

ONLINE APPENDIX

Experimental Instructions

WELCOME

Thank you for participating in this experiment. We ask you to avoid opening other websites and apps until you finish all tasks. The experiment will take approximately 30 minutes.

To begin the experiment, please enter your Prolific ID:

PAYMENT

The study consists of 20 choice tasks. You will get \$5 for completing the study.

In addition, we will randomly select one out of every five participants to receive a bonus payment. If you are selected to receive a bonus, then at the end of the study the computer will randomly select one of the tasks. Your bonus payment will depend on your responses in this randomly selected task.

Note two things:

1. There are no right or wrong answers. We are interested in studying **your preferences**.
2. Any one of the decisions you make today may determine your bonus payment. Therefore, it is in your best interest to **make every decision carefully and in a way that reflects what you truly prefer**.

NEXT

CHOICES

Each task will involve several decisions between either lotteries or money bundles. Let's talk about these objects first.

NEXT

LOTTERIES

A lottery pays different amounts depending on the chance. Here is an example of a lottery:

50% chance of \$10
50% chance of \$5

This lottery pays either \$10, with a 50% chance, or \$5, with a 50% chance. For your payment, the computer will randomly draw a number between 1 and 100, where each number is equally likely to be drawn. If the drawn number is less or equal to 50, the lottery will pay \$10. If the drawn number is above 50, the lottery will pay \$5. In other words, the lottery pays either \$5 or \$10 with equal chance.

Depending on the question, the chance could be different: for example, it could be 25%, 75%, etc. In some cases, the lottery will involve no chance at all: for example, the option may just pay \$12 for sure.

NEXT

Consider the following lottery:

20% chance of \$7
80% chance of \$4

What is the chance that you will receive \$4 if this lottery determines your bonus? (in percentage)

What is the chance that you will receive \$7 if this lottery determines your bonus? (in percentage)

NEXT

MONEY BUNDLES

A money bundle pays different amounts of money on different dates. Here is an example of a money bundle:

\$10 in 7 days

This bundle pays \$10 in seven days from now. If this bundle is chosen to determine your bonus, then you will receive \$10 seven days after completing the study.

NEXT

Consider the following money bundle:

\$5 in 12 days

What will be your bonus payment in 12 days if this bundle determines your bonus?

NEXT

WHAT HAPPENS IN A CHOICE TASK

Your decisions in a choice task will be presented in a table in which **each row represents a separate decision**. In each row, you will choose between the Left and the Right options. Here is an example with 6 rows:

PRESS TO SEE AN EXAMPLE

Left Option		Right Option
YOU get \$15 for sure	<input type="radio"/> <input type="radio"/>	YOU get <u>50%</u> chance of \$0 50% chance of \$0
YOU get \$12 for sure	<input type="radio"/> <input type="radio"/>	YOU get 50% chance of \$3 50% chance of \$0
YOU get \$9 for sure	<input type="radio"/> <input type="radio"/>	YOU get 50% chance of \$6 50% chance of \$0
YOU get \$6 for sure	<input type="radio"/> <input type="radio"/>	YOU get 50% chance of \$9 50% chance of \$0
YOU get \$3 for sure	<input type="radio"/> <input type="radio"/>	YOU get <u>50%</u> chance of \$12 50% chance of \$0
YOU get \$0 for sure	<input type="radio"/> <input type="radio"/>	YOU get <u>50%</u> chance of \$15 50% chance of \$0

In each row, you must select one of the two options: Left or Right. We will explain on the next screen how you will be making decisions.

HOW TO MAKE DECISIONS

To avoid having to make a selection in each row, you need only click once to indicate when one option starts to be preferred to the other. For example, say you click on the Left option in a particular row. Then all rows above that row will populate to indicate that you choose the Left option, while all the rows below the one you clicked will populate to indicate that

you choose the Right option. Similarly, if you click on the Right option in a particular row, then all the rows above the one you clicked will indicate that you chose the Left option and all the rows below the one you clicked will indicate that you chose the Right option.

