

## Appendix

### *A.1 Sample Instructions for the US: Risky Dictator (B.1) and Trust Game (C.1. and C.2)*

**Welcome to research project B.1!**

**Your code number is: .....**

You are participating in a study in which you will earn some money. The amount will depend on the outcome of a game you will play. At the end of the study, your earnings (1 point=\$1) will be added to a show-up fee, and you will be paid in cash.

*How the study is conducted.* The study is conducted anonymously. Participants will be identified only by code numbers. There is no communication among them. We will call individuals who are in the same role as you “Persons S”. You are randomly paired with another person present in this room, call him/her “Person X”, whose identity you will never know. Your choice will not be known to other participants or to the researchers.

*What the study is about.* The study seeks to understand how people decide. You are confronted with two alternatives, A and B. A gives you and Person X a payoff of 10 points for sure. B gives you and Person X an outcome that depends on a lottery. The lottery can produce option 1 or option 2.

### **Payoff Table**

Result of your decision	Nature of choice	Your earnings	Earnings to Person X
A	Certainty	10	10
B	Lottery produces 1	15	15
	2	8	22

The payoff table reads as follows:

If you end up choosing A, you and Person X will each get 10 points.

If you end up choosing B and the lottery produces 1, you and Person X will get 15 points.

If you end up choosing B and the lottery produces 2, you will get 8 points and Person X will get 22 points.

**KEY QUESTION: How large would the probability  $p$  of the lottery producing Option 1 minimally have to be for you to pick Alternative B over Alternative A? (like any probability, it must lie between 0 and 1)**

**YOUR ANSWER: I choose B, if  $p$  is at least \_\_\_\_\_**

*Note: You do not know what the actual value of  $p$  is. Your choice does not influence the value of  $p$ . It is indicated on a sheet of paper in a sealed envelope posted to the blackboard. With YOUR ANSWER you indicate how large  $p$  has to be before you pick B over A.*

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***Conduct of the study B.1.***

1. While you answer the KEY QUESTION, we will post the envelope containing the value of  $p$  on the blackboard. After you have decided, we will collect the answer forms. Please fold them so that nobody can see YOUR ANSWER.
2. We will then open the envelope and inform everyone of the value of  $p$  for this experiment. This gives you  $p^*$ , the probability of receiving option 1.
3. **If  $p^*$  is greater than or equal to your required value of  $p$  (from YOUR ANSWER above), we will follow your instructions: Your earnings will be determined by the outcome of the lottery.**

We will create and then conduct the lottery. We will put green and blue marbles into a

- bowl. Out of all marbles in the bowl, the percentage of green marbles will be the same as  $p^*$ . The remaining marbles will be blue. We will then randomly pull a ball from the bowl.
- a. If the marble is green, you and your Person X will get 15 points each.
  - b. If the marble is blue, you will get 8 points and your Person X will get 22 points.
4. **If  $p^*$  is less than your required value of  $p$  (from YOUR ANSWER above), we will follow your instructions: You and your Person X will get Certainty A, namely 10 points each.**

*Completion of Study and Earnings.*

- Before we conduct the study, we ask you to complete a pre-study questionnaire. We will start the study once everyone has correctly filled out this questionnaire.
- 1 point=\$1. You can collect your earnings by presenting your CODE NUMBER FORM at the end of the study. Your earnings will be in an envelope marked with your code number.

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**Welcome to research project C.1!**

**Your code number is: .....**

You are participating in a study in which you will earn some money. The amount will depend on the outcome of a game you will play. At the end of the study, your earnings (1 point=\$1) will be added to a show-up fee, and you will be paid in cash.

*How the study is conducted.* The study is conducted anonymously. Participants will be identified only by code numbers. There is no communication among them. We will call individuals who are in the same role as you “Persons S”. You are randomly paired with another person present in this room, call him/her “Person Y”, whose identity you will never know. Neither your choice nor Y’s choice will be known to other participants or to the researchers.

*What the study is about.* The study seeks to understand how people decide. You are confronted with two alternatives, A and B. A gives you a payoff for sure and Person Y takes no action. B gives you an outcome that depends on Person Y's behavior. Person Y chooses between options 1 and 2.

**Payoff Table**

Result of your decision	Nature of choice	Your earnings	Earnings to Person Y
A	Certainty	10	10
B	Person Y chooses 1	15	15
	2	8	22

The payoff table reads as follows:

If you end up choosing A, you and Person Y will each get 10 points.

If you end up choosing B and Person Y chooses 1, you and Person Y will each get 15 points.

If you end up choosing B and Person Y chooses 2, you will get 8 points and Person Y will get 22 points.

**KEY QUESTION: How large would the probability  $p$  of being paired with a Person Y who chose Option 1 minimally have to be for you to pick Alternative B over Alternative A? (like any probability, it must lie between 0 and 1)**

**YOUR ANSWER: I choose B if  $p$  is at least \_\_\_\_\_**

*Note: You do not know what the actual value of  $p$  is. Your choice does not influence the value of  $p$ . It is determined by the fraction of Persons Y choosing Option 1. With YOUR ANSWER you indicate how large the fraction of Persons Y who choose 1 has to be before you pick B over A.*

***Conduct of the study C.1.***

1. While you answer the KEY QUESTION, each of the individuals playing Persons Y have to answer the following question:  
"Which option, 1 or 2, do you choose in case B?"  
After you and all Persons Y have decided, we will collect the answer forms. Please fold them so that nobody can see YOUR ANSWER.
2. We will then calculate the percentage of Persons Y who chose option 1 and inform everyone of it. This gives you  $p^*$ , the probability of being paired with a Person Y who chose option 1.
3. **If  $p^*$  is greater than or equal to your required value of  $p$  (from YOUR ANSWER above), we will follow your instructions. Your earnings will be determined by your Person Y's choice.**
  - a. If your Person Y chose 1, you and your Person Y will get 15 points each.
  - b. If your Person Y chose 2, you will get 8 points and your Person Y will get 22 points.
4. **If  $p^*$  is less than your required value of  $p$  (from YOUR ANSWER above), we will follow your instructions: You and your Person Y will get Certainty A, namely 10 points each.**

***Completion of Study and Earnings.***

- Before we conduct the study, we ask you to complete a pre-study questionnaire. We will start the study once everyone has correctly filled out this questionnaire.
- 1 point=\$1. You can collect your earnings by presenting your CODE NUMBER FORM at the end of the study. Your earnings will be in an envelope marked with your code number.

**Welcome to research project C.2!**

**Your code number is: .....**

You are participating in a study in which you will earn some money. The amount will depend on the outcome of a game you will play. At the end of the study, your earnings (1 point=\$1) will be added to a show-up fee, and you will be paid in cash.

*How the study is conducted.* The study is conducted anonymously. Participants will be identified only by code numbers. There is no communication among the participants. We will call individuals who are in the same role as you “Persons Y”. You are randomly paired with another person present in this room, call him/her “Person S”, whose identity you will never know. Neither your choice nor S’s choice will be known to other participants or to the researchers.

*What the study is about.* The study seeks to understand how people decide. Person S is confronted with two alternatives, A and B. A gives you and Person S a payoff for sure. You do not take any action. If Person S’ decision results in B, you have to choose one of two options, 1 or 2.

**Payoff Table**

Result of Person S’ decision	Nature of choice	Your earnings	Earnings to Person S
A	Certainty	10	10
B	You choose 1	15	15
	2	22	8

The payoff table reads as follows:

If Person S’ decision results in A, you and Person S will each get 10 points.

If Person S’ decision results in B and you choose 1, you and Person S will each get 15 points.

If Person S’ decision results in B and you choose 2, you will get 22 points and Person S will get 8 points.

**KEY QUESTION: Which option, 1 or 2, do you choose in case B?**

**YOUR ANSWER: I choose \_\_\_\_\_**

After you have answered this question, we will collect your answer form.

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[Distributed after Persons Y have made their decisions and handed in their forms.]

***Conduct of the study C.2.***

1. Persons S have to answer the following question:

“How large would the probability of being paired with a Person Y who chose option 1 minimally have to be for you to pick B over A? (like any probability, it must lie between 0 and 1)”

After all Persons S have decided, we will collect their answer forms.

2. Based on your and all other Persons Y’s choices, we will then calculate the percentage of Persons Y who chose option 1 and inform everyone of it. This gives us  $p^*$ , the probability that a Person S will be paired with a Person Y who chose option 1.
3. **If  $p^*$  is greater than or equal to the value of  $p$  required by your Person S, then YOUR ANSWER from above will determine the final earnings.**
  - a. If you chose 1, you and your Person S will each get 15 points.
  - b. If you chose 2, you will get 22 points and Person S will get 8 points.
4. **If  $p^*$  is less than the value of  $p$  required by your Person S, then you and your Person S will each get Certainty A, namely 10 points each.**

***Completion of Study and Earnings.***

- Before we conduct the study, we ask you to complete a pre-study questionnaire.  
We will start the study once everyone has correctly filled out this questionnaire.
- 1 point=\$1. You can collect your earnings by presenting your CODE NUMBER FORM at the end of the study. Your earnings will be in an envelope marked with your code number.



Table A.2: MAPs in three decision situations

	<b>Trust Game</b>	<b>Risky Dictator Game</b>	<b>Decision Problem</b>
<b>All</b>			
Mean	<b>0.55</b>	<b>0.40</b>	<b>0.45</b>
Median	0.60	0.35	0.40
Stand. Dev.	0.26	0.26	0.24
N	[190]	[149]	[155]
<b>Women</b>			
Mean	<b>0.59</b>	<b>0.45</b>	<b>0.49</b>
Median	0.65	0.48	0.50
Stand. Dev.	0.25	0.28	0.25
N	[91]	[70]	[73]
<b>Men</b>			
Mean	<b>0.51</b>	<b>0.36</b>	<b>0.42</b>
Median	0.50	0.30	0.37
Stand. Dev.	0.25	0.22	0.22
N	[98]	[77]	[72]

**Brazil ( $p^*=0.35$ )**

Mean	<b>0.51</b>	<b>0.43</b>	<b>0.47</b>
Median	0.50	0.38	0.49
Stand. Dev.	0.29	0.31	0.30
N	[49]	[32]	[30]

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**China ( $p^*=0.29$ )**

Mean	<b>0.58</b>	<b>0.49</b>	<b>0.39</b>
Median	0.65	0.55	0.4
Stand. Dev.	0.22	0.27	0.17
N	[21]	[21]	[24]

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**Oman ( $p^*=0.32$ )**

Mean	<b>0.72</b>	<b>0.47</b>	<b>0.59</b>
Median	0.80	0.45	0.70
Stand. Dev.	0.21	0.20	0.27
N	[29]	[22]	[24]

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<b>SWI (<math>p^*=0.28</math>)</b>			
Mean	<b>0.51</b>	<b>0.40</b>	<b>0.47</b>
Median	0.51	0.42	0.50
Stand. Dev.	0.21	0.22	0.22
N	[25]	[24]	[22]
<b>TUR (<math>p^*=0.46</math>)</b>			
Mean	<b>0.49</b>	<b>0.33</b>	<b>0.40</b>
Median	0.50	0.29	0.43
Stand. Dev.	0.25	0.28	0.21
N	[35]	[21]	[30]
<b>USA (<math>p^*=0.29</math>)</b>			
Mean	<b>0.54</b>	<b>0.32</b>	<b>0.37</b>
Median	0.6	0.29	0.3
Stand. Dev.	0.24	0.21	0.15
N	[31]	[29]	[25]

N=number of independent observations. Values for N in the table do not include the second player in the trust and risky dictator games. Note, 1 subject in the trust game, 2 subjects in the risky dictator game and 10 subjects in the decision problem did not indicate their gender.

Table A.3: Bootstrap results for the three preference phenomena: Percent of randomly drawn sub-samples smaller than the experimentally observed country sample

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	<b>Betrayal aversion</b>	<b>Social preferences</b>	<b>Risk aversion</b>
	$(MAP_{TG}-MAP_{RDG})$	$(MAP_{DP}-MAP_{RDG})$	$(MAP_{DP}-.29)$
Brazil	9.67	47.34	73.04
China	21.30	2.47	15.00
Oman	95.34	86.77	99.94
Switzerland	28.00	70.20	66.74
Turkey	51.90	63.93	11.37
USA	88.27	53.20	2.97

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Table A.4. Determinants of minimum acceptable probabilities (*MAPs*) in each country.

	BRAZIL	CHINA	OMAN	SWITZ	TURKEY	USA
Trust Game	0.104 (0.076)	0.075 (0.073)	0.241** (0.080)	0.141* (0.063)	0.147* (0.066)	0.233** (0.055)
Decision Pr.	-0.019 (0.081)	-0.091 (0.069)	0.157 (0.088)	0.107 (0.065)	0.041 (0.073)	0.019 (0.057)
Women	0.012 (0.062)	0.003 (0.064)	0.058 (0.066)	0.153** (0.055)	0.235** (0.059)	0.082 (0.046)
Age	0.002 (0.005)	-0.013 (0.017)	0.019 (0.022)	-0.015 (0.008)	-0.018 (0.018)	-0.013* (0.006)
Wealth	-0.042 (0.037)	0.014 (0.031)	0.006 (0.036)	0 (0.035)	0.007 (0.035)	-0.017 (0.021)
Economics	0.034 (0.073)	0.033 (0.067)	-0.052 (0.088)	-0.035 (0.055)	-0.148* (0.059)	-0.104 (0.069)
Constant	0.485* (0.185)	0.742 (0.419)	0.021 (0.495)	0.655** (0.246)	0.66 (0.417)	0.657** (0.164)
Obs.	103	66	59	68	69	78
R-squared	0.04	0.14	0.21	0.19	0.3	0.27

Robust standard errors in parentheses, clustered at the session level; \* sign. at 5-percent; \*\* sign. at 1-percent.