

*Abstract.*

We introduce a parametric model of other-regarding preferences. The income distribution, other status considerations, and the kindness or unkindness of others' choices ("intentions") systematically affect a person's emotional state. The emotional state then determines the marginal rate of substitution between own and others' payoffs, and thus the person's subsequent choices. Model applications are illustrated with two sets of laboratory data: simple binary choice miniultimatum games and more complex choice moonlighting games. The results support the usefulness of modeling other-regarding preferences as being conditional on others' intentions as well as the income distribution.