For instance, if you clicked on the Left option in row 3, then it would mean that in rows 1 to 3 you chose the Left option, while in rows 4 to 6 you chose the Right option.

Left Option			Right Option		
YOU get	\$15 for sure	<input checked="" type="radio"/>	<input type="radio"/>	YOU get	50% chance of \$0 50% chance of \$0
YOU get	\$12 for sure	<input checked="" type="radio"/>	<input type="radio"/>	YOU get	50% chance of \$3 50% chance of \$0
YOU get	\$9 for sure	<input checked="" type="radio"/>	<input type="radio"/>	YOU get	50% chance of \$6 50% chance of \$0
YOU get	\$6 for sure	<input type="radio"/>	<input checked="" type="radio"/>	YOU get	50% chance of \$9 50% chance of \$0
YOU get	\$3 for sure	<input type="radio"/>	<input checked="" type="radio"/>	YOU get	50% chance of \$12 50% chance of \$0
YOU get	\$0 for sure	<input type="radio"/>	<input checked="" type="radio"/>	YOU get	50% chance of \$15 50% chance of \$0

CONTINUE

If you want to select the Left option in all rows, then you need to click on the Left option in the very last row.

Left Option			Right Option		
YOU get	\$15 for sure	<input type="radio"/>	<input checked="" type="radio"/>	YOU get	50% chance of \$0 50% chance of \$0
YOU get	\$12 for sure	<input type="radio"/>	<input checked="" type="radio"/>	YOU get	50% chance of \$3 50% chance of \$0
YOU get	\$9 for sure	<input type="radio"/>	<input checked="" type="radio"/>	YOU get	50% chance of \$6 50% chance of \$0
YOU get	\$6 for sure	<input type="radio"/>	<input checked="" type="radio"/>	YOU get	50% chance of \$9 50% chance of \$0
YOU get	\$3 for sure	<input type="radio"/>	<input checked="" type="radio"/>	YOU get	50% chance of \$12 50% chance of \$0
YOU get	\$0 for sure	<input checked="" type="radio"/>	<input type="radio"/>	YOU get	50% chance of \$15 50% chance of \$0

CONTINUE

If you want to select the Right option in all rows, then you need to click on the Right option in the very first row.

Left Option			Right Option		
YOU get	\$15 for sure	<input type="radio"/>	<input checked="" type="radio"/>	YOU get	50% chance of \$0 50% chance of \$0
YOU get	\$12 for sure	<input type="radio"/>	<input checked="" type="radio"/>	YOU get	50% chance of \$3 50% chance of \$0
YOU get	\$9 for sure	<input type="radio"/>	<input checked="" type="radio"/>	YOU get	50% chance of \$6 50% chance of \$0
YOU get	\$6 for sure	<input type="radio"/>	<input checked="" type="radio"/>	YOU get	50% chance of \$9 50% chance of \$0
YOU get	\$3 for sure	<input type="radio"/>	<input checked="" type="radio"/>	YOU get	50% chance of \$12 50% chance of \$0
YOU get	\$0 for sure	<input type="radio"/>	<input checked="" type="radio"/>	YOU get	50% chance of \$15 50% chance of \$0

Next

Instructions for Block A

WHAT HAPPENS IN THE NEXT FOUR ROUNDS

In the next four choice tasks, you will face a series of decisions in which you will be choosing between objects YOU might receive. Here is an example of a choice task with 6 rows:

PRESS TO SEE AN EXAMPLE

Left Option		Right Option
YOU get \$10 today	<input type="radio"/> <input type="radio"/>	YOU get \$0 in 10 days
YOU get \$8 today	<input type="radio"/> <input type="radio"/>	YOU get \$2 in 10 days
YOU get \$6 today	<input type="radio"/> <input type="radio"/>	YOU get \$4 in 10 days
YOU get \$4 today	<input type="radio"/> <input type="radio"/>	YOU get \$6 in 10 days
YOU get \$2 today	<input type="radio"/> <input type="radio"/>	YOU get \$8 in 10 days
YOU get \$0 today	<input type="radio"/> <input type="radio"/>	YOU get \$10 in 10 days

Each row is a separate decision. In each row, you must select one of the two options: Left or Right. Both the Left and the Right options are objects received by YOU.

Note: **The Left option pays less money as we go down the rows.** Contrary to that, **the Right option gets better and pays more money as we go down the rows.**

In some rows, one of the two options pays more than the other. For example, in the first row, the Left option pays \$10 today, while the Right option pays \$0 in 10 days. Another example is the last row: the Left option pays \$0 today, while the Right option pays \$10 in

10 days.

Finally, in some choice tasks, you will be choosing between amounts and lotteries, while in others you will be choosing between money bundles.

NEXT

INTERFACE PRACTICE QUESTION 1:

Please select the Left option in the first 5 rows and the Right option in the last row:

Left Option		Right Option
YOU get \$10 today	<input type="radio"/> <input type="radio"/>	YOU get \$0 in 10 days
YOU get \$8 today	<input type="radio"/> <input type="radio"/>	YOU get \$2 in 10 days
YOU get \$6 today	<input type="radio"/> <input type="radio"/>	YOU get \$4 in 10 days
YOU get \$4 today	<input type="radio"/> <input type="radio"/>	YOU get \$6 in 10 days
YOU get \$2 today	<input type="radio"/> <input type="radio"/>	YOU get \$8 in 10 days
YOU get \$0 today	<input type="radio"/> <input type="radio"/>	YOU get \$10 in 10 days

NEXT

INTERFACE PRACTICE QUESTION 2:

Please select the Right option in all rows:

Left Option		Right Option
YOU get \$10 today	<input type="radio"/> <input type="radio"/>	YOU get \$0 in 10 days
YOU get \$8 today	<input type="radio"/> <input type="radio"/>	YOU get \$2 in 10 days
YOU get \$6 today	<input type="radio"/> <input type="radio"/>	YOU get \$4 in 10 days
YOU get \$4 today	<input type="radio"/> <input type="radio"/>	YOU get \$6 in 10 days
YOU get \$2 today	<input type="radio"/> <input type="radio"/>	YOU get \$8 in 10 days
YOU get \$0 today	<input type="radio"/> <input type="radio"/>	YOU get \$10 in 10 days

NEXT

Congratulations! You have demonstrated that you understand the next block of rounds.

Please press the NEXT button to continue the study. **Please make sure you answer every decision carefully and in a way that reflects your true preferences!**

Instructions for Block B

WHAT HAPPENS IN THE NEXT EIGHT ROUNDS

In the next eight choice tasks, you will be choosing between objects **YOU** might receive and objects that **ANOTHER PROLIFIC WORKER** might receive.

Specifically, after you complete the study, we will recruit another Prolific worker who is similar to you in age and level of education. Let's call this person **OTHER**. The OTHER has no active role in our study. They will simply receive the objects that you will choose for them in the next rounds, if one of these rounds is selected for a bonus.

Here is an example of a choice task with 6 rows:

PRESS TO SEE AN EXAMPLE

Left Option		Right Option
YOU get \$10 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$0 50% chance of \$0
YOU get \$8 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$2 50% chance of \$0
YOU get \$6 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$4 50% chance of \$0
YOU get \$4 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$6 50% chance of \$0
YOU get \$2 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$8 50% chance of \$0
YOU get \$0 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$10 50% chance of \$0

As always, each row is a separate decision. In each row, you choose between Left and Right. In every row (decision), **Left specifies different amounts for YOU**, while **Right is different lotteries for OTHER**. As you go down the rows, amounts for YOU become smaller and smaller (see the Left option), while the lottery for OTHER becomes better and better (see the Right option).

You will be prompted to choose between amounts for YOU and lotteries for OTHER in every single row. For instance, say you choose Left in the first four rows and Right in the 2 remaining rows. Say, also, that row two is selected for a bonus. Then YOU will receive \$8 for sure. If instead the last row is selected for a bonus, then OTHER will receive a lottery

which pays \$10 or \$0 with equal chance.

Finally, in some choice tasks, you will be choosing between amounts for YOU and lotteries for OTHER (like in the example above), while in other choice tasks, you will be choosing between amounts for YOU and money bundles for OTHER.

NEXT

INTERFACE PRACTICE QUESTION 1:

Please implement the following selection: choose amounts for YOU as long as these amounts are at least \$6 and choose the lottery for OTHER in all other decisions.

Left Option		Right Option
YOU get \$10 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$0 50% chance of \$0
YOU get \$8 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$2 50% chance of \$0
YOU get \$6 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$4 50% chance of \$0
YOU get \$4 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$6 50% chance of \$0
YOU get \$2 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$8 50% chance of \$0
YOU get \$0 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$10 50% chance of \$0

NEXT

INTERFACE PRACTICE QUESTION 2:

Please implement the following selection: choose the lottery for OTHER as long as the lottery's highest payment is no less than \$8 and choose the amounts for YOU in all other decisions.

NEXT

Congratulations! You have demonstrated that you understand the next block of rounds.

Please press the NEXT button to continue the study. **Please make sure you answer every decision carefully and in a way that reflects your true preferences!**

Left Option		Right Option
YOU get \$10 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$0 50% chance of \$0
YOU get \$8 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$2 50% chance of \$0
YOU get \$6 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$4 50% chance of \$0
YOU get \$4 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$6 50% chance of \$0
YOU get \$2 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$8 50% chance of \$0
YOU get \$0 for sure	<input type="radio"/> <input type="radio"/>	OTHER gets 50% chance of \$10 50% chance of \$0

Instructions for Block C

WHAT HAPPENS IN THE NEXT EIGHT ROUNDS

In the next eight choice tasks, you will be choosing between objects YOU might receive and objects that ANOTHER PROLIFIC WORKER might receive.

Specifically, after you complete the study, we will recruit another Prolific worker who is similar to you in age and level of education. Let's call this person OTHER. The OTHER has no active role in our study. They will simply receive the objects that you will choose for them in the next rounds, if one of these rounds is selected for a bonus.

Here is an example of a choice task with six rows:

PRESS TO SEE AN EXAMPLE

Left Option		Right Option
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$0 in 10 days
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$2 in 10 days
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$4 in 10 days
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$6 in 10 days
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$8 in 10 days
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$10 in 10 days

Note: The objects for OTHER will be displayed on the Left and the objects for YOU will be

displayed on the Right. These objects will be either lotteries and sure amounts or money bundles.

Moreover, the Left options, i. e., the objects for OTHER, will be the same in all decisions in all rows of the same choice task, while the Right options, i.e., the objects for YOU, will get better as you go down the rows.

As always, each row is a separate decision. You will be asked to choose either the Left option or the Right option in every single row.

NEXT

INTERFACE PRACTICE QUESTION 1:

Please implement the following selection: choose the money bundle for OTHER unless the amount for YOU received in 10 days is \$4 or greater.

Left Option		Right Option
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$0 in 10 days
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$2 in 10 days
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$4 in 10 days
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$6 in 10 days
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$8 in 10 days
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$10 in 10 days

NEXT

INTERFACE PRACTICE QUESTION 2:

Please implement the following selection: choose the \$5 today for OTHER in all rows.

Left Option		Right Option
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$0 in 10 days
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$2 in 10 days
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$4 in 10 days
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$6 in 10 days
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$8 in 10 days
OTHER gets \$5 today	<input type="radio"/> <input type="radio"/>	YOU get \$10 in 10 days

NEXT

Congratulations! You have demonstrated that you understand the next block of rounds.

Please press the NEXT button to continue the study. **Please make sure you answer every decision carefully and in a way that reflects your true preferences!**

Instructions for Block D

WHAT HAPPENS IN THE NEXT FOUR ROUNDS

In the next four choice tasks, you will be choosing between objects that ANOTHER PROLIFIC WORKER might receive.

Specifically, after you complete the study, we will recruit another Prolific worker who is similar to you in age and level of education. Let's call this person OTHER. The OTHER has no active role in our study. They will simply receive the objects that you will choose for them in the next rounds, if one of these rounds is selected for a bonus.

Here is an example of a choice task with six rows:

PRESS TO SEE AN EXAMPLE

Note: Both, the Left and the Right options list [objects for OTHER](#). It will be either lotteries and sure amounts, or money bundles.

Left Option			Right Option
OTHER gets	50% chance of \$20 50% chance of \$0	O	O OTHER gets \$0 for sure
OTHER gets	50% chance of \$20 50% chance of \$0	O	O OTHER gets \$4 for sure
OTHER gets	50% chance of \$20 50% chance of \$0	O	O OTHER gets \$8 for sure
OTHER gets	50% chance of \$20 50% chance of \$0	O	O OTHER gets \$12 for sure
OTHER gets	50% chance of \$20 50% chance of \$0	O	O OTHER gets \$16 for sure
OTHER gets	50% chance of \$20 50% chance of \$0	O	O OTHER gets \$20 for sure

Moreover, **the Left option is the same** in all decisions in all rows of the same choice task, while the **Right options gets better and better as you go down the rows.**

In some rows, one of the two options pays to the OTHER at least as much and sometimes more than the other. For example, in the first row, the Left option pays \$20 with 50% chance and \$0 with 50% chance, while the Right option pays \$0 for sure. Thus, the Right option pays the OTHER at least as much and sometimes more than the Right option. Another example is the last row: the Left option pays \$20 with 50% chance and \$0 with 50% chance, while the Right option pays \$20 for sure. Thus, the Right option pays the OTHER at least as much and sometimes more than the Left option.

As always, each row is a separate decision. You will be asked to choose either the Left option or the Right option in every single row.

NEXT

INTERFACE PRACTICE QUESTION 1:

Please implement the following selection: choose the sure amount for the OTHER as long as this amount is at least \$4.

Left Option		Right Option
OTHER gets 50% chance of \$20 50% chance of \$0	<input type="radio"/> <input type="radio"/>	OTHER gets \$0 for sure
OTHER gets 50% chance of \$20 50% chance of \$0	<input type="radio"/> <input type="radio"/>	OTHER gets \$4 for sure
OTHER gets 50% chance of \$20 50% chance of \$0	<input type="radio"/> <input type="radio"/>	OTHER gets \$8 for sure
OTHER gets 50% chance of \$20 50% chance of \$0	<input type="radio"/> <input type="radio"/>	OTHER gets \$12 for sure
OTHER gets 50% chance of \$20 50% chance of \$0	<input type="radio"/> <input type="radio"/>	OTHER gets \$16 for sure
OTHER gets 50% chance of \$20 50% chance of \$0	<input type="radio"/> <input type="radio"/>	OTHER gets \$20 for sure

NEXT

INTERFACE PRACTICE QUESTION 2:

Please implement the following selection: choose the lottery for the OTHER in all rows.

Left Option		Right Option
OTHER gets 50% chance of \$20 50% chance of \$0	<input type="radio"/> <input type="radio"/>	OTHER gets \$0 for sure
OTHER gets 50% chance of \$20 50% chance of \$0	<input type="radio"/> <input type="radio"/>	OTHER gets \$4 for sure
OTHER gets 50% chance of \$20 50% chance of \$0	<input type="radio"/> <input type="radio"/>	OTHER gets \$8 for sure
OTHER gets 50% chance of \$20 50% chance of \$0	<input type="radio"/> <input type="radio"/>	OTHER gets \$12 for sure
OTHER gets 50% chance of \$20 50% chance of \$0	<input type="radio"/> <input type="radio"/>	OTHER gets \$16 for sure
OTHER gets 50% chance of \$20 50% chance of \$0	<input type="radio"/> <input type="radio"/>	OTHER gets \$20 for sure

NEXT