Electronic Supplemental Material of

Improving One's Choices by Putting Oneself in Others' Shoes—An Experimental Analysis

Zhihua Li, Kirsten I.M. Rohde, and Peter P. Wakker

Journal of Risk and Uncertainty 54(1), February 2017

This appendix gives the instructions for participants in the experiment.

Instructions for Participants

Experiment version A – first choices, then predictions (choice-prediction)

Dear participant,

Welcome!

This experimental session consists of two small experiments: Experiment I and Experiment II.

Each experiment does not take more than 15 minutes approximately.

In both experiments you will be asked to make several choices. Each of these choices may determine your final payoff after this experimental session.

At the end of the experimental session you (like every participant) will receive €5 in any case. In addition, we will randomly select one of the participants who will play one of the questions of either Experiment I or Experiment II for real money. This will be done as follows:

Every participant has an equal chance to be selected to play for real money. Once the 'lucky' participant is determined, one of the experiments will be randomly selected. Both experiments have an equal chance to be selected. Once the experiment is selected, one of the questions out of that experiment is randomly selected. Here again, every question has an equal chance to be selected. The particular participant, experiment, and question will all be determined randomly through the throw of several fair dice (= 'eerlijke dobbelstenen' in Dutch).

The other participants will not be able to observe what choices you made, not even when you receive your payoff.

Experiment I

Dear participant,

Welcome!

This experiment consists of four choice situations.

Please consider each situation carefully and indicate your choice.

During the experiment you are not allowed to communicate with other participants.

It is in your own interest to treat each choice situation with careful thoughts, since any one of the four decisions could determine your final payoff.

Decision situation 1

The experimenter gives you a cash gift of €20. These €20 are yours to dispose of. Additionally, you are given the choice between the following two options:

- ☐ Option A: Winning €5 for sure.
- ☐ Option B: Winning €20 with a 25% probability, and winning nothing with 75% probability.

Which option do you choose? (indicate your choice by checking the corresponding box: ☑)

Decision situation 2

The experimenter gives you a cash gift of €40. These €40 are yours to dispose of. Additionally, you are given the choice between the following two options:

- ☐ Option A: Losing €15 for sure.
- ☐ Option B: Losing €20 with a 75% probability, and losing nothing with 25% probability.

Which option do you choose?

In the next two questions you will be asked to predict the choices of a randomly selected participant from this experiment.

If one of these questions is later randomly selected to be played out for real money, the experimenter will randomly select another participant from the experiment. If you correctly predict the choice of the other participant, you will receive €15, otherwise you will receive nothing.

Decision situation 3

The experimenter gives the other participant a cash gift of €20. These €20 are his/hers to dispose of. Additionally, the participant is given the choice between the following two options:

- ☐ Option A: Winning €5 for sure.
- ☐ Option B: Winning €20 with a 25% probability, and winning nothing with 75% probability.

Which option do you predict the participant will choose?

Decision situation 4

The experimenter gives the other participant a cash gift of €40. These €40 are his/hers to dispose of. Additionally, the participant is given the choice between the following two options:

- ☐ Option A: Losing €15 for sure.
- ☐ Option B: Losing €20 with a 75% probability, and losing nothing with 25% probability.

Which option do you predict the participant will choose?

Please raise your hand if you are done with this questionnaire, and remain silent

Experiment version B – first predictions, then choices (prediction-choice)

Dear participant,

Welcome!

This experimental session consists of two small experiments: Experiment I and Experiment II.

Each experiment does not take more than 15 minutes approximately.

In both experiments you will be asked to make several choices. Each of these choices may determine your final payoff after this experimental session.

At the end of the experimental session you (like every participant) will receive €5 in any case. In addition, we will randomly select one of the participants who will play one of the questions of either Experiment I or Experiment II for real money. This will be done as follows:

Every participant has an equal chance to be selected to play for real money. Once the 'lucky' participant is determined, one of the experiments will be randomly selected. Both experiments have an equal chance to be selected. Once the experiment is selected, one of the questions out of that experiment is randomly selected. Here again, every question has an equal chance to be selected. The particular participant, experiment, and question will all be determined randomly through the throw of several fair dice (= 'eerlijke dobbelstenen' in Dutch).

The other participants will not be able to observe what choices you made, not even when you receive your payoff.

Experiment I

Dear participant,

Welcome!

This experiment consists of four choice situations.

Please consider each situation carefully and indicate your choice.

During the experiment you are not allowed to communicate with other participants.

It is in your own interest to treat each choice situation with careful thoughts, since any one of the four decisions could determine your final payoff.

In the first two questions you will be asked to predict the choices of a randomly selected participant from this experiment. If one of these questions is later randomly selected to be played out for real money, the experimenter will randomly select another participant from the experiment. If you correctly predict the choice of the other participant, you will receive €15, otherwise you will receive nothing.

Decision situation 1

The experimenter gives the other participant a cash gift of €20. These €20 are his/hers to dispose of. Additionally, the participant is given the choice between the following two options:

- ☐ Option A: Winning €5 for sure.
- ☐ Option B: Winning €20 with a 25% probability, and winning nothing with 75% probability.

Which option do you predict the participant will choose? (indicate your choice by checking the corresponding box: ☑)

Decision situation 2

The experimenter gives the other participant a cash gift of €40. These €40 are his/hers to dispose of. Additionally, the participant is given the choice between the following two options:

- ☐ Option A: Losing €15 for sure.
- ☐ Option B: Losing €20 with a 75% probability, and losing nothing with 25% probability.

Which option do you predict the participant will choose?

Now you are asked to make choices for yourself.

Decision situation 3

The experimenter gives you a cash gift of €20. These €20 are yours to dispose of. Additionally, you are given the choice between the following two options:

- ☐ Option A: Winning €5 for sure.
- ☐ Option B: Winning €20 with a 25% probability, and winning nothing with 75% probability.

Which option do you choose?

Decision situation 4

The experimenter gives you a cash gift of €40. These €40 are yours to dispose of. Additionally, you are given the choice between the following two options:

- ☐ Option A: Losing €15 for sure.
- ☐ Option B: Losing €20 with a 75% probability, and losing nothing with 25% probability.

Which option do you choose?

Please raise your hand if you are done with this questionnaire, and remain silent.