach you and answer your question in private.

A Monitor and Two Groups
A monitor has been selected randomly from among those of you who came here today. The rest of you have been divided randomly into two groups, called Group X and Group Y. Group X people are seated all around the room. Group Y people are standing at the back of the room.

The Role of the Monitor
The monitor was randomly chosen from among the students who volunteered for today’s experiment. The monitor will be in charge of distributing and collecting envelopes containing mailbox keys, decision forms, and pencils. In addition, the monitor will enforce the no talking rule after the experimenters have left the laboratory, which they will do before any decisions are made.

Anonymity
Each person in Group X will be randomly paired with a person in Group Y. No one will learn the identity of the person she/he is paired with.

Initial Account Balances
Each person in each group will be credited with $10 at the beginning of the experiment. The $10 credit will be your initial account balance.

Complete Privacy
This experiment is structured so that no one, including the experimenters, the monitor, and the other subjects will ever know the personal decision of anyone in the experiment. This is accomplished by a procedure in which you collect your money payoff, contained in a sealed envelope, from a lettered mailbox that only you have the key for. Your privacy is guaranteed because neither your name nor your student ID number will appear on any form that records your decisions in this experiment. The only identifying mark on the decision forms will be a key identification code known only to you. You will be able to collect your money payoffs with privacy by using a key, which opens a mailbox. The key and mailbox will be labeled with the same identification code as your decision-reporting forms. But you will be the only person who knows your personal identification code.

Decision Task
Each Group X person has a single decision to make. He/she can decide to change or not the account balances of both people. The Group Y person has no decision to make. Hence, after the Group X person makes his/her decision, the experiment ends and the account balances of both people cannot be changed any more.
What Happens if a Group X Person Decides to Decrease the Other’s Account Balance?
Each $1 \textit{decrease} in the other person’s account balance \textit{increases} the Group X person’s account balance by $1. The Group X person cannot decrease the other person’s account balance by more than $5.

What Happens if a Group X Person Decides to Increase the Other’s Account Balance?
Each $3 \textit{increase} in the other person’s account balance \textit{decreases} the Group X person’s account balance by $1. The Group X person cannot increase the other person’s account balance by more than $30.

Review of the Decision Task of a Person from Group X
Each person in Group X will choose a column from the following table. Each column summarizes how much both matched X and Y persons get or lose, and their resulting account balances

<table>
<thead>
<tr>
<th>If you change your Account by</th>
<th>You can decrease the Other Person’s Account as follows</th>
<th>You can increase the Other Person’s Account as follows</th>
</tr>
</thead>
<tbody>
<tr>
<td>+5</td>
<td>+4</td>
<td>+3</td>
</tr>
<tr>
<td>-5</td>
<td>-4</td>
<td>-3</td>
</tr>
<tr>
<td>Y person’s Account Balance becomes</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Your Account Balance becomes</td>
<td>15</td>
<td>14</td>
</tr>
</tbody>
</table>

Group Y Has No Decision to Make
The Group Y people do not have any decision to make. This means that their accounts will be changed according to the decisions made by individuals in Group X